



State of Wisconsin  
2017 - 2018 LEGISLATURE

August 2017 Special Session

LRB-4067/1  
MS/MG/JK/ZW/MK:emw&wlj

## SENATE BILL 1

August 10, 2017 - Introduced by COMMITTEE ON SENATE ORGANIZATION, by request of Governor Scott Walker. Referred to Joint Committee on Finance.

1        **AN ACT** *to renumber* 196.192 (2) and 238.399 (4); *to renumber and amend*  
2            30.195 (7), 61.57, 62.155, 196.192 (1), 196.192 (3) (a), 196.192 (3) (b) and 196.192  
3            (4); *to amend* 30.123 (6m) (intro.), 66.1105 (2) (f) 1. (intro.), 66.1105 (4) (gm) 4.  
4            c., 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4.,  
5            71.30 (3) (f), 71.34 (1k) (g), 84.0145 (2), 180.0622 (2), 183.0304 (1), 196.491 (1)  
6            (f), 238.399 (3) (a), 238.399 (5m), 281.346 (4) (c) 2m., 281.36 (3b) (b) and 281.36  
7            (3m) (a); and *to create* 16.004 (23), 16.297, 20.395 (6) (ad), 20.505 (1) (fr), 20.835  
8            (2) (cp), 20.866 (2) (uuz), 20.923 (4) (c) 2m., 30.12 (1g) (m), 30.123 (6) (f), 30.19  
9            (1m) (h), 30.195 (7) (b), 61.57 (1) and (2), 62.155 (1) and (2), 66.1105 (20), 71.07  
10           (3w) (bm) 5., 71.07 (3wm), 71.28 (3w) (bm) 5., 71.28 (3wm), 73.0300, 77.54 (65),  
11           84.585, 196.192 (1) (b), 196.192 (2m), 196.49 (5g) (ar) 3., 230.08 (2) (xt), 238.396,  
12           238.399 (3) (e), 238.399 (4) (b), 238.399 (5) (f) and 281.36 (4m) of the statutes;  
13           **relating to:** authorizing the creation of an electronics and information  
14           technology manufacturing zone, making changes to the enterprise zone tax

1 credit program, authorizing limited use of the design-build construction  
2 process, granting contingent highway bonding authority, and making  
3 appropriations.

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***Analysis by the Legislative Reference Bureau***

**ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE**

This bill authorizes the Wisconsin Economic Development Corporation to create not more than one electronics and information technology manufacturing zone.

***Tax credits***

Under the bill, WEDC may certify certain businesses to claim income and franchise tax credits if a business begins operations in the electronics and information technology manufacturing zone. WEDC may certify such a business for additional income and franchise tax credits, subject to certain limitations, if the business makes a significant capital expenditure in the zone. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer receives a refund equal to the excess amount. The total amount of all tax credits WEDC may certify under the bill is \$2,850,000,000. WEDC may seek repayment of tax credits under circumstances specified in the bill, and WEDC must revoke a certification to claim tax credits if a certified business does any of the following:

1. Supplies false or misleading information to obtain the tax credits.
2. Leaves the electronics and information technology manufacturing zone to conduct substantially the same business outside the zone.
3. Ceases operations in the electronics and information technology manufacturing zone and does not renew operation of the business or a similar business in the zone within 12 months.

***Sales and use tax exemption***

The bill creates a sales and use tax exemption for the sale of building materials, supplies, and equipment used to construct facilities located in an electronics and information technology manufacturing zone if the capital expenditures for constructing the facilities may be claimed as income and franchise tax credits as certified by WEDC.

***Tax incremental financing districts***

The bill creates special provisions that apply to certain tax incremental financing districts (TIDs) if WEDC creates an electronics and information technology manufacturing zone, and a city or village creates a TID that includes the zone.

Under the current tax incremental financing program, a city or village may create a TID in part of its territory to foster development under certain conditions. Currently, towns and counties also have a limited ability to create a TID under certain limited circumstances. Before a city or village may create a TID, several

steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, adoption of a resolution, submission of documents to the Department of Revenue within specified time frames, and the preparation and adoption by the local planning commission of a proposed project plan for the TID.

Generally, if a resolution creating a TID is adopted between January 2 and September 30, the TID is considered to have been created on the previous January 1, and if a resolution creating a TID is adopted between October 1 and December 31, its creation date is considered to be the following January 1. In addition, forms required by DOR must be submitted to the department by October 31 of the year in which the TID is created.

Also under current law, once a TID has been created, DOR calculates the “tax incremental base” value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a value increment is created. That portion of taxes collected on the value increment in excess of the base value is called a “tax increment” and is placed in a fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.

Generally, under current law, expenditures for project costs must be spent within the boundaries of the TID, although limited exceptions allow expenditures to be made within a one-half mile radius of the TID’s boundaries. Also, with regard to TIDs created after September 30, 2004, the territory of which is mostly suitable for industrial sites or mixed-use development, the TIDs must generally terminate not later than 20 years after their creation.

Subject to a number of exceptions, under current law, the equalized value of taxable property of a new or amended TID plus the value increment of all existing TIDs may not exceed 12 percent of the total equalized value of taxable property in the city or village.

Under this bill, for TIDs that are created in an area that includes an electronics and information technology manufacturing zone, a number of exceptions apply to the normal provisions that apply to TIDs, including the following:

1. The TID that is created must be an industrial site or mixed-use TID.
2. If the resolution creating the TID is adopted between January 1 and December 1, the creating city or village may decide if the TID is considered to have been created on the January 1 of the year in which the resolution is adopted or on the following January 1, and the forms required by DOR must be submitted before

December 31 of the year in which the resolution is adopted or between the following April 1 and the following December 1, depending on the TID's creation date.

3. The 12 percent rule regarding the total equalized value for taxable property in the city or village does not apply.

4. The city or village creating the TID may incur expenditures for project costs for any territory that is located in the same county in which the TID is located, provided the expenditure benefits the TID.

5. Instead of limiting to 20 years the period during which DOR may allocate positive tax increments, the allocation period is 30 years.

6. Instead of requiring the TID to terminate no later than 20 years after creation, the TID must terminate within 30 years after it is created.

### ***Environmental impact statements***

Under current law, all state agencies are required to prepare environmental impact statements for every recommendation or report on proposals for legislation and other major actions significantly affecting the quality of the human environment. A state agency is required to consider an environmental impact statement in its decision-making process, but the statement has no regulatory consequence. Current federal law under the National Environmental Policy Act also requires federal agencies to prepare an environmental impact statement for any major federal action, including for federal permits that are necessary for actions in the state. Under the bill, a determination regarding the issuance of any permit or approval for a new manufacturing facility within an electronics and information technology manufacturing zone is not a major action for the purpose of the environmental impact statement requirement.

