



2003 ASSEMBLY BILL 416

June 24, 2003 - Introduced by Representatives MILLER, MUSSER, BERCEAU, J. LEHMAN, KRUG, BLACK, POCAN, SHILLING, ZEPNICK, TURNER, CULLEN, PLOUFF and MORRIS, cosponsored by Senators HANSEN, ROBSON, CHVALA, RISSER, CARPENTER and WIRCH. Referred to Committee on Economic Development.

1 **AN ACT** *to amend* 20.001 (intro.), 66.1105 (13), 71.07 (2dx) (a) 4., 71.28 (1dx) (a)
2 4., 71.47 (1dx) (a) 4., 560.70 (2m) and 560.785 (2) (b); and *to create* 13.94 (12),
3 20.926, 20.9265, 560.765 (3) (br) and 560.96 (3) (a) 4. of the statutes; **relating**
4 **to:** requiring state agencies, political subdivisions, and housing,
5 redevelopment, and community development authorities, as well as subsidy
6 recipients, to report on subsidies provided to businesses; requiring certain
7 disclosures by business subsidy applicants; prohibiting business subsidies
8 under certain circumstances; requiring the Legislative Audit Bureau to publish
9 a report on business subsidies and to evaluate their effectiveness; defining a
10 full-time job for purposes of development zone tax credits; altering eligibility
11 requirements for development zone and technology zone tax credits; and
12 providing a penalty.

Analysis by the Legislative Reference Bureau

This bill creates reporting and other requirements for subsidies that are provided to businesses by state and local government agencies. Under the bill, a

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state agency is any office, department, agency, institution of higher learning, or other body in state government. A local government agency is any political subdivision, any housing, redevelopment, or community development authority, or any entity created by any of them. A business includes a nonprofit business if it has at least 100 full-time employees and the ratio of highest-paid employee to lowest-paid employee exceeds ten to one. A subsidy is defined as public improvements that cost at least \$25,000 and that exclusively benefit a single business or a defined group of businesses; a grant or contribution of personal or real property if the grant or contribution has a value of at least \$25,000; a transfer of property to a business for at least \$25,000 below the property's acquisition cost or fair market value; and a loan of at least \$75,000 in value. Specifically excluded are such benefits as tax credits, housing assistance, any assistance provided by the University of Wisconsin System, and assistance for the sole purpose of providing job readiness and training services.

The bill requires every agency that awards or provides a subsidy to a business to develop criteria for awarding business subsidies and prohibits the awarding of any subsidy to a business before the criteria are developed. Although no approval of the criteria is required, the criteria are submitted to the Legislative Audit Bureau (LAB). The criteria must set minimum requirements for a business to meet to be eligible for a business subsidy. The criteria specifically must require that, if job creation is the public purpose of a subsidy, all jobs that are created as a result of the subsidy must pay compensation that is equal to at least 200% of the federal poverty line for a family of two. Health insurance premiums paid by an employer may be counted toward meeting the compensation amount.

The bill requires an agency that grants a subsidy to enter into an agreement with the business receiving the subsidy. The agreement must contain specified information, such as a description of a public purpose for the subsidy (other than expanding the property tax base), measurable goals for the subsidy, the time by which the goals are to be achieved, any financial or other obligation of the business if it does not achieve the goals by the time set in the agreement, and, if the public purpose is job creation or retention, the number of jobs to be created or retained. In the agreement, the business must commit to continuing operations at the location where the subsidy is to be used for at least five years from when the full amount of the subsidy is received and generally must commit to using certain equipment purchased through the subsidy in this state for at least five years.

A business that receives a subsidy is required to submit a report as required by the agency that grants the subsidy, but not later than 24 months after first receiving the subsidy. The report must be made to the agency that granted the subsidy. Thereafter, the business must submit a report annually until the time that was set in the subsidy agreement for achieving its goals. The information contained in the reports generally addresses the requirements set out in the subsidy agreement. In addition, the business must report on its progress toward achieving its goals and on the wages and cost of health care benefits for each job created or retained as a result of the subsidy. The reports submitted by a business must be kept by the granting agency in a centrally located and easily accessible file that includes the application, subsidy agreement, and all other documents related to the subsidy and that is open

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to public inspection. An agency may utilize its public website to satisfy this requirement. If a business fails to submit a report by the time it is due, the granting agency must notify the business within 30 days. If the report remains delinquent for six months after the due date, the granting agency must notify the Department of Administration (DOA) and take any action for the recovery of the subsidy that is specified in the subsidy agreement. In addition, the business may not apply for another subsidy and an agency may not award another subsidy to the business. If the business eventually submits the report, however, it may apply for and be awarded another subsidy with the approval of the secretary of administration.

