

1999 DRAFTING REQUEST

Bill

Received: **07/15/1999**

Received By: **malaigm**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Turner (608) 266-0731**

By/Representing: **Paulette Quick**

This file may be shown to any legislator: NO

Drafter: **malaigm**

May Contact:

Alt. Drafters:

Subject: **Employ Priv - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Maintenance of benefits as a condition of receiving state assistance

Instructions:

See Attached-- (LRBb1362/1)

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	malaigm 07/15/1999	wjackson 07/19/1999		_____			State
/1			jfrantze 07/19/1999	_____	lrb-docadmin 07/19/1999	lrb-docadmin 09/15/1999	

FE Sent For:

<END>

11-19-99
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1/?	malaigm	11 WLj 7/19	Jb 7/19	Jb /mc 7/19			

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton St.
(608) 266-3561

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.
Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: 7-15-99	Legislator or agency requesting this draft: REP. ROBERT L. TURNER
Name/phone number of person submitting request: PAVLETTE QUICK 266-0732	
Persons to contact for questions about this draft (names and phone numbers please): PAVLETTE QUICK 266-0732	
Describe the problem, including any helpful examples. How do you want to solve the problem? IMPOSE A FIVE YEAR BAN ON CORPORATIONS FROM RECEIVING ANY STATE GRANTS OR ANY OTHER STATE AID IF THAT CORPORATION RESCINDS ANY PREVIOUSLY NEGOTIATED EMPLOYEE HEALTH BENEFITS OR PENSION PLANS.	
If you know of any statute sections that might be affected, please list them or provide a marked (not re-typed) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

LR Bb 1362, it is attached. Please remove labor history language.

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO

Any legislator? YES NO ONLY the following persons:

Do you consider this urgent? YES NO If yes, please indicate why:

THIS IS ON THE REPRESENTATIVE'S LIST OF PRIORITIES

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:

**FROM THE
LEGISLATIVE REFERENCE BUREAU**

LKB01302/1an
GMM:cmh:jf

June 27, 1999

This draft is based on 1999 AB-130 and 1997 AB-281,.

Gordon **M.** Malaise
Senior Legislative Attorney
Phone: (608) 266-9738
E-mail: **Gordon.Malaise@legis.state.wi.us**

**ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1102, line 25: after that line insert:

3 **"SECTION 2065t.** 118.01 (2) (c) 6. of the statutes is amended to read:

4 118.01 (2) (c) 6. Knowledge of state, national and world history, including
5 knowledge of the history of organized labor in America and the collective bargaining
6 process."

7 **2.** Page 1376, line 2 1: after that line insert:

8 **"SECTION 2928m.** 560.025 of the statutes is created to read:

9 **560.025 Maintenance of benefits as condition of assistance. (1)**

10 **DEFINITIONS.** In this section:

11 (a) "Business" means any person engaged in any activity or enterprise for profit
12 employing one or more person in this state.

1 (b) "Business assistance" means any grant or loan provided by the department
2 under this chapter.

3 **(2) RULES OF CONDUCT.** (a) Any business that is applying **for** business assistance
4 shall certify on its application for the business assistance that the business has not,
5 at any time within the 5-year period preceding the date of the application, ceased
6 or reduced any health care benefits or pension benefits provided directly or indirectly
7 by the business to the employees of the business employed in this state.

8 (b) Any business that receives business assistance shall agree, as a condition
9 of receiving the business assistance, not to cease or reduce any health care benefits
10 **or pension benefits provided directly or indirectly by the business** to the employees of
11 the business employed in this state for 5 years after the **date, on** which the business
12 receives the business assistance.