### ***Wetlands and waterway permits exemption***

Under federal law, activities involving the discharge of dredged or fill material into "navigable waters" must comply with certain guidelines contained in regulations promulgated by the federal Environmental Protection Agency in order for a discharge permit to be issued by the U.S. Army Corps of Engineers (ACE). Before ACE may issue a permit, the Department of Natural Resources must determine that the project complies with state water quality standards, including those for wetlands (water quality certification). Federal law defines "navigable waters" to be "the waters of the United States." Generally, courts have interpreted "the waters of the United States" to exclude nonnavigable, isolated, intrastate waters (nonfederal wetlands).

Under current state law, subject to exceptions, no person may discharge dredged material or fill material into a federal or nonfederal wetland unless the discharge is authorized by a wetland general permit or individual permit, or the discharge is exempt from permitting requirements. Current law requires DNR to issue wetland general permits for discharges of dredged or fill material into certain federal and nonfederal wetlands. For a discharge into a wetland that is not authorized under a wetland general permit, current law requires a person to apply for and obtain a wetland individual permit. Before DNR may issue a wetland individual permit, it must require the restoration, enhancement, creation, or preservation of other wetlands to compensate for adverse impacts to a wetland

resulting from the discharge, also known as mitigation. Under current law, a wetland general or individual permit issued by DNR constitutes water quality certification.

Under this bill, a person may, without a permit, discharge dredged material or fill material into a nonfederal wetland that is located in an electronics and information technology manufacturing zone if the discharge is related to the construction, access, or operation of a new manufacturing facility that is also located in the zone. With respect to a federal wetland located in an electronics and information technology manufacturing zone, the bill provides that no state permit is required and that the state waives water quality certification. Under the bill, a federal permit for such a discharge is still required. The bill requires any adverse impacts to functional values of federal or nonfederal wetlands in an electronics and information technology manufacturing zone to be compensated at a ratio of two acres per each acre impacted through the purchase of credits from a mitigation bank, participation in the in lieu fee subprogram or escrow subprogram administered by DNR, or completion of mitigation within this state. Under current law, the general minimum ratio is 1.2 acres for each acre affected by the discharge.

Under current law, subject to exceptions, no person may do any of the following without a permit issued by DNR: 1) deposit any material or place any structure upon the bed of any navigable water where no bulkhead line has been established or beyond a lawfully established bulkhead line; 2) construct or maintain a bridge or construct, place, or maintain a culvert in, on, or over navigable waters; 3) construct, dredge, or enlarge any artificial water body that connects with an existing navigable waterway; 4) construct or enlarge any part of an artificial water body that is or will be located within 500 feet of the ordinary high-water mark of, but that does not or will not connect with, an existing navigable waterway; 5) grade or remove topsoil from the bank of any navigable waterway where the area exposed by the grading or removal will exceed 10,000 square feet; and 6) change the course of or straighten a navigable stream.

Under the bill, DNR generally may not require a permit for any of these activities if they relate to the construction, access, or operation of a new manufacturing facility located in an electronics and information technology manufacturing zone. However, the bill provides that DNR may require a permit for the construction or maintenance of bridges and the construction or placement and maintenance of culverts if DNR determines that conditions specific to the site require restrictions in order to prevent significant adverse impacts to the public rights and interests, environmental pollution, or material injury to the riparian rights of any riparian owner.

### ***Public Service Commission certificates and market-based rates***

This bill exempts public utility projects within an electronics and information technology manufacturing zone from obtaining a certificate of authority from the Public Service Commission, which current law generally requires for construction, improvement, and other projects of public utilities. The bill also exempts transmission line relocations within such a zone from obtaining a certificate of public convenience and necessity from the PSC, which current law generally requires

before beginning construction of high-voltage transmission lines and associated facilities.

The bill also requires an electric public utility that provides service to an electronics and information technology manufacturing zone to file tariffs with the PSC for market-based pricing and options for new retail customers within the zone. The bill requires the tariffs to be filed no later than January 1, 2020. The bill specifies requirements that must be included in the tariffs and requires the PSC to approve rates that are consistent with those requirements.

### ***Grants to local governments***

This bill authorizes the Department of Administration to make grants to local governmental units for costs associated with development in an electronics and information technology manufacturing zone, including costs related to infrastructure and public safety. DOA may require a local governmental unit to match a grant in whole or in part.

### **CONTINGENT HIGHWAY BONDING AUTHORIZATION**

This bill authorizes the state to contract up to \$252,400,000 in general obligation public debt for the I 94 north-south corridor project. The Department of Transportation, however, may not expend the proceeds of these bonds unless the state receives an award of federal moneys for the project.

### **DESIGN-BUILD CONSTRUCTION**

This bill authorizes a city or village in which an electronics and information technology manufacturing zone is located to contract for the acquisition of water and sewer systems, and wastewater treatment facilities, using the design-build system. Under this system, the city or village invites developers to submit proposals to provide completed projects in these areas without following the bidding requirements for public works projects that would otherwise apply. Current law authorizes the use of this system by any city, village, or county for the acquisition of recycling or resource recovery facilities.

### **ENTERPRISE ZONES**

Under current law, WEDC may designate areas within the state as “enterprise zones.” WEDC may certify a business in an enterprise zone to receive income and franchise tax credits if the business creates or retains jobs in the enterprise zone, subject to several limitations. The bill makes the following changes to the enterprise zone tax credit program:

1. Authorizes WEDC to increase from 30 to 35 the number of designated enterprise zones.

2. Authorizes WEDC to cancel the designation of an enterprise zone if WEDC revokes all certifications for tax credits within the zone. WEDC may designate a new enterprise zone if it cancels an existing zone designation.

3. Authorizes WEDC to designate a new enterprise zone if an existing enterprise zone expires. Under current law, an enterprise zone designation expires after 12 years.

4. Authorizes WEDC to certify for enterprise zone tax credits a financial services technology business that, after completing a competitive corporate

relocation process, retains its corporate headquarters and at least 93 percent of its full-time employees, as determined by WEDC, in Wisconsin.

#### **ECONOMIC DEVELOPMENT LIAISON**

This bill requires the secretary of administration to appoint an economic development liaison in the unclassified service of the state civil service to perform economic development-related services.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* 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:*

- 1           **SECTION 1.** 16.004 (23) of the statutes is created to read:
- 2           16.004 (23) ECONOMIC DEVELOPMENT LIAISON. The secretary shall appoint an
- 3           economic development liaison to perform services related to economic development.
- 4           **SECTION 2.** 16.297 of the statutes is created to read:
- 5           **16.297 Grants for local government expenditures; moral obligation**
- 6           **pledge. (1) GRANTS.** From the appropriation under s. 20.505 (1) (fr), the department
- 7           may make one or more grants to a local governmental unit for the local governmental
- 8           unit's expenditures for costs the department determines are associated with
- 9           development occurring in an electronics and information technology manufacturing
- 10          zone designated under s. 238.396 (1m), including costs related to infrastructure and
- 11          public safety.
- 12          **(2) MATCH.** The department may require a local governmental unit to match
- 13          in whole or in part a grant the department makes to the local governmental unit
- 14          under sub. (1).