Annually, by April 1, every agency that received a report during the previous calendar year from one or more businesses that received subsidies must submit a report to LAB that summarizes the information submitted to the agency in the businesses' reports. In addition, the Department of Commerce must annually, by June 1, file a report with LAB that provides specified information about the development zone and technology zone programs, which are administered by the Department of Commerce and under which businesses located in areas of the state designated as development or technology zones receive tax credits for certain activities, such as job creation. Also, an agency that provides assistance under a statute that specifies the recipient or the amount must file a report with LAB that identifies the recipient, the amount, and the statute under which the assistance was provided. Annually, by August 1, LAB is required to publish a report for the previous calendar year that compiles and summarizes the reports received from the agencies that granted business subsidies; that includes the report received from the Department of Commerce on the development and technology zone programs; that includes the reports or specific assistance provided under statutes; and that, every other year, summarizes the biennial report of the Department of Commerce on the social, economic, and financial effects of tax incremental financing projects. The report published by LAB must provide information about the total amount of business subsidies awarded in each county; the distribution of business subsidies, categorized by various characteristics, such as type, amount, and public purpose; the number and percentage of subsidy recipients that achieved their goals within the time set; and the number of jobs created as a result of business subsidies, shown by wage bands. In the report, LAB must compare and evaluate the effectiveness of each business subsidy or program under which business subsidies are provided and must include recommendations for improving the programs.

In addition to the reporting requirements, the bill imposes other requirements related to business subsidies. The bill requires every applicant for a business subsidy to reveal in the application whether the applicant has been found in a court or administrative proceeding to have violated any federal or state environmental or labor law. With certain exceptions, the bill requires that, before a business subsidy is awarded, the agency awarding the subsidy must hold at least one public meeting on the subsidy in the political subdivision in which the applicant proposes to conduct the project for which the subsidy is to be awarded. The bill prohibits an agency from awarding to an applicant a business subsidy that is in the form of a grant, loan, or contribution of personal or real property if the applicant intends to use the business

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subsidy to subsidize any portion of the cost of moving its business operations within the state from one political subdivision to another, unless the political subdivision from which the business will be moved consents to the move, or to this state from another state with which this state has entered into an agreement related to businesses moving from one state to another.

Under the development zone programs under current law, businesses may be certified by the Department of Commerce for tax credits on the basis of, among other things, the number of full-time jobs that are created in a development zone. A full-time job is defined as a regular, nonseasonal full-time position in which an individual is required to work at least 2,080 hours per year and for which the individual receives pay that is equal to at least 150% of the federal minimum wage and benefits that are not required by federal or state law. The bill changes the definition of full-time job with respect to pay for purposes of the development zone programs, and makes the pay that is required consistent with that required under the bill for business subsidies that have job creation as the public purpose. Instead of 150% of the federal minimum wage, a full-time job must pay compensation that is equal to at least 200% of the federal poverty line for a family of two. Health insurance premiums paid by the employer may be counted toward the compensation amount. The bill also imposes a requirement, similar to that imposed under the bill with regard to business subsidies, that certain equipment for which a development zone or technology zone tax credit is claimed generally must be used in this state for at least five years.

For further information see the *state and local* 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.** 13.94 (12) of the statutes is created to read:
- 2 13.94 (12) BUSINESS SUBSIDIES REPORT; COMPILATION AND SUMMARY. (a) In this
- 3 subsection:
- 4 1. “Business” has the meaning given in s. 20.926 (2).
- 5 2. “Business subsidy” has the meaning given in s. 20.926 (3).
- 6 3. “Grantor” has the meaning given in s. 20.926 (4).
- 7 (b) Annually, by August 1, the legislative audit bureau shall publish a report
- 8 that summarizes the business subsidies provided in the preceding year. The report
- 9 shall include any information and analysis that the legislative audit bureau

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1 determines is relevant and will assist the legislature in evaluating the cost,
2 effectiveness, and equity of investing public moneys in businesses and economic
3 development. The report may include any information and data that is available to
4 the legislative audit bureau and shall include the reports filed under s. 20.9265 (4)
5 (b) and (c) and a compilation and summary of the reports filed under s. 20.9265 (4)
6 (a). In each year after the year in which the legislative audit bureau receives the
7 report under s. 66.1105 (13), the legislative audit bureau shall include a summary
8 of that report in the report under this subsection.

