



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1757/P3  
EKL:kjf&cde

DOA:.....Quinn, BB0261 - WEDC accountability provisions

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT** ...; **relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*  
**COMMERCE AND ECONOMIC DEVELOPMENT**  
**ECONOMIC DEVELOPMENT**

***1. Disclosure of WEDC contracts and changes to projects***

Under this bill, any WEDC contract under which a taxpayer may be eligible to claim total tax benefits in excess of \$5,000,000 must require the taxpayer to notify WEDC of any material change to the project and the effect of the material change on the contract's performance goals or requirements. The bill requires WEDC to notify JCF of these material changes and any other material change to a contract under which a taxpayer may be eligible to claim total tax benefits in excess of \$5,000,000 that is due to an amendment to the contract. The bill also requires that WEDC's Internet site contain a searchable database of all final contracts, including amendments, that provide a grant, loan, or tax benefit.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 238.116 of the statutes is created to read:

**238.116 Reporting of material changes in contracts for tax benefits. (1)**

Each contract the corporation executes with a taxpayer under which the taxpayer may be eligible to claim tax benefits in excess of \$5,000,000 during the term of the contract shall include a requirement that the taxpayer promptly notify the corporation of all of the following:

(a) Each material change to a project subject to the contract.

(b) All effects of each material change under par. (a) on the contract's performance goals or requirements, including job retention, creation, or training and capital expenditures, and any effect on the timing of the taxpayer's achievement of the performance goals or requirements.

**(2)** The corporation shall notify the joint committee on finance of any material change for which the corporation receives notice under sub. (1) and, for any contract under which a taxpayer may be eligible to claim tax benefits in excess of \$5,000,000 during the term of the contract, of any material change due to an amendment to the contract.

**SECTION 2.** 238.08 of the statutes is renumbered 238.08 (1) and amended to read:

238.08 **(1)** All records of the corporation are open to the public as provided in s. 19.35 (1) except those records relating to pending grants, loans, or economic development projects that, in the opinion of the corporation, must remain confidential to protect the competitive nature of the grant, loan, or project and except records received from the department of revenue pursuant to an agreement under s. 71.78 (5).

\*\*\*NOTE: This is reconciled s. 238.08(1). This SECTION has been affected by drafts with the following LRB numbers: -1757/p2 and -1796/p1.

**SECTION 3.** 238.08 (2) of the statutes is created to read:

238.08 (2) The corporation shall maintain on its Internet site a searchable, electronic database that allows any person to inspect all final contracts, including final amendments to these contracts, under which the corporation agrees to provide a grant, loan, or tax benefit. The corporation shall add a final contract or final amendment to the database no later than 30 days after the contract or amendment is executed.

**SECTION 9349. Initial applicability; Wisconsin Economic Development Corporation.**

(1) REPORTING OF MATERIAL CHANGES TO CONTRACTS. The treatment of s. 238.116 first applies to contracts entered into, modified, or renewed on the effective date of this subsection.

(END)