1           **(3) MORAL OBLIGATION PLEDGE.** Recognizing its moral obligation to do so, the  
2 legislature expresses its expectation and aspiration that, if ever called upon to do so,  
3 it shall make an appropriation to pay up to 40 percent of the principal and interest  
4 of a local governmental unit's obligations, if all of the following apply:

5           (a) The local governmental unit's obligation is issued to finance costs related  
6 to development occurring in or for the benefit of an electronics and information  
7 technology manufacturing zone designated under s. 238.396 (1m).

8           (b) The secretary approves the local governmental unit's obligation before it is  
9 issued.

10           **(4) AGREEMENT.** The secretary may contract with a local governmental unit to  
11 implement this section.

12           **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
13 the following amounts for the purposes indicated:

	<b>2017-18</b>	<b>2018-19</b>
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14 **20.505 Administration, department of**

15 (1) SUPERVISION AND MANAGEMENT

16 (fr) Grants for local government

expenditures	GPR	C	10,000,000	-0-
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18 **SECTION 4.** 20.395 (6) (ad) of the statutes is created to read:

19 20.395 **(6)** (ad) *Principal repayment and interest, contingent funding of*  
20 *southeast Wisconsin freeway megaprojects, state funds.* From the general fund, a sum  
21 sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs  
22 incurred in financing southeast Wisconsin freeway megaprojects, as provided under  
23 ss. 20.866 (2) (uuz) and 84.585 and 2017 Wisconsin Act ... (this act), section 60 (1),



1 and to make payments under an agreement or ancillary arrangement entered into  
2 under s. 18.06 (8) (a).

3 **SECTION 5.** 20.505 (1) (fr) of the statutes is created to read:

4 20.505 (1) (fr) *Grants for local government expenditures.* As a continuing  
5 appropriation, the amounts in the schedule for grants to local governmental units  
6 under s. 16.297.

7 **SECTION 6.** 20.835 (2) (cp) of the statutes is created to read:

8 20.835 (2) (cp) *Electronics and information technology manufacturing zone*  
9 *credit.* A sum sufficient to make the payments under ss. 71.07 (3wm) (d) 2. and 71.28  
10 (3wm) (d) 2.

11 **SECTION 7.** 20.866 (2) (uuz) of the statutes is created to read:

12 20.866 (2) (uuz) *Transportation; southeast Wisconsin freeway megaprojects*  
13 *subject to contingency.* From the capital improvement fund, a sum sufficient for the  
14 department of transportation to fund southeast Wisconsin freeway megaprojects as  
15 provided under s. 84.585. Subject to 2017 Wisconsin Act ... (this act), section 60 (1),  
16 the state may contract public debt in an amount not to exceed \$252,400,000 for these  
17 purposes.

18 **SECTION 8.** 20.923 (4) (c) 2m. of the statutes is created to read:

19 20.923 (4) (c) 2m. Administration, department of: economic development  
20 liaison.

21 **SECTION 9.** 30.12 (1g) (m) of the statutes is created to read:

22 30.12 (1g) (m) A structure or deposit that is related to the construction, access,  
23 or operation of a new manufacturing facility in a navigable stream located in an  
24 electronics and information technology manufacturing zone designated under s.  
25 238.396 (1m).

1           **SECTION 10.** 30.123 (6) (f) of the statutes is created to read:

2           30.123 **(6)** (f) The construction or maintenance of bridges and the construction  
3 or placement and maintenance of culverts that are required for the construction,  
4 access, or operation of a new manufacturing facility and that affect a portion of a  
5 navigable stream within an electronics and information technology manufacturing  
6 zone designated under s. 238.396 (1m).

7           **SECTION 11.** 30.123 (6m) (intro.) of the statutes is amended to read:

8           30.123 **(6m)** PERMITS IN LIEU OF EXEMPTIONS. (intro.) The department may  
9 decide to require that a person engaged in an activity that is exempt under sub. (6)  
10 (d) or (f) apply for an individual permit or seek authorization under a general permit  
11 if the department has conducted an investigation and visited the site of the activity  
12 and has determined that conditions specific to the site require restrictions on the  
13 activity in order to prevent any of the following:

14           **SECTION 12.** 30.19 (1m) (h) of the statutes is created to read:

15           30.19 **(1m)** (h) Any activity that affects a portion of a navigable stream and that  
16 is required for the construction, access, and operation of a new manufacturing  
17 facility within an electronics and information technology manufacturing zone  
18 designated under s. 238.396 (1m).

19           **SECTION 13.** 30.195 (7) of the statutes is renumbered 30.195 (7) (intro.) and  
20 amended to read:

21           30.195 **(7)** APPLICATION OF SECTION. (intro.) This section does not apply to  
22 ~~municipal~~ any of the following:

23           (a) Municipal or county-owned lands in counties having a population of  
24 750,000 or more.

25           **SECTION 14.** 30.195 (7) (b) of the statutes is created to read:

1           30.195 (7) (b) Activity related to the construction, access, or operation of a new  
2           manufacturing facility located in an electronics and information technology  
3           manufacturing zone designated under s. 238.396 (1m).

4           **SECTION 15.** 61.57 of the statutes is renumbered 61.57 (intro.) and amended  
5           to read:

6           **61.57 Acquisition of recycling or resource recovery facilities without**  
7           **bids.** (intro.) A village may contract for the acquisition of any element of ~~a recycling~~  
8           ~~or resource recovery facility~~ the following without submitting the contract for bids  
9           as required under s. 61.54 if the village invites developers to submit proposals to  
10          provide a completed project and evaluates proposals according to site, cost, design  
11          and the developers' experience in other similar projects.:

12          **SECTION 16.** 61.57 (1) and (2) of the statutes are created to read:

13          61.57 (1) A recycling or resource recovery facility.

14          (2) If the village contains an electronics and information technology  
15          manufacturing zone that is designated under s. 238.396 (1m):

16          (a) Water and sewer systems.

17          (b) Wastewater treatment facilities.

18          **SECTION 17.** 62.155 of the statutes is renumbered 62.155 (intro.) and amended  
19          to read:

20          **62.155 Acquisition of recycling or resource recovery facilities without**  
21          **bids.** (intro.) A city may contract for the acquisition of any element of ~~a recycling~~  
22          ~~or resource recovery facility~~ the following without submitting the contract for bids  
23          as required under s. 62.15 if the city invites developers to submit proposals to provide  
24          a completed project and evaluates proposals according to site, cost, design and the  
25          developers' experience in other similar projects.:

1           **SECTION 18.** 62.155 (1) and (2) of the statutes are created to read:

2           62.155 (1) A recycling or resource recovery facility.

3           (2) If the city contains an electronics and information technology  
4 manufacturing zone that is designated under s. 238.396 (1m):

5           (a) Water and sewer systems.