9 (c) The portion of the report under this subsection that is the compilation and
10 summary of the reports under s. 20.9265 (4) (a) shall include at least all of the
11 following information:

- 12 1. The total amount of business subsidies awarded in each county of the state.
- 13 2. Distribution of business subsidies, categorized by subsidy amounts.
- 14 3. Distribution of business subsidy amounts, categorized by the length of time
15 over which the subsidy is provided.
- 16 4. Distribution of business subsidies, categorized by type of subsidy, amount of
17 subsidy, and public purpose.
- 18 5. The percentage and number of recipients that reached their goals by the
19 times specified in their subsidy agreements under s. 20.9265 (2) (a) 6.
- 20 6. The percentage and number of recipients that reached their interim goals,
21 if any.
- 22 7. The percentage and number of recipients that did not reach their goals by
23 the times specified in their subsidy agreements under s. 20.9265 (2) (a) 6.

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1 8. The total dollar amount of business subsidies provided to recipients that did
2 not reach their goals by the times specified in their subsidy agreements under s.
3 20.9265 (2) (a) 6.

4 9. The number of jobs created as a result of business subsidies, shown in
5 separate wage bands, as defined in s. 20.926 (10).

6 10. Fringe benefits paid or otherwise provided as a result of business subsidies,
7 shown in separate wage bands, as defined in s. 20.926 (10).

8 (d) The compilation and summary of the reports under s. 20.9265 (4) (a) shall
9 be presented in a manner that allows for comparisons across time periods and among
10 grantors and, in addition, shall include sufficient information to enable comparisons
11 between wages paid and fringe benefits provided by new jobs created as a result of
12 business subsidies and wages paid and fringe benefits provided by comparable jobs
13 in each area in which the new jobs are created.

14 (e) In addition to summarizing and compiling the reports specified in par. (b),
15 the legislative audit bureau shall include in the report under this subsection a
16 comparison and evaluation of the effectiveness of each business subsidy, or program
17 under which business subsidies are provided, in achieving a public purpose and
18 recommendations for improving the programs. The legislative audit bureau is not
19 required to compare and evaluate under this paragraph the programs included in the
20 reports filed under s. 20.9265 (4) (b) and (c).

21 (f) The legislative audit bureau may develop a report form for the manual or
22 electronic submission of the report required under s. 20.9265 (4) (a) to ensure that
23 the appropriate data is collected to enable the legislative audit bureau to satisfy the
24 requirements under this subsection.

25 (g) The report under this subsection is open to public inspection.

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1 **SECTION 2.** 20.001 (intro.) of the statutes is amended to read:

2 **20.001 Definitions and abbreviations.** (intro.) In Except as otherwise
3 provided, in this chapter terms and abbreviations have the following meanings:

4 **SECTION 3.** 20.926 of the statutes is created to read:

5 **20.926 Definitions for business subsidy awards and reports.** In this
6 section and s. 20.9265:

7 **(1)** “Agency” means a state agency or a local government agency.

8 **(2)** “Business” means any of the following:

9 (a) A person engaged in a business enterprise for profit in this state.

10 (b) An organization or enterprise operating not for profit in this state that has
11 at least 100 full-time positions with a ratio of highest-paid to lowest-paid employee
12 that exceeds 10 to one, determined on the basis of full-time equivalent positions.

13 **(3)** (a) Except as provided in par. (b), “business subsidy” means any of the
14 following:

15 1. Public improvements that cost at least \$25,000, that are made to buildings
16 or lands owned by the state or a political subdivision, and that exclusively benefit a
17 single business at the time that the improvements are made.

18 2. Any of the following that has a cost to an agency or the state of at least
19 \$25,000 and that is given to a business by an agency:

20 a. A grant.

21 b. A contribution of personal or real property or infrastructure.

22 2m. Any transfer of property to a business by an agency for at least \$25,000
23 below the property’s acquisition cost or fair market value at the time of the transfer,
24 whichever is greater.

25 3. A loan of at least \$75,000 that is given to a business by an agency.

