



2019 ASSEMBLY BILL 38

February 22, 2019 - Introduced by Representatives MURPHY, STUBBS, BALLWEG, KULP, VRUWINK, SUBECK, SARGENT, C. TAYLOR, SKOWRONSKI, ZIMMERMAN, RAMTHUN and BORN, cosponsored by Senators FEYEN, RISSER, COWLES, BEWLEY, PETROWSKI, OLSEN and DARLING. Referred to Committee on Constitution and Ethics.

1 **AN ACT to repeal** 36.11 (55), 946.13 (12) (b) 2. and 946.13 (12) (c); **to renumber**
2 **and amend** 946.13 (12) (a); **to consolidate, renumber and amend** 946.13
3 (12) (b) (intro.) and 1.; and **to create** 946.13 (12) (a) 2. of the statutes; **relating**
4 **to:** University of Wisconsin research contracts.

Analysis by the Legislative Reference Bureau

This bill changes the requirements that apply to research contracts involving the University of Wisconsin System (system) or a two-year or four-year UW school. Current law generally prohibits a public officer or employee from participating in a contract in which he or she has a private pecuniary interest if the contract involves the officer's or employee's exercise of discretion as an officer or employee. Current law exempts from that prohibition contracts between the system or a UW school and a "research company," which is defined as an entity engaged in commercial activity that is related either to research conducted by a system employee or officer or to the product of such research. The exemption applies if the system employee or officer responsible for evaluating and managing potential conflicts of interest approves the contract. In addition, if the contract and all other contracts between the parties requires \$250,000 or more in payments over a 24-month period, the exemption applies only if the system submits the contract to the Board of Regents of the system and, within 45 days, the Board of Regents does not notify the system that entering into the contract would violate the prohibition.

This bill eliminates the exemption described above and creates a different exemption. The bill changes the definition of "research company" to include entities

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engaged in nonprofit activity in addition to those engaged in commercial activity. Under the bill, the prohibition does not apply if any interest that a system employee or officer has in a research company has been evaluated and addressed in a management plan. In addition, the management plan must be issued by the individual or body responsible for evaluating and managing potential conflicts of interest. The bill's exemption applies to research contracts entered into, or extended, modified, or renewed, on the bill's effective date.

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

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

1 **SECTION 1.** 36.11 (55) of the statutes is repealed.

2 **SECTION 2.** 946.13 (12) (a) of the statutes is renumbered 946.13 (12) (a) (intro.)
3 and amended to read:

4 946.13 (12) (a) (intro.) In this subsection, “research:

5 1. “Research company” means an entity engaged in commercial or nonprofit
6 activity that is related to research conducted by an employee or officer of the
7 ~~University of Wisconsin System~~ system or to a product of such research.

8 **SECTION 3.** 946.13 (12) (a) 2. of the statutes is created to read:

9 946.13 (12) (a) 2. “System” means the University of Wisconsin System.

10 **SECTION 4.** 946.13 (12) (b) (intro.) and 1. of the statutes are consolidated,
11 renumbered 946.13 (12) (b) and amended to read:

12 946.13 (12) (b) Subsection (1) does not apply to a contract between a research
13 company and the ~~University of Wisconsin System~~ system or any institution or college
14 campus within the system for purchase of goods or services, including research, if the
15 following apply: 1. ~~The contract is approved by a University of Wisconsin System~~
16 interest that a system employee or officer has in the research company has been

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1 evaluated and addressed in a management plan issued by the individual or body
2 responsible for evaluating and managing potential conflicts of interest.

3 **SECTION 5.** 946.13 (12) (b) 2. of the statutes is repealed.

4 **SECTION 6.** 946.13 (12) (c) of the statutes is repealed.

5 **SECTION 7. Initial applicability.**

6 (1) This act first applies to contracts entered into, or extended, modified, or
7 renewed, on the effective date of this subsection.

8 (END)