

**1999 DRAFTING REQUEST**

**Bill**

Received: 10/20/1999

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC 6-2988

By/Representing: John Stolzenberg

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - misc.

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Miscellaneous economic development changes, including consolidation of various existing programs

**Instructions:**

See Attached

**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>
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*WJ 2/9*

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			Kjf 12/15		Kjf/mic 12/16		
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FE Sent For:

1       **AN ACT to repeal** 15.155 (1) and (4), 20.143 (1) (cb), 20.143 (1) (s) and (sm),  
2       560.033, 560.037, 560.038 and 560.039, 560.06, 560.14 (1) (a), (ar), (b), (fm), (g)  
3       and (h), 560.14 (3m) and (3r), 560.14 (4m), 560.145, 560.147 and 560.16 (1) (a) and  
4       (b), 560.16 (2), (3), (4) and (6), 560.167, 560.17 (1) (a), (am) and (bm), 560.17 (4m),  
5       560.17 (5c), (5m), (6), (6m), (6r) and (7), 560.20 (1) (title), (cf), (cm), (f) and (g) and  
6       (1m), 560.20 (3) (title), (a), (b), (c), (d) and (e), 560.20 (3) (f) 1. to 3., 560.60 (1m),  
7       (1s), (1v), (4), (6), (10), (15) and (17), 560.605, 560.615, 560.62 and 560.63, 560.65  
8       (1) to (4) and (5) (a), 560.66, 560.81 (1), 560.81 (3) and (4), 560.84 (1) (e) 3. and  
9       560.84 (1) (im); **to renumber** 560.16 (1) (c), (e) and (f); **to renumber and amend**  
10       560.20 (3) (g) and (h); **to consolidate, renumber and amend** 560.20 (3) (f) (intro.)  
11       and 4.; **to amend** 20.143 (1) (c), 20.143 (1) (fg), 20.143 (1) (fm), 20.143 (1) (ie),  
12       20.143 (1) (im), 20.143 (1) (in), 560.03 (intro.), 560.03 (18), 560.045, 560.65 (5) (b),  
13       560.81 (intro.), 560.81 (2), 560.84 (1) (intro.), 560.84 (1) (b) 1., 2., (e) (intro.), 1.  
14       and 2., 560.84 (1) (f), 560.84 (1) (j), (2) (intro.), (a) 1., 2., (c) (intro.) and (f) and  
15       560.85 (1), (2), (3) (a) and (b); **to repeal and recreate** 560.01 (2) (a), 560.14 (2) and  
16       (3), 560.14 (4), 560.14 (5), 560.17 (1) (c), 560.17 (2), (3) and (4), 560.17 (5), 560.20  
17       (2) and 560.61; and **to create** 1.13, 20.143 (1) (ig), 560.03 (24), 560.168, 560.20 (3)  
18       to (5), 560.815, 560.82 (6), 560.83 (6) and 560.837 (3) of the statutes; **relating to:**  
19       establishing state economic development goals, directing the department of  
20       commerce to establish a state economic development policy, consolidating and  
21       revising various economic development financial assistance programs administered  
22       by the department of commerce, modifying the department of commerce's export

- 1 plan, creating a sister state program, granting rule-making authority and making an  
2 appropriation.

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

**JOINT LEGISLATIVE COUNCIL PREFATORY NOTE:** This draft was prepared for the joint legislative council's special committee on state strategies for economic development at the request of Chairperson Welch. The draft does the following:

1. Creates statewide economic goals based on the goals in the committee's mission statement and directs all executive branch agencies, including the department of commerce (the department), and state authorities to consider these goals when implementing a statutory prescribed power or duty and implement the power or duty in a manner that contributes to the expeditious attainment of the goals.
2. Replaces the department's duty to develop a state economic policy and implement 11 specific types of economic development activities with the general duty to develop and provide leadership in implementing a state economic development policy that is designed, to the extent practicable, to assist the state in achieving all of the statewide economic development goals.
3. Directs the department to develop and implement economic development programs consistent with the state economic development policy that it develops under the draft and to submit annual reports, starting no later than September 1, 2002, to the Governor and the Legislature on the progress in implementing the policy.
4. Simplifies economic development financial assistance programs and provides the department more flexibility in implementing these programs by replacing 35 statutorily specified economic development grant or loan programs (based on the power or duty to award financial assistance) funded under 6 appropriations to the department with one grant or loan program for each appropriation, as described below.
5. Establishes that the department's current export plan must apply to countries in all inhabited continents.
6. Directs the department to create a sister state program under which the secretary of commerce may enter into a sister state affiliation on behalf of the state.

The economic development goals set forth in the draft are based upon the committee's mission statement, adopted at its December 16, 1998 meeting:

"Within 10 years, Wisconsin will be a world leader by: (1) having the most highly skilled professional and technical work force; (2) having the best system of encouraging entrepreneurial ventures; and (3) having a tax, regulatory and financial climate conducive to a healthy statewide economy."

The draft modifies the economic development financial assistance programs funded under 6 appropriations to the department--community-based economic development programs, small cities community development block grants (CDBG), rural economic development programs, business development initiative, Wisconsin development fund and minority business projects--in the following ways:

1. For each of these appropriations, other than the federally funded CDBG, the draft consolidates all of the statutory grant or loan programs funded by the appropriation into one grant or loan program. The CDBG programs are not consolidated, as the current statutes, s. 560.045, do not prescribe specific assistance programs to be funded by CDBG funds.
2. The purpose of the assistance provided by the programs under each of the 6 appropriations is established to be that the assistance contributes to the implementation of the department's economic development policy.
3. Statutory specification of the specific types of projects eligible for funding, funding priorities and criteria, and conditions placed on the assistance are replaced with the specification of these items delegated to the department.

The draft does not change in its treatment of these programs the amount of appropriations, the general type of project eligible for funding, the authorized positions to administer the program and who is eligible to receive assistance under the program for each appropriation. As a result of this treatment, if the department determines that a current program's design contributes to implementing its state economic development policy, then under the draft, the department could continue a program in its present form.

In general, the draft takes effect on January 1, 2001, except that the modification of the export plan and the creation of the sister state program take effect on the day after publication.

1

**SECTION 1.** 1.13 of the statutes is created to read:



1           **1.13 (1) DEFINITION.** In this section, "state agency" means any office, department,  
2 agency or other body in state government created or authorized to be created by the  
3 constitution or any law which is entitled to expend moneys appropriated by law, including any  
4 authority created under ch. 231, 233 or 234 but not including the legislature or the courts.