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1 (b) “Business subsidy” does not include any of the following:

2 1. Assistance for the sole purpose of providing job readiness and training
3 services.

4 2. Housing assistance.

5 3. Energy conservation assistance.

6 4. A reduction or deferral of any tax or fee, including tax credits under ch. 71,
7 general tax reductions, and tax reductions resulting from conformity with federal
8 law.

9 5. General changes in the tax incremental financing laws and other general tax
10 law changes.

11 6. Worker’s compensation and unemployment compensation.

12 7. Payment to a person from an agency for the purchase of goods or services.

13 7m. Payments made under ch. 32.

14 8. Funds from bonds issued for the benefit of any institution, facility, or
15 organization described in section 501 (c) (3) of the Internal Revenue Code that is
16 exempt from federal taxation under section 501 (a) of the Internal Revenue Code.

17 9. Assistance for a consortium, as defined in s. 560.60 (3).

18 10. Any assistance provided by the University of Wisconsin System.

19 11. Assistance provided by the department of transportation, except for
20 assistance provided under s. 84.185 or any similar programs.

21 12. Federal loan funds provided through the U.S. economic development
22 administration.

23 13. Assistance provided by an agency under a statutory provision that
24 identifies the specific recipient or the specific amount.

25 14. Loans and investments made by the investment board.

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1 **(3m)** “Development zone” means a development zone under ss. 560.71 to
2 560.78, a development opportunity zone under s. 560.795, or an enterprise
3 development zone under s. 560.797.

4 **(4)** “Grantor” means an agency that awards or provides a business subsidy.

5 **(5)** “Local government agency” means any political subdivision, housing
6 authority created under ss. 66.1201 to 66.1211, redevelopment authority created
7 under s. 66.1333, or community development authority created under s. 66.1335, or
8 any entity created or authorized by any of them.

9 **(6)** “Political subdivision” means a city, village, town, or county.

10 **(7)** “Recipient” means a business that is benefited by a business subsidy under
11 sub. (3) (a) 1. or that receives a business subsidy under sub. (3) (a) 2., 2m., or 3.

12 **(8)** “State agency” means any office, department, agency, institution of higher
13 education, association, society, or other body in state government that is created or
14 authorized to be created by the constitution or any law, including any authority
15 created under ch. 231, 233, 234, or 237 but not including the legislature or the courts.

16 **(9)** “Technology zone” means a technology zone under s. 560.96.

17 **(10)** “Wage bands” means ranges of wages, with the lowest range beginning
18 with the federal minimum wage and ending with the wage reflected by rounding the
19 federal minimum wage up to the nearest whole dollar and subtracting one cent, and
20 with each subsequent range beginning with the nearest whole dollar that is greater
21 than the highest wage included within the previous range and ending with the wage
22 reflected by adding 99 cents to that whole dollar.

23 **SECTION 4.** 20.9265 of the statutes is created to read:

24 **20.9265 Business subsidies; awarding and reporting requirements. (1)**

25 DEVELOPING CRITERIA; APPLICATION REQUIREMENTS; PUBLIC HEARINGS; PROHIBITIONS. (a)

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1 Every grantor shall develop criteria for awarding business subsidies. The criteria
2 shall set minimum requirements that a business must meet to be eligible for a
3 business subsidy. The criteria shall provide that, if the public purpose for the subsidy
4 is job creation, all jobs created as a result of the subsidy must provide compensation
5 that is equal to at least 200% of the federal poverty line, as defined under 42 USC
6 9902 (2), for a family of 2 persons. Compensation may include health insurance
7 premiums paid by the employer on behalf of the employee, for purposes of
8 determining whether this requirement is met.

9 (b) No grantor may award a business subsidy until the grantor has developed
10 the criteria required under par. (a).

11 (c) A copy of the criteria developed under par. (a) shall be submitted along with
12 the first annual report filed by the grantor under sub. (4). A copy of any changes to
13 the original set of criteria developed under par. (a) shall be submitted along with the
14 first annual report that is filed by the grantor after the changes are made. If in
15 awarding a business subsidy a grantor deviates from the criteria developed under
16 par. (a), the grantor shall document the reason for the deviation in writing and
17 submit a copy of that documentation along with the first annual report that is filed
18 by the grantor after the deviation occurs.

