



2005 ASSEMBLY BILL 979

February 2, 2006 - Introduced by Representatives FIELDS, STONE, KESSLER, STASKUNAS, ZEPNICK, YOUNG, LEHMAN, MCCORMICK, A. WILLIAMS, BENEDICT, GRIGSBY, KREUSER, COLON, TURNER, SHERMAN, TOLES and VOS, cosponsored by Senators JAUCH, BRESKE, TAYLOR, WIRCH and COGGS. Referred to Committee on Urban and Local Affairs.

1 **AN ACT to create** 20.143 (1) (cm) and 560.799 of the statutes; **relating to:** grants
2 to businesses that locate in extremely depressed areas, providing an exemption
3 from emergency rule procedures, granting rule-making authority, and making
4 an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Commerce (department) to designate certain areas of the state as extremely depressed areas and authorizes the department to award a grant to a business that locates in an area designated as an extremely depressed area, if the business will create at least 100 qualifying jobs in the area. A business may use grant proceeds to pay eligible costs. Under the bill, the department may award a grant only if the business agrees to pay at least 90 percent of the new employees a family-supporting wage and to make every reasonable effort to fill at least 75 percent of the new jobs with individuals who reside in the extremely depressed area. The department may make grant payments to an eligible business for up to five years.

The bill requires the department to promulgate rules defining "extremely depressed area," which must be an area with an unemployment rate equal to or exceeding 150 percent of the statewide average unemployment rate. The bill requires the department also to define by rule "eligible costs," "family-supporting wage," and "qualifying jobs."

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1 (b) The business enters into a written agreement with the department that
2 specifies the conditions for use of the grant proceeds and in which the business agrees
3 to do all of the following:

4 1. Compensate at a family-supporting wage not less than 90 percent of the
5 employees in the qualifying jobs created under par. (a).

6 2. Make every reasonable effort to hire individuals who reside in the extremely
7 depressed area to fill at least 75 percent of the qualifying jobs created under par. (a).

8 3. Submit the report required under sub. (2) by the time the report is required
9 under sub. (2).

10 **(2)** A business that is awarded a grant under this section shall, by March 31
11 of the year following a year in which the department disburses grant moneys to the
12 business, submit to the department a report detailing how the grant moneys received
13 in that year were used.

14 **(3)** The department shall do all of the following:

15 (a) Designate areas in this state as extremely depressed areas. The
16 department may not designate an area under this paragraph unless the department
17 determines that the unemployment rate for the area equals or exceeds 150 percent
18 of the average unemployment rate for this state.

19 (b) Promulgate rules defining all of the following terms:

20 1. "Eligible costs," which may include property taxes, utilities, job training,
21 employee transportation, a portion of wages paid by the business to employees who
22 reside in the extremely depressed area, and a portion of the costs incurred by the
23 business to provide child care at the business for employees.

24 2. "Extremely depressed area."

25 3. "Family-supporting wage."

ASSEMBLY BILL 979**SECTION 3**

1 4. "Qualifying jobs."

2 (4) The department may pay grant proceeds to an eligible business that is
3 awarded a grant under this section for up to 5 years.

4 **SECTION 4. Nonstatutory provisions.**

5 (1) RULES; SUPER EMPLOYMENT AND ECONOMIC DEVELOPMENT ZONE GRANT PROGRAM.

6 Using the procedure under section 227.24 of the statutes, the department of
7 commerce may promulgate emergency rules necessary to implement section 560.799
8 of the statutes, as created by this act. Notwithstanding section 227.24 (1) (c) and (2)
9 of the statutes, emergency rules promulgated under this subsection shall remain in
10 effect until the effective date of permanent rules promulgated to implement section
11 560.799 of the statutes, as created by this act, or January 1, 2007, whichever is
12 earlier. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the
13 department is not required to provide evidence that promulgating a rule under this
14 subsection is necessary for the preservation of the public peace, health, safety, or
15 welfare and is not required to provide a finding of emergency for a rule promulgated
16 under this subsection.

17 (2) RULES; DEFINITION OF EXTREMELY DEPRESSED AREA, ELIGIBLE COSTS,
18 FAMILY-SUPPORTING WAGE, AND QUALIFYING JOBS. Not later than July 1, 2006, or 30 days
19 after the effective date of this subsection, whichever is later, using the procedure
20 under section 227.24 of the statutes, the department of commerce shall promulgate
21 the rules required under section 560.799 (3) (b) 1. to 4. of the statutes, as created by
22 this act. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency
23 rules promulgated under this subsection shall remain in effect until the effective
24 date of permanent rules promulgated to implement section 560.799 (3) (b) 1. to 4. of
25 the statutes, as created by this act, or January 1, 2007, whichever is earlier.

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1 Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not
2 required to provide evidence that promulgating a rule under this subsection is
3 necessary for the preservation of the public peace, health, safety, or welfare and is
4 not required to provide a finding of emergency for a rule promulgated under this
5 subsection.

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(END)