6           (b) Wastewater treatment facilities.

7           **SECTION 19.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

8           66.1105 (2) (f) 1. (intro.) “Project costs” mean any expenditures made or  
9 estimated to be made or monetary obligations incurred or estimated to be incurred  
10 by the city which are listed in a project plan as costs of public works or improvements  
11 within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or  
12 subds. 1. k., 1. m., and 1. n., or sub. (20) (c), without the district, plus any incidental  
13 costs, diminished by any income, special assessments, or other revenues, including  
14 user fees or charges, other than tax increments, received or reasonably expected to  
15 be received by the city in connection with the implementation of the plan. For any  
16 tax incremental district for which a project plan is approved on or after July 31, 1981,  
17 only a proportionate share of the costs permitted under this subdivision may be  
18 included as project costs to the extent that they benefit the tax incremental district,  
19 except that expenditures made or estimated to be made or monetary obligations  
20 incurred or estimated to be incurred by a 1st class city, to fund parking facilities  
21 ancillary to and within one mile from public entertainment facilities, including a  
22 sports and entertainment arena, shall be considered to benefit any tax incremental  
23 district located in whole or in part within a one-mile radius of such parking facilities.  
24 To the extent the costs benefit the municipality outside the tax incremental district,  
25 a proportionate share of the cost is not a project cost. “Project costs” include:

1           **SECTION 20.** 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

2           66.1105 (4) (gm) 4. c. Except as provided in subs. (10) (c), (16) (d), (17), and (18)  
3           (c) 3., and (20) (b), the equalized value of taxable property of the district plus the  
4           value increment of all existing districts does not exceed 12 percent of the total  
5           equalized value of taxable property within the city. In determining the equalized  
6           value of taxable property under this subd. 4. c. or sub. (17) (c), the department of  
7           revenue shall base its calculations on the most recent equalized value of taxable  
8           property of the district that is reported under s. 70.57 (1m) before the date on which  
9           the resolution under this paragraph is adopted. If the department of revenue  
10          determines that a local legislative body exceeds the 12 percent limit described in this  
11          subd. 4. c. or sub. (17) (c), the department shall notify the city of its noncompliance,  
12          in writing, not later than December 31 of the year in which the department receives  
13          the completed application or amendment forms described in sub. (5) (b).

14          **SECTION 21.** 66.1105 (20) of the statutes is created to read:

15          66.1105 (20) DISTRICTS WITHIN AN ELECTRONICS AND INFORMATION TECHNOLOGY  
16          MANUFACTURING ZONE. (a) *Creation.* With regard to a tax incremental district that  
17          is created in an electronics and information technology manufacturing zone that is  
18          designated under s. 238.396 (1m), the district may only be a district that is suitable  
19          for industrial sites or mixed-use development, as described in sub. (4) (gm) 4. a., and  
20          all of the following apply:

21                1. Notwithstanding the dates specified in sub. (4) (gm) 2., if the resolution  
22                described under sub. (4) (gm) is adopted during the period between January 1 and  
23                December 1, the creation date shall be either the January 1 of the year in which the  
24                resolution is adopted or the next subsequent January 1, as specified by the local  
25                legislative body in the resolution. If a resolution is adopted during the period

1 between December 2 and December 31, the creation date shall be the next  
2 subsequent January 1.

3 2. Notwithstanding the October 31 deadline for the city clerk's submission of  
4 the forms described in sub. (5) (b), the city clerk shall complete and submit the  
5 required forms for a tax incremental district described in this subsection either:

6 a. On or before December 31 of the year the resolution under subd. 1. is adopted  
7 if the resolution is adopted between January 1 and December 1, and the resolution  
8 specifies that the district's creation date is January 1 of the year in which the  
9 resolution is adopted.

10 b. On or after the next subsequent April 1 and before the next subsequent  
11 December 1 of the year the resolution under subd. 1. is adopted if the resolution is  
12 adopted between January 1 and December 1 and the resolution specifies that the  
13 district's creation date is the next subsequent January 1 or the resolution is adopted  
14 between December 2 and December 31.

15 (b) *Exception to the 12 percent limit.* Notwithstanding the 12 percent limit  
16 findings requirement described under sub. (4) (gm) 4. c., the equalized value of  
17 taxable property of a tax incremental district described under this subsection does  
18 not count in the calculation of the 12 percent limit.

19 (c) *Expenditures.* With regard to a tax incremental district described under this  
20 subsection, the creating city may incur project costs for any territory that is located  
21 in the same county as the district, provided that the expenditure benefits the district.

22 (d) *Allocation of positive increments.* Notwithstanding the 20-year limit for  
23 allocating positive tax increments described in sub. (6) (a) 7., for a tax incremental  
24 district described under this subsection, that limit shall be 30 years for purposes of  
25 sub. (6) (a) 7.

1           (e) *Termination.* Notwithstanding the 20-year termination requirement  
2 specified in sub. (7) (am) 2., for a tax incremental district described under this  
3 subsection, that limit shall be 30 years for purposes of sub. (7) (am) 2.

4           **SECTION 22.** 71.05 (6) (a) 15. of the statutes is amended to read:

5           71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the  
6 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
7 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),  
8 (5rm), (6n), and (8r) and not passed through by a partnership, limited liability  
9 company, or tax-option corporation that has added that amount to the partnership's,  
10 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

11           **SECTION 23.** 71.07 (3w) (bm) 5. of the statutes is created to read:

12           71.07 (3w) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,  
13 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,  
14 2009 stats., a claimant that has retained the minimum number of full-time  
15 employees determined under s. 238.399 (5) (f) and maintained average zone payroll  
16 for the taxable year equal to or greater than the base year may claim as a credit  
17 against the tax imposed under s. 71.02 or 71.08 an amount equal to the percentage,  
18 as determined by the Wisconsin Economic Development Corporation, of the  
19 claimant's zone payroll paid in the 12 months prior to the certification date to the  
20 claimant's full-time employees in the enterprise zone whose annual wages are  
21 greater than the amount determined by multiplying 2,080 by 150 percent of the  
22 federal minimum wage in a tier I county or municipality or greater than \$30,000 in  
23 a tier II county or municipality. The amount that the claimant may claim as credit  
24 under this subdivision for a taxable year shall not exceed \$2,000,000. A claimant

1 may claim a credit under this subdivision for no more than 5 consecutive taxable  
2 years.

3 **SECTION 24.** 71.07 (3wm) of the statutes is created to read:

4 71.07 (**3wm**) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

5 CREDIT. (a) *Definitions.* In this subsection:

6 1. "Claimant" means a person who is certified to claim tax benefits under s.  
7 238.396 (3) and who files a claim under this subsection.

8 2. "Full-time employee" means a full-time employee, as defined in s. 238.399  
9 (1) (am).

10 3. "State payroll" means the amount of payroll apportioned to this state, as  
11 determined under s. 71.25 (8).