19 (cm) 1. Every applicant for a business subsidy shall reveal in the application
20 whether, in the preceding 5 years, the applicant has been determined by an
21 administrative proceeding, civil action, criminal action, or other legal proceeding to
22 have violated any federal or state environmental or labor law. For purposes of this
23 paragraph, issuance of an order or acceptance of an agreement requiring corrective
24 action or a stipulated fine, forfeiture, or other penalty is considered a determination
25 of a violation, regardless of whether there is a finding or admission of liability.

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1 2. For a violation described in subd. 1. that resulted in a finding, the applicant
2 shall describe the finding and the penalty assessed and shall specify the entity that
3 made the finding and the location of the public records relating to the matter.

4 3. For a violation described in subd. 1. that resulted in an agreement for
5 corrective action or a stipulated fine, forfeiture, or other penalty, the applicant shall
6 provide a summary description of the violation that led to the agreement or
7 stipulation and, if the agreement or stipulation is a public record, a summary
8 description of the agreement or stipulation and the location of the agreement or
9 stipulation as a public record.

10 (d) 1. Except as provided in subds. 2. and 3., before awarding a business subsidy
11 in the amount of \$500,000 or greater to a subsidy applicant, a grantor shall hold at
12 least one public meeting in the political subdivision in which the applicant proposes
13 to conduct the project for which the subsidy will be used. The public meeting must
14 be held at least 30 days before the final decision is made on whether to award the
15 business subsidy to the applicant for the purpose of providing information, and
16 receiving public comment, about the subsidy. The grantor shall give notice of the
17 meeting in a manner that is likely to give notice in the political subdivision in which
18 the applicant proposes to conduct the project for which the subsidy will be used.

19 2. The requirement under subd. 1. does not apply if, under another process that
20 is separate and distinct from the process under this section, at least one public
21 hearing has been held with respect to the project for which the subsidy will be used.

22 3. The requirement under subd. 1. does not apply if the secretary of
23 administration grants a waiver of the requirement because there is insufficient time
24 to hold a public meeting.

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1 (e) A grantor may not award to a business subsidy applicant a business subsidy
2 in the form of a grant, a loan, or a contribution of personal or real property if any of
3 the following applies:

4 1. The business subsidy will be used to subsidize any portion of the cost of
5 moving the applicant's business operations from one political subdivision in this
6 state to another political subdivision in this state. This subdivision does not apply
7 if the governing body of the political subdivision from which the applicant intends
8 to move consents to the move in writing, which may be by resolution.

9 2. The business subsidy will be used to subsidize any portion of the cost of
10 moving the applicant's business operations to this state from a state with which this
11 state has entered into an agreement or compact related to businesses moving from
12 one state to another, except as allowed under the terms of the agreement or compact.

13 (f) 1. Except as provided in subd. 2., a recipient may not apply for another
14 business subsidy, and a grantor may not award another business subsidy to a
15 recipient, if the recipient fails to submit a report required under sub. (3) (a) within
16 6 months of the time required for submitting such report under sub. (3) (b).

17 2. A recipient that submits a report more than 6 months after the time required
18 under sub. (3) (b) may apply for, and may be awarded, another business subsidy only
19 upon the approval of the secretary of administration.

20 **(2) SUBSIDY AGREEMENT.** (a) Whenever a grantor provides a business subsidy,
21 the recipient shall enter into a subsidy agreement with the grantor. The subsidy
22 agreement shall include all of the following:

23 1. A description of the subsidy, including the amount, or fair market value, and
24 type of subsidy.

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1 2. A description of a public purpose for the subsidy, other than expanding the
2 property tax base.

3 3. A statement of why the subsidy is needed.

4 4. Specific measurable goals for the subsidy.

5 4m. If the public purpose for the subsidy is the creation or retention of jobs,
6 specific measurable goals for the number of jobs to be created or retained and wage
7 goals for the jobs to be created or retained.

8 5. If the public purpose for the subsidy is the retention of jobs, the total number
9 of jobs currently provided by the recipient and identification of the jobs that would
10 be lost without the subsidy.

11 6. The time by which the goals specified in subd. 4. and, if applicable, in subd.
12 4m. are to be achieved.

13 7. A commitment to continue operations at the location where the subsidy is
14 to be used for at least 5 years from the date of receiving the full amount of the subsidy.

15 8. A description of any financial or other obligation of the recipient if the goals
16 under subd. 4. or, if applicable, under subd. 4m. are not met by the time specified
17 under subd. 6. or if the recipient ceases operations at the location before the time
18 specified in subd. 7.

