

## CHAPTER 560

## DEPARTMENT OF DEVELOPMENT

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## SUBCHAPTER I

## GENERAL PROVISIONS

**560.001 Definitions.** In this chapter:

- (1) "Department" means the department of development.
- (2) "Secretary" means the secretary of the department.

History: 1971 c. 321; 1979 c. 361.

**560.01 Organization of the department. (1) PURPOSES.** The functions of the department are of an advocacy, consultative, advisory, informational, coordinative and promotional nature. Through research, planning, consultation and through promotion of the development and maximum wise use of the natural and human resources of the state, it shall foster the growth and diversification of the economy of the state. It shall serve as the central agency and clearinghouse for developmental activities concerning the economy of the state. It shall make recommendations to the governor for the purpose of guiding a coordinated and economically efficient development of the state and shall seek closer cooperation and coordination between units of state government, educational institutions, local governments, local planning agencies, including regional planning commissions, and business and industry to foster and encourage a pattern of community development and of state-local and business relationships so that the economy of the state may continue to develop fully and meet citizen and community needs. It shall make continuing studies of the problems affecting economic and community development and recommendations for relieving those problems, and function in any other reasonable manner that will accomplish the stated purposes of this chapter. The department may also coordinate training for local govern-

ment officials provided by state agencies including, but not limited to, the university of Wisconsin-extension and the vocational, technical and adult education system.

**(2) DUTIES.** The department shall develop a state economic policy. The department shall promote and provide technical assistance, consultative services and other assistance to commercial, industrial and recreational development and expansion; facilitate the establishment and retention of business enterprises in this state, including small and minority business enterprises; encourage cooperation between financial institutions and business persons to encourage commercial, industrial and recreational business expansion in this state; encourage creation of jobs throughout the state and especially in urban and rural economically depressed areas; develop and coordinate state public and private economic development plans and federal economic development assistance programs affecting local governments and business and industry; encourage the growth of tourism in the state; promote state products and industries in both foreign and domestic markets; provide informational clearinghouses for businesses and communities in their dealings with other state and federal agencies; advise the governor and legislature on the role of the state in state-local affairs; study the problems affecting local government relations as they impact on economic development and make recommendations for relieving these problems; develop a state-local relations policy to facilitate closer coordination and cooperation between state and local governments; advise the governor and the legislature regarding problems faced by local governments; develop an improved pattern of state-local relations; and develop recommendations for legislative or administrative action as may appear necessary.

(3) **FOREIGN OFFICE AGREEMENTS.** The department may enter into agreements regarding compensation, space and other administrative matters as are necessary to operate departmental offices in other states and foreign countries. Such agreements shall be subject to the approval of the secretary of administration.

**History:** 1971 c. 321; 1977 c. 29; 1979 c. 361; 1983 a. 27.

**560.02 Secretary.** The secretary shall:

(1) Direct the execution of the statutory duties and powers assigned to the department and shall advise the governor and legislature on matters regarding economic growth and development and community development in the state.

(2) Appoint the administrators for the various divisions of the department subject to s. 230.08 (4) (a). Administrators appointed under the unclassified service shall serve at the pleasure of the secretary.

(3) Delegate any of his or her powers and duties to such officers and employees of the department as he or she designates, and may authorize successive redelegations of such powers and duties.

(4) Submit and adopt all necessary plans; enter into contracts; accept gifts, grants and federal funds; make rules and do all things necessary and proper to carry out this chapter.

**History:** 1971 c. 307 s. 104; 1971 c. 321; 1977 c. 29, 418; 1979 c. 361 ss. 29, 86

**560.03 Business and industrial development.** The department shall foster, encourage and advocate economic development programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others:

(1) Support and assist the efforts of local business and industry, local government, state, regional and local development corporations, industrial committees, chambers of commerce, labor organizations and other similar public and private agencies to foster expansion of existing agricultural, commercial, industrial and mining enterprises, and initiate efforts to attract new enterprises.

(2) Identify for the governor's attention those significant business and industrial problems which may be relieved by state action.

(3) Assist in the formulation and implementation of integrated economic and community development programs for northern Wisconsin and other areas or regions of the state and cooperate with and provide technical assistance to any organizations created for the purpose of aiding and encouraging an orderly, productive and coordinated development of the state.

(4) Assist in the formulation and development of a more intensive program to aid and expand the mining industry.

(5) Provide advice and assistance to Wisconsin business and labor.

(6) Locate and maintain information on prime industrial sites, together with recommendations for developing and preserving such sites.

(7) Perform such other functions as the governor may direct to aid in the industrial development of the state.

(8) Help local units of government to plan and initiate development projects.

(9) Establish and operate a small business ombudsman clearinghouse for business and industry to facilitate the flow of information from other state and federal agencies and to assist state agencies in establishing methods to encourage the participation of small businesses in rule making under s. 227.114 (4).

(10) Explore the feasibility of new programs which will address, but not be limited to, the following areas of concern:

(a) The capital development financing needs of business, industrial and agricultural enterprises.

(b) The creation of job opportunities in inner cities and other economically depressed areas.

(c) Credit assistance for business and economic development.

(d) Optimum utilization of federal programs designed to encourage and aid economic development.

(e) The potential of a program to promote and encourage inventions and technological innovations.

(11) Prepare and maintain comprehensive plans for the dynamic development of the economy of each area of the state in cooperation with representatives of the area.

(15) Annually, submit a summary of the employment impact estimates required under s. 560.034 (2) and a report to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), analyzing the use of industrial revenue bond financing under s. 66.521 and accurately reporting the benefits of that use, including the effect on employment in this state including, but not limited to:

(a) The number of full-time equivalent employment positions created by each project financed; and

(b) If use of industrial revenue bond financing results in the relocation of an operation which uses the project financed, the municipality from which the relocation occurs and the number of full-time equivalent employment positions eliminated in that municipality.

(16) Publish and distribute a list of all aid programs and services made available by this state to its communities. The department shall charge and collect a fee to cover the cost of publication and distribution under this subsection.

(17) Assist new businesses and small businesses receiving economic development loans under s. 234.65 (1) (a) or the assistance of the Wisconsin housing and economic development authority in locating sources of venture capital and in obtaining the state and federal licenses and permits necessary for business operations.

(18) Develop and implement a plan to promote and increase exports, including agricultural products, and foreign investment in this state. The plan shall provide for the secretary to take a leadership role in assuring collaboration and coordination among international trade activities conducted by governmental entities to assure efficiency and to avoid duplication and may include provisions for participation in trade fairs and missions, establishment and maintenance of foreign trade offices and preparation of research on foreign markets for exports from this state and on opportunities for foreign investment in this state. The plan shall describe the allocation of funds for support staff in this state to implement the plan and for all other costs in implementing each provision of the plan. In developing and implementing the plan, the department shall consult with the department of agriculture, trade and consumer protection, the university of Wisconsin system, the state vocational, technical and adult education system and other public and private agencies and institutions supporting international trade education or activities. Any plan to establish a foreign trade office shall include the feasibility of establishing a system of graduated fees which a trade office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

(19) Establish and operate a permit information center as set forth in subch. III.

(20) Provide technical assistance to community development corporations, as defined in s. 234.94 (2), and to persons who are forming community development corporations.

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; Stats. 1971 s. 560.03; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362; 1983 a. 27, 83, 86, 90, 91, 192; 1985 a. 182 s. 57; 1985 a. 299; 1987 a. 27, 186; 1987 a. 399 s. 433.

#### 560.032 Allocation of volume cap on tax-exempt bonds.

(1) **ANNUAL ALLOCATION.** Annually no later than October 31, the department, by rule, shall establish under 26 USC 146 and administer a system for the allocation of the volume cap on the issuance of private activity bonds, as defined under 26 USC 141 (a), for the next year, among all municipalities, as defined in s. 67.01 (5), and any corporation formed on behalf of those municipalities, and among this state, the Wisconsin health and educational facilities authority and the Wisconsin housing and economic development authority.

(2) **AMENDMENT TO ALLOCATION.** Annually at any time prior to December 31, the department, under s. 227.24, may revise the allocation system established for that year under sub. (1), except that any revision under this subsection does not apply to any allocation under which the recipient of that allocation has adopted a resolution authorizing the issuance of a private activity bond, as defined in 26 USC 141 (a).

(3) **CONDITIONS.** The department may establish, by rule, any procedure for, and place any condition upon, the granting of an allocation under this section which the department deems to be in the best interest of the state including, but not limited to, a requirement that a cash deposit, at a rate established by the department in the rules, be a condition for an allocation.

(4) **CERTIFICATION.** If the secretary receives notice of the issuance of a bond under an allocation under subs. (1) to (3), the secretary shall certify that that bond meets the requirements of 26 USC 146.

**History:** 1987 a. 69, 403.

**560.034 Employment impact estimates.** (1) The department shall prescribe the notice forms to be used under ss. 66.521 (4m) (a) 1 and 234.65 (3) (a) 1. The department shall include on the forms a requirement for information on the number of jobs the person submitting the notice expects to be eliminated, created or maintained on the project site and elsewhere in this state by the project which is the subject of the notice. The department shall prescribe the forms to be used under ss. 66.521 (4m) (b) and 234.65 (3r).

(2) If the department receives a notice under s. 66.521 (4m) (a), the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

(3) If the department receives a notice under s. 234.65 (3) (a) 1, the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

(5) The department shall issue an estimate made:

(a) Under sub. (2), to the city, village or town which will issue the bonds to finance the project which is the subject of the estimate.

(b) Under sub. (3), to the Wisconsin housing and economic development authority.

**History:** 1985 a. 299.

**560.036 Minority businesses.** (1) **DEFINITIONS.** In this section:

(a) "American Indian" means a person who is enrolled as a member of a federally recognized American Indian tribe or band or who possesses documentation of at least one-fourth American Indian ancestry or documentation of tribal recognition as an American Indian.

(b) "Asian-Indian" means a person whose ancestors originated in India, Pakistan or Bangladesh.

(c) "Black" means a person whose ancestors originated in any of the black racial groups of Africa.

(d) "Hispanic" means a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose culture or origin is Spanish.

(e) 1. "Minority business" means a sole proprietorship, partnership, joint venture or corporation that fulfills both of the following requirements:

a. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

b. It is currently performing a useful business function.

(ep) "Minority financial adviser" means a sole proprietorship, partnership, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

2. It serves as an adviser with regard to the sale of evidences of indebtedness or other obligations.

(f) "Minority group member" means any of the following:

1. A Black.

2. A Hispanic.

3. An American Indian.

4. An Eskimo.

5. An Aleut.

6. A native Hawaiian.

7. An Asian-Indian.

8. A person of Asian-Pacific origin.

(fm) "Minority investment firm" means a sole proprietorship, partnership, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

2. It serves as a manager, comanager or in any other underwriting capacity with regard to the sale of evidences of indebtedness or other obligations or as a broker-dealer as defined in s. 551.02 (3).

(g) "Person of Asian-Pacific origin" means a person whose ancestors originated in Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

(h) "Useful business function" means the provision of materials, supplies, equipment or services to customers in addition to this state. Acting as a conduit to transfer funds to a nonminority business does not constitute a useful business function, unless doing so is a normal industry practice.

(2) **MINORITY BUSINESS, ADVISER AND FIRM CERTIFICATION.**

(a) For the purposes of ss. 16.75 (3m), 16.855 (10m), 16.87 (2),

18.16, 18.64, 18.77, 25.185, 231.27 and 234.85, the department shall establish and periodically update a list of certified minority businesses, minority financial advisers and minority investment firms. Any business, financial adviser or investment firm may apply to the department for certification. For purposes of this paragraph, unless the context otherwise requires, a "business" includes a financial adviser or investment firm.

(b) The department shall certify a business incorporated under ch. 180 or having its principal place of business in this state if the department, after conducting an investigation, determines that the business qualifies as a minority business under sub. (1) and any rules promulgated under sub. (3) (c). A determination that a business qualifies as a minority business may not be based on the number of minority group members employed by the business.

(c) The department, without investigation, may certify a business incorporated in this state or having its principal place of business in this state if the business is certified or otherwise classified as a minority business by an agency of this or another state or the federal government, or by a private business with expertise in certifying minority businesses if the private business uses substantially the same procedures as those used by the department in making a determination under par. (b).