12 4. "Tier I county or municipality" means a tier I county or municipality, as  
13 determined under s. 238.396 (4) (e).

14 5. "Tier II county or municipality" means a tier II county or municipality, as  
15 determined under s. 238.396 (4) e).

16 6. "Wages" means wages under section 3306 (b) of the Internal Revenue Code,  
17 determined without regard to any dollar limitations.

18 7. "Zone" means a zone designated under s. 238.396 (1m).

19 8. "Zone payroll" means the amount of state payroll that is attributable to  
20 wages paid to full-time employees for services that are performed in the zone or that  
21 are performed outside the zone, but within the state, and for the benefit of the  
22 operations within the zone, as determined by the Wisconsin Economic Development  
23 Corporation. "Zone payroll" does not include the amount of wages paid to any  
24 full-time employees that exceeds \$100,000.



1           (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection  
2 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.  
3 71.02 or 71.08 an amount calculated as follows:

4           1. Determine the zone payroll for the taxable year for full-time employees  
5 whose annual wages are greater than the amount determined by multiplying 2,080  
6 by 150 percent of the federal minimum wage in a tier I county or municipality or  
7 greater than \$30,000 in a tier II county or municipality.

8           2. Multiply the amount determined under subd. 1. by 17 percent.

9           (bm) *Filing supplemental claims.* In addition to claiming the credit under par.  
10 (b), and subject to the limitations under this subsection and s. 238.396, a claimant  
11 may claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount  
12 equal to 15 percent of the claimant's significant capital expenditures in the zone in  
13 the taxable year, as determined under s. 238.396 (3m).

14           (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
15 corporations may not claim the credit under this subsection, but the eligibility for,  
16 and the amount of, the credit are based on their payment of amounts described under  
17 pars. (b) and (bm). A partnership, limited liability company, or tax-option  
18 corporation shall compute the amount of credit that each of its partners, members,  
19 or shareholders may claim and shall provide that information to each of them.  
20 Partners, members of limited liability companies, and shareholders of tax-option  
21 corporations may claim the credit in proportion to their ownership interests.

22           2. No credit may be allowed under this subsection unless the claimant includes  
23 with the claimant's return a copy of the claimant's certification for tax benefits under  
24 s. 238.396 (3).

1 (d) *Administration*. 1. Section 71.28 (4) (g) and (h), as it applies to the credit  
2 under s. 71.28 (4), applies to the credit under this subsection.

3 2. If the allowable amount of the claim under this subsection exceeds the taxes  
4 otherwise due on the claimant's income under s. 71.02, the amount of the claim that  
5 is not used to offset those taxes shall be certified by the department of revenue to the  
6 department of administration for payment by check, share draft, or other draft  
7 drawn from the appropriation under s. 20.835 (2) (cp). Notwithstanding s. 71.82, no  
8 interest shall be paid on amounts certified under this subdivision.

9 **SECTION 25.** 71.08 (1) (intro.) of the statutes is amended to read:

10 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
11 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
12 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
13 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8r), (9e), (9m), and  
14 (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), (3wm), and (3y), 71.47 (1dx), (1dy),  
15 (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and  
16 payments to other states under s. 71.07 (7), is less than the tax under this section,  
17 there is imposed on that natural person, married couple filing jointly, trust or estate,  
18 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

19 **SECTION 26.** 71.10 (4) (i) of the statutes is amended to read:

20 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
21 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
22 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
23 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
24 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
25 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.

1 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
2 71.07 (3rn), business development credit under s. 71.07 (3y), film production services  
3 credit under s. 71.07 (5f), film production company investment credit under s. 71.07  
4 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),  
5 enterprise zone jobs credit under s. 71.07 (3w), electronics and information  
6 technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and  
7 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.  
8 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.  
9 X.

10 **SECTION 27.** 71.21 (4) (a) of the statutes is amended to read:

11 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
12 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),  
13 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and  
14 passed through to partners shall be added to the partnership's income.

15 **SECTION 28.** 71.26 (2) (a) 4. of the statutes is amended to read:

16 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
17 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (5e), (5f),  
18 (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), and (9s) and not passed through by a  
19 partnership, limited liability company, or tax-option corporation that has added that  
20 amount to the partnership's, limited liability company's, or tax-option corporation's  
21 income under s. 71.21 (4) or 71.34 (1k) (g).

22 **SECTION 29.** 71.28 (3w) (bm) 5. of the statutes is created to read:

23 71.28 (3w) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,  
24 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,  
25 2009 stats., a claimant that has retained the minimum number of full-time

1 employees determined under s. 238.399 (5) (f) and maintained average zone payroll  
2 for the taxable year equal to or greater than the base year may claim as a credit  
3 against the tax imposed under s. 71.23 an amount equal to the percentage, as  
4 determined by the Wisconsin Economic Development Corporation, of the claimant's  
5 zone payroll paid in the 12 months prior to the certification date to the claimant's  
6 full-time employees in the enterprise zone whose annual wages are greater than the  
7 amount determined by multiplying 2,080 by 150 percent of the federal minimum  
8 wage in a tier I county or municipality or greater than \$30,000 in a tier II county or  
9 municipality. The amount that the claimant may claim as credit under this  
10 subdivision for a taxable year shall not exceed \$2,000,000. A claimant may claim a  
11 credit under this subdivision for no more than 5 consecutive taxable years.

12 **SECTION 30.** 71.28 (3wm) of the statutes is created to read:

13 71.28 (**3wm**) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE  
14 CREDIT. (a) *Definitions.* In this subsection:

15 1. "Claimant" means a person who is certified to claim tax benefits under s.  
16 238.396 (3) and who files a claim under this subsection.

17 2. "Full-time employee" means a full-time employee, as defined in s. 238.399  
18 (1) (am).

19 3. "State payroll" means the amount of payroll apportioned to this state, as  
20 determined under s. 71.25 (8).

21 4. "Tier I county or municipality" means a tier I county or municipality, as  
22 determined under s. 238.396 (4) (e).

23 5. "Tier II county or municipality" means a tier II county or municipality, as  
24 determined under s. 238.396 (4) e).

1           6. “Wages” means wages under section 3306 (b) of the Internal Revenue Code,  
2           determined without regard to any dollar limitations.

3           7. “Zone” means a zone designated under s. 238.396 (1m).

4           8. “Zone payroll” means the amount of state payroll that is attributable to  
5           wages paid to full-time employees for services that are performed in the zone or that  
6           are performed outside the zone, but within the state, and for the benefit of the  
7           operations within the zone, as determined by the Wisconsin Economic Development  
8           Corporation. “Zone payroll” does not include the amount of wages paid to any  
9           full-time employees that exceeds \$100,000.

10           (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection  
11           and s. 238.396, a claimant may claim as a credit against the tax imposed under s.  
12           71.23 an amount calculated as follows:

13           1. Determine the zone payroll for the taxable year for full-time employees  
14           whose annual wages are greater than the amount determined by multiplying 2,080  
15           by 150 percent of the federal minimum wage in a tier I county or municipality or  
16           greater than \$30,000 in a tier II county or municipality.