19 9. The name and address of the recipient's parent corporation, if any.

20 10. A list, by amount and provider, of all other public financial assistance for
21 the project for which the subsidy will be used.

22 11. A commitment to ensure that, unless otherwise authorized by the grantor,
23 any depreciable tangible personal property purchased with money obtained through
24 the subsidy will remain in Wisconsin for at least 5 years or, if the property is mobile,

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1 the property's base of operations for at least 50% of its use will be at a location in
2 Wisconsin for at least 5 years.

3 (b) A subsidy agreement under par. (a) shall be in writing and signed by both
4 the recipient and the grantor. If the grantor is a local government agency that is not
5 a political subdivision, the governing body of the political subdivision within which
6 the local government agency operates must approve the agreement.

7 **(3) REPORTS OF RECIPIENTS.** (a) Each recipient shall submit to its grantor, by
8 the time required under par. (b), a report in a format specified by the grantor that
9 provides the following information:

10 1. The type, public purpose, and amount of the subsidy.

11 2. The hourly wage of each job created or retained as a result of the subsidy,
12 shown in separate wage bands.

13 3. The sum of the hourly wages and cost of health insurance premiums paid by
14 the recipient, shown in separate wage bands.

15 4. A statement of the goals identified in the subsidy agreement under sub. (2)
16 (a) 4. and a statement of the progress toward meeting those goals.

17 4m. If the public purpose for the subsidy is the creation or retention jobs, a
18 statement of the goals identified in the subsidy agreement under sub. (2) (a) 4m. and
19 a statement of the progress toward meeting the job and wage goals or the date on
20 which the job and wage goals were or are expected to be achieved.

21 5. If the public purpose for the subsidy is the retention of jobs, the total number
22 of jobs currently provided by the recipient, shown in separate wage bands, and the
23 status of the jobs identified under sub. (2) (a) 5.

24 5m. If the public purpose for the subsidy is the creation of jobs, the total number
25 of jobs currently provided by the recipient that satisfy the requirements under sub.

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1 (1) (a) compared to the average number of jobs provided by the recipient in the 12
2 months preceding the period covered by this report that satisfied those
3 requirements.

4 6. A statement of any financial or other obligation of the recipient under sub.
5 (2) (a) 8. and a statement of the progress toward meeting the obligation or the date
6 on which the obligation was or will be met.

7 7. The location of the recipient before receiving the business subsidy.

8 8. The name and address of the recipient's parent corporation, if any.

9 9. A list, by amount and provider, of all other public financial assistance for the
10 project.

11 10. Any other information requested by the grantor.

12 (b) The recipient shall submit a report, as required under par. (a), as required
13 by the grantor, but not more than 24 months after the subsidy is first provided.
14 Annually thereafter, until the time specified in the subsidy agreement under sub. (2)
15 (a) 6., the recipient shall submit a report, as required under par. (a), for the period
16 since the previous report was submitted.

17 (c) If a recipient fails to submit a report by the time the report is due, the grantor
18 shall within 30 days after the due date notify the recipient that the report is overdue.
19 If the report remains delinquent for 6 months after the due date, the grantor shall
20 notify the department of administration and commence any action or proceedings to
21 recover the subsidy that are specified in the subsidy agreement, and the recipient
22 shall be ineligible for any other business subsidies, as provided in sub. (1) (f).

23 (d) For each recipient, a grantor shall keep a centrally located and easily
24 accessible file containing the recipient's application, all documents related to the
25 application, the subsidy agreement entered into under sub. (2), and all reports

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1 submitted under this subsection. A grantor may satisfy this paragraph by posting
2 the contents of the file on the grantor's public website.

3 (4) REPORTS OF GRANTORS AND THE DEPARTMENT OF COMMERCE. (a) Annually, no
4 later than April 1, every grantor shall manually or electronically file with the
5 legislative audit bureau a report that summarizes the information submitted to the
6 grantor during the previous calendar year in the reports under sub. (3). If the
7 grantor electronically files the report, it shall do so in a form and format acceptable
8 to the legislative audit bureau. If the legislative audit bureau develops a report form
9 under s. 13.94 (12) (f), a grantor shall use that form for submitting the information
10 required under this subsection.