(d) 1. If the business applying for certification is not incorporated under ch. 180 or does not have its principal place of business in this state, the department may certify it if it meets a condition specified under par. (b) or (c) and if either of the following conditions exists:

a. The state in which the business is incorporated or has its principal place of business has a statutory minority business procurement program and the business qualifies for participation in that program under a procedure substantially equivalent to the procedure used by the department in making a determination under par. (b).

b. The department determines that, with respect to a specified type of supply, material, equipment or service, there are not enough certified minority business suppliers in this state to enable this state to achieve compliance with ss. 16.75 (3m), 16.855 (10m), 16.87 (2) and 25.185.

(dm) The department may charge each business applying for certification under par. (d) a fee to cover the department's expenses in making the certification determination.

(e) If a business refuses to provide the department with sufficient information to enable it to conduct an investigation or if the business does not qualify for certification under par. (b), (c) or (d), the department shall deny the application. A business whose application is denied may, within 30 days after the date of the denial, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal.

(f) The department may, at the request of any state agency, or at its own discretion, examine any certified business to verify that it qualifies for certification. The business shall provide the department with any records or information necessary to complete the examination. If the business fails to comply with a reasonable request for records or information, the department shall decertify it.

(g) If the department, after an examination under par. (f), determines that a business does not qualify as a minority business, the department shall notify the business and the departments of administration and transportation that it intends to decertify the business. The business may, within 30 days after the notice is sent, appeal in writing to the secretary of development. The secretary shall enter his or her final decision within 30 days after receiving the appeal. If the

secretary confirms the decision of the department, the department shall immediately decertify the business. A decertified business may, within 30 days after the secretary's decision, request a contested case hearing under s. 227.42 from the department of development. If the final administrative or judicial proceeding results in a determination that the business qualifies as a minority business, the department shall immediately certify the business.

(3) DEPARTMENT RULE MAKING. (a) The department shall promulgate rules establishing procedures to implement sub. (2).

(b) The department may promulgate rules further defining sub. (1) (f) 1 to 8.

(c) The department may promulgate rules establishing conditions with which a business, financial adviser or investment firm must comply to qualify for certification, in addition to the qualifications specified under sub. (1) (e), (ep) and (fm), respectively.

History: 1983 a. 390; 1985 a. 182 s. 57; 1987 a. 27, 403.

**560.04 Community development. (1) PURPOSE.** The legislature determines that a pattern of state-local relations shall be established that will facilitate closer coordination and cooperation between state and local governments. The department shall recommend methods for achieving such closer coordination and cooperation in order to meet citizen needs, provide a balanced economy, pursue housing initiatives and facilitate economic and community development.

(2) DUTIES. The department shall:

(a) Review proposed changes in local government boundaries and evaluate and recommend to communities involved those changes which are in the best interest of the state and the communities involved.

(b) Cooperate with and provide technical assistance to county, town, village, city and regional planning commissions and their governing bodies, community development groups, and similar agencies created for the purposes of aiding and encouraging orderly, productive and coordinated economic and community development in the state and assuring a productive and coordinated state-local relationship.

(c) Encourage and, when requested, assist the efforts of local governments to develop mutual and cooperative solutions to their common problems.

(e) Consult with and encourage participation by private groups, individuals, and organizations in carrying out the purposes of the department.

(g) Establish and operate a community development and local government clearinghouse to facilitate the exchange of information between other state and federal agencies and units of local government.

(h) Identify for the governor's attention those significant state-local relations problems, including economic development, which may be relieved by state action.

(j) Administer grant programs related to economic or community development, including economic development assistance programs and housing and urban development comprehensive planning grants affecting local government, business or industry, to assist and strengthen local, regional and state economic and community development and support experimental and cooperative activities and intergovernmental relations, training of local government officials and personnel, and other activities consistent with the purposes of this chapter.

(2m) DUTIES. The department may assign one or more full-time equivalent positions to the function of coordinating the development and scheduling of training programs for local government officials by the university of Wisconsin-

extension, the vocational, technical and adult education system, department of revenue, elections board and other state agencies in order to assure the effective delivery of training programs and to prevent duplication of effort and coordinating requests for management or personnel consultative services from government units other than the state and directing those requests to the appropriate division of the department of administration.

(3) **HOUSING ASSISTANCE.** The department may make, with or without interest or security, loans from the appropriation made under s. 20.143 (3) (v) for development or construction of low- and moderate-income housing projects. No loan may be made unless the secretary may reasonably anticipate permanent financing of the project. The department shall request the building commission to contract revenue obligations to fund loans under this subsection. The building commission shall, at the request of the department, contract under subch. II of ch. 18 \$1,000,000 in revenue obligations, excluding obligations issued to refund outstanding revenue obligations issued under this subsection, for the purpose of funding loans under this subsection. The department may, under s. 18.56 (5) and (9) (j), deposit in a separate and distinct fund outside the state treasury all revenues received in the repayment of loans, funded from the appropriation under s. 20.143 (3) (v), made under this subsection and any other revenues dedicated to it by the department. The department may pledge revenues received or to be received by this fund to secure revenue obligations issued to fund loans under this subsection. The department shall have all other powers necessary and convenient to distribute the proceeds of the revenue obligations and loan repayments in accordance with subch. II of ch. 18.

**History:** 1971 c. 125; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 2; 1979 c. 34; 1979 c. 162 s. 38 (11); 1979 c. 175; 1979 c. 361 ss. 31 to 40, 48, 98, 113; Stats. 1979 s. 560.04; 1981 c. 349; 1983 a. 27; 1983 a. 36 s. 96 (3), (4); 1985 a. 29; 1987 a. 399.

Housing assistance program under (3) violates Art. VIII, s. 10, Wis. Const., ban on state involvement in "internal improvements". Development Dept. v. Bldg. Comm'n., 139 W (2d) 1, 406 NW (2d) 728 (1987).

**560.05 Additional powers to provide facilities. (1)** As used in this section unless the context requires otherwise:

(a) The term "corporation" in relation to any conveyance, lease or sublease made under sub. (2) means a nonstock, nonprofit corporation organized under ch. 181 or any law amendatory thereof or supplemental thereto.

(b) "Existing building" in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful or useful and all equipment therefor and all improvements and additions thereto which were erected, constructed or installed prior to the making of such conveyance, lease or sublease.

(c) "New building" in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which are erected, constructed or installed after the making of such conveyance, lease or sublease.

(2) In order to provide new buildings and to enable the construction and financing thereof, to refinance indebtedness hereafter created by a corporation for the purpose of provid-

ing new buildings or additions or improvements thereto which are located on land owned by or owned by the state and held for the department or by a corporation or for any one or more of said purposes but for no other purpose unless authorized by law, the department has the following powers and duties:

(a) Without limitation by reason of any other provisions of the statutes, the power to sell and to convey title in fee simple to a corporation any land and any existing buildings thereon owned by or owned by the state and held for the department for such consideration and upon such terms and conditions as in the judgment of the department are in the public interest.

(b) The power to lease to a corporation for terms not exceeding 50 years each any land and any existing buildings thereon owned by or owned by the state and held for the department upon such terms and conditions as in the judgment of the department are in the public interest.

(c) The power to lease or sublease from a corporation and to make available for public use any such land and existing buildings conveyed or leased to such corporation under pars. (a) and (b) and any new buildings erected on such land or on any other land owned by such corporation, upon such terms, conditions and rentals, subject to available appropriations, as in the judgment of the department are in the public interest.

(d) The duty to submit the plans and specifications for all such new buildings and all conveyances, leases and subleases made under this section to the department of administration and the governor for written approval before they are finally adopted, executed and delivered.

(e) The power to pledge and assign all or any part of the revenues derived from the operation of such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings under par. (c).

(f) The power to covenant and agree in any lease or sublease of such new buildings made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of such new buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(g) The power to covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of existing buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(h) The power and duty, upon receipt of notice of any assignment by a corporation of any lease or sublease made under par. (c), or of any of its rights under any such sublease, to recognize and give effect to such assignment, and to pay to the assignee thereof rentals or other payments then due or which may become due under any such lease or sublease which has been so assigned by such corporation.

(3) The state shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (2) (c) and may be sued therefor on contract as in other contract actions under ch. 775, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

(4) Nothing in this section empowers the department to incur any state debt.

(5) All conveyances, leases and subleases made pursuant to this section shall be made, executed and delivered in the name of the department and shall be signed by the secretary.

(6) All laws conflicting with this section are, insofar as they conflict with this section and no further, superseded by this section.

(7) The department may not convey or lease under sub. (2) (a) or (b) on or after September 1, 1980.

History: 1979 c. 32 s. 92 (5); 1979 c. 361 ss. 58, 103; Stats. 1979 s. 560.05; 1983 a. 189.

**560.07 Promotion.** The department shall provide coordinating services to aid state and local groups in the promotion of economic enterprises and shall conduct such publicity and promotional activities as are desirable to stimulate all facets of the economy and to this end it shall specifically:

(1) Collect and disseminate information regarding the advantages of developing business and industrial enterprises in this state.

(2) Stimulate and foster the development of the private industry of this state.

(2m) In cooperation with the university of Wisconsin small business development center, the university of Wisconsin center for cooperatives, the board of vocational, technical and adult education and the university of Wisconsin-extension, collect and disseminate information regarding employe-owned businesses and promote the appropriate establishment of employe-owned businesses.

(3) For the purpose of attracting persons interested in locating new enterprises in this state:

(a) Serve as the state's official liaison agency between persons interested in locating new economic enterprises in Wisconsin, and state and local groups seeking new enterprises. In this respect the department shall aid communities in organizing for and obtaining new business or expanding existing business and shall respond to requests which reflect interest in locating economic enterprises in the state. When the secretary considers appropriate, the department shall refer requests for economic development assistance to Forward Wisconsin, inc., and shall attempt to prevent duplication of efforts between the department and Forward Wisconsin, inc.

(b) Contract with Forward Wisconsin, inc., if the secretary determines it appropriate, to pay Forward Wisconsin, inc., an amount not to exceed the amount appropriated under s. 20.143 (1) (bm), to establish and implement a nationwide business development promotion campaign to attract persons interested in locating new enterprises in this state and to encourage the retention and expansion of businesses and jobs in this state. Funds may be expended to carry out the contract only as provided in s. 16.501.

(c) Whenever appropriate, submit to the secretary of administration a report setting forth the amount of private contributions received by Forward Wisconsin, inc., since the time the department last submitted such a report.

(4) Collect and disseminate information regarding the ports of the state and promote the advantages of developing new business for the ports of the state.

(5) Study, promote and implement means of expanding foreign and domestic markets for products of this state.

(6) The secretary shall annually meet with the secretary of agriculture, trade and consumer protection to mutually agree on any joint program efforts.

(7) Encourage public and private agencies or bodies to publicize the facilities and attractions of the state.

(9) On or before July 1, 1985, and every July 1 thereafter, submit to the chief clerk of each house of the legislature, for distribution to the appropriate standing committees under s. 13.172 (3), a report stating the net jobs gain due to the funds provided Forward Wisconsin, inc., under s. 20.143 (1) (bm).

(10) Promote the pilot export development loan program under s. 560.165 to encourage economic development in this state. The department shall publicize the availability of pilot export development loans throughout this state and, on request, provide pilot export development loan program information to each small business, as defined in s. 560.165 (1) (e).

History: 1971 c. 321 ss. 11, 16; Stats. 1971 s. 560.04; 1979 c. 361 ss. 97, 99, 106; Stats. 1979 s. 560.07; 1983 a. 27, 381, 387; 1985 a. 29; 1987 a. 27, 186, 318, 399.

**560.075 American Indian economic liaison program. (1) DEFINITIONS.** In this section:

(a) "American Indian" means a person who is recognized by a tribal governing body as a member of an Indian tribe.

(b) "Indian tribe" means a federally recognized American Indian tribe or band in this state.

(c) "Targeted program" means a program or form of assistance available to an American Indian or Indian tribe which is administered by a state agency and relates to any of the following:

1. Economic development.
2. Community development.
3. Increasing employment among American Indians.
4. Minority business certification under s. 560.036.
5. Any other program or form of state assistance which the department considers relevant to American Indians or Indian tribes.