5           **(2) STATE ECONOMIC DEVELOPMENT POLICY.** It is the goal of the state to achieve all of the  
6 following:

- 7           a. To have the most highly skilled professional and technical work force.  
8           b. To have the best system of encouraging entrepreneurial ventures.  
9           c. To have a tax, regulatory and financial climate conducive to a healthy statewide  
10 economy that is competitive in the global economy.

11           **(3) STATE AGENCY DUTY.** Each state agency, in exercising a power or duty vested in the  
12 state agency by statute shall, to the extent practicable, consider the goals in sub. (2) and  
13 implement the power or duty in a manner that contributes to the expeditious attainment of the  
14 goals.

**NOTE:** This SECTION specifies state goals for economic development and directs executive branch state agencies and state authorities to consider them in implementing their statutorily prescribed powers and duties. These goals are based on the committee's mission statement. The goals are also referenced in the purpose of the department's economic development policy established under this draft. [See the treatment of s. 560.01 (2) (a), stats.]

15           **SECTION 2.** 15.155 (1) and (4) of the statutes are repealed.

**NOTE:** This SECTION repeals the development finance board and the rural economic development board, as the programs containing financial assistance awarded by these boards are repealed by the draft as part of the consolidation of financial assistance programs by the draft. The minority business development board is not repealed, since under the draft it continues to award minority business recycling development grants and loans under existing s. 560.835.

16           **SECTION 3.** 20.143 (1) (c) of the statutes is amended to read:

1           20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*  
2 *assistance.* Biennially, the amounts in the schedule for grants under s. 560.615; for grants and  
3 loans under ss. 560.62, 560.63 and 560.66 s. 560.61; [~~for grants under s. 560.145; for loans~~  
4 ~~under s. 560.147;]~~ for grants under s. 560.16; for reimbursements under s. 560.167; for  
5 providing assistance under s. 560.06; for the loan under 1997 Wisconsin Act 27, section 9110  
6 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act  
7 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g). ~~Of the amounts in the~~  
8 ~~schedule, \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000~~  
9 ~~for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts~~  
10 ~~in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning~~  
11 ~~with fiscal year 1998-99, for grants and loans under s. 560.62 (1) (a).~~

12           SECTION 4. 20.143 (1) (cb) of the statutes is repealed.

13           SECTION 5. 20.143 (1) (fg) of the statutes is amended to read:

14           20.143 (1) (fg) *Community-based economic development programs.* The amounts in  
15 the schedule for grants and loans under ss. 560.037 and s. 560.14 and for the grant under 1993  
16 Wisconsin Act 16, section 9115 (1c).

17           SECTION 6. 20.143 (1) (fm) of the statutes is amended to read:

18           20.143 (1) (fm) *Minority business projects; grants and loans.* Biennially, the amounts  
19 in the schedule for ~~grants under ss. 560.033, 560.038, 560.039, 560.82 and 560.837, grants~~  
20 ~~and loans under s. 560.83~~ grants and loans under s. 560.815, the grant under 1993 Wisconsin  
21 Act 110, section 3, and the loans under 1997 Wisconsin Act 9, section 3.

22           SECTION 7. 20.143 (1) (ie) of the statutes is amended to read:

23           20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in  
24 repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 1997 stats., s.

1 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1997 stats.,  
2 s. 560.61, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015  
3 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),  
4 and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under ~~subch. V~~  
5 ~~of ch. 560 except s. 560.65, 1997 stats., s. 560.61, for loans under s. 560.147, for grants under~~  
6 ~~s. 560.16, s. 560.61 and for the loans under 1997 Wisconsin Act 27, section 9110 (7f), and 1997~~  
7 ~~Wisconsin Act 310, section 2 (2d), and for reimbursements under s. 560.167.~~

8 **SECTION 8.** 20.143 (1) (ig) of the statutes is created to read:

9 20.143 (1) (ig) *Community-based economic development loan repayments.* All  
10 moneys received in repayment of loans under s. 560.14, to be used for grants and loans under  
11 s. 560.17.

12 **SECTION 9.** 20.143 (1) (im) of the statutes is amended to read:

13 20.143 (1) (im) *Minority business projects; repayments.* All moneys received in  
14 repayment of grants or loans under s. 560.815 and s. 560.83, 1997 stats., and loans under 1997  
15 Wisconsin Act 9, section 3, to be used for grants and loans under ~~ss. 560.82, 560.83 and~~  
16 ~~560.837~~ s. 560.815, the grant under 1993 Wisconsin Act 110, section 3, and the loans under  
17 1997 Wisconsin Act 9, section 3.

18 **SECTION 10.** 20.143 (1) (in) of the statutes is amended to read:

19 20.143 (1) (in) *Business development initiative loan repayments.* All moneys received  
20 in repayment of loans under s. 560.20 (~~3~~), any proceeds from equity investments made by the  
21 community development finance company under s. 234.965, 1991 stats., and any  
22 unencumbered grant funds returned to the department under 1993 Wisconsin Act 437, section  
23 9115 (1t), to be used for loans and grants under s. 560.20 (~~3~~).

24 **SECTION 11.** 20.143 (1) (s) and (sm) of the statutes are repealed.

1           **SECTION 12.** 560.01 (2) (a) of the statutes is repealed and recreated to read:

2           560.01 (2) (a) *State economic development policy.* The department shall develop and  
3 provide leadership in implementing a state economic development policy that is designed, to  
4 the extent practicable, to assist the state in achieving all of the goals specified in s. 1.13 (2).  
5 The policy shall foster, encourage and advocate public and private economic development  
6 programs that are designed to achieve these goals.

NOTE: This SECTION replaces the current directive to the department to develop a state economic policy with 11 specified components with a directive to develop and implement a state economic development policy that is designed to achieve all of the economic development goals created by this draft.

7           **SECTION 13.** 560.03 (intro.) of the statutes is amended to read:

8           **560.03 Business and industrial development.** (intro.) The department shall ~~foster,~~  
9 ~~encourage and advocate~~ develop and implement economic development programs ~~designed~~  
10 ~~to broaden and strengthen the economy of the state~~ consistent with its economic development  
11 policy developed under s. 560.01 (2) (a), and it shall provide specific leadership in the  
12 following instances among others:

NOTE: This SECTION coordinates the department's 21 specific responsibilities on business and industrial development with its state economic development policy established under this draft.

