



2003 ASSEMBLY BILL 712

January 5, 2004 – Introduced by Representatives SHILLING, TAYLOR, TURNER, BLACK, STASKUNAS, J. LEHMAN, BERCEAU, ALBERS, VRUWINK and PLOUFF, cosponsored by Senators HANSEN, WIRCH, LASSA, ERPENBACH and ROESSLER. Referred to Committee on Economic Development.

1 **AN ACT to create** 15.155 (2m), 20.143 (1) (f), 20.292 (1) (br), 38.04 (25) and
2 560.277 of the statutes; **relating to:** creating a Manufacturing
3 Competitiveness Grant Program and a Manufacturing Competitiveness Board,
4 providing an exemption from emergency rule procedures, granting
5 rule-making authority, and making appropriations.

Analysis by the Legislative Reference Bureau

This bill creates a Manufacturing Competitiveness Grant Program (program), which is administered by a Manufacturing Competitiveness Board (board) created under the bill. The bill provides \$9,500,000 of general purpose revenue to fund grants under the program, although the aggregate total of all initial grants is limited to \$2,500,000.

Under the bill, the board may make grants to the Board of Regents of the University of Wisconsin System, the Technical College System Board, and certain entities that assist manufacturers. The bill specifies that a trade association or chamber of commerce is not eligible to receive a grant under the program. A grant may be used to fund, at least in part, any project that assists a manufacturer in accomplishing improved productivity, reduced costs of operation, the use of new technology in the manufacturing process, the improvement of the skills of its workforce, the creation of new products, sales in new markets, or any other goal approved by the board that benefits manufacturing in this state.

The bill also provides \$500,000 to the Technical College System Board to contract with and award grants to the tax-exempt organizations described above for

ASSEMBLY BILL 712

the purpose of conducting surveys to determine what manufacturers need in order to improve productivity and stay competitive and to provide technical assistance to manufacturers.

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.** 15.155 (2m) of the statutes is created to read:

2 15.155 **(2m)** MANUFACTURING COMPETITIVENESS BOARD. (a) *Members.* There is
3 created a manufacturing competitiveness board, attached to the department of
4 commerce under s. 15.03, consisting of all of the following:

5 1. The secretary of commerce or his or her designee.

6 2. The secretary of workforce development or his or her designee.

7 3. The president of the Board of Regents of the University of Wisconsin System
8 or his or her designee.

9 4. The president of the technical college system board or his or her designee.

10 5. A member of the public representing organized labor.

11 6. A member of the public representing manufacturers.

12 7. A member of the public representing the public interest.

13 8. The chairperson of the board of directors of each of 2 entities, the primary
14 purpose of which is to assist manufacturers in improving productivity and competing
15 more effectively.

16 (b) *Terms.* The members appointed under par. (a) 5., 6., and 7. shall be
17 appointed for 3-year terms.

18 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
19 the following amounts for the purposes indicated:

ASSEMBLY BILL 712

1		2003-04	2004-05
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20.143 Commerce, department of

(1) ECONOMIC AND COMMUNITY DEVELOPMENT

(f) Manufacturing Competitiveness

5	Grant Program	GPR	C	9,500,000	-0-
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20.292 Technical college system board

(1) TECHNICAL COLLEGE SYSTEM

(br) Manufacturing Competitiveness

9	Grant Program	GPR	C	500,000	-0-
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10 **SECTION 3.** 20.143 (1) (f) of the statutes is created to read:

11 20.143 (1) (f) *Manufacturing Competitiveness Grant Program.* As a continuing
12 appropriation, the amounts in the schedule for grants under s. 560.277.

13 **SECTION 4.** 20.292 (1) (br) of the statutes is created to read:

14 20.292 (1) (br) *Manufacturing Competitiveness Grant Program.* As a
15 continuing appropriation, the amounts in the schedule for the Manufacturing
16 Competitiveness Grant Program under s. 38.04 (25).

17 **SECTION 5.** 38.04 (25) of the statutes is created to read:

18 38.04 (25) MANUFACTURING COMPETITIVENESS GRANT PROGRAM. (a) In this
19 subsection, "eligible organization" means an organization that satisfies the criteria
20 under s. 560.277 (1) (b) 1. to 4.

21 (b) The board shall contract with eligible organizations for the purpose of
22 conducting surveys to determine what manufacturers need to improve productivity
23 and stay competitive.

ASSEMBLY BILL 712

1 (c) The board shall award grants to eligible organizations to provide technical
2 assistance to manufacturers.

3 **SECTION 6.** 560.277 of the statutes is created to read:

4 **560.277 Manufacturing Competitiveness Grant Program. (1)**

5 DEFINITIONS. (a) "Board" means the manufacturing competitiveness board.

6 (b) "Eligible organization" means the Board of Regents of the University of
7 Wisconsin System, the technical college system board, an entity, other than a trade
8 association or chamber of commerce, the primary purpose of which is to assist
9 manufacturers in improving productivity and competing more effectively, and any
10 entity that satisfies all of the following conditions:

11 1. The entity is described under section 501 (c) (3) of the Internal Revenue Code
12 and is exempt from taxation under section 501 (a) of the Internal Revenue Code.