(d) "Tribal governing body" means the elected governing body of an Indian tribe.

(2) DUTIES. The department shall do all of the following:

(a) Provide to tribal governing bodies, at least annually, a directory or other list identifying state employes or officers who administer targeted programs.

(am) Provide, upon request, assistance to tribal governing bodies to promote economic development through the use of targeted programs.

(b) Disseminate to tribal governing bodies pamphlets or other written materials which describe targeted programs and explain how to participate in targeted programs.

(c) Provide to tribal governing bodies periodic reports, in written form chosen by the department, which contain any of the following:

1. Information about past participation in a targeted program by an American Indian or Indian tribe.
2. The progress or anticipated results of, or other information about, present or anticipated participation in a targeted program by an American Indian or Indian tribe.
3. Any other information the department considers relevant.

(d) Designate a liaison between American Indians, tribal governing bodies and Indian tribes interested in targeted programs and the state agencies which administer targeted programs.

(3) ADDITIONAL DISTRIBUTION. The department may distribute additional copies of the material described in sub. (2) (a), (b) and (c) to other interested parties as the department determines is appropriate.

History: 1987 a. 317.

**560.08 Economic and community development planning and research. (1) PURPOSE.** The legislature determines that the proper development of the state as an attractive place to live and work will be enhanced through the development and expansion of comprehensive economic and community development planning programs and research programs undertaken by the department in order to accomplish the stated purposes of this chapter.

**(2) DUTIES.** The department shall:

(a) Study the impact of the St. Lawrence Seaway on the economy of the state, conduct research on port development and new businesses for port communities, communicate the results of such studies to appropriate port, public and business agencies and formulate, coordinate and direct a program of port development for the state. The department shall serve as a liaison agency between local port authorities, state and federal agencies and individuals or private agencies who need or request information relative to the ports of the state. The department shall appear before federal, state and local agencies, whenever it deems such action advisable, in the matter of the welfare of the ports of the state.

(b) Assemble and correlate information relating to all facets of the state's economic resources, including without limitation, the labor supply, markets for Wisconsin products, power development, highways, watersheds, waterways, waterfront and harbor developments, water freight rates, tariffs, demurrage charges and state and federal regulations affecting ports, river basins, flood prevention, parks, reservations, river valleys, forests, wildlife refuges, aviation facilities, drainage and sanitary systems, waste disposal, waterworks, soil conservation, railroad rights-of-way, power transmission facilities, urban development, food, housing and water supplies, and factors which influence the development of new economic enterprises such as taxes and the regulation of industry.

(c) Assess the economic resources of each area of the state, including its human resources, natural resources, and economic strengths and problems and advance proposals to develop its strengths and solve its problems.

(d) Identify gaps in government services as they relate to economic and community development in each area of the state and recommend specific actions to the local and state agencies concerned.

(e) Coordinate its comprehensive economic development plans with local and regional economic planning and economic development agencies, both governmental and non-governmental, and assist these agencies to implement agreed upon economic development plans.

(f) Carry out continuing studies and analyses of the economic and community development problems faced by Milwaukee and other urban areas within the state and develop such recommendations as appear necessary. In carrying out such studies and analyses, particular attention should be paid to the development of financing methods and programs which will effectively supplement local effort.

(g) Carry out continuing studies and analyses of the problems faced by local governments within the state and develop such recommendations for administrative or legislative action as appear necessary.

(h) Study existing legal provisions that affect the structure and financing of local government and those state activities which involve significant relations with local government units; recommend such changes in these provisions and activities as appear necessary to strengthen local government, encourage economic and community development and facilitate closer state-local relations.

(i) Encourage, assist and advise regional, county and local agencies or bodies responsible for planning and zoning in the programs they administer or may wish to initiate.

(j) Assist planning for metropolitan or regional areas, or areas where rapid urbanization or decline has resulted or is expected to result, including areas extending into adjoining states.

(m) No later than January 1 of each odd-numbered year, submit to the investment board a report describing the types

of investments in businesses in this state which will have the greatest likelihood of enhancing economic development in this state.

**History:** 1971 c. 125; 1979 c. 361 ss. 32, 43, 44, 47, 88, 92; 1985 a. 53.

**560.081 State main street program. (1)** In this section:

(a) "Business area" means a commercial area existing at the time services under the state main street program are requested and having historic significance.

(b) "Municipality" means a city, village or town.

(c) "Revitalization" means the process of engaging in activities to increase economic activity, while preserving and building upon a location's historically significant characteristics.

(2) The department shall establish and administer a state main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas. The department shall do all of the following:

(a) Enter into contracts to obtain business area revitalization services provided by the national main street center.

(b) Employ, in the state classified service, staff for the state main street program.

(c) With help from the council on main street programs and from interested individuals and organizations, develop a plan describing the objectives of the state main street program and the methods by which the department shall:

1. Coordinate the activities of that program with private and public sector revitalization of business areas.

2. Solicit and use private sector funding for revitalization of business areas.

3. Help municipalities engage in revitalization of business areas.

(d) Coordinate with other state and local public and private entities which provide services to municipalities undertaking projects for the revitalization of business areas.

(e) Select, upon application by the municipality, 15 municipalities to participate in a state main street pilot program. The department shall commence the pilot program for 5 of those municipalities in each of 3 consecutive years. The pilot program for each municipality shall conclude after 3 years. The department shall select pilot program participants representing various geographical regions and populations.

(f) For use in selecting the participants in the state main street pilot program under par. (e), develop objective criteria relating to at least the following issues:

1. Private and public sector interest in and commitment to revitalization of a business area selected by the municipality.

2. Potential private sector investment in a business area selected by the municipality.

3. Local organizational and financial commitment to employ a pilot program manager for not less than 3 years.

4. Local assistance in paying for the services of a design consultant recommended by the council on main street programs.

5. Local commitment to assist in training persons to direct activities related to business areas in municipalities which do not participate in the state main street pilot program.

(g) After the end of the 36th month commencing after the department begins the state main street pilot program described in par. (e), expand the state main street program to include, upon application, other municipalities demonstrating a commitment to participate in the program.

(h) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the state main street program.

(i) Provide the following to the governor and to the presiding officer of each house of the legislature:

1. An annual report on the effects of the state main street program.

2. No later than January 1, 1991, a comprehensive evaluation of the state main street pilot program.

History: 1987 a. 109.

**560.082 Council on main street programs.** The council on main street programs shall do all of the following:

(1) Help the secretary develop a plan to operate the state main street program, and review the effectiveness of and recommend to the secretary procedures to improve that program.

(2) Recommend to the secretary municipalities to participate in the state main street pilot program under s. 560.081 (2) (e).

History: 1987 a. 109.

**560.09 Cooperation.** (1) LIAISON WITH STATE AND FEDERAL AGENCIES. The department shall assist, cooperate with and seek information and advice from other state agencies, federal agencies, organizations of elected officials in the state, units of local government, local business and industry, and other appropriate agencies or organizations in carrying out its assigned functions and duties. Appropriate units of the university of Wisconsin system-extension shall coordinate their activities with the department, and the department shall cooperate by providing information necessary to the conduct of research and professional advice. Particularly, the university of Wisconsin system-extension and the department shall develop processes which will enhance coordination and cooperation in relation to the small business development centers and business advisory service programs and recreation related programs.

(2) RESEARCH. The department shall utilize and coordinate with research programs of other state agencies and shall make such agreements as may be necessary to effectuate its own research program. It shall initiate research and economic planning and shall seek to make full use of and strengthen the research resources of state agencies, including the university or such other institutions of higher education as will enhance the work of the department.

(3) COMMUNICATIONS. The department shall establish strong lines of communication among all state agencies concerned with the economic and community development of the state to assure that all factors in such programs are given adequate consideration.

(4) PUBLICATIONS. The department may issue pamphlets and bulletins pertaining to the economy and the resources of the state and activities of the department. The department may make charges for its pamphlets and bulletins as prescribed in s. 20.908.

History: 1971 c. 321 ss. 13, 16; 1979 c. 34; 1979 c. 361 ss. 100, 102, 107.

**560.097 Notification of position openings; compliance.** The department shall monitor compliance with the position-opening notification requirements under ss. 66.521 (6m) and 101.28.

History: 1987 a. 27.

**560.10 Industrial building construction loan fund.** (1) The industrial building construction loan fund is created to consist of all federal grants made for the purpose of this section as provided in sub. (2). All principal and interest payments for loans made under this section shall be deposited in this fund. The industrial building construction loan fund shall be invested under s. 25.17.

(2) The purpose of this section and the industrial building construction loan fund is to assist and advance the general prosperity and economic welfare of the people of this state and to improve their standard of living and improve employment opportunities in the state by making loans to regional and local development corporations to enable the construction of industrial buildings where such construction would not otherwise occur. In carrying out the purposes and exercising the powers granted by this section the department shall be regarded as performing an essential governmental function.

(3) The department shall administer this section and make loans for the purpose provided under sub. (2) to regional or local corporations. The department may determine the terms and conditions of any such loan, and may charge interest on such loans lower than the going market rate.

History: 1977 c. 418; 1979 c. 361 s. 105; Stats. 1979 s. 560.10.

**560.15 Economic adjustment program.** (1) The department, with the advice and assistance of the community response committees created under sub. (3), and in cooperation with the department of industry, labor and human relations, shall perform the responsibilities under sub. (2) if the following conditions are met:

(a) A business, regardless of its size or form of organization, is considering ceasing its operations or has decided to cease its operations or has ceased its operations at any place of business located in this state; is considering laying off or has decided to lay off or has laid off, whether permanently or temporarily, any of its employees at any place of business located in this state.

(b) The department has received notification of an act by a business under par. (a) from any of the following:

1. The department of industry, labor and human relations under s. 109.07 (1).

3. The business.

4. An employe of the business or a former employe laid off by an act under par. (a).

6. A small business development center of the university of Wisconsin system.

7. A faculty member of the university of Wisconsin-extension.

8. An economic development coordinator of vocational, technical and adult education.

(2) Upon notification of an act by a business under sub. (1), the department shall provide assistance, or provide referrals to other persons or arrange and coordinate assistance from other persons, including federal, state or local governmental units, agencies or programs, other businesses, service organizations, educational institutions and financial institutions, to the following persons for the following purposes and upon the following conditions:

(a) A business which has performed an act under sub. (1) (a), for the purpose of enabling continued or renewed operation of the business or avoiding or rescinding temporary or permanent layoffs, if the business requests or chooses to accept the assistance of the department.

(b) One or more employes of a business, or former employes laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for the purpose of retraining the employes or former employes, matching their skills with jobs for other employers or accomplishing the transfer of ownership, control or management of a business which has decided to or has ceased operations to employes or former employes, members of the community or others, if one or more employes or former employes request or choose to accept the assistance of the department.

(c) A business or one or more employes of a business or former employes laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for any of the purposes set forth in pars. (a) and (b), if the business and one or more employes or former employes request or choose to accept the assistance of the department.

(d) A business or one or more former employes of a business laid off by an act under sub. (1) (a) or one or more employes of a business, if the business has performed an act under sub. (1) (a), for the purpose of informing the business, former employes or employes of their rights and opportunities under s. 560.16.

(3) (a) If a business, or one or more employes of a business or former employes laid off by an act under sub. (1) (a), request or accept assistance under sub. (2), the department shall send written notice thereof to the chief executive officer of the village, town or city where the business has or had its place of business.

(b) A chief executive officer receiving notification under par. (a), after consultation with the business affected, may create a community response committee which shall consist of the following members to be appointed by and serve at the pleasure of the chief executive officer:

1. A representative from the business if the business requests or accepts assistance under sub. (2).

2. A representative from the employes of the business or former employes laid off by an act under sub. (1) (a), if one or more employes or former employes request or accept assistance under sub. (2).

3. A representative from the village, town, city or county where the business has or had its place of business.

4. A representative from a local economic development organization.

(c) A committee created under par. (b) may appoint additional members to serve at the pleasure of the committee, or may otherwise request assistance from any persons, including representatives from any of the following:

1. A local office of the department.

2. A local campus of the university of Wisconsin system.

3. A county office of the university of Wisconsin extension.

4. A district vocational, technical and adult education school.

5. A regional small business development center of the university of Wisconsin system.

6. A district office of the department of industry, labor and human relations.

7. The office of the county treasurer.

(d) Each community response committee shall advise and assist the department in the performance of its responsibilities under this section.