11 (b) Notwithstanding s. 20.926 (3) (b) 13., an agency that provides assistance to
12 a business under a statutory provision that identifies the specific recipient or the
13 specific amount shall annually, no later than April 1, file with the legislative audit
14 bureau a report on that assistance provided in the preceding calendar year. The
15 report shall include all of the following information:

- 16 1. The identity of the recipients of the assistance.
- 17 2. The amount of assistance provided to each recipient.
- 18 3. The statutory authority under which the assistance was provided.

19 (c) In addition to filing any report that is required under par. (a) or (b), the
20 department of commerce shall annually, no later than June 1, file with the legislative
21 audit bureau a report on the development zone programs under subch. VI of ch. 560
22 and the technology zone program under s. 560.96 that includes all of the following
23 information:

- 24 1. Identification of all development zones and technology zones in effect and the
25 total amount of tax credits that may be claimed in each of those zones.

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1 2. The total tax credits claimed, both in the previous calendar year and since
2 the zone was designated, in each development zone or technology zone in effect.

3 3. A listing of every person in each development zone or technology zone in
4 effect that has been awarded tax credits, together with an itemization of the total
5 amount of such tax credits certified for each person, the total amount of such tax
6 credits claimed by each person in the year of the report, and the aggregate total of
7 all such tax credits claimed by each person.

8 4. A public purpose, other than expanding the property tax base, for which each
9 person listed in subd. 3. was certified for tax credits.

10 5. The progress each person listed in subd. 3. has made in achieving the public
11 purpose specified in subd. 4.

12 6. The criteria used to measure the progress made in achieving the public
13 purpose specified in subd. 4.

14 7. The total number of jobs that have been created, both in the previous
15 calendar year and since the zone was designated, in each development zone or
16 technology zone in effect, shown in separate wage bands.

17 8. The total number of jobs that have been retained, both in the previous
18 calendar year and since the zone was designated, in each development zone or
19 technology zone in effect, shown in separate wage bands.

20 **(5) PUBLIC RECORD REQUIREMENT.** Business subsidy applications, all documents
21 related to business subsidy applications, recipient reports under sub. (3), and
22 grantor reports under sub. (4) are open to public inspection.

23 **(6) RESPONSIBILITY FOR COMPLIANCE AND RELATION TO OTHER REQUIREMENTS.** (a)
24 If the agency that awards a business subsidy is different from the agency that
25 provides the business subsidy, the agency that provides the business subsidy shall

1 determine how the requirements under this section for the grantor of the business
2 subsidy will be met, and may delegate the responsibility for any such requirement
3 to the agency that awards the business subsidy.

4 (b) A state agency that administers an economic development program under
5 which a local government agency is the grantor of state funds shall ensure that the
6 local government agency complies with this section.

7 (c) The legislative audit bureau shall determine whether this section applies
8 to an agency with respect to assistance provided by the agency in the event that there
9 is disagreement or uncertainty over whether this section applies.

10 (d) Except as provided in sub. (1) (d) 2., the requirements under this section
11 related to awarding or providing a business subsidy, including the awarding criteria
12 developed under sub. (1) (a), the subsidy agreement under sub. (2), and the recipient
13 reporting requirements under sub. (3), are in addition to any other requirements
14 with which an agency or recipient must comply with respect to the business subsidy.
15 If a conflict exists between a requirement under this section and any other
16 requirement with respect to a business subsidy, the requirement under this section
17 controls.

18 (e) The department of administration shall annually notify all agencies of their
19 responsibilities under this section.

20 **SECTION 5.** 66.1105 (13) of the statutes is amended to read:

21 66.1105 (13) The department of commerce, in cooperation with other state
22 agencies and local governments, shall make a comprehensive report to the governor
23 and the chief clerk of each house of the legislature, for distribution to the legislature
24 under s. 13.172 (2), at the beginning of each biennium, beginning with the 1977
25 biennium, as to the effects and impact of tax incremental financing projects socially,

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1 economically, and financially. Beginning with the 2003 biennium, the department
2 of commerce shall also provide a copy of the report to the legislative audit bureau for
3 purposes of the report requirement under s. 13.94 (12).

4 **SECTION 6.** 71.07 (2dx) (a) 4. of the statutes is amended to read:

5 71.07 (2dx) (a) 4. “Full-time job” means a regular, nonseasonal full-time
6 position in which an individual, as a condition of employment, is required to work at
7 least 2,080 hours per year, including paid leave and holidays, and for which the
8 individual receives pay compensation that is equal to at least 150% of the federal
9 ~~minimum wage and receives benefits that are not required by federal or state law~~
10 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
11 2 persons. Compensation may include health insurance premiums paid by the
12 employer on behalf of the employee, for purposes of determining whether the
13 compensation requirement is met. “Full-time job” does not include initial training
14 before an employment position begins.