17           2. Multiply the amount determined under subd. 1. by 17 percent.

18           (bm) *Filing supplemental claims.* In addition to claiming the credit under par.  
19           (b), and subject to the limitations under this subsection and s. 238.396, a claimant  
20           may claim as a credit against the tax imposed under s. 71.23 an amount equal to 15  
21           percent of the claimant’s significant capital expenditures in the zone in the taxable  
22           year, as determined under s. 238.396 (3m).

23           (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
24           corporations may not claim the credit under this subsection, but the eligibility for,  
25           and the amount of, the credit are based on their payment of amounts described under

1 pars. (b) and (bm). A partnership, limited liability company, or tax-option  
2 corporation shall compute the amount of credit that each of its partners, members,  
3 or shareholders may claim and shall provide that information to each of them.  
4 Partners, members of limited liability companies, and shareholders of tax-option  
5 corporations may claim the credit in proportion to their ownership interests.

6 2. No credit may be allowed under this subsection unless the claimant includes  
7 with the claimant's return a copy of the claimant's certification for tax benefits under  
8 s. 238.396 (3).

9 (d) *Administration*. 1. Subsection (4) (g) and (h), as it applies to the credit  
10 under sub. (4), applies to the credit under this subsection.

11 2. If the allowable amount of the claim under this subsection exceeds the taxes  
12 otherwise due on the claimant's income under s. 71.23, the amount of the claim that  
13 is not used to offset those taxes shall be certified by the department of revenue to the  
14 department of administration for payment by check, share draft, or other draft  
15 drawn from the appropriation under s. 20.835 (2) (cp). Notwithstanding s. 71.82, no  
16 interest shall be paid on amounts certified under this subdivision.

17 **SECTION 31.** 71.30 (3) (f) of the statutes is amended to read:

18 71.30 (3) (f) The total of farmland preservation credit under subch. IX,  
19 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility  
20 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing  
21 facility investment credit under s. 71.28 (3r), woody biomass harvesting and  
22 processing credit under s. 71.28 (3rm), food processing plant and food warehouse  
23 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28  
24 (3w), electronics and information technology manufacturing zone credit under s.  
25 71.28 (3wm), business development credit under s. 71.28 (3y), film production

1 services credit under s. 71.28 (5f), film production company investment credit under  
2 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),  
3 and estimated tax payments under s. 71.29.

4 **SECTION 32.** 71.34 (1k) (g) of the statutes is amended to read:

5 71.34 **(1k)** (g) An addition shall be made for credits computed by a tax-option  
6 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),  
7 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
8 (5rm), (6n), and (8r) and passed through to shareholders.

9 **SECTION 33.** 73.0300 of the statutes is created to read:

10 **73.0300 Disregarded entities.** With regard to a single-owner entity that is  
11 disregarded as a separate entity under section 7701 of the Internal Revenue Code,  
12 any notice that the department of revenue sends to the owner or to the entity is  
13 considered a notice sent to both and both are liable for any amounts due as specified  
14 in the notice. This section applies to all laws administered by the department.

15 **SECTION 34.** 77.54 (65) of the statutes is created to read:

16 77.54 **(65)** The sales price from the sale of building materials, supplies, and  
17 equipment and the sale of services described in s. 77.52 (2) (a) 20. to; and the storage,  
18 use, or other consumption of the same property and services by; owners, lessees,  
19 contractors, subcontractors, or builders if that property or service is acquired solely  
20 for or used solely in, the construction or development of facilities located in an  
21 electronics and information technology manufacturing zone designated under s.  
22 238.396 (1m) and if the capital expenditures for the construction or development of  
23 such facilities may be claimed as a credit under s. 71.07 (3wm) (bm) or 71.28 (3wm)  
24 (bm), as certified by the Wisconsin Economic Development Corporation.

25 **SECTION 35.** 84.0145 (2) of the statutes is amended to read:

1           84.0145 (2) Subject to sub. (3) and s. 86.255, any southeast Wisconsin freeway  
2 megaproject may be funded only from the appropriations under ss. 20.395 (3) (aq),  
3 (av), (ax), and (ct) and 20.866 (2) (uup) ~~and~~, (uur), and (uuz).

4           **SECTION 36.** 84.585 of the statutes is created to read:

5           **84.585 Additional contingent funding for southeast Wisconsin freeway**  
6 **megaprojects.** Subject to 2017 Wisconsin Act .... (this act), section 60 (1), the  
7 proceeds of general obligation bonds issued under s. 20.866 (2) (uuz) may be used to  
8 fund southeast Wisconsin freeway megaprojects under s. 84.0145 (3) (b) 1.

9           **SECTION 37.** 180.0622 (2) of the statutes is amended to read:

10           180.0622 (2) Unless otherwise provided in the articles of incorporation, a  
11 shareholder of a corporation is not personally liable for the acts or debts of the  
12 corporation, except for a shareholder in a corporation defined under s. 71.365 (7), and  
13 only to the extent provided for under s. 73.0300, and except that a shareholder may  
14 become personally liable by his or her acts or conduct other than as a shareholder.

15           **SECTION 38.** 183.0304 (1) of the statutes is amended to read:

16           183.0304 (1) The debts, obligations and liabilities of a limited liability  
17 company, whether arising in contract, tort or otherwise, shall be solely the debts,  
18 obligations and liabilities of the limited liability company. Except as provided in ss.  
19 73.0300, 183.0502, and 183.0608, a member or manager of a limited liability  
20 company is not personally liable for any debt, obligation or liability of the limited  
21 liability company, except that a member or manager may become personally liable  
22 by his or her acts or conduct other than as a member or manager.

23           **SECTION 39.** 196.192 (1) of the statutes is renumbered 196.192 (1) (intro.) and  
24 amended to read:

25           196.192 (1) (intro.) In this section, ~~“electric;~~



1           (a) “Electric public utility” means a public utility whose purpose is the  
2 generation, distribution and sale of electric energy.

3           **SECTION 40.** 196.192 (1) (b) of the statutes is created to read:

4           196.192 (1) (b) “Electronics and information technology manufacturing zone”  
5 means a zone designated under s. 238.396 (1m).

6           **SECTION 41.** 196.192 (2) of the statutes is renumbered 196.192 (2) (am).

7           **SECTION 42.** 196.192 (2m) of the statutes is created to read:

8           196.192 (2m) (a) No later than January 1, 2020, an electric public utility  
9 providing service to an electronics and information technology manufacturing zone  
10 shall file with the commission tariffs that include market-based pricing and options  
11 that allow a new retail customer within the electronics and information technology  
12 manufacturing zone to receive market benefits and take market risks for some or all  
13 of the customer’s purchases of capacity or energy, subject to the maximum capacity  
14 or energy purchase limits that shall be established by the commission, and shall  
15 include the following requirements in the tariffs:

16           1. The electric public utility shall verify that the customer is eligible for an  
17 electronics and information technology manufacturing zone credit under s. 71.07  
18 (3wm).