(4) All records received or created for the purposes of this section shall be closed to public inspection if the department, a chief executive officer of a village, town or city or a community response committee determines that public inspection of the records could adversely affect the business, its employes or former employes.

(5) Each employe of the department, and each member of the community response committee, and each chief executive officer of a village, town or city and employes of his or her office shall keep secret all facts and information obtained in the course of performing their responsibilities under this section. This subsection does not prohibit the public inspection of records to the extent permitted under sub. (4) nor meetings in open session to the extent permitted under s. 19.85 (1) (i).

History: 1983 a. 84; 1983 a. 192 s. 304; 1985 a. 29; 1987 a. 27.

**560.16 Employee ownership assistance loans. (1) DEFINITIONS.** In this section:

(a) "Board" means the employe ownership board.

(b) "Business" means an employe-owned business or an existing business which is the subject of an application for a loan under this section.

(c) "Employe-owned business" means a business located in this state which is organized in a manner determined by the secretary to involve substantial employe participation or a cooperative organized under ch. 185 or a corporation in which the employes own the stock of the corporation through an employe stock ownership plan as defined under 26 USC 4975 (e) (7) and in which:

1. A majority of the voting rights are held by employes and any employe who has stock allocated to the employe is entitled to vote;

2. Shares are voted in such a manner that the vote of the majority of employes controls the vote of the majority of shares;

3. Voting rights on corporate matters for shares held in a trust for the employes shall pass through to those employes, at least to the extent required by the pass-through voting requirements under 26 USC 409A (e); and

4. The majority of the members of the board of directors are elected by the employes.

(d) "Employe-owned business group" means a group formed by or on behalf of employes of an employe-owned business which is considering substantial layoffs or a closing for the purpose of determining how to create new jobs, avoid layoffs or avoid the closing.

(e) "Existing business" means the assets of any business which is located in this state and which is operating or has ceased operating for not more than one year prior to the date the application is submitted under sub. (3).

(f) "Existing business group" means a group formed by or on behalf of the current or former employes of an existing business which has experienced substantial layoffs or a closing not more than one year prior to the date the application is submitted under sub. (3) for the purpose of determining the feasibility of assuming ownership or control of the existing business and operating it as an employe-owned business.

(g) "Group" means an employe-owned business group or an existing business group which has applied for a loan under this section.

(h) "Professional services" includes, but is not limited to, accounting services, engineering studies, design assistance, architectural services, appraisal services, marketing assistance, attorney services, financial packaging and employe relations services.

(2) EMPLOYEE OWNERSHIP ASSISTANCE LOANS. (a) The department may use the moneys under s. 20.143 (1) (f) to administer loans to existing business groups for a feasibility study to investigate the reorganization or new incorporation of an existing business as an employe-owned business and for professional services to implement the study.

(b) The department may not administer any loan under this section unless the board has approved the loan.

(c) The board may not approve a loan under this section unless the board has considered all of the following:

1. The number of employes affected by the considered or actual closing or layoff by the business.

2. The management capability of the group.

3. The economic impact of the considered or actual closing or layoff by the business on the community, region or state.

4. A preliminary assessment of the viability of the employe-owned business or proposed employe-owned business and, in

the case of a proposed employe-owned business, the potential for a successful buy out by the group.

(3) **LOAN APPLICATIONS.** To apply for a loan under this section, a group shall submit an application to the department which includes:

(a) A general analysis outlining the need for a feasibility study or professional services under sub. (2) (a), including, but not limited to, such items as the number of employes affected, the economic impact on the community of a business closing and a preliminary analysis as to the feasibility of undertaking employe ownership of the business and the potential for a successful buy out by the group.

(b) A petition in support of the effort signed by at least a majority of the members of the group and a list of the names and addresses of all the members of the group.

(c) If the application is for a loan under sub. (2) (a), a letter from a majority of the owners of the business indicating a preference to sell the business to the group if the study concludes that reorganization or new incorporation of the business which is the subject of the study as an employe-owned business is feasible.

(d) The estimated cost and time required to conduct the feasibility study or provide the service.

(e) A description of the group's financial assets available to match the loan and a statement indicating the group's willingness to match the loan.

(f) A written commitment from a person with the recognized expertise and experience necessary to conduct the feasibility study or provide the professional services to be financed by the loan.

(4) **LOAN LIMITS; CONTRACT APPROVAL.** (a) A loan to a group under this section may not exceed \$25,000 unless the joint committee on finance, under s. 13.101 (5m), approves a specified amount exceeding \$25,000.

(b) As a condition of approval of a loan to a group under this section, the board shall require that the group provide matching funds for at least 25% of the loan, except that the board may waive application of that requirement if the board determines that the group is subject to extreme financial hardship.

(c) Any contract for any feasibility study or professional services financed by a loan under sub. (2) (a) shall be subject to the approval of the board. The board may not approve such a contract unless it determines that the contractor has the expertise required to provide the necessary study or services and that the contractor's costs are consistent with existing market rates.

(5) **REPAYMENT.** Any loan under this section is subject to the following repayment conditions:

(a) If a business is purchased or improved by a group which has received a loan under this section, the group shall repay the entire amount of the loan, with interest, in a lump sum at the closing of the purchase of the business or within one year after the date of the release of the loan by the department, whichever occurs later.

(b) If an existing business is not purchased by a group which has received a loan under this section within one year after the completion of the feasibility study, the group shall submit to the department a final report concerning the feasibility of repaying the loan.

(6) **STUDIES.** (a) Any feasibility study of an existing business financed by a loan under sub. (2) (a) shall include:

1. An assessment of the market value and demand for any product produced by the existing business.

2. A complete evaluation of the production costs of the existing business, including, but not limited to, labor, inven-

tory, machinery and equipment, and the application of new technology.

3. A verified statement of the financial condition and business operation of the existing business for the previous 3 years, certified by an independent public accountant.

4. A full narrative appraisal of the fair market value of the assets of the existing business by a disinterested and qualified appraiser using all 3 commonly accepted appraisal methods.

5. A comprehensive projected business plan of the proposed employe-owned business, including the proposed organizational structure and ownership arrangements.

6. The number and type of jobs to be created or preserved by the proposed employe-owned business at its start-up and for each of the 3 subsequent years.

7. An analysis of the reasons for the closing or considered closing of the existing business.

8. A plan for implementing the feasibility study, if the study concludes that reorganization or new incorporation of the existing business as an employe-owned business is feasible.

(b) The results of a feasibility study of an existing business financed by a loan under sub. (2) (a) shall be solely for the use of the group which received the loan, except that if the group's bid to purchase the business has been withdrawn, rejected or terminated, the group shall submit a copy of the study and the results of any professional services financed by the loan to the board and the board may provide a copy of such results to any person seeking to purchase the existing business.

History: 1985 a 29.

**560.165 Pilot export development loans. (1) DEFINITIONS.** In this section:

(c) "Loan" means a pilot export development loan under this section.

(d) "Royalty" means a share of future profits from, or an interest in, a product or process.

(e) "Small business" means a business operating in this state which manufactures a product or performs a service, or both, with a potential to be exported and which, together with all its affiliates and subsidiaries and its parent company, had gross annual sales of \$25,000,000 or less in the calendar year preceding the year in which it applies for a loan under this section.

(2) **LOAN PURPOSES.** The department may make loans to small businesses from the appropriations under s. 20.143 (1) (fz) and (gr). Loans may be used for the following purposes:

(a) Engaging in foreign market research.

(d) Producing foreign language literature and foreign advertising.

(e) Obtaining technical information about exporting.

(f) Paying legal costs incurred in exporting a product or service, except for legal costs incurred in collecting delinquent accounts.

(g) Locating and establishing sales agents in foreign countries.

(h) Hiring consultants to assist in preparing a detailed export development plan.

(hm) Paying costs associated with developing new product lines, or making product modifications, to meet the demands of a foreign market.

(i) Engaging in any other activity which the department determines to be appropriate.

(3) **LOANS.** Subject to sub. (4), the department shall give loans to small businesses which demonstrate all of the following:

(b) The product or service to be exported using loan funds has the potential for a high sales volume in specific foreign markets.

(c) The small business will maintain its operations in this state for at least 5 years after completing all activities funded by the loan.

(d) The department will give preference if the small business has not exported any product or service into any foreign market before the export activity to be funded by the loan.

**(4) LOAN CONDITIONS.** (a) No loan may exceed \$30,000.

(b) A small business receiving a loan shall expend funds or perform services, relating to export development, equal in value to at least 50% of the loan amount. A small business may, in calculating this amount, include funds expended or services performed in preparing the loan application. A small business may not include, when calculating the amount expended by it for the purpose of this paragraph, moneys expended from grants received by the small business from any source.

(c) No loan funds may be used to pay for the manufacture or distribution of any product marketed, any cost incurred before the application is submitted, any entertainment cost, any employe compensation, any cost associated with furniture, any cost associated with the establishment of a foreign business office or any activity funded with public funds other than the loan.

(d) The department may make a loan to small business only if the department determines that all of the following apply:

1. The activity to be funded by the loan will retain or increase employment in this state.

2. The activity to be funded by the loan is not likely to occur without the loan.

3. Financing is unavailable from any other source on reasonably equivalent terms.

**(5) APPLICATION.** A small business desiring a loan under this section shall submit an application to the department containing:

(a) An export market development plan providing at least a general description of the foreign market development strategy of the small business for the 2 years following the date of application.

(b) An itemized budget of the activities of the small business which relate to export, describing the proposed disbursement of loan funds.

(c) A description of the organizational structure of the small business.

(d) 1. A financial statement certified by an independent certified public accountant as fairly representing the financial condition of the small business.

2. The department may waive the requirement under subd. 1 that the financial statement be certified.

(e) A plan for an annual evaluation and report on the effectiveness of the activities funded by the loan.

(f) A description of the potential benefits to the state's economy, through an increase in sales or the development of new jobs or both, which are likely to result from the use of the loan.

(g) An assurance that at least 50% of the export value of the product or service will be produced in this state.

**(6) REPAYMENT.** (a) The department shall require a small business to repay loan principal and interest, or loan principal and interest and a royalty, into the appropriation under s. 20.143 (1) (gr), subject to par. (d).

(b) If a small business terminates its operations in this state and a loan under this section has not been fully repaid, the department may accelerate the terms of repayment under par.

(a) to any reasonable period. The department may request the attorney general to bring an action in any court of competent jurisdiction to enforce this paragraph. This paragraph does not affect any obligation of the small business to repay a royalty.

(c) Within a reasonable period as determined by the department, a small business shall repay into the appropriation under s. 20.143 (1) (gr) any loan funds, plus interest, not expended within 2 years after it receives the loan.

(d) The department may forgive repayment of a loan under the circumstances described in the rules promulgated under sub. (7) (f).

**(7) DUTIES OF DEPARTMENT.** The department shall do all of the following:

(a) Promote the pilot export development loan program under this section in accordance with s. 560.07 (10).

(b) Review and act on loan applications.

(c) Quarterly, monitor the progress of small businesses receiving loans.

(d) No later than January 1 annually, provide to the governor and to the standing committee dealing with economic development in each house of the legislature a report evaluating the pilot export development loan program under this section and stating all of the following:

1. The name of each small business receiving a loan.

2. The amount of each loan.

3. How each loan was used by the small business receiving it.

4. Whether activities funded by loans resulted in increased export sales for small businesses.

5. The number of jobs created as a result of the loans.

(e) Provide application and reporting forms for use by small businesses.

(f) Promulgate rules setting forth all of the following:

1. Circumstances under which no repayment is required.

2. Circumstances under which payment of a royalty is required.

3. Criteria for determining the period within which a small business shall repay the loan principal and interest, or the royalty, or both.

4. Criteria for determining interest on a loan at a competitive market rate.

5. Criteria for determining royalties in amounts which will generate sufficient revenues to fund subsequent loans.

6. A procedure to coordinate the pilot export development loan program with other programs administered by the department or the department of agriculture, trade or consumer protection which deal with international trade.

