



2009 ASSEMBLY BILL 968

April 22, 2010 – Introduced by Representatives HUEBSCH, CULLEN, VOS, LEMAHIEU, KAUFERT, TOWNSEND, SPANBAUER, KERKMAN, BIES, PETROWSKI, BROOKS, NEWCOMER, KNODL and NYGREN, cosponsored by Senators DARLING and OLSEN. Referred to Committee on Jobs, the Economy and Small Business.

1 **AN ACT to create** 20.525 (1) (e), 20.525 (1) (q), 25.17 (1) (gd), 25.415 and 560.095
2 of the statutes; **relating to:** authorizing the governor to award grants and
3 loans for development projects, granting rule-making authority, and making
4 appropriations.

Analysis by the Legislative Reference Bureau

This bill authorizes the governor to award a grant or loan to a political subdivision for infrastructure improvements specified in the bill for development projects that will create new jobs.

Under the bill, the governor may award a grant or loan for any of the following: 1) a project that involves a \$10,000,000 private investment and creates at least 100 new jobs, as defined in the bill; 2) a project located in a political subdivision with a population less than 100,000 that involves a \$5,000,000 private investment and creates at least 50 new jobs; or 3) a project located in a political subdivision with a population less than 50,000 that involves a \$2,500,000 private investment and creates at least 25 new jobs. At least one-quarter of the total amount of grant and loan moneys awarded in a fiscal biennium must be awarded to political subdivisions with unemployment rates that are higher than the statewide average unemployment rate, and at least one-quarter must be awarded to political subdivisions with populations of 35,000 or less. However, the governor may award a grant or loan notwithstanding the investment and job creation requirements or the one-quarter minimums for certain political subdivisions if the Joint Committee on

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Finance fails to schedule a hearing on the governor’s proposal within five days or approves the proposal after a hearing.

The bill requires a political subdivision that receives a grant or loan to enter into a contract with the business for whose benefit the grant or loan has been awarded that specifies a deadline for securing the private investment and creating the new jobs. A political subdivision may grant an extension of the deadline of up to 15 days, but a business that fails to meet the deadline must repay a prorated portion of the grant or loan.

The governor, with the advice of the Department of Commerce (department), must develop guidelines and criteria for grants and loans that encourage the award of grants and loans throughout the state and set a cap on the amount of grants. The department assists the governor in reviewing applications and monitors contract compliance.

Awards under the bill come from a new segregated fund, the Governor’s Opportunity Fund, which consists of moneys transferred from a new sum certain appropriation created in the general fund and of repayments of grants and loans under the program.

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

	2009-10	2010-11
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4 **20.525 Office of the governor**

5 (1) EXECUTIVE ADMINISTRATION

6 (e) Governor’s opportunity fund

7 **SECTION 2.** 20.525 (1) (e) of the statutes is created to read:

8 20.525 (1) (e) *Governor’s opportunity fund.* The amounts in the schedule to be
9 transferred to the governor’s opportunity fund.

10 **SECTION 3.** 20.525 (1) (q) of the statutes is created to read:

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1 20.525 (1) (q) *Governor's opportunity fund loans.* From the governor's
2 opportunity fund, all moneys deposited in the governor's opportunity fund for grants
3 and loans under s. 560.095.

4 **SECTION 4.** 25.17 (1) (gd) of the statutes is created to read:

5 25.17 (1) (gd) Governor's opportunity fund (s. 25.415);

6 **SECTION 5.** 25.415 of the statutes is created to read:

7 **25.415 Governor's opportunity fund.** There is established a separate
8 nonlapsible trust fund designated as the governor's opportunity fund, consisting of
9 all moneys transferred under s. 20.525 (1) (e) and all moneys received in repayment
10 of grants and loans under s. 560.095.

11 **SECTION 6.** 560.095 of the statutes is created to read:

12 **560.095 Governor's opportunity fund; grants and loans.** (1) In this
13 section:

14 (a) "Eligible costs" means the cost of any of the following, except that "eligible
15 costs" do not include payment or guarantee of payment for any rental, lease, license,
16 or other contractual right to the use of property:

17 1. Public or private utility extension or capacity development on or off the site
18 of the development project.