13           **SECTION 14.** 560.03 (18) of the statutes is amended to read:

14           560.03 (18) Develop and implement a plan to promote and increase exports, including  
15 agricultural products, to and foreign investment in this state by businesses in other countries  
16 in Africa, Asia, Australia, Europe, North America and South America. The plan shall provide  
17 for the secretary to take a leadership role in assuring collaboration and coordination among  
18 international trade activities conducted by governmental entities to assure efficiency and to  
19 avoid duplication and may include provisions for participation in trade fairs and missions,

1 establishment and maintenance of foreign trade offices and preparation of research on foreign  
2 markets for exports from this state and on opportunities for foreign investment in this state.  
3 The plan shall describe the allocation of funds for support staff in this state to implement the  
4 plan and for all other costs in implementing each provision of the plan. In developing and  
5 implementing the plan, the department shall consult with the department of agriculture, trade  
6 and consumer protection, the University of Wisconsin System, the technical college system  
7 and other public and private agencies and institutions supporting international trade education  
8 or activities. Any plan to establish a foreign trade office shall include the feasibility of  
9 establishing a system of graduated fees which a trade office may use to offset its operating  
10 costs, or a system of commissions for execution of successful transactions, or both.

**NOTE:** This section clarifies the department's export plan to specify that the plan must address increasing exports to and foreign investments in the state by businesses in other countries and all of the inhabited continents.

11 **SECTION 15.** 560.03 (24) of the statutes is created to read:

12 560.03 (24) On or before September 1, 2002, and annually thereafter, submit a report  
13 on the progress in implementing the economic development policy developed under s. 560.01  
14 (2) (a) to the governor and the chief clerk of each house of the legislature, for distribution to  
15 the legislature under s. 13.172 (2). The report shall include an analysis of how financial  
16 assistance provided under this chapter during the period covered by the report contributed to  
17 the implementation of the economic development policy and any recommendations for  
18 legislation to remove barriers that prevent attaining one or more of the goals specified in s. 1.13  
19 (2) or to modify one or more of these goals.

**NOTE:** This SECTION creates a new reporting requirement for the department relating to the progress in implementing the economic development policy established under the draft, including the role of

economic development financial assistance programs in implementing the policy.

1       **SECTION 16.** 560.033 of the statutes is repealed.

2       **SECTION 17.** 560.037 of the statutes is repealed.

3       **SECTION 18.** 560.038 and 560.039 of the statutes are repealed.

4       **SECTION 19.** 560.045 of the statutes is amended to read:

5       **560.045 Community development block grant administration.** Notwithstanding s.  
6       16.54 (2) (a), from moneys received under a community development block grant, 42 USC  
7       5301 to 5320, the department shall contract with the department of administration for the  
8       administration of housing programs, including the housing improvement grant program and  
9       the initial rehabilitation grant program. To the extent allowed under federal law or regulation,  
10      the department shall give priority in the awarding of grants under the programs to grants for  
11      projects ~~related to the redevelopment of brownfields, as defined in s. 560.60 (1v) that~~  
12      contribute to the implementation of the economic development policy developed by the  
13      department under s. 560.01 (2) (a).

14      **SECTION 20.** 560.06 of the statutes is repealed.

15      **SECTION 21.** 560.14 (1) (a), (ar), (b), (fm), (g) and (h) of the statutes are repealed.

16      **SECTION 22.** 560.14 (2) and (3) of the statutes are repealed and recreated to read:

17      **560.14 (2)** The department may make a grant or loan to a community-based  
18      organization, political subdivision or private, nonprofit organization from the appropriations  
19      under s. 20.143 (1) (fg) and (ig) to support a community-based economic development project  
20      or activity, if the project or activity contributes to the implementation of the economic  
21      development policy developed by the department under s. 560.01 (2) (a).

1           (3) The department shall identify by rule the criteria for awarding a grant or loan under  
2 this section, including the types of projects and activities that are eligible for funding and  
3 which types shall receive priority consideration for funding.

4           **SECTION 23.** 560.14 (3m) and (3r) of the statutes are repealed.

5           **SECTION 24.** 560.14 (4) of the statutes is repealed and recreated to read:

6           560.14 (4) The department may establish conditions on a grant or loan made under this  
7 section, including matching contributions to be provided by the grant or loan recipient.

8           **SECTION 25.** 560.14 (4m) of the statutes is repealed.

9           **SECTION 26.** 560.14 (5) of the statutes is repealed and recreated to read:

10          560.14 (5) The department shall establish procedures for a person to apply for a grant  
11 or loan under this section and for the department to evaluate and award a grant or loan under  
12 this section.

13          **SECTION 27.** 560.145, 560.147 and 560.16 (1) (a) and (b) of the statutes are repealed.

14          **SECTION 28.** 560.16 (1) (c), (e) and (f) of the statutes are renumbered 560.60 (5d), (5m)  
15 and (5r).

16          **SECTION 29.** 560.16 (2), (3), (4) and (6) of the statutes are repealed.

17          **SECTION 30.** 560.167 of the statutes is repealed.

18          **SECTION 31.** 560.168 of the statutes is created to read:

19          **560.168 Sister state program. (1)** The department shall establish and operate a sister  
20 state program to further global understanding and international trade through the interchange  
21 of people, ideas, culture and commerce between Wisconsin and the world.

22          (2) In implementing the program under sub. (1), the department shall do all of the  
23 following:

1           (a) Coordinate and carry out activities designed to encourage the state and its  
2 subdivisions to participate in sister state affiliations with foreign countries and their  
3 subdivisions.

4           (b) Encourage cooperation with and disseminate information pertaining to the program  
5 and any other program whose object is to promote linkages between the state and foreign  
6 countries and their subdivisions.

7           (c) Encourage contributions by public agencies and private entities to support the  
8 program.

9           (d) Establish a system of registration for sister state affiliations between the state and  
10 foreign countries and their subdivisions. This system shall include all of the following:

11           1. A method to determine that sufficient ties are properly established.

12           2. A method to supervise how these ties are maintained.

13           (e) Maintain a current listing of all sister state affiliations between the state and any  
14 foreign country or its political subdivisions.

15           (3) The secretary may enter into a sister state affiliation on behalf of this state if the  
16 secretary determines that the affiliation is necessary to accomplish the purpose set forth in sub.  
17 (1) and that the ties between the state and the foreign country or its political subdivision will  
18 conform to the methods established under sub. (2) (d) 1. and 2.