**(8) SUNSET.** Subsections (2), (3), (4), (5) and (7) (a), (b), (e) and (f) do not apply on or after May 1, 1991.

History: 1987 a. 318; 1987 a. 403 s. 256

## SUBCHAPTER II

### TOURISM PROMOTION

**560.21 Definitions.** In this subchapter:

(1) "Corporation" means a regional tourism development corporation under s. 560.27.

(2) "Council" means the council on tourism created under s. 15.157 (2).

(3) "Region" means a tourism region under s. 560.27 (2).  
History: 1975 c. 39, 163, 200; 1981 c. 349 s. 32

**560.23 Duties.** (1) **GENERAL DUTIES.** The department shall:

(a) Stimulate, promote, advertise and publicize tourism to the state by those who live in other states and foreign countries.

(b) Promote travel by citizens of this state to this state's scenic, historic, natural, agricultural, educational and recreational attractions.

(c) Create an accurate national and international image of the state.

(d) Encourage all tourism-related businesses to participate in available education programs.

(e) Encourage and cooperate with communities, groups and individuals in the state in pursuing the tourism promotion objectives of the department.

(f) Coordinate and stimulate the orderly and ecologically sound development of commercial tourist facilities throughout the state.

(g) Promote the growth of the tourism and recreation industry through research, planning and assistance.

(h) Annually report to the senate natural resources committee and the assembly committee on tourism the activities, receipts and disbursements of the division of tourism for the previous fiscal year.

(2) **SALES.** The secretary shall annually formulate, in consultation with 5 members of the council selected under s. 560.24, a statewide marketing strategy, which is a plan for marketing and promotion of the facilities and attractions of the state for the ensuing year. The department shall implement the plan. The department shall cooperate with the commercial recreation industry to assure coordination with private plans and programs, and may assist in the development and marketing of combined recreational opportunities such as package tours, convention and trade show facilities and special transportation arrangements.

(3) **SERVICES.** The department shall assist the consumers and the suppliers of recreational opportunities in the state. The department may:

(a) Collect and disseminate information as to the facilities, advantages and attractions of the state, including historic, scenic and other points of interest.

(b) Provide timely information regarding weather, transportation facilities, hunting, fishing, boating, motoring, snowmobiling and skiing conditions and other subjects of interest to those seeking recreational opportunities in the state.

(c) Establish, manage and operate permanent or temporary tourist information centers along major highways into the state.

(d) Provide advice and service to persons or groups engaged in the recreation industry.

(e) Conduct research into the status and needs of the recreation industry.

(f) Operate a reservations service for recreational facilities in the state.

(g) Provide planning and coordinating assistance to tour operators, convention and trade show managers.

(4) **ADVERTISING.** The department shall plan and conduct a program of advertising and promotion designed to attract interested persons to this state and to stimulate the enjoyment of its recreational opportunities by residents and nonresidents alike. Any contracts engaging a private agency to conduct an advertising or promotion program under this subsection shall reserve to the department the right to terminate the contract if the service is unsatisfactory to the department. The department shall encourage and coordinate the efforts of public and private organizations to publicize the facilities and attractions of the state for the purpose of stimulating their enjoyment by residents and tourists.

(5) **CHEESE DISTRIBUTION.** (a) The department shall distribute cheese that was donated, or purchased from donations received under par. (c), free of charge to the public each

year from the 2nd to last Monday in May to the first Monday in September at each tourist information center operated by the department in this state except the tourist information center located in Madison.

(b) Cheese distributed under par. (a) shall be in packages of one ounce or less and shall be manufactured in Wisconsin.

(c) The department shall accept cheese, and refrigeration equipment and gifts, grants, bequests and devises, for the purpose of implementing this subsection. If there is an insufficient amount of cheese available to implement this subsection, the department shall contact potential donors for donations. The department shall return any surplus cheese to the donor.

**History:** 1975 c. 39, 163, 200; 1983 a. 92; 1987 a. 1

**560.24 Council on tourism.** (1) The council shall advise the secretary on matters relating to tourism. Five members of the council shall assist the secretary in formulating a statewide marketing strategy. The 5 members shall be selected by a vote of the council on tourism from the members, other than ex officio members, of the council on tourism.

(2) The council shall develop a plan to assist and encourage private companies located in this state to promote this state in their advertisements. Upon the adoption of a plan by the council, the secretary shall consider implementing the plan.

(3) The council shall consider the use of famous residents and former residents of this state in the tourism marketing strategies.

**History:** 1987 a. 1

**560.25 Offices.** The department may establish tourism offices, within or without the state, as necessary to carry out its duties. Wisconsin residency may not be required of classified employees staffing tourism offices located outside the state.

**History:** 1975 c. 39, 163, 200

**560.26 Film promotion.** (1) In this section, "film" means any product created using any technology for the recording, storage and reproduction of audiovisual material.

(2) The department shall encourage persons to produce films which will enhance the image of this state and its communities and countryside. To carry out this purpose, it shall:

(a) Prepare and distribute promotional and informational materials identifying factors which make it desirable to produce films in this state and describing the services available from local and state governmental units and from the private sector in this state.

(b) Help persons secure licenses and permits, and provide other appropriate services, related to film production.

(c) Help persons obtain cooperation from local, state and federal governmental units and from the private sector in order to produce films.

(d) Coordinate its activities with the activities of similar bodies created by local governmental units in this state.

(3) It may apply for, receive and spend grants and donations to fund its operations.

**History:** 1987 a. 27, 403

**560.27 Regional tourism development corporations.** (1) A regional tourism development corporation is a nonprofit corporation organized under ch. 181 to promote the tourism and commercial recreation industry of a tourism region.

(2) The department shall, upon review by the council, adopt rules dividing the state into not less than 6 nor more than 10 tourism regions, each consisting of one or more entire counties.

(3) No more than one corporation may represent a tourism region. If 2 or more corporations, each meeting the require-

ments of this section, seek to do so, the department, upon advice of the council, shall select the corporation judged most effective and representative.

(4) Membership in a corporation shall be open to all counties, cities, villages and towns in the region, to all persons residing or doing substantial business in the region for any significant portion of the year and to all associations or groups of such persons. The articles or bylaws of the corporation may set forth classes of members for the purpose of determining equitable membership fees and each member shall have equal voting and other rights with all other members of such class. The department may promulgate rules establishing additional requirements in order to ensure that each corporation is open to maximum participation by all segments of the recreation industry in the region it represents. Each corporation shall select a descriptive name for the region it represents and submit such name for review and approval by the secretary.

(5) A corporation which receives funding under s. 560.29 shall keep its books and records in the manner required by departmental rules. The books and records shall be open to the public and subject to inspection and copying by the staff of the legislative audit bureau and legislative fiscal bureau.

History: 1975 c. 39, 163, 200; 1979 c. 361 s. 112.

**560.29 Cooperative marketing and advertising. (1) ALLOCATION FORMULA.** The department shall promulgate rules allocating cooperating advertising funds equitably among the tourism regions. Such rules shall provide that not less than one-third of the funds set aside for the execution of functions under this section shall be allocated for qualified projects initiated by corporations. If any region or corporation fails to initiate sufficient projects to exhaust its allocation, the department may distribute such funds to other applicants in such manner as it deems equitable.

(2) **ELIGIBILITY.** Any public or private organization not organized or incorporated for profit may apply to the department for cooperative advertising funds under this section. Prior to applying for such funds, each prospective applicant shall have submitted, at the time and in the manner provided by departmental rule, a plan and budget specifying the media to be used, the market to be approached, the facilities and attractions to be promoted and the applicant's estimated expenditures and receipts for the various projects within the plan. If such plan is coordinated with the statewide marketing strategy, the department shall approve it and the submitting organization shall be eligible to apply for cooperative funds under this section.

(3) **WRITTEN AGREEMENTS.** Each cooperative promotion project shall be implemented by a written agreement between the department and the corporation or other organization, which shall specify at a minimum:

(a) The name, address and contact person for the applicant and its advertising agency, if any.

(b) A description of the project, including the media to be used, the date or inclusive dates and the geographic market to be reached.

(c) An itemized statement of the estimated total costs of the project.

(d) An itemized statement of the revenues accruing to the applicant from the project through advertising, contributions and other sources.

(4) **LIMITATIONS.** (a) No state funds may be released for a project which is not included within an advertising plan and budget submitted by a corporation or other organization and approved by the department.

(b) No funds may be released prior to the satisfactory completion of the project in accordance with the agreement concluded under sub. (3).

(c) Funds released in any given project may not exceed 50% of the total project costs, less that portion of the amounts recovered by the applicant through the sale of advertising or other promotional considerations in connection with the project which exceeds 50% of the total project costs.

(d) No funds may be used to compensate any officer or employe of the applicant for salaries or expenses.

(e) No name or picture of any living state or local public official or candidate for public office may be used in any project for which state funds are received under this section.

(f) No payments may be released except upon presentation of receipted vouchers for project expenditures by the applicant, together with such other documentary evidence substantiating payments and the purposes for which the payments were made as the departmental rules require.

(g) The department may promulgate rules imposing additional requirements to ensure that public funds are used to promote the maximum number of attractions and facilities.

History: 1975 c. 39, 163, 200.

## SUBCHAPTER III

### PERMIT INFORMATION CENTER

**560.41 Definitions.** In this subchapter:

(1) "Center" means the permit information center operated by the department.

(2) "Permit" means any approval of a regulatory agency required as a condition of operating a business in this state.

(3) "Regulatory agency" means any state agency responsible for granting a permit.

History: 1983 a. 91.

**560.42 Responsibilities. (1) PERMIT EXPEDITING.** (a) The center shall expedite the process of applying for permits, of reviewing and making determinations on permit applications and of issuing permits as follows:

1. The center shall discharge its responsibilities under sub. (2) in a manner designed to expedite the process.

2. Upon request by a person applying for a permit and to the extent possible, the center shall resolve misunderstandings between the person and the appropriate regulatory agency and shall prevent or mitigate delays in the process.

3. If the center determines that it is unable to resolve misunderstandings or prevent or mitigate delays under subd. 2, the center shall request the assistance of the secretary and the head of the appropriate regulatory agency.

4. If the center determines that the secretary and head are unable to resolve misunderstandings or prevent or mitigate delays under subd. 3, the center shall request the assistance of the governor.

(b) The center shall give priority to businesses new to this state and to businesses expanding within this state in providing assistance under par. (a).

(c) The center shall maintain records identifying each person requesting assistance under par. (a) and setting forth assistance rendered and results achieved.

(2) **PERMIT INFORMATION.** (a) The center shall assist any person requesting information on which permits are required for a particular business activity or on the application process, including criteria applied in making a determination on a permit application and the time period within which a determination will be made. This assistance may include both:

1. Arranging a meeting between the person and the staff of the appropriate regulatory agency to enable the person to obtain information from the agency.

2. Obtaining information and permit applications from the regulatory agency and providing the information and appropriate permit applications to the person.

(b) If a person receives assistance under this subsection and applies for a permit and if the person requests, the center shall check periodically on the status of the permit application and report the status to the person.

(2m) **ADVOCACY.** The center shall provide advocacy services before regulatory agencies on behalf of permit applicants. These services shall include monitoring the application approval process to ensure that permits are granted in the shortest amount of time possible consistent with the substantive requirements established by rule or law.

(3) **ASSISTANCE BY CENTER.** (a) The center may not charge any person for services provided under this subchapter.

(b) The center may refer to the appropriate regulatory agency, without giving further assistance, any person seeking information or assistance on a permit under chs. 186, 215, 217, 220 to 224, 441 to 459 and 600 to 646.

(c) Advice, assistance or information rendered by the center under this subchapter does not relieve any person from the obligation to secure a required permit.

(d) The center shall not be liable for any consequences resulting from the failure to issue or to seek a permit.

(4) **PROMOTION OF ASSISTANCE.** (a) The center shall maintain and publicize the availability of a toll-free telephone line available to in-state callers to the center.

(b) The center shall seek to explain, promote and publicize its services to the public and shall provide information on its services for inclusion in any public informational material on permits provided by regulatory agencies.

(c) The center shall, in its efforts under pars. (a) and (b), clearly represent that its services are advisory, informational and facilitative only.