13 **(3) ENFORCEMENT AND ADMINISTRATION.** (a) **Before** providing any business
14 **assistance, the department shall determine whether the business applying for the**
15 business assistance has, at any time within the 5-year period preceding the date of
16 **the application, ceased or reduced any health** care benefits or pension benefits
17 provided directly or indirectly by the business to the employees of the business
18 employed in this state. If the business has, at any time within the 5-year period
19 preceding the date of the application, ceased or reduced any health care benefits or
20 pension benefits provided directly or indirectly by the business to the employees of the
21 business employed in this state, the department may not provide any business to
22 that business. If the department provides business assistance to a business and later
23 determines that the business has, at any time within the 5-year period preceding the
24 date of the application or within the period between the **date** of the application and
25 the date of receipt of the business assistance, ceased or reduced any health care

1 benefits or pension benefits provided directly or indirectly by the business to the
2 employes of the business employed in this state, the department shall assess and
3 collect any penalties imposed under sub. (4) according to the procedure specified in
4 **par. (c).**

5 (b) The department shall monitor a businesses receiving business assistance
6 to ensure that the business does not cease or reduce any health care benefits or
7 pension benefits provided directly or indirectly by the business to the employes of the
8 business employed in this state for 5 years after the date on which the business
9 receives the business assistance. If the department determines that the business has
10 ceased or reduced any health care benefits or pension benefits, provided directly or
11 indirectly by the business to the employes of the business employed in this state at
12 any time within the 5-year period beginning on the date on which the business
13 receives the business assistance, the department shall assess and collect any
14 penalties imposed under sub. (4) according to the procedure specified. in par. (c).

15 (c) The department shall assess and collect any penalties imposed under sub.
16 (4) according to the following procedure:

17 1. The department shall notify the business that is the subject of the penalty
18 that the business is in noncompliance with this section and of the penalty assessed
19 under sub. (4).

20 2. The business may, within 30 days after the date of the notice, appeal in
21 writing to the secretary, and the secretary shall enter his or her final decision within
22 30 days after receiving the appeal.

23 3. The business may, within 30 days after the secretary's decision, request a
24 contested case hearing under s. 227.42 from the department.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-3289/70
GMM.../.....
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Gen Cat

1 AN ACT ...; relating to: maintenance of benefits by a business as a condition of
2 receiving assistance from the department of commerce.

Analysis by the Legislative Reference Bureau

Under current law, the department of commerce administers various programs under which that department makes grants or loans to businesses (business assistance). Those programs include the mining economic development grant and loan program, the rapid response fund program, the employe ownership assistance grant program, the Wisconsin trade project, the rural economic development program, the business development initiative and the Wisconsin development fund program.

This bill requires any for-profit business that receives any business assistance from the department of commerce to certify on its application for the business assistance that the business has not, at any time within the ^{five} ~~6~~-year period preceding the date of the application, ceased or reduced any health care benefits or pension benefits provided directly or indirectly by the business to the employes of the business employed in this state and to agree, as a condition of receiving the business assistance, not to cease or reduce those benefits for ^{five} ~~6~~ years after the date on which the business receives the business assistance.

Under the bill, any business receiving business assistance from the department of commerce that ceases or reduces any health care benefits or pension benefits provided directly or indirectly by the business to the employes of the business employed in this state at any time beginning ^{five} ~~6~~ years before the date on which the business applied for the business assistance and ending ^{five} ~~6~~ years after the date on which the business received the business assistance is subject to immediate rescission of ~~of~~ all business assistance that was provided to the business, with the

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business to repay immediately any business assistance received, plus a 10% penalty and interest on the business assistance at 18% per year, and ineligibility for any further business assistance for ~~1~~^{five} years after the date on which the penalty was assessed.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 560.025^J of the statutes is created to read:

2 **560.025 Maintenance of benefits as condition of assistance. (1)**

3 **DEFINITIONS.** In this section:

4 (a) "Business" means any person engaged in any activity or enterprise for profit
5 employing one or more person^S in this state.

6 (b) "Business assistance" means any grant or loan provided by the department
7 under this chapter.