19           (4) The department may charge fees for services it provides under this section to cover  
20 the costs incurred by the department in providing the services.

21           (5) The department shall deposit all contributions and fees collected under this  
22 paragraph in the appropriation account under s. 20.143 (1) (g).

23           **SECTION 32.** 560.17 (1) (a), (am) and (bm) of the statutes are repealed.

24           **SECTION 33.** 560.17 (1) (c) of the statutes is repealed and recreated to read:



1           560.20 (7) The department, in agreement with the for-profit business, may convert any  
2 equity investments made by the community development finance company in a for-profit  
3 business under s. 234.965, 1991 stats., to a grant or a loan under this subsection without regard  
4 to the requirements under par. (b) section.

5           **SECTION 45.** 560.60 (1m), (1s), (1v), (4), (6), (10), (15) and (17) of the statutes are  
6 repealed.

7           **SECTION 46.** 560.605 of the statutes is repealed.

8           **SECTION 47.** 560.61 of the statutes is repealed and recreated to read:

9           **560.61 Wisconsin development fund. (1)** The department may make a grant or loan  
10 to a business, consortium, existing business group, higher educational institution or nonprofit  
11 organization from the appropriations under s. 20.143 (1) (c) and (ie) to support a  
12 manufacturing assistance, technology development, labor training, urban or regional  
13 economic development, foreign trade show or event, revolving loan fund, or employe  
14 ownership assistance project or activity or a major economic development project, if the  
15 project or activity contributes to the implementation of the economic development policy  
16 developed by the department under s. 560.01 (2) (a).

17           **(2)** The department shall identify by rule the criteria for awarding a grant or loan under  
18 this section, including the types of projects and activities that are eligible for funding and  
19 which types shall receive priority consideration for funding.

20           **(3)** The department may establish conditions on a grant or loan made under this section,  
21 including matching contributions to be provided by the grant or loan recipient.

22           **(4)** The department shall establish procedures for a person to apply for a grant or loan  
23 under this section and for the department to evaluate and award a grant or loan under this  
24 section.

1           **SECTION 48.** 560.615, 560.62 and 560.63 of the statutes are repealed.

2           **SECTION 49.** 560.65 (1) to (4) and (5) (a) of the statutes are repealed.

3           **SECTION 50.** 560.65 (5) (b) of the statutes is amended to read:

4           560.65 (5) (b) The department shall deposit in the recycling fund all moneys received  
5 after July 1, 1995, in repayment of loans made under ~~this section~~ s. 560.65, 1997 stats..

6           **SECTION 51.** 560.66 of the statutes is repealed.

7           **SECTION 52.** 560.81 (intro.) of the statutes is amended to read:

8           **560.81 Minority business grants and loans.** (intro.) The department shall make a  
9 grant or loan to an eligible recipient ~~or local development corporation~~ under this subchapter  
10 if any of the following apply:

11           **SECTION 53.** 560.81 (1) of the statutes is repealed.

12           **SECTION 54.** 560.81 (2) of the statutes is amended to read:

13           560.81 (2) The board awards a grant or loan to the eligible recipient under ~~ss. 560.83~~  
14 ~~and 560.84 or under ss. s. 560.835 and 560.84.~~

15           **SECTION 55.** 560.81 (3) and (4) of the statutes are repealed.

16           **SECTION 56.** 560.815 of the statutes is created to read:

17           **560.815 Minority business development.** (1) The department may make a grant or  
18 loan to a minority business, minority group member who is a resident of this state, business  
19 incubator operator, nonprofit corporation owning and operating a business incubator, local  
20 development corporation or private financial institution, as defined in s. 234.01 (5k), from the  
21 appropriations under s. 20.143 (1) (f) and (im) to support a project or activity that benefits one  
22 or more minority businesses or minority group members who are residents of this state, if the  
23 project or activity contributes to the implementation of the economic development policy  
24 developed by the department under s. 560.01 (2) (a).

1           (2) The department shall identify by rule the criteria for awarding a grant or loan under  
2 this section, including the types of projects and activities that are eligible for funding and  
3 which types shall receive priority consideration for funding.

4           (3) The department may establish conditions on a grant or loan made under this section,  
5 including matching contributions to be provided by the grant or loan recipient.

6           (4) The department shall establish procedures for a person to apply for a grant or loan  
7 under this section and for the department to evaluate and award a grant or loan under this  
8 section.

9           **SECTION 57.** 560.82 (6) of the statutes is created to read:

10           560.82 (6) The department may not award a grant under this section after December  
11 31, 2000.

12           **SECTION 58.** 560.83 (6) of the statutes is created to read:

13           560.83 (6) The board may not award a grant or loan under this section after December  
14 31, 2000.

15           **SECTION 59.** 560.837 (3) of the statutes is created to read:

16           560.837 (3) The board may not award a grant under this section after December 31,  
17 2000.

18           **SECTION 60.** 560.84 (1) (intro.) of the statutes is amended to read:

19           560.84 (1) (intro.) ~~The department or board~~ may not award a grant or loan for a project  
20 under ~~this subchapter s. 560.835~~ unless, after considering the application or other material  
21 submitted by the eligible recipient ~~or local development corporation~~, ~~the department or board~~  
22 determines all of the following:

23           **SECTION 61.** 560.84 (1) (b) 1., 2., (e) (intro.), 1. and 2. of the statutes are amended to  
24 read:

1           560.84 (1) (b) 1. If an early planning project under s. ~~560.82~~ or 560.835 (6), that the  
2 project will increase employment in this state.

3           2. If a ~~development project~~ or recycling development project, that the project will retain  
4 or increase employment in this state.

5           (e) (intro.) That the eligible recipient or ~~local development corporation~~ receiving the  
6 grant or loan will contribute, from a source or sources other than the state, whichever of the  
7 following applies:

8           1. For grants funding early planning projects under s. ~~560.82~~ or 560.835 (6), not less  
9 than 25% of the cost of the project. Up to 50% of the contribution under this subdivision may  
10 be in the form of the in-kind services of a qualified 3rd party or qualified 3rd parties. The  
11 department shall determine what services may be used as in-kind contributions and whether  
12 a 3rd party is qualified, for purposes of this subdivision.

13           2. For grants and loans funding ~~development projects~~ or recycling development  
14 projects, a cash contribution of not less than 25% of the cost of the project.