(5) **ANNUAL REPORT.** (a) *Report.* On or before July 1, 1985, and every January 1 thereafter, the center shall submit to the chief clerk of each house of the legislature, for distribution to the appropriate standing committees under s. 13.172 (3), a report containing the information required under pars. (am) and (b).

(am) *Permit simplification.* Based on the experience of the center in assisting persons and discussions with regulatory agencies, the center shall submit a report containing recommendations for the legislature, governor, public records and forms board and regulatory agencies concerning all of the following:

1. Improving permit application forms.
2. Eliminating unnecessary or duplicative permit requirements.
3. Simplifying the process of applying for permits, of reviewing and making determinations on permit applications and of issuing permits.

(b) *Record of assistance.* Based on the experiences of the center in assisting persons and on reports received under s. 227.116 (4), the center shall prepare information for the legislature, governor, public records and forms board and regulatory agencies which shall include all of the following:

1. The number of persons assisted.
2. The kinds of assistance provided.
3. The number of occasions when regulatory agencies exceeded the time period specified by rule or law for reviewing and making determinations on permit applications.
4. An evaluation of why the regulatory agencies exceeded the time periods on the occasions specified in subd. 3 and an

explanation of how the agencies intend to avoid exceeding the time periods in the future.

(6) **PERMIT CONSOLIDATION.** In its first annual report submitted under sub. (5), the center shall include a study of the feasibility and desirability of providing consolidated or multiple permit application forms or consolidated hearings on consolidated or multiple permit application forms.

*History:* 1983 a. 91; 1985 a. 182 s. 57; 1987 a. 186.

**560.43 Responsibilities of regulatory agencies.** (1) **INTER-AGENCY COOPERATION.** Each regulatory agency shall:

(a) Designate a staff person to coordinate regulatory agency cooperation with center staff, provide information to center staff on the permit process and direct center staff to appropriate staff within the regulatory agency.

(b) Cooperate to the extent possible with center staff and respond promptly to requests for assistance in expediting and requests for information on the permit process under s. 560.42.

(c) Include material provided by the center under s. 560.42 (4) in any public informational material on permits it provides.

(d) Maintain responsibility for interpreting the requirements of and granting or denying its permits.

(e) In reviewing a submitted application for a permit, notify the applicant of all reasons the application is incomplete or incorrectly submitted at the first time the agency returns the application to the applicant.

(2) **PREAPPLICATION MEETINGS.** Each regulatory agency shall provide an opportunity for a preapplication meeting with its staff to any person interested in applying for a permit upon request by the person or the center, and shall comply with the following requirements:

(a) The regulatory agency shall conduct preapplication meetings in an informal manner.

(b) In any preapplication meeting, the regulatory agency shall identify all permits required by the regulating agency for a business activity, describe the steps and identify the time period for each step in the permit process and identify potential problems in the process.

(d) The regulatory agency shall invite participation by center staff in preapplication meetings when appropriate.

(e) The regulatory agency shall publicize the availability of preapplication meetings to persons contacting them about permits.

*History:* 1983 a. 91.

## SUBCHAPTER IV

### ENTREPRENEURIAL ASSISTANCE NETWORKS

**NOTE:** 1987 Wisconsin Act 320, which created subchapter IV, contains a prefatory note explaining the Act.

**560.51 Definitions.** As used in this subchapter:

(1) "Agency" has the meaning given in s. 13.62 (2).

(2) "Entrepreneurial assistance program" means a program that directly or indirectly assists an entrepreneur who is starting a business which has significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, by doing any of the following:

- (a) Educating the entrepreneur about starting a business.
- (b) Evaluating the business' proposed product or service.
- (c) Preparing a business plan acceptable to investors.
- (d) Assembling a team of managers.
- (e) Securing initial and subsequent financing.
- (f) Providing ongoing managerial assistance and monitoring compliance with the business plan after the start-up of the business.

(3) "Intermediary" means either a person who provides continuing assistance or services to an entrepreneur who is starting a business with significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, or a consultant who works with such an entrepreneur on a specific task, such as market evaluation, manufacturing techniques or product design.

(4) "Intermediary assistance program" means a program that directly or indirectly trains or assists an intermediary in developing or using skills necessary to serve an entrepreneur.

(5) "Metropolitan area" means an urban area and surrounding territory in this state that includes at least one city or village with a population of 25,000 or more.

(6) "Network" means an organized arrangement for exchanging materials, information and services among entrepreneurs, intermediaries, institutional venture capital investors, other venture capital investors and persons who assist entrepreneurs, intermediaries or venture capital investors.

History: 1987 a. 320.

#### 560.52 Existing entrepreneurial assistance programs. (1)

INVENTORY. The department shall prepare and periodically revise an inventory of existing entrepreneurial assistance programs offered in this state. In preparing the inventory, the department may do any of the following:

(a) Develop and apply criteria to identify effective entrepreneurial assistance programs and to group the entrepreneurial assistance programs by function.

(b) Rely upon part or all of similar inventories prepared by other individuals or organizations.

(c) Enter into contracts for the preparation of part or all of the inventory.

(2) DISSEMINATION. The department shall disseminate the information in the inventory prepared under sub. (1) by issuing pamphlets and bulletins under s. 560.09 (4) and by maintaining a toll free telephone line during normal business hours to receive requests for information relating to the inventory.

History: 1987 a. 320.

#### 560.53 Intermediary assistance programs. (1) REGIONAL

AND STATEWIDE PROGRAMS. The department shall arrange intermediary assistance programs, for regional or statewide meetings of industry, trade and professional organizations, that introduce members of the organizations to the procedures by which venture capital is invested in new businesses and the opportunities for the members to become intermediaries.

(2) METROPOLITAN PROGRAMS. (a) In one or more metropolitan areas, the department shall identify individuals and organizations that assist intermediaries, are interested in assisting intermediaries or are interested in becoming intermediaries or developing a local network.

(b) The department shall assist the individuals and organizations identified under par. (a) in developing, to the extent feasible, self-sustaining intermediary assistance programs. An intermediary assistance program may do any of the following:

1. Provide an inventory of existing intermediaries in the metropolitan area.

2. Develop a network in the metropolitan area.

3. Develop a network between the metropolitan area and other metropolitan areas.

4. Train intermediaries on subjects identified as necessary by the intermediaries participating in the intermediary assistance programs, including the preparation of business plans and the applicability of relevant securities regulations.

5. Establish mechanisms to refer entrepreneurs to appropriate intermediaries in the metropolitan area or in other metropolitan areas.

6. Evaluate the effectiveness of the intermediary assistance program, including the collection of data necessary to conduct the evaluation.

History: 1987 a. 320.

**560.54 State agency coordination.** The department shall coordinate entrepreneurial assistance programs and intermediary assistance programs offered by agencies by doing any of the following:

(1) Identifying the needs of entrepreneurs and intermediaries relating to the development in the state of new businesses with high growth potential.

(2) Ensuring that individuals assisting entrepreneurs and intermediaries have the training necessary to provide adequate assistance.

(3) Ensuring that existing and new entrepreneurial assistance programs and intermediary assistance programs are matched to the needs of the entrepreneurs and intermediaries.

(4) Ensuring that agencies and other persons which provide entrepreneurial assistance programs and intermediary assistance programs understand the responsibilities of the agencies which provide entrepreneurial assistance programs and intermediary assistance programs.

History: 1987 a. 320.

**560.55 Evaluation and report. (1)** The department shall prepare an evaluation of the effectiveness of entrepreneurial assistance programs and intermediary assistance programs offered in this state. The department shall develop appropriate criteria and collect and analyze relevant information as a basis for the evaluation.

(2) No later than January 1 of each odd-numbered year, the department shall submit to the governor and to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report containing the evaluation prepared under sub. (1) and describing the result of the department's activities under s. 560.54 since the period covered in the previous report. The department may combine this report with other reports published by the department. The report may include recommendations for legislative proposals to change the entrepreneurial assistance programs and intermediary assistance programs.

History: 1987 a. 320.

## SUBCHAPTER V

### WISCONSIN DEVELOPMENT FUND

**560.60 Definitions.** In this subchapter:

(1) "Board" means the development finance board created under s. 15.155 (1).

(2) "Business" means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(3) "Consortium" means an association of a business and a higher educational institution, which association is subject to an agreement complying with this subchapter.

(4) "Eligible recipient" means a business, small business, consortium or governing body.

(6) "Governing body" means a county board, city council, village board, town board, regional planning commission or transit commission under s. 59.967 or 66.943.

(8) "Higher educational institution" means any of the following:

(a) The university of Wisconsin system.

(b) An institution which is located in this state and offers a post-baccalaureate or professional degree program.

(10) "Job" means a position providing full-time equivalent employment for one individual for one year, beginning after a project is completed. "Job" does not include initial training before an employment position begins.

(11) "Major economic development project" means a project to which any of the following applies:

(a) The project is necessary to retain a significant number of jobs in a political subdivision.

(b) The project is necessary to significantly increase the number of jobs in a political subdivision.

(c) The project will lead to significant capital investment in this state by a business.

(d) The project will make a significant contribution to the economy of this state.

(13) "Political subdivision" means a county, city, town or village.

(14) "Project" means a business development that increases the productivity of a business or its employees in this state, leads to significant capital investment in a business in this state, leads to the retention of existing jobs in this state or creates new jobs in this state.

(15) "Small business" means a business operating for profit, with 250 or fewer employes, including employes of any subsidiary or affiliated organization.

History: 1987 a. 27, 399.

**560.605 Grant and loan criteria; generally.** (1) The board may award a grant or loan under s. 560.61 upon the receipt and consideration of an application by an eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all of the following:

(a) The project serves a public purpose.

(b) The project will retain or increase employment in this state.

(c) The project is not likely to occur without the grant or loan.

(d) Financing is unavailable from any other source on reasonably equivalent terms.

(e) The eligible recipient receiving the grant or loan will contribute, from funds not provided by this state, whichever of the following applies:

1. Except as provided under subd. 2 and s. 560.68 (6), not less than 25% of the cost of the project.

2. For grants and loans under s. 560.63, not less than 50% of the cost of the project excluding costs described in s. 560.63 (3).

(f) The project meets all criteria set forth in s. 560.62, 560.625, 560.63 or 560.66, whichever is appropriate.

(g) Funds from the grant or loan under this subchapter will not be used to pay overhead costs or to replace funds from any other source.

(h) The project will not displace any workers in this state.

(2) The board shall consider all of the following before awarding a grant or loan to an eligible recipient for a project:

(a) The extent to which the project will retain or increase employment in this state.

(b) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.

(c) Whether the project will be located in an area of high unemployment or low average income.

(d) The financial soundness of the business.

(e) The intention of the eligible recipient to repay the grant or loan.

History: 1987 a. 27, 399.

**560.61 Wisconsin development fund.** At the request of the board, the department shall make a grant or loan to an eligible recipient for a project which meets the criteria for funding under s. 560.605 and under s. 560.62, 560.625, 560.63 or 560.66, whichever is appropriate from the appropriations under s. 20.143 (1) (c), (d) and (ie).

History: 1987 a. 27, 399.

**560.62 Technology development grants and loans. (1)** The board may award a technology development grant or loan under s. 560.61 to a consortium to fund technical research intended to result in the development of a new, or the improvement of an existing, industrial product or process.

(2) The board may not award a technology development grant or loan unless the consortium seeking the grant or loan first enters into a written agreement regarding all of the following:

(a) The ownership of any patents or licenses which result from the technical research.

(b) Dissemination of information relating to the technical research.

(c) Responsibilities of persons conducting the technical research.

(3) Funds expended or encumbered in any fiscal year for grants and loans under this section may not exceed 40% of the total budgets of all technical research projects awarded grants or loans under this section in that fiscal year.

(4) In each biennium, the board may expend or encumber up to a total of one percent of the moneys appropriated under s. 20.143 (1) (c) for that biennium for evaluations of proposed technical research projects or for grants to small businesses for preparing proposals for the federal small business innovative research program under 15 USC 638.

History: 1987 a. 27, 399.

**560.625 Research grants and loans.** The board may award a research grant or loan under s. 560.61 to a small business to fund research having a potential commercial application. The total amount of grants and loans made under this section may not exceed \$300,000 in any fiscal year.