19           2. The customer shall annually nominate the amount of capacity and energy  
20 subject to the market-based tariff.

21           3. The customer shall provide not less than 12 months’ notice to terminate  
22 service under the market-based tariff.

23           4. The term of the market-based tariff may not be less than 10 years.

1           5. The customer shall pay the difference, if any, between the otherwise  
2 applicable retail rate and the market-based tariff rate if the customer does any of  
3 the following:

4           a. Supplies false or misleading information regarding its applicability for the  
5 market-based tariff.

6           b. Leaves the electronics and information technology manufacturing zone to  
7 conduct substantially the same business outside the electronics and information  
8 technology manufacturing zone.

9           c. Ceases operations in the electronics and information technology  
10 manufacturing zone and does not renew operation of the business or a similar  
11 business within the electronics and information technology manufacturing zone  
12 within 12 months.

13           (b) The commission shall approve market-based rates that are consistent with  
14 par. (a).

15           **SECTION 43.** 196.192 (3) (a) of the statutes is renumbered 196.192 (2) (bm) and  
16 amended to read:

17           196.192 (2) (bm) The commission shall approve market-based rates that are  
18 consistent with the options specified in ~~sub. (2) par. (am)~~, except that the commission  
19 may not approve a market-based rate unless the commission determines that the  
20 rate will not harm shareholders of the investor-owned electric public utility or  
21 customers who are not subject to the rate.

22           **SECTION 44.** 196.192 (3) (b) of the statutes is renumbered 196.192 (3m) and  
23 amended to read:

1           196.192 **(3m)** Nothing in s. 196.20, 196.22, 196.37, 196.60 or 196.604 prohibits  
2           the commission from approving a filing under sub. (2) (am) or (2m) (a) or approving  
3           market-based rates under ~~par. (a)~~ sub. (2) (bm) or (2m) (b).

4           **SECTION 45.** 196.192 (4) of the statutes is renumbered 196.192 (2) (c) and  
5           amended to read:

6           196.192 **(2)** (c) Subject to any approval of the commission that is necessary, an  
7           electric public utility that is not an investor-owned electric public utility may  
8           implement market-based rates approved under ~~sub. (3) (a)~~ par. (bm) or implement  
9           the options in filings under ~~sub. (2)~~ par. (am) that are approved by the commission.

10          **SECTION 46.** 196.49 (5g) (ar) 3. of the statutes is created to read:

11          196.49 **(5g)** (ar) 3. The project is within an electronics and information  
12          technology manufacturing zone designated under s. 238.396 (1m).

13          **SECTION 47.** 196.491 (1) (f) of the statutes is amended to read:

14          196.491 **(1)** (f) Except as provided in subs. (2) (b) 8. and (3) (d) 3m.,  
15          “high-voltage transmission line” means a conductor of electric energy exceeding one  
16          mile in length designed for operation at a nominal voltage of 100 kilovolts or more,  
17          together with associated facilities, and does not include transmission line relocations  
18          that are within an electronics and information technology manufacturing zone  
19          designated under s. 238.396 (1m) or that the commission determines are necessary  
20          to facilitate highway or airport projects.

21          **SECTION 48.** 230.08 (2) (xt) of the statutes is created to read:

22          230.08 **(2)** (xt) The economic development liaison in the department of  
23          administration.

24          **SECTION 49.** 238.396 of the statutes is created to read:

1           **238.396 Electronics and information technology manufacturing zone.**

2           **(1) DEFINITION.** In this section, “tax benefits” means the income and franchise tax  
3 credits under ss. 71.07 (3wm) and 71.28 (3wm).

4           **(1m) DESIGNATION OF ZONES; CRITERIA.** (a) The corporation may designate not  
5 more than one electronics and information technology manufacturing zone.

6           (b) In determining whether to designate an area under par. (a), the corporation  
7 shall consider all of the following:

8           1. Indicators of the area’s economic need, which may include data regarding  
9 household income, average wages, the condition of property, housing values,  
10 population decline, job losses, infrastructure and energy support, the rate of business  
11 development, and the existing resources available to the area.

12           2. The effect of designation on other initiatives and programs to promote  
13 economic and community development in the area, including job retention, job  
14 creation, job training, and creating high-paying jobs.

15           (c) The corporation shall specify whether an electronics and information  
16 technology manufacturing zone designated under par. (a) is located in a tier I county  
17 or municipality or a tier II county or municipality.

18           (d) The corporation shall, to the extent possible, give preference to the greatest  
19 economic need.

20           **(2) TIME LIMIT.** A designation under sub. (1m) shall remain in effect for no more  
21 than 15 years.

22           **(3) CERTIFICATION.** The corporation may certify for tax benefits a business that  
23 begins operations in an electronics and information technology manufacturing zone.

24           **(3m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.** If the  
25 corporation determines that a business certified under sub. (3) makes a significant

1 capital expenditure in the electronics and information technology manufacturing  
2 zone, the corporation may certify the business to receive additional tax benefits in  
3 an amount to be determined by the corporation, but not exceeding 15 percent of the  
4 business's capital expenditures. The corporation shall, in a manner determined by  
5 the corporation, allocate the tax benefits a business is certified to receive under this  
6 subsection over a period of 7 years.

7 **(3s) LIMITATIONS ON TAX BENEFITS.** (a) The corporation may not issue  
8 certifications to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) that  
9 total more than \$1,500,000,000.

10 (b) The corporation may not issue certifications to claim tax benefits under ss.  
11 71.07 (3wm) (bm) and 71.28 (3wm) (bm) that total more than \$1,350,000,000.

12 **(4) OTHER DUTIES.** (a) The corporation shall revoke a certification under sub.  
13 (3) if the business does any of the following:

14 1. Supplies false or misleading information to obtain tax benefits.

15 2. Leaves the electronics and information technology manufacturing zone to  
16 conduct substantially the same business outside the zone.

17 3. Ceases operations in the electronics and information technology  
18 manufacturing zone and does not renew operation of the business or a similar  
19 business in the zone within 12 months.

20 (b) The corporation may require a business to repay any tax benefits the  
21 business claims for a year in which the business failed to maintain employment  
22 levels or a significant capital investment in property required by an agreement  
23 between the business and the corporation.

1 (c) The corporation shall determine the maximum amount of the tax benefits  
2 that a certified business may claim and shall notify the department of revenue of this  
3 amount.

4 (d) The corporation shall annually verify the information submitted to the  
5 corporation under ss. 71.07 (3wm) and 71.28 (3wm).

6 (e) The corporation shall adopt policies and procedures defining a tier I county  
7 or municipality and a tier II county or municipality. The corporation may consider  
8 all of the following information when establishing the definitions required under this  
9 paragraph:

10 1. Unemployment rate.