15           **SECTION 62.** 560.84 (1) (e) 3. of the statutes is repealed.

16           **SECTION 63.** 560.84 (1) (f) of the statutes is amended to read:

17           560.84 (1) (f) That the project meets all criteria set forth in s. ~~560.82, 560.83, 560.835~~  
18 ~~or 560.837, whichever is appropriate.~~

19           **SECTION 64.** 560.84 (1) (im) of the statutes is repealed.

20           **SECTION 65.** 560.84 (1) (j), (2) (intro.), (a) 1., 2., (c) (intro.) and (f) of the statutes are  
21 amended to read:

22           560.84 (1) (j) If a ~~development project, recycling development project, finance project~~  
23 ~~or education and training project,~~ that funds from the grant or loan will not be used to refinance  
24 existing debt.

1           (2) (intro.) The board ~~or department~~ shall consider all of the following before awarding  
2 a grant or loan to an eligible recipient or local development corporation for a project:

3           (a) 1. If an early planning project under s. ~~560.82 or~~ 560.835 (6), the extent to which  
4 the project will increase employment in this state.

5           2. If a ~~development project or~~ recycling development project, the extent to which the  
6 project will retain or increase employment in this state.

7           (c) (intro.) If a ~~development project or~~ recycling development project, whether the  
8 project will be located in any or all of the following:

9           (f) If a ~~development project or~~ recycling development project, the financial soundness  
10 of the minority business involved in the project and the commitment of the eligible recipient  
11 to repay the loan or grant.

12           **SECTION 66.** 560.85 (1), (2), (3) (a) and (b) of the statutes are amended to read:

13           560.85 (1) The department shall promulgate rules for the administration of ~~this~~  
14 ~~subchapter s. 560.835~~. The department may not promulgate a rule under this subsection unless  
15 the proposed rule has been reviewed by the board.

16           (2) The board shall develop a policy governing the repayment of grants and loans made  
17 under s. ~~560.83 or~~ 560.835. ~~The board or department shall deposit moneys received in~~  
18 ~~repayment of grants and loans under s. 560.83 in the appropriation under s. 20.143 (1) (im).~~

19           (3) (a) Develop procedures to evaluate applications and monitor project performance  
20 for grants awarded for early planning projects under s. ~~560.82 or~~ 560.835 (6).

21           (b) Develop procedures, with the approval of the board, to evaluate applications,  
22 monitor project performance and audit grants and loans awarded for ~~development projects~~  
23 ~~under s. 560.83~~, recycling development projects under s. 560.835 and ~~finance projects and~~  
24 ~~education and training projects under s. 560.837.~~

1           **SECTION 67. Nonstatutory provisions.**

2           (1) The department of commerce shall submit in proposed form the rules required under  
3 sections 560.14 (3), 560.17 (3), 560.20 (3), 560.61 (2) and 560.815 (2) of the statutes, as  
4 affected by this act, to the legislative council staff under section 227.15 (1) of the statutes no  
5 later than the first day of the 13th month beginning after the effective date of this subsection.

6           **SECTION 68. Effective date.**

7           (1) This act takes effect on January 1, 2001, except that the treatment of sections 560.03  
8 (18), 560.168, 560.82 (6), 560.83 (5) and 560.837 (3) of the statutes takes effect on the day  
9 after publication.

**NOTE:** This delayed effective date gives the department a transition  
period to revise the financial assistance programs affected by this act.  
Under s. 227.11 (2) (d), the department may promulgate rules  
implementing this act after publication of the act but prior to the act's  
effective date.

10

(END)

1       **AN ACT** *to repeal* 15.155 (1) and (4), 20.143 (1) (cb), 560.033, 560.037, 560.038 and  
2       560.039, 560.045 (2), 560.06, 560.14 (1) (a), (ar), (b), (fm), (g) and (h), 560.14 (3m)  
3       and (3r), 560.14 (4m), 560.145, 560.147 and 560.16 (1) (a) and (b), 560.16 (2), (3),  
4       (4) and (6), 560.167, 560.17 (1) (a), (am) and (bm), 560.17 (4m), 560.17 (5c) and  
5       (5m), 560.17 (5r), 560.17 (6), 560.17 (6m), 560.17 (6r), 560.17 (7), 560.175, 560.20  
6       (1) (title), (cf) and (cm), 560.20 (1) (f), 560.20 (1) (g) and (1m), 560.20 (3) (title),  
7       560.20 (3) (a), 560.20 (3) (b) and (c), 560.20 (3) (cm), 560.20 (3) (d) and (e), 560.20  
8       (3) (f) 1. to 3., 560.25 and 560.26, 560.60 (1m), (1s) and (1v), 560.60 (4), 560.60 (6),  
9       560.60 (10), 560.60 (15) and (17), 560.605, 560.607 (2), 560.62 and 560.63, 560.65  
10       (1) to (4) and (5) (a), 560.66, 560.68 (2), (4), (5), (5m), (6) and (7), 560.81 (1),  
11       560.81 (3) and (4), 560.84 (1) (e) 3. and 560.84 (1) (im); *to renumber* 560.16 (1) (c),  
12       (e) and (f); *to renumber and amend* 560.045 (1) and 560.20 (3) (g) and (h); *to*  
13       *consolidate, renumber and amend* 560.20 (3) (f) (intro.) and 4.; *to amend* 20.143  
14       (1) (c), 20.143 (1) (fg), 20.143 (1) (fm), 20.143 (1) (ie), 20.143 (1) (im), 20.143 (1)  
15       (in), 560.03 (intro.), 560.03 (18), 560.607 (1), 560.65 (5) (b), 560.81 (intro.), 560.81  
16       (2), 560.84 (1) (intro.), 560.84 (1) (b) 1., 2., (e) (intro.), 1. and 2., 560.84 (1) (f),  
17       560.84 (1) (j), (2) (intro.), (a) 1., 2., (c) (intro.) and (f) and 560.85 (1), (2), (3) (a) and  
18       (b); *to repeal and recreate* 560.01 (2) (a), 560.14 (2) and (3), 560.14 (4), 560.14 (5),  
19       560.17 (1) (c), 560.17 (2), (3) and (4), 560.17 (5), 560.20 (2) and 560.61; and *to*  
20       *create* 1.13, 20.143 (1) (ig), 560.03 (24), 560.168, 560.20 (3) to (5), 560.815, 560.82  
21       (6), 560.83 (6) and 560.837 (3) of the statutes; **relating to:** establishing state  
22       economic development goals, directing the department of commerce to establish a

- 1 state economic development policy, consolidating and revising various economic
- 2 development financial assistance programs administered by the department of
- 3 commerce, modifying the department of commerce's export plan, creating a sister
- 4 state program, granting rule-making authority and making an appropriation.

