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# Wisconsin Legislative Council

## AMENDMENT MEMO

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**Contact:** Dan Schmidt, Deputy Director

**2019 Assembly Bill 38**

**Senate Amendment 1**

### CURRENT LAW

Current law generally prohibits any public officer or public employee from negotiating, bidding for, or entering into a contract in which they have a private interest if they are authorized or required by law to participate in the contract in their capacity as an officer or employee. However, the statutes include an exception for commercial activity that is related to research conducted by an employee or officer of the University of Wisconsin (UW) System or to a product of such research. The current exception applies to contracts between a research company, as defined under the statute, and the UW System or any institution or college campus within the system, provided that the following criteria apply:

- The contract was approved by a UW System employee or officer responsible for evaluating and managing potential conflicts of interest.
- The contract required less than \$250,000 in payments over a 24-month period; or after submission of the contract to the Board of Regents for review, the Board of Regents did not notify the system within 45 days that it constituted a conflict of interest.

Current statutes define a “research company” as an entity engaged in commercial activity related to research conducted by an employee or officer of the UW System or a product of such research.

### 2019 ASSEMBLY BILL 38

The bill generally alters the requirements that apply to research contracts involving the institutions of UW System. Under the bill, the newly created exception applies to contracts between a research company and the UW System or any institution or college campus within the system, if the interest that a system employee or officer has in the research company has been evaluated and addressed in a management plan issued by the individual or body responsible for evaluating and managing potential conflicts of interest.

The bill also redefines a “research company” as an entity engaged in either commercial or nonprofit activity related to research conducted by an employee or officer of the UW System or a product of such research.

### SENATE AMENDMENT 1

The amendment requires that the Board of Regents adopt a policy specifying the requirements for a management plan for research contracts between UW System institutions and research companies. The amendment also requires that UW institutional policies comply with the Board of Regents policy.

## **BILL HISTORY**

Senate Amendment 1 was offered by Senator Feyen on October 17, 2019. Senate Amendment 1 was adopted by the Senate on November 5, 2019. The Assembly concurred in Assembly Bill 38, as amended by the Senate, on November 12, 2019.

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