19 2. Public or private installation, extension, or capacity development of
20 high-speed or broadband Internet access, whether on-site or off-site.

21 3. Road, rail, or other transportation access costs that exceed the funding
22 capability of existing programs.

23 4. Site acquisition.

24 5. Grading, drainage, paving, and any other activity required to prepare a site
25 for construction.

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1 6. Construction or build-out of publicly owned buildings.

2 7. Training.

3 8. Grants or loans to an industrial development authority, housing and
4 redevelopment authority, or other political subdivision for purposes directly relating
5 to an eligible cost under subds. 1. to 7.

6 (b) “New job” means employment of an indefinite duration that is created as
7 the direct result of a private investment and for which the employer pays wages and
8 standard fringe benefits, if the employment requires an employee to work at least
9 1,680 hours per year or at least 35 hours per week for at least 48 weeks. “New job”
10 does not include a position created by an employer by shifting a job function from
11 another location in this state or a position created at an employer’s supplier.

12 (c) “Political subdivision” means a city, village, town, or county.

13 **(2)** (a) Subject to pars. (b) to (d), the governor may award a grant or loan from
14 the appropriations under s. 20.525 (1) (e) and (q) to a political subdivision for eligible
15 costs of a development project if one of the following applies:

16 1. The project involves a private investment of at least \$10,000,000 and creates
17 at least 100 new jobs.

18 2. The project involves a private investment of at least \$5,000,000; creates at
19 least 50 new jobs; and is located in a political subdivision with a population less than
20 100,000.

21 3. The project involves a private investment of at least \$2,500,000; creates at
22 least 25 new jobs; and is located in a political subdivision with a population less than
23 50,000.

24 (b) The governor may not award a grant or loan for a development project in
25 which a business relocates or expands its operations in one or more locations in this

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1 state and simultaneously closes or substantially reduces its operations or the
2 number of its employees in another location in this state.

3 (c) At least one-quarter of the total amount of grant and loan moneys awarded
4 in a fiscal biennium shall be awarded to political subdivisions whose unemployment
5 rate in the calendar year preceding the award of the grant exceeded the average
6 unemployment rate in this state for the same type of political subdivision.

7 (d) At least one-quarter of the total amount of grant and loan moneys awarded
8 in a fiscal biennium shall be awarded to political subdivisions with populations of
9 35,000 or less.

10 **(3)** Notwithstanding sub. (2), the governor may award a grant or loan from the
11 appropriations under s. 20.525 (1) (e) and (q) to a political subdivision for eligible
12 costs of a development project if all of the following apply:

13 (a) The governor submits to the cochairpersons of the joint committee on
14 finance a proposal to award a grant or loan under this subsection.

15 (b) One of the following is true:

16 1. The cochairpersons of the joint committee on finance do not notify the
17 governor that the committee has scheduled a hearing on the governor's proposal
18 under par. (a) within 5 days after receiving the proposal.

19 2. The joint committee on finance approves the governor's proposal under par.
20 (a) after a hearing.

21 **(4)** A political subdivision that receives a grant or loan under this section shall
22 enter into a contract with each business for whose benefit the grant or loan has been
23 awarded. The contract shall specify a deadline for the business to secure the private
24 investment and create the new jobs for which the grant or loan was awarded, except
25 that a political subdivision may grant an extension of the deadline not to exceed 15

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1 days from the initial deadline specified in the contract. If the business fails to secure
2 the private investment and create the new jobs for which the grant or loan was
3 awarded by the deadline, the contract shall require the business to repay a portion
4 of the grant or loan. The amount of the repayment required shall be prorated
5 according to the value of the benefit obtained by the business as a result of the grant
6 or loan and the extent to which the business has secured the private investment and
7 created the new jobs specified in the contract.

8 (5) (a) With the advice of the department, the governor shall develop guidelines
9 and criteria for awarding grants or making loans under this section. The guidelines
10 and criteria shall encourage the award of grants for projects throughout the state and
11 shall include a cap on the amount of a grant under this section.

12 (b) The department shall assist the governor in the review of applications for
13 grants and loans under this section and shall monitor and assess compliance with
14 contracts under sub. (4).

15 (END)