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

**JOINT LEGISLATIVE COUNCIL PREFATORY NOTE:** This draft was prepared for the joint legislative council's special committee on state strategies for economic development. The draft does the following:

1. Creates statewide economic goals based on the goals in the committee's mission statement and directs all executive branch agencies, including the department of commerce (the department), and state authorities to consider these goals when implementing a statutory prescribed power or duty and to implement the power or duty in a manner that contributes to the expeditious attainment of the goals.
2. Replaces the department's duty to develop a state economic policy and implement 11 specific types of economic development activities with the general duty to develop and provide leadership in implementing a state economic development policy that is designed, to the extent practicable, to assist the state in achieving all of the statewide economic development goals.
3. Directs the department to develop and implement economic development programs consistent with the state economic development policy that it develops under the draft and to submit annual reports, starting no later than September 1, 2002, to the Governor and the Legislaturc on the progress in implementing the policy.
4. Simplifies economic development financial assistance programs and provides the department more flexibility in implementing these programs by replacing 41 statutorily specified economic development grant or loan programs (based on the power or duty to award financial assistance) funded under 6 appropriations to the department with one grant or loan program for each appropriation, as described below.
5. Establishes that the department's current export plan must apply to countries in all inhabited continents.



6. Directs the department to create a sister state program under which the secretary of commerce may enter into a sister state affiliation on behalf of the state.

The draft modifies the economic development financial assistance programs funded under 6 appropriations to the department—community-based economic development programs, small cities community development block grants (CDBG), rural economic development programs, business development initiative, Wisconsin development fund and minority business projects—in the following ways:

1. For each of these appropriations, other than the federally funded CDBG, the draft consolidates all of the statutory grant or loan programs funded by the appropriation into one grant or loan program. The CDBG programs are not consolidated, as the current statutes, s. 560.045, do not prescribe specific assistance programs to be funded by CDBG funds.
2. The purpose of the assistance provided by the programs under each of the 6 appropriations is established to be that the assistance contributes to the implementation of the department's economic development policy.
3. Statutory specification of the specific types of projects eligible for funding, funding priorities and criteria, and conditions placed on the assistance are replaced with the specification of these items delegated to the department.

The draft does not change in its treatment of these programs, the amount of appropriations, the general type of project eligible for funding, the authorized positions to administer the program and who is eligible to receive assistance under the program for each appropriation. As a result of this treatment, if the department determines that a current program's design contributes to implementing its state economic development policy, then under the draft, the department could continue a program in its present form.

In general, the draft takes effect on January 1, 2001, except that the modification of the export plan and the creation of the sister state program take effect on the day after publication.

1           **SECTION 1.** 1.13 of the statutes is created to read:

2           **1.13 (1) DEFINITION.** In this section, "state agency" means any office, department,  
 3           agency or other body in state government created or authorized to be created by the  
 4           constitution or any law which is entitled to expend moneys appropriated by law, including any  
 5           authority created under ch. 231, 233 or 234 but not including the legislature or the courts.

1           (2) STATE ECONOMIC DEVELOPMENT POLICY. It is the goal of the state to achieve all of the  
2 following:

- 3           a. To have the most highly skilled professional and technical work force.  
4           b. To have the best system of encouraging entrepreneurial ventures.  
5           c. To have a tax, regulatory and financial climate conducive to a healthy statewide  
6 economy that is competitive in the global economy.

7           (3) STATE AGENCY DUTY. Each state agency, in exercising a power or duty vested in the  
8 state agency by statute shall, to the extent practicable, consider the goals in sub. (2) and  
9 implement the power or duty in a manner that contributes to the expeditious attainment of the  
10 goals.

NOTE: This SECTION specifies state goals for economic development and directs executive branch state agencies and state authorities to consider them in implementing their statutorily prescribed powers and duties. These goals are based on the committee's mission statement. The goals are also referenced in the purpose of the department's economic development policy established under this draft. [See the treatment of s. 560.01 (2) (a), stats.]

11           SECTION 2. 15.155 (1) and (4) of the statutes are repealed.

NOTE: This SECTION repeals the development finance board and the rural economic development board, as the programs containing financial assistance awarded by these boards are repealed by the draft as part of the consolidation of financial assistance programs by the draft. The minority business development board is not repealed, since the draft does not affect the minority business recycling development grants and loans program under existing s. 560.835.

12           SECTION 3. 20.143 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
13 196, is amended to read:

14           20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*  
15 *assistance.* Biennially, the amounts in the schedule for grants under ss. ~~560.145, 560.16,~~  
16 ~~560.175, 560.26;~~ for grants and loans under ss. ~~560.62, 560.63 and 560.66~~ s. 560.61; for loans

1 ~~under s. 560.147; for reimbursements under s. 560.167; for providing assistance under s.~~  
2 ~~560.06; for the costs specified in s. 560.607; for the loan under 1999 Wisconsin Act 9, section~~  
3 ~~9110 (4); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin~~  
4 ~~Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), and 1999 Wisconsin Act~~  
5 ~~9, section 9110. Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal~~  
6 ~~years 1997-98 and 1998-99 for providing the assistance under s. 560.06 (1). Notwithstanding~~  
7 ~~s. 560.607, of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive~~  
8 ~~fiscal years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1) (a).~~

9 SECTION 4. 20.143 (1) (cb) of the statutes is repealed.

10 SECTION 5. 20.143 (1) (fg) of the statutes, as affected by 1999 Wisconsin Act 9,

11 SECTION 202g, is amended to read:

12 20.143 (1) (fg) *Community-based economic development programs.* The amounts in  
13 the schedule for grants and loans under ~~ss. 560.037 and s. 560.14~~ and for the grants under 1993  
14 Wisconsin Act 16, section 9115 (1c) and 1999 Wisconsin Act 9, section 9110 (6e) and (7v).