History: 1987 a. 399.

**560.63 Customized labor training grants and loans. (1)** The board may award a grant or loan under s. 560.61 to a business to fund a labor training program which provides state residents with job training in new technology and industrial skills in order to meet the staffing needs of a business, if the training is not available through existing federal, state or local resources except as provided in sub. (4).

(2) Any business requesting a customized labor training grant or loan shall guarantee to the board that the business shall provide a job in this state to all persons who successfully complete the labor training program funded by the grant or loan.

(3) The board may not award a customized labor training grant or loan to finance any of the following costs incurred by a vocational, technical and adult education district or by a public secondary or postsecondary institution:

(a) The cost, incurred before the beginning of the labor training program, of recruiting program instructors.

(b) The cost of developing a labor training program curriculum.

(c) The cost of recruiting, screening and counseling program trainees.

(d) The cost of a financial audit.

(e) The cost of renting instructional equipment and training facilities owned or leased by the district or institution, unless the equipment or facilities are rented only for the customized labor training program.

(4) The contribution required under s. 560.605 (1) (e) 2 may consist of funding or of in-kind contributions. Not more than 20% of the contribution of a business may consist of funding which the business receives under the federal job training partnership act, 29 USC 1501 to 1781.

History: 1987 a. 27.

**560.66 Major economic development projects.** (1) The board may award grants and loans under s. 560.61 to eligible recipients for any project which is not eligible for a grant or loan under ss. 560.62, 560.625 and 560.63, if the board determines that the project is a major economic development project and considers all of the following:

(a) The number of jobs which the major economic development project will cause to be retained or increased in a political subdivision.

(b) The value of the capital investment which the eligible recipient will make in the major economic development project.

(c) The value of the expenditures required for local infrastructure relating to the major economic development project.

(d) The immediate and continuing effects of the major economic development project upon the affected political subdivisions within which it will be located.

(2) In awarding grants and loans under this section, the board may consider the effects of the project upon jobs, school, transportation and law enforcement services and facilities.

History: 1987 a. 27, 399.

**560.68 Administration.** (4) The board shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

(5) The department, with the approval of the board, shall develop procedures to evaluate applications, monitor project performance and audit grants and loans awarded under this subchapter.

(6) If appropriate, the board may require that more than 25% of the cost of any project or category of projects be paid from funds not provided by this state.

History: 1987 a. 27.

**560.685 Rules.** The department may not promulgate a rule under this subchapter without first considering the recommendations of the board regarding the proposed rule.

History: 1987 a. 27.

## SUBCHAPTER VI

### DEVELOPMENT ZONE PROGRAM

**560.70 Definitions.** In this subchapter:

(1) "Business incubator" means a person who operates a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

(a) Space in the facility is rented at a rate lower than the market rate in the community.

(b) Shared business services are provided in the facility.

(c) Management and technical assistance are available at the facility.

(d) Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(2) "Development zone program" means the program administered under this subchapter.

(3) "Indian reservation" has the meaning given in s. 139.30 (9).

(4) "Local governing body" means the governing body of one or more cities, villages or towns or the elected governing body of a federally recognized American Indian tribe or band in this state.

(5) "Metropolitan statistical area" means a federal standard metropolitan statistical area but does not include areas located within Indian reservations.

(6) "Target population" means the residents of a development zone and persons who are members of targeted groups for the purposes of the credit under ss. 71.07 (2dj), 71.28 (1dj) and 71.47 (1dj).

(7) "Tax benefits" means the development zones investment credit under ss. 71.07 (2di), 71.28 (1di) and 71.47 (1di), the development zones jobs credit under ss. 71.07 (2dj), 71.28 (1dj) and 71.47 (1dj), the development zones location credit under ss. 71.07 (2dL), 71.28 (1dL) and 71.47 (1dL), the development zones sales tax credit under ss. 71.07 (2ds), 71.28 (1ds) and 71.47 (1ds) and the additional 5% credit under ss. 71.28 (4) and 71.47 (3).

History: 1987 a. 328, 411.

**560.71 Designation of development zone.** (1) The department may designate an area as a development zone if all of the following apply:

(a) A local governing body nominates the area as described in s. 560.72.

(b) The department has evaluated the local governing body's application as described in s. 560.725.

(c) The department approves the development zone plan submitted under s. 560.73.

(cm) The department has complied with s. 560.723.

(d) The area meets the applicable requirements under s. 560.735.

(e) The area fulfills 2 of the following requirements:

1. The unemployment rate in the area is at least 150% of the state average for the 18 months immediately preceding the application.

2. At least 40% of the persons residing in the area are members of households that have household income levels at or below 80% of the statewide median household income.

3. The assessed value of real property in the area in the most recent assessment is less than the assessed value of that property in the assessment 2 years before the most recent assessment.

4. The area is in a location that qualifies for federal urban development action grants.

5. The percentage of households receiving aid to families with dependent children under s. 49.19 in the area is significantly higher than the percentage of households receiving aid to families with dependent children in this state.

6. In the 18 months immediately preceding the application, at least 5% of the members of the workforce in the city, village or town governed by the governing body submitting the application were permanently laid off by their employer.

(2) In determining whether an area meets the requirements under sub. (1) (e) or s. 560.735, the department may rely on any data provided by the local governing body which the department determines is relevant.

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

(a) Determine the number of development zones designated under sub. (1) but may not designate more than 8 development zones.

(b) Divide the number of development zones as evenly as possible between metropolitan statistical areas and areas that are not metropolitan statistical areas.

(c) 1. Designate at least one development zone that is entirely within a 1st class city.

2. Designate at least one development zone that is at least partially within an Indian reservation.

History: 1987 a. 328.

**560.72 Application by local governing bodies. (1)** A local governing body may nominate an area as a development zone, if the governing body does all of the following:

(a) Holds at least one public hearing on the issue of designating the area as a development zone.

(b) Adopts a resolution or ordinance authorizing it to nominate the area under this section and to develop a development zone plan under s. 560.73 (1).

(2) A local governing body may nominate the area as a development zone by submitting an application to the department in a form prescribed by the department. The application shall include all of the following:

(a) A copy of the ordinance or resolution authorizing the local governing body to nominate the area as a development zone.

(b) Transcripts of the public hearing under sub. (1) (a).

(c) Evidence that the area meets at least 2 of the criteria under s. 560.71 (1) (e), including data on the requirements the area does not meet.

(d) Evidence that the area meets the applicable requirements of s. 560.735.

(e) A description of the land use patterns in the area including:

1. A detailed map of the area.

2. Information about vacant buildings or land available for development.

(f) A description of past and present economic development activities in the area under local, state or federal programs.

(g) A description of the local governing body's goals for the economic development of the area.

(h) An assessment of the effect of making the area a development zone on jobs available to the targeted population.

(i) Any other information required by the department.

(j) Any other information the local governing body considers relevant.

(3) Two or more local governing bodies may submit a joint application nominating a single area as a development zone, subject to s. 560.735 (2).

(4) The governing body of a county may submit an application jointly with a local governing body of a city, village, town or Indian reservation located in the county, if the county complies with sub. (1).

(5) The department may permit a local governing body to revise an application that the department determines is inadequate or incomplete.

History: 1987 a. 328.

**560.723 Review of boundary.** The department shall notify the joint committee on finance in writing of any boundary proposed for an area nominated as a development zone. The department may designate the proposed boundary if, within 14 days after the notification, the joint committee on finance does not schedule a meeting for the purpose of reviewing the proposed boundary. Any meeting under this section shall be scheduled by the joint committee on finance within 30 days after receiving the initial notification of the department. If the joint committee on finance schedules a meeting for the

purpose of reviewing the boundary of the area, the department may not approve the boundary without the approval of the joint committee on finance.

History: 1987 a. 328.

**560.725 Evaluation by department. (1)** The department shall evaluate applications received under s. 560.72 (2) to (4) and development zone plans received under s. 560.73 (1) and (2) according to the following criteria:

(a) The extent of poverty, unemployment and other factors contributing to general economic hardship in the area.

(b) The prospects for new investment and economic development in the area.

(c) The local governing body's proposal for the use of existing economic development programs and other resources to increase investment and economic development in the area.

(d) The local governing body's plans to do all of the following:

1. Improve services in the area.

2. Eliminate obstacles to economic development.

3. Expedite regulatory proceedings and the procedures for issuing permits or licenses.

4. Provide technical assistance to businesses.

5. Improve the level of cooperation between the private sector and local, or tribal government.

6. Establish an advisory board and provide or designate staff for the advisory board under s. 560.763.

(e) The local governing body's commitment not to recruit businesses which engage in economic activity that violates s. 560.78 (1).

(f) The effect of making the area a development zone on jobs available to the targeted population.

(g) The needs of other areas of this state.

(h) Any other factors the department considers relevant.

(2) Subject to s. 560.735 (5), the department may reduce the size of an area nominated as a development zone, if the department determines the boundaries as proposed by the local governing body in an application under s. 560.72 (2) to (4) are inconsistent with the purpose of the development zone program. Any nominated area which is reduced under this subsection need not comply with s. 560.735 (1), (3) and (4).

(3) After evaluating an application submitted under s. 560.72 (2) to (4), the department may approve the application, subject to any reduction in the size of the nominated area under sub. (2). If the department approves the application, the department shall notify the local governing body and request the local governing body to submit a development zone plan under s. 560.73 (1).

History: 1987 a. 328.

**560.73 Development zone plan. (1)** Not more than 3 months after receiving notification from the department that an application has been approved under s. 560.725 (3), a local governing body shall submit a development zone plan to the department. The development zone plan shall include all of the following information:

(a) Current public and private economic development activity in the area and a description of how the activity would be coordinated with the administration of the area as a development zone.

(b) How existing available economic development programs will be used in the area.

(c) How the local governing body plans to do all of the following:

1. Improve services in the area.

2. Eliminate obstacles to economic development.

3. Expedite regulatory proceedings and the procedures for issuing permits or licenses.

4. Provide technical assistance to businesses.

5. Improve the level of cooperation between the private sector and local or tribal government.

6. Establish an advisory board and provide or designate staff for the advisory board under s. 560.763.

(d) Current land use patterns and the effect of anticipated economic development on land use patterns in the area.

(e) The effect of making the area a development zone on jobs available to the targeted population.

(f) Any changes in ordinances, or expenditures of the city, village, town or American Indian tribe or band to facilitate economic development.

(g) How the local governing body intends to assess the effectiveness of its development zone plan submitted under this subsection.

(h) A description of how the local governing body shall attempt not to recruit businesses which engage in economic activity that violates s. 560.78 (1).

(i) 1. Whether a grant diversion project has been established in the county in which the area is located and, if a grant diversion project has not been established, how the local governing body intends to work with the county and the department of health and social services to establish a grant diversion project.

2. How the local governing body will work with the county and department of health and social services to promote and encourage participation in the grant diversion project by employers in the development zone.

(2) If 2 or more local governing bodies submit a joint application under s. 560.72 (3), the local governing bodies shall submit a joint development zone plan under this section.

(3) After review based on the relevant criteria under s. 560.725 (1), the department may approve a development zone plan. If the department approves a development zone plan, the department shall designate the area nominated by the local governing body as a development zone, subject to s. 560.71, and notify the local governing body.

History: 1987 a 328.

**560.735 Boundaries and size of development zones. (1)**

An area that is located within a metropolitan statistical area may not be nominated or designated as a development zone unless all of the following apply:

(a) The area contains less than 5% of the valuation of the property of the city, village or town, as determined under s. 70.57, in which the area is located.

(b) If the area is located within a 1st class city, the population of the area as estimated under s. 16.96 is not less than 4,000 and not more than 5% of the city's population, as estimated under s. 16.96.

(c) If the area is located within a village, town or city other than a 1st class city, the population of the area is not less than 4,000, as estimated under s. 16.96.

(2) If an area is located within the boundaries of 2 or more cities, villages or towns, the property value of the cities, villages or towns under sub. (1) (a) shall be combined for the purposes of sub. (1).

(3) Except as provided in sub. (4), an area that is not part of a metropolitan statistical area may not be nominated or designated as a development zone unless the population of the area, as estimated under s. 16.96, is at least 1,000 and not more than 5,000.