15 **SECTION 7.** 71.28 (1dx) (a) 4. of the statutes is amended to read:

16 71.28 (1dx) (a) 4. “Full-time job” means a regular, nonseasonal full-time
17 position in which an individual, as a condition of employment, is required to work at
18 least 2,080 hours per year, including paid leave and holidays, and for which the
19 individual receives pay compensation that is equal to at least 150% of the federal
20 ~~minimum wage and receives benefits that are not required by federal or state law~~
21 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
22 2 persons. Compensation may include health insurance premiums paid by the
23 employer on behalf of the employee, for purposes of determining whether the
24 compensation requirement is met. “Full-time job” does not include initial training
25 before an employment position begins.

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1 **SECTION 8.** 71.47 (1dx) (a) 4. of the statutes is amended to read:

2 71.47 **(1dx)** (a) 4. “Full-time job” means a regular, nonseasonal full-time
3 position in which an individual, as a condition of employment, is required to work at
4 least 2,080 hours per year, including paid leave and holidays, and for which the
5 individual receives pay compensation that is equal to at least ~~150%~~ of the federal
6 ~~minimum wage and receives benefits that are not required by federal or state law~~
7 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
8 2 persons. Compensation may include health insurance premiums paid by the
9 employer on behalf of the employee, for purposes of determining whether the
10 compensation requirement is met. “Full-time job” does not include initial training
11 before an employment position begins.

12 **SECTION 9.** 560.70 (2m) of the statutes is amended to read:

13 560.70 **(2m)** “Full-time job” means a regular, nonseasonal full-time position
14 in which an individual, as a condition of employment, is required to work at least
15 2,080 hours per year, including paid leave and holidays, and for which the individual
16 receives pay compensation that is equal to at least ~~150%~~ of the federal ~~minimum~~
17 ~~wage and benefits that are not required by federal or state law~~ 200% of the federal
18 poverty line, as defined under 42 USC 9902 (2), for a family of 2 persons.
19 Compensation may include health insurance premiums paid by the employer on
20 behalf of the employee, for purposes of determining whether the compensation
21 requirement is met. “Full-time job” does not include initial training before an
22 employment position begins.

23 **SECTION 10.** 560.765 (3) (br) of the statutes is created to read:

24 560.765 **(3)** (br) The person’s commitment to ensure that, unless otherwise
25 authorized by the department, any depreciable tangible personal property for which

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1 tax benefits are claimed will remain in Wisconsin for at least 5 years or, if the
2 property is mobile, the property's base of operations for at least 50% of its use will
3 be at a location in Wisconsin for at least 5 years.

4 **SECTION 11.** 560.785 (2) (b) of the statutes is amended to read:

5 560.785 (2) (b) The requirement under ss. 560.70 (2m) and 560.797 (1) (am)
6 that an individual's pay compensation must equal at least ~~150%~~ 200% of the federal
7 minimum wage poverty line, as defined under 42 USC 9902 (2), for a family of 2
8 persons.

9 **SECTION 12.** 560.96 (3) (a) 4. of the statutes is created to read:

10 560.96 (3) (a) 4. The business commits to ensure that, unless otherwise
11 authorized by the department, any depreciable tangible personal property for which
12 tax credits are claimed will remain in Wisconsin for at least 5 years or, if the property
13 is mobile, the property's base of operations for at least 50% of its use will be at a
14 location in Wisconsin for at least 5 years.

15 **SECTION 13. Initial applicability.**

16 (1) The treatment of sections 13.94 (12), 20.926, and 20.9265 of the statutes
17 first applies to business subsidies, as defined in section 20.926 (3) of the statutes, as
18 created by this act, that are awarded on the first day of the 10th month beginning
19 after publication.

20 (2) The treatment of sections 71.07 (2dx) (a) 4., 71.28 (1dx) (a) 4., 71.47 (1dx)
21 (a) 4., 560.70 (2m), 560.765 (3) (br), 560.785 (2) (b), and 560.96 (3) (a) 4. of the statutes
22 first applies to taxable years beginning on January 1, 2005.

23 (END)