15 SECTION 6. 20.143 (1) (fm) of the statutes is amended to read:

16 20.143 (1) (fm) *Minority business projects; grants and loans.* Biennially, the amounts  
17 in the schedule for ~~grants under ss. 560.033, 560.038, 560.039, 560.82 and 560.837, grants~~  
18 ~~and loans under s. 560.83~~ grants and loans under s. 560.815, the grant under 1993 Wisconsin  
19 Act 110, section 3, and the loans under 1997 Wisconsin Act 9, section 3.

20 SECTION 7. 20.143 (1) (ie) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
21 204, is amended to read:

22 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in  
23 repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 1997 stats., s.  
24 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1997 stats.

1 ~~s. 560.61, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015~~  
2 ~~(2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),~~  
3 ~~1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4), to be~~  
4 ~~used for grants and loans under subch. V of ch. 560 except s. 560.65, for loans under s.~~  
5 ~~560.147, for grants under ss. 560.16, 560.175 and 560.25, for assistance under s. 560.06 (2),~~  
6 ~~s. 560.61 and for the loan under 1999 Wisconsin Act 9, section 9110 (4), and for~~  
7 ~~reimbursements under s. 560.167.~~

8 SECTION 8. 20.143 (1) (ig) of the statutes is created to read:

9 20.143 (1) (ig) *Community-based economic development loan repayments.* All  
10 moneys received in repayment of loans under s. 560.14, to be used for grants and loans under  
11 s. 560.14.

12 SECTION 9. 20.143 (1) (im) of the statutes is amended to read:

13 20.143 (1) (im) *Minority business projects; repayments.* All moneys received in  
14 repayment of grants or loans under s. 560.815 and s. 560.83, 1997 stats., and loans under 1997  
15 Wisconsin Act 9, section 3, to be used for grants and loans under ~~ss. 560.82, 560.83 and~~  
16 ~~560.837~~ s. 560.815, the grant under 1993 Wisconsin Act 110, section 3, and the loans under  
17 1997 Wisconsin Act 9, section 3.

18 SECTION 10. 20.143 (1) (in) of the statutes is amended to read:

19 20.143 (1) (in) *Business development initiative loan repayments.* All moneys received  
20 in repayment of loans under s. 560.20 (3), any proceeds from equity investments made by the  
21 community development finance company under s. 234.965, 1991 stats., and any  
22 unencumbered grant funds returned to the department under 1993 Wisconsin Act 437, section  
23 9115 (1t), to be used for loans and grants under s. 560.20 (3).

24 SECTION 11. 560.01 (2) (a) of the statutes is repealed and recreated to read:

1        **560.01 (2) (a) *State economic development policy.*** The department shall develop and  
2 provide leadership in implementing a state economic development policy that is designed, to  
3 the extent practicable, to assist the state in achieving all of the goals specified in s. 1.13 (2).  
4 The policy shall foster, encourage and advocate public and private economic development  
5 programs that are designed to achieve these goals.

NOTE: This SECTION replaces the current directive to the department to develop a state economic policy with 11 specified components with a directive to develop and implement a state economic development policy that is designed to achieve all of the economic development goals created by this draft.

6        **SECTION 12.** 560.03 (intro.) of the statutes is amended to read:

7        **560.03 Business and industrial development.** (intro.) The department shall foster,  
8 ~~encourage and advocate~~ develop and implement economic development programs designed  
9 ~~to broaden and strengthen the economy of the state~~ consistent with its economic development  
10 policy developed under s. 560.01 (2) (a), and it shall provide specific leadership in the  
11 following instances among others:

NOTE: This SECTION coordinates the department's 21 specific responsibilities on business and industrial development with its state economic development policy established under this draft.

12        **SECTION 13.** 560.03 (18) of the statutes is amended to read:

13        **560.03 (18)** Develop and implement a plan to promote and increase exports, including  
14 agricultural products, to and foreign investment in this state by businesses in other countries  
15 in Africa, Asia, Australia, Europe, North America and South America. The plan shall provide  
16 for the secretary to take a leadership role in assuring collaboration and coordination among  
17 international trade activities conducted by governmental entities to assure efficiency and to  
18 avoid duplication and may include provisions for participation in trade fairs and missions,  
19 establishment and maintenance of foreign trade offices and preparation of research on foreign.

1 markets for exports from this state and on opportunities for foreign investment in this state.  
2 The plan shall describe the allocation of funds for support staff in this state to implement the  
3 plan and for all other costs in implementing each provision of the plan. In developing and  
4 implementing the plan, the department shall consult with the department of agriculture, trade  
5 and consumer protection, the University of Wisconsin System, the technical college system  
6 and other public and private agencies and institutions supporting international trade education  
7 or activities. Any plan to establish a foreign trade office shall include the feasibility of  
8 establishing a system of graduated fees which a trade office may use to offset its operating  
9 costs, or a system of commissions for execution of successful transactions, or both.

**NOTE:** This section clarifies the department's export plan to specify that the plan must address increasing exports to and foreign investments in the state by businesses in other countries in all of the inhabited continents.

10 **SECTION 14.** 560.03 (24) of the statutes is created to read:

11 560.03 (24) On or before September 1, 2002, and annually thereafter, submit a report  
12 on the progress in implementing the economic development policy developed under s. 560.01  
13 (2) (a) to the governor and the chief clerk of each house of the legislature, for distribution to  
14 the legislature under s. 13.172 (2). The report shall include an analysis of how financial  
15 assistance provided under this chapter during the period covered by the report contributed to  
16 the implementation of the economic development policy and any recommendations for  
17 legislation to remove barriers that prevent attaining one or more of the goals specified in s. 1.13  
18 (2) or to modify one or more of these goals.

**NOTE:** This SECTION creates a new reporting requirement for the department relating to the progress in implementing the economic development policy established under the draft, including the role of economic development financial assistance programs in implementing the policy.

1           **SECTION 15.** 560.033 of the statutes is repealed.

2           **SECTION 16.** 560.037 of the statutes is repealed.

3           **SECTION 17.** 560.038 and 560.039 of the statutes are repealed.

4           **SECTION 18.** 560.045 (1) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
5 2929f, is renumbered 560.045 and amended to read:

6           **560.045 Community development block grant administration.** Notwithstanding s.  
7 16.54 (2) (a), from moneys received under a community development block grant, 42 USC  
8 5301 to 5320, the department shall contract with the department of administration for the  
9 administration of housing programs, including the housing improvement grant program and  
10 the initial rehabilitation grant program. To the extent allowed under federal law or regulation,  
11 the department shall give priority in the awarding of grants under the programs to grants for  
12 projects ~~related to the redevelopment of brownfields, as defined in s. 560.60 (1v) that~~  
13 contribute to the implementation of the economic development policy developed by the  
14 department under s. 560.01 (2) (a).