(4) An area that is located within the boundaries of an Indian reservation may not be nominated or designated as a development zone unless the population of the area, as estimated under s. 16.96, is less than or equals 5,000.

(5) Except as provided in sub. (6), an area may not be nominated or designated a development zone unless all of the following apply:

(a) The area has a continuous border following natural or man-made boundaries such as streets, highways, rivers, municipal limits or limits of a reservation.

(b) The area consists of contiguous blocks, census blocks or similar units.

(6) (a) Except in a 1st class city, 2 separate areas may be nominated or designated as one development zone, if all of the [of the] following apply:

1. Each of the areas has a continuous border following natural or man-made boundaries and consists of contiguous blocks, census blocks or similar units.

2. Each area meets at least 2 of the criteria listed in s. 560.71 (1) (e) 1 to 6.

3. Considered together, the areas meet the requirements of subs. (1) and (3).

(b) In a 1st class city, not more than 4 separate areas may be nominated or designated as one development zone, if par. (a) 1 to 3 applies.

(7) The department may waive the requirements of this section in a particular case, if the department determines that application of the requirement is impractical with respect to a particular development zone.

History: 1987 a 328.

**560.74 Change in boundary and size of development zones. (1)**

At any time after a development zone is designated by the department, a local governing body may submit an application to change the boundaries of the development zone. The local governing body shall submit a revised development zone plan, described in s. 560.73 (1), with its application for a boundary change. If the boundary change reduces the size of a development zone, the local governing body shall explain why the area excluded should no longer be in a development zone. The department may require the local governing body to submit additional information.

(2) The department may approve an application for a boundary change if the development zone, as affected by the boundary changes, meets the applicable requirements of s. 560.735 and 2 of the criteria under s. 560.71 (1) (e) 1 to 6.

(3) If the department approves an application for a boundary change under sub. (2), it shall do all of the following:

(a) Redetermine the limit on the tax benefits for the development zone established under s. 560.745 (2) (a).

(b) Notify the local governing body which submitted the application of the change in the boundary or tax benefits limit of the development zone.

(4) The change in the boundaries or tax benefits limit of a development zone shall be effective on the day the department notifies the local governing body under sub. (3) (b).

(5) No change in the boundaries of a development zone may affect the duration of an area as a development zone under s. 560.745 (1) (a). The department may consider a change in the boundary of a development zone when evaluating an application for an extension of the designation of an area as a development zone under s. 560.745 (1) (b).

History: 1987 a 328.

**560.745 Duration, renewal and expiration. (1)** (a) The designation of an area as a development zone shall be effective for 84 months, beginning on the day the department notifies the local governing body under s. 560.73 (3) of the designation.

(b) The local governing body may apply to the department for up to 3 12-month extensions of the designation. The department shall promulgate rules establishing criteria for

approving an extension of a designation of an area as a development zone under this subsection.

(2) (a) When the department designates a development zone under s. 560.71, it shall establish a limit for tax benefits for the development zone determined by allocating to the development zone, under rules promulgated by the department, a portion of \$14,000,000.

(b) Annually the department shall estimate the amount of foregone state revenue because of tax benefits claimed by persons in each development zone.

(c) Notwithstanding sub. (1), the designation of an area as a development zone shall expire after December 31 of the calendar year which includes the day on which the department determines that the foregone tax revenues under par. (b) will equal or exceed the limit for the development zone established under par. (a). The department shall immediately notify the local governing body of a change in the expiration date of the development zone under this paragraph.

History: 1987 a. 328.

**560.75 Additional duties of the department.** The department shall do all of the following:

(1) Monitor and evaluate the implementation of the development zone program.

(2) Apply to the federal government for assistance for the development zone program.

(3) By October 1 of each year beginning with 1989, prepare a report on the effectiveness and results of the development zone program for each fiscal year during which the development zone program is conducted; and submit a copy of that report to the governor and to the chief clerk of each house of the legislature for distribution to the legislature under s. 13.172 (2).

(4) Help eligible persons apply for and obtain tax benefits.

(5) Help local governing bodies prepare applications for development zones and development zone plans.

(6) Notify university of Wisconsin small business development centers, the Wisconsin housing and development centers, the central administration of all university of Wisconsin campuses and regional planning commissions about the development zone program and encourage those entities to provide advice to the department or local governing bodies on ways to improve the development zone program.

(7) Prepare forms for the certification described under s. 560.765 (5).

(8) Verify information submitted to the department of revenue under s. 71.09 (12di) (d) 2, (12dj) (e) 3, (12dL) (f), (12ds) (d) 2 and (12r) (a) [71.07 (2di) (d) 2, (2dj) (e) 3, (2dL) (f) and (2ds) (d) 2, s. 71.28 (4) (a) and s. 71.47 (3) (a)].

(9) (a) Except as provided in par. (b), ensure that at all times in each development zone at least 50% of the tax benefits in the development zone is used for development zones jobs credits under s. 71.09 (12dj) [71.07 (2dj)].

(b) With respect to a development zone located in a 1st class city, ensure that at all times in the development zone at least 65% of the tax benefits in the development zone is used for development zones jobs credits under s. 71.09 (12dj) [71.07 (2dj)].

(10) Enter into an agreement with the local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1 to provide efficient administration of the development zone program within the development zone.

(11) For the purposes of s. 49.50 (7g) (h) and (i), notify the department of health and social services when a development zone has been established and of which local governing body helps administer the development zone.

History: 1987 a. 328.

**560.763 Duties of local governing bodies; advisory boards.** (1) If an area nominated by a local governing body is designated as a development zone under s. 560.71, the local governing body shall do all of the following:

(a) Appoint a 5-member advisory board described in sub. (3).

(b) Promote economic development within the development zone.

(c) Assist the department in the administration of the development zone program.

(2) The local governing body may provide staff for the advisory board described in sub. (3) or appoint a private nonprofit organization, with expertise in economic development, to provide staff for the advisory board.

(3) (a) An advisory board appointed under sub. (1) (a) shall assist and advise the local governing body with respect to all of the following:

1. Implementation of the development zone plan prepared under s. 560.73.

2. The local governing body's duties under sub. (1) (b) and (c).

(b) 1. Subject to subds. 2 and 3, members of the advisory board shall serve 5-year terms. At least one member of the advisory board shall live in the development zone.

2. Of the initial members of the advisory board:

a. Two shall be appointed for one-year terms.

b. Two shall be appointed for 2-year terms.

c. One shall be appointed for a 3-year term.

3. The terms of all members of the advisory board shall end when the designation of an area as a development zone expires under s. 560.745.

(4) The local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1 shall enter into an agreement with the department to provide efficient administration of the development zone program within the development zone.

History: 1987 a. 328.

**560.765 Certification for tax benefits.** The department shall do all of the following:

(1) Evaluate the likelihood that a person applying for tax benefits engages or will engage in economic activity consistent with the development zone plan.

(2) Determine whether a person applying for tax benefits engages or will engage in economic activity which violates s. 560.78 (1).

(3) (a) Subject to s. 560.78, certify persons who are eligible to claim tax benefits while an area is designated as a development zone, according to the following criteria:

1. The likelihood that the person will continue to conduct economic activity in the area following expiration of the designation of the area as a development zone.

2. The person's commitment not to engage in economic activity that violates s. 560.78 (1).

3. The number of jobs that will be created, retained or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person under sub. (4).

4. The person's plans to make reasonable attempts to hire employees from the targeted population.

5. The amount the person proposes to invest in a business, or spend on the construction, rehabilitation, repair or remodeling of a building, located within the development zone.

6. The likelihood that the person's economic activity will attract other forms of economic activity to the development zone.

7. Whether the person's proposed economic activity is consistent with the development zone plan.

8. The effects of the person's proposed investment on the economic and social well-being of the targeted population.

9. The likelihood that tax benefits claimed by the person will enable the department to meet the requirements of s. 560.75 (9).

10. Any other criteria established under rules promulgated by the department.

(b) Certify business incubators that are eligible to claim tax benefits, if all of the following apply:

1. At least 50% of the small businesses housed in the small business incubator have received or participated in any of the following:

a. Federal targeted jobs tax credits under section 51 of the internal revenue code.

b. A job training partnership program under 29 USC 1502.

c. Any other program, similar to the program described in subd. 2, established to increase the employment opportunities of disadvantaged individuals.

2. The business incubator has housed businesses described in subd. 1 for at least 6 months before the designation of the development zone under s. 560.71.

3. The business incubator's facility is located in, or within 5 miles of, the development zone.

(4) Within 3 months after a person is certified under sub. (3), estimate the amount of tax benefits that the person will claim while an area is designated as a development zone.

(5) Provide a person certified under sub. (3) and the department of revenue with a copy of the certification. The certification shall include all of the following:

(a) The name and address of the person's business.

(b) The appropriate Wisconsin tax identification number of the person.

(c) The names and addresses of other locations outside of the development zone where the person conducts business and a description of the business activities conducted at those locations.

(d) The estimated total investment of the person in the development zone.

(e) The estimated number of jobs that will be created, retained or significantly upgraded in the development zone because of the person's business.

(f) An estimate of the number or percentage of jobs described in par. (e) that are or will likely be held by members of the targeted population.

(g) The limit under s. 560.768 on tax benefits the person may claim while an area is designated as a development zone.

(h) Other information required by the department or the department of revenue.

History: 1987 a. 328.

**560.768 Limits on tax benefit to certified person.** (1) (a) The department shall establish a limit on the maximum amount of tax benefits a person certified under s. 560.765 (3) may claim while an area is designated as a development zone. The limit may specify a minimum amount of the total tax benefits that may be used exclusively for the credit under s. 71.09 (12dj), subject to s. 560.75 (9).

(b) When establishing a limit on tax benefits under par. (a), the department shall do all of the following:

1. Consider all of the criteria described in s. 560.765 (3) (a) 1 to 5.

2. Establish a limit which does not greatly exceed a recommended limit, established under rules promulgated by the department based on the cost, number and types of jobs

that will be created, retained or upgraded, including jobs available to members of the targeted population, as a result of the economic activity of the person certified under s. 560.765 (3).

(2) The department may, upon request, increase a limit on tax benefits established under sub. (1) if the department does all of the following:

(a) Complies with sub. (1) (b) with respect to the proposed increase.

(b) Revises the certification required under s. 560.765 (5) and provides a copy of the revised form to the department of revenue and the person whose limit is increased under this subsection.

(3) (a) The department may reduce a limit established under sub. (1) or (2) if the department determines that any of the following apply:

1. The limit is not consistent with the criteria listed under s. 560.765 (3) [(a)] 1 to 5.

2. The information on which the limit is based was inaccurate or significantly misestimated.

(b) The department shall notify the department of revenue and the person whose limit on tax benefits is reduced under par. (a) and provide a written explanation to the person of the reasons for reducing the limit.

History: 1987 a. 328.

**560.77 Revocation of certification.** (1) The department shall revoke the certification of a person certified under s. 560.765 (3) if the person does any of the following:

(a) Supplies false or misleading information to obtain certification.

(b) Becomes subject to revocation under s. 560.78 (1).

(c) Leaves the development zone to conduct substantially the same business outside of the development zone.

(d) Ceases operations in the development zone and does not renew operation of the trade or business or a similar trade or business in the development zone within 12 months.

(2) The department shall notify the department of revenue within 30 days of revoking a certification under sub. (1).

History: 1987 a. 328.

**560.78 Certification prohibited in certain cases.** (1) Subject to sub. (2), no person may be certified under s. 560.765 (3), or a person's certification may be revoked under s. 560.77, if the proposed new business, expansion of an existing business or other proposed economic activity in a development zone would do or does any of the following:

(a) Result in the direct loss of jobs at another of the person's business locations in this state outside of the development zone.

(b) Likely result in the direct transfer of employes from a business location in this state to a business location in the development zone.

(2) Subsection (1) does not apply, after a hearing, if the department determines that any of the following apply:

(a) The total number of jobs provided by the person in this state would be reduced if the person were not certified under s. 560.765 (3) or if the person's certification were revoked.

(b) The situation is extraordinary.

History: 1987 a. 328.

**560.79 Audit.** The legislative audit bureau shall conduct an audit of the development zone program no later than 36 months after designation of the first development zone under s. 560.71.

History: 1987 a. 328.