11 2. Percentage of families with incomes below the poverty line established under  
12 42 USC 9902 (2).

13 3. Median family income.

14 4. Median per capita income.

15 5. Other significant or irregular indicators of economic distress, such as a  
16 natural disaster or mass layoff.

17 (f) The corporation shall adopt policies and procedures defining “significant  
18 capital expenditure” for purposes of sub. (3m).

19 **(5) NO ENVIRONMENTAL IMPACT STATEMENT REQUIRED.** The issuance of any permit  
20 or approval for a new manufacturing facility within an electronics and information  
21 technology manufacturing zone designated under this section is not a major action  
22 for the purposes of s. 1.11 (2) (c).

23 **SECTION 50.** 238.399 (3) (a) of the statutes is amended to read:

24 238.399 **(3)** (a) The corporation may designate not more than ~~30~~ 35 enterprise  
25 zones.

1           **SECTION 51.** 238.399 (3) (e) of the statutes is created to read:

2           238.399 (3) (e) If the corporation revokes all certifications for tax benefits  
3 within a designated enterprise zone, the corporation may cancel the designation of  
4 that enterprise zone. After canceling the designation of an enterprise zone, the  
5 corporation may designate a new enterprise zone subject to the limits of this  
6 subsection.

7           **SECTION 52.** 238.399 (4) of the statutes is renumbered 238.399 (4) (a).

8           **SECTION 53.** 238.399 (4) (b) of the statutes is created to read:

9           238.399 (4) (b) If an enterprise zone designation expires under par. (a), the  
10 corporation may designate a new enterprise zone subject to the limits of sub. (3).

11           **SECTION 54.** 238.399 (5) (f) of the statutes is created to read:

12           238.399 (5) (f) No more than one financial services technology business that,  
13 after completing a competitive corporate relocation process, retains its corporate  
14 headquarters in this state and retains at least 93 percent of its full-time employees  
15 in this state who were identified as being full-time employees of the business in the  
16 base year, as determined by the corporation.

17           **SECTION 55.** 238.399 (5m) of the statutes is amended to read:

18           238.399 (5m) **ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.**  
19 If the corporation determines that a business certified under sub. (5) makes a  
20 significant capital expenditure in the enterprise zone, the corporation may certify  
21 the business to receive additional tax benefits in an amount to be determined by the  
22 corporation, but not exceeding 10 percent of the business' capital expenditures. The  
23 corporation shall, in a manner determined by the corporation, allocate the tax  
24 benefits a business is certified to receive under this subsection over the remainder  
25 of the time limit of the enterprise zone under sub. (4) (a).

1           **SECTION 56.** 281.346 (4) (c) 2m. of the statutes is amended to read:

2           281.346 (4) (c) 2m. The proposal is consistent with an approved water supply  
3 service area plan under s. 281.348 that covers the public water supply system unless  
4 the proposal is to provide water to a straddling community that includes an  
5 electronics and information technology manufacturing zone designated under s.  
6 238.396 (1m).

7           **SECTION 57.** 281.36 (3b) (b) of the statutes is amended to read:

8           281.36 (3b) (b) No person may discharge dredged material or fill material into  
9 a wetland unless the discharge is authorized by a wetland general permit or  
10 individual permit issued by the department under this section or the discharge is  
11 exempt under sub. (4) or (4m) (a). No person may violate any condition contained in  
12 a wetland general or individual permit issued by the department under this section.  
13 The department may not issue a wetland general or individual permit under this  
14 section unless it determines that the discharge authorized pursuant to the wetland  
15 general or individual permit will comply with all applicable water quality standards.

16           **SECTION 58.** 281.36 (3m) (a) of the statutes is amended to read:

17           281.36 (3m) (a) *When permit required.* Any person wishing to proceed with a  
18 discharge into any wetland shall submit an application for a wetland individual  
19 permit under this subsection unless the discharge has been authorized under a  
20 wetland general permit as provided in sub. (3g) or is exempt under sub. (4) or (4m)  
21 (a). Before submitting the application, the department shall hold a meeting with the  
22 applicant to discuss the details of the proposed discharge and the requirements for  
23 submitting the application and for delineating the wetland. An applicant may  
24 include in the application a request for a public informational hearing. The



1 application shall be accompanied by the applicable fee specified in sub. (11) or (12)  
2 (a).

3 **SECTION 59.** 281.36 (4m) of the statutes is created to read:

4 281.36 (4m) EXEMPTION AND WAIVER; ELECTRONICS AND INFORMATION TECHNOLOGY  
5 MANUFACTURING ZONE. (a) The permitting requirement under sub. (3b) does not apply  
6 to any discharge into a wetland located in an electronics and information technology  
7 manufacturing zone designated under s. 238.396 (1m) if the discharge is related to  
8 the construction, access, or operation of a new manufacturing facility in the zone and  
9 all adverse impacts to functional values of wetlands are compensated at a ratio of 2  
10 acres per each acre impacted through any of the following methods, consistent with  
11 the rules promulgated under this section:

- 12 1. Purchasing credits from a mitigation bank located in this state.
- 13 2. Participating in the in lieu fee subprogram under sub. (3r).
- 14 3. Completing mitigation within this state.
- 15 4. Participating in the escrow subprogram under sub. (3s).

16 (b) The department shall waive water quality certification under 33 USC 1341  
17 (a) 1. for a discharge under par. (a).

18 **SECTION 60. Nonstatutory provision.**

19 (1) The department of transportation may not expend the proceeds of general  
20 obligation bonds issued under section 20.866 (2) (uuz) of the statutes unless the state  
21 receives an award of federal moneys for the I 94 north-south corridor project under  
22 section 84.0145 (3) (b) 1. of the statutes.

23 **SECTION 61. Fiscal changes.**

24 (1) ECONOMIC DEVELOPMENT LIAISON. In the schedule under section 20.005 (3)  
25 of the statutes for the appropriation to the department of administration under

1 section 20.505 (1) (a) of the statutes, the dollar amount for fiscal year 2017-18 is  
2 increased by \$183,500 and the dollar amount for fiscal year 2018-19 is increased by  
3 \$177,500 to increase the authorized FTE positions for the department by 1.0 GPR  
4 unclassified economic development liaison position.

5 **SECTION 62. Initial applicability.**

6 (1) SALES AND USE TAX EXEMPTION. The treatment of section 77.54 (65) of the  
7 statutes first applies to purchases made after the Wisconsin Economic Development  
8 Corporation enters into a contract with a business to locate in an electronics and  
9 information technology manufacturing zone.

10 **SECTION 63. Effective dates.** This act takes effect on the day after publication,  
11 except as follows:

12 (1) The treatment of sections 20.505 (1) (fr) of the statutes takes effect on the  
13 day after publication, or on the 2nd day after publication of the 2017 biennial budget  
14 act, whichever is later.

15 (END)