13 2. The primary purpose of the entity is to assist manufacturers located in this
14 state.

15 3. The entity's primary office is located in this state.

16 4. The entity is not a trade association or chamber of commerce.

17 (c) "Eligible project" means a project that assists a manufacturer in
18 accomplishing any of the following:

19 1. Improved productivity.

20 2. Reduced costs of operation.

21 3. The use of new technology in the manufacturing process.

22 4. The improvement of the skills of its workforce.

23 5. The creation of new products.

24 6. Sales in new markets.

ASSEMBLY BILL 712

1 7. Any other goal approved by the board that benefits manufacturing in this
2 state.

3 **(2) GRANTS AUTHORIZED.** The board may make a grant to an eligible
4 organization for the purpose of funding, at least in part, an eligible project. The total
5 of all grants under this subsection resulting from initial applications may not exceed
6 \$2,500,000. If an eligible organization receives a grant under this subsection, any
7 subsequent grant made to that organization under this subsection may not exceed
8 3 times the amount of the preceding grant.

9 **(3) APPLICATION.** (a) *Initial application.* To obtain a grant under sub. (2), an
10 eligible organization shall apply to the board in the form and manner prescribed by
11 rule of the department. Each application for an initial grant under sub. (2) shall
12 include all of the following information:

- 13 1. The project budget.
- 14 2. A description of the project, including a quantifiable goal of the project.
- 15 3. A proposed method for measuring progress toward the goals of the project.
- 16 4. The name and business address of each manufacturer to which assistance
17 will be provided.
- 18 5. Any other relevant information required by the board or by rule of the
19 department.

20 (b) *Subsequent applications.* If an eligible organization receives a grant under
21 sub. (2), the organization may apply for another grant under sub. (2) after the date
22 on which the organization receives 75 percent of the previously authorized grant
23 amount. An application under this paragraph shall be submitted in the form and
24 manner prescribed by rule of the department and shall include all of the information
25 described in par. (a) 1. to 5.

1 (4) REPORTING REQUIREMENTS. An eligible organization that receives a grant
2 under sub. (2) shall file an annual report with the board in the form and manner
3 prescribed by rule of the department.

4 (5) RULES. The department shall promulgate rules for the board's
5 administration of this section.

6 **SECTION 7. Nonstatutory provisions.**

7 (1) RULES.

8 (a) *Emergency rules.* Using the procedure under section 227.24 of the statutes,
9 the department of commerce may promulgate rules required under section 560.277
10 of the statutes, as created by this act, for the period before the effective date of the
11 rules submitted under paragraph (b), but not to exceed the period authorized under
12 section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a),
13 (2) (b), and (3) of the statutes, the department is not required to provide evidence that
14 promulgating a rule under this paragraph as an emergency rule is necessary for the
15 preservation of the public peace, health, safety, or welfare and is not required to
16 provide a finding of emergency for a rule promulgated under this paragraph.

17 (b) *Permanent rules.* The department of commerce shall submit in proposed
18 form the rules required under section 560.277 of the statutes, as created by this act,
19 to the legislative council staff under section 227.15 (1) of the statutes no later than
20 the first day of the 4th month beginning after the effective date of this paragraph.

21 (2) INITIAL MEMBERS OF MANUFACTURING COMPETITIVENESS BOARD.
22 Notwithstanding the length of terms specified for the manufacturing
23 competitiveness board under section 15.155 (2m) (b) of the statutes, as created by
24 this act, the initial member appointed under section 15.155 (2m) (a) 5. of the statutes,
25 as created by this act, shall be appointed for a term that expires on May 1, 2005, the

ASSEMBLY BILL 712

1 initial member appointed under section 15.155 (2m) (a) 6. of the statutes, as created
2 by this act, shall be appointed for a term that expires on May 1, 2006, and the initial
3 member appointed under section 15.155 (2m) (a) 7. of the statutes, as created by this
4 act, shall be appointed for a term that expires on May 1, 2007.

5 (3) ONE-TIME FUNDING.

6 (a) Notwithstanding section 16.42 (1) (e) of the statutes, in submitting
7 information under section 16.42 of the statutes for purposes of the 2005-07 biennial
8 budget bill, the technical college system board may not include a request for
9 continuation of funding for the appropriation under section 20.292 (1) (br) of the
10 statutes, as created by this act.

11 (b) Notwithstanding section 16.42 (1) (e) of the statutes, in submitting
12 information under section 16.42 of the statutes for purposes of the 2005-07 biennial
13 budget bill, the department of commerce may not include a request for continuation
14 of funding for the appropriation under section 20.143 (1) (f) of the statutes, as created
15 by this act.

16 (END)