8 **(2) RULES OF CONDUCT.** (a) Any business that is applying for business assistance
9 shall certify on its application for the business assistance that the business has not,
10 at any time within the 5-year period preceding the date of the application, ceased
11 or reduced any health care benefits or pension benefits provided directly or indirectly
12 by the business to the employes of the business employed in this state.

13 (b) Any business that receives business assistance shall agree, as a condition
14 of receiving the business assistance, not to cease or reduce any health care benefits
15 or pension benefits provided directly or indirectly by the business to the employes of
16 the business employed in this state for 5 years after the date on which the business
17 receives the business assistance.

18 **(3) ENFORCEMENT AND ADMINISTRATION.** (a) Before providing any business
19 assistance, the department shall determine whether the business applying for the

1 business assistance has, at any time within the 5-year period preceding the date of
2 the application, ceased or reduced any health care benefits or pension benefits
3 provided directly or indirectly by the business to the employes of the business
4 employed in this state. If the business has, at any time within the 5-year period
5 preceding the date of the application, ceased or reduced any health care benefits or
6 pension benefits provided directly or indirectly by the business to the employes of the
7 business employed in this state, the department may not provide any business to
8 that business. If the department provides business assistance to a business and later
9 determines that the business has, at any time within the 5-year period preceding the
10 date of the application or within the period between the date of the application and
11 the date of receipt of the business assistance, ceased or reduced any health care
12 benefits or pension benefits provided directly or indirectly by the business to the
13 employes of the business employed in this state, the department shall assess and
14 collect any penalties imposed under sub. (4)^J according to the procedure specified in
15 par. (c).[↓]

16 (b) The department shall monitor a businesses^g receiving business assistance
17 to ensure that the business does not cease or reduce any health care benefits or
18 pension benefits provided directly or indirectly by the business to the employes of the
19 business employed in this state for 5 years after the date on which the business
20 receives the business assistance. If the department determines that the business has
21 ceased or reduced any health care benefits or pension benefits provided directly or
22 indirectly by the business to the employes of the business employed in this state at
23 any time within the 5-year period beginning on the date on which the business
24 receives the business assistance, the department shall assess and collect any
25 penalties imposed under sub. (4)[↓] according to the procedure specified in par. (c).'

1 (c) The department shall assess and collect any penalties imposed under sub.
2 (4) according to the following procedure:

3 1. The department shall notify the business that is the subject of the penalty
4 that the business is in noncompliance with this section and of the penalty assessed
5 under sub. (4).

6 2. The business may, within 30 days after the date of the notice, appeal in
7 writing to the secretary, and the secretary shall enter his or her final decision within
8 30 days after receiving the appeal.

9 3. The business may, within 30 days after the secretary's decision, request a
10 contested case hearing under s. 227.42 from the department.

11 (4) **PENALTIES.** Any business receiving business assistance that ceases or
12 reduces any health care benefits or pension benefits provided directly or indirectly
13 by the business to the employees of the business employed in this state at any time
14 beginning 5 years before the date on which the business applied for the business
15 assistance and ending 5 years after the date on which the business received the
16 business assistance, is subject to all of the following penalties:

17 (a) Immediate rescission of all business assistance that was provided to the
18 business, with the business to repay that business assistance immediately, pay a
19 penalty equal to 10% of the amount of that business assistance and pay interest on
20 that business assistance at the rate of 18% per year from the date of receipt of the
21 business assistance to the date of payment of the full amount due.

22 (b) Ineligibility for any further business assistance for 5 years after the date
23 on which the department assesses the penalty.

24 **SECTION 2. Initial applicability.**

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

Date: 7/19/99

To: Representative Turner

Relating to LRB drafting number: LRB-3289

Topic

Maintenance of benefits as a condition of receiving state assistance

Subject(s)

Employ Priv - miscellaneous

1. **JACKET** the draft for introduction

Robert Turner

in the **Senate** ____ or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the **LRB's** drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Gordon M. Malaise, Senior Legislative Attorney
Telephone: (608) 266-9738