15           **SECTION 19.** 560.045 (2) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
16 2929g, is repealed.

17           **SECTION 20.** 560.06 of the statutes, as affected by 1999 Wisconsin Act 9, SECTIONS  
18 2931, 2932 and 2933, is repealed.

19           **SECTION 21.** 560.14 (1) (a), (ar), (b), (fm), (g) and (h) of the statutes are repealed.

20           **SECTION 22.** 560.14 (2) and (3) of the statutes are repealed and recreated to read:

21           560.14 (2) The department may make a grant or loan to a community-based  
22 organization, political subdivision or private, nonprofit organization from the appropriations  
23 under s. 20.143 (1) (fg) and (ig) to support a community-based economic development project

1 or activity, if the project or activity contributes to the implementation of the economic  
2 development policy developed by the department under s. 560.01 (2) (a).

3 (3) The department shall identify by rule the criteria for awarding a grant or loan under  
4 this section, including the types of projects and activities that are eligible for funding and  
5 which types shall receive priority consideration for funding.

6 SECTION 23. 560.14 (3m) and (3r) of the statutes are repealed.

7 SECTION 24. 560.14 (4) of the statutes, as affected by 1999 Wisconsin Act 9, SECTIONS  
8 2954 and 2955, is repealed and recreated to read:

9 560.14 (4) The department may establish conditions on a grant or loan made under this  
10 section, including matching contributions to be provided by the grant or loan recipient.

11 SECTION 25. 560.14 (4m) of the statutes is repealed.

12 SECTION 26. 560.14 (5) of the statutes is repealed and recreated to read:

13 560.14 (5) The department shall establish procedures for a person to apply for a grant  
14 or loan under this section and for the department to evaluate and award a grant or loan under  
15 this section.

16 SECTION 27. 560.145, 560.147 and 560.16 (1) (a) and (b) of the statutes are repealed.

17 SECTION 28. 560.16 (1) (c), (e) and (f) of the statutes are renumbered 560.60 (5d), (5m)  
18 and (5r).

19 SECTION 29. 560.16 (2), (3), (4) and (6) of the statutes are repealed.

20 SECTION 30. 560.167 of the statutes is repealed.

21 SECTION 31. 560.168 of the statutes is created to read:

22 **560.168 Sister state program.** (1) The department shall establish and operate a sister  
23 state program to further global understanding and international trade through the interchange  
24 of people, ideas, culture and commerce between Wisconsin and the world.



1           (2) In implementing the program under sub. (1), the department shall do all of the  
2 following:

3           (a) Coordinate and carry out activities designed to encourage the state and its  
4 subdivisions to participate in sister state affiliations with foreign countries and their  
5 subdivisions.

6           (b) Encourage cooperation with and disseminate information pertaining to the program  
7 and any other program whose object is to promote linkages between the state and foreign  
8 countries and their subdivisions.

9           (c) Encourage contributions by public agencies and private entities to support the  
10 program.

11           (d) Establish a system of registration for sister state affiliations between the state and  
12 foreign countries and their subdivisions. This system shall include all of the following:

- 13           1. A method to determine that sufficient ties are properly established.
- 14           2. A method to supervise how these ties are maintained.

15           (e) Maintain a current listing of all sister state affiliations between the state and any  
16 foreign country or its political subdivisions.

17           (3) The secretary may enter into a sister state affiliation on behalf of this state if the  
18 secretary determines that the affiliation is necessary to accomplish the purpose set forth in sub.  
19 (1) and that the ties between the state and the foreign country or its political subdivision will  
20 conform to the methods established under sub. (2) (d) 1. and 2.

21           (4) The department may charge fees for services it provides under this section to cover  
22 the costs incurred by the department in providing the services.

23           (5) The department shall deposit all contributions and fees collected under this  
24 paragraph in the appropriation account under s. 20.143 (1) (g).

1           **SECTION 32.** 560.17 (1) (a), (am) and (bm) of the statutes are repealed.

2           **SECTION 33.** 560.17 (1) (c) of the statutes is repealed and recreated to read:

3           560.17 (1) (c) "Dairy farm" has the meaning given in s. 97.22 (1) (a).

4           **SECTION 34.** 560.17 (2), (3) and (4) of the statutes are repealed and recreated to read:

5           560.17 (2) The department may make a grant or loan to a business in a rural  
6           municipality, agricultural business or dairy farm from the appropriations under s. 20.143 (1)  
7           (ei) and (ir) to support a rural economic development project or activity, if the project or  
8           activity contributes to the implementation of the economic development policy developed by  
9           the department under s. 560.01 (2) (a).

10           (3) The department shall identify by rule the criteria for awarding a grant or loan under  
11           this section, including the types of projects and activities that are eligible for funding and  
12           which types shall receive priority consideration for funding.

13           (4) The department may establish conditions on a grant or loan made under this section,  
14           including matching contributions to be provided by the grant or loan recipient.

15           **SECTION 35.** 560.17 (4m) of the statutes is repealed.

16           **SECTION 36.** 560.17 (5) of the statutes is repealed and recreated to read:

17           560.17 (5) The department shall establish procedures for a person to apply for a grant  
18           or loan under this section and for the department to evaluate and award a grant or loan under  
19           this section.

20           **SECTION 37.** 560.17 (5c) and (5m) of the statutes are repealed.

21           **SECTION 38.** 560.17 (5r) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
22           2955, is repealed.

23           **SECTION 39.** 560.17 (6) of the statutes is repealed.

1           **SECTION 40.** 560.17 (6m) of the statutes, as affected by 1999 Wisconsin Act 9, SECTIONS  
2 2955p and 2955q, is repealed.

3           **SECTION 41.** 560.17 (6r) of the statutes is repealed.

4           **SECTION 42.** 560.17 (7) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
5 2955r, is repealed.

6           **SECTION 43.** 560.175 of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
7 2956, is repealed.

8           **SECTION 44.** 560.20 (1) (title), (cf) and (cm) of the statutes are repealed.

9           **SECTION 45.** 560.20 (1) (f) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
10 2974, is repealed.

11           **SECTION 46.** 560.20 (1) (g) and (1m) of the statutes are repealed.

12           **SECTION 47.** 560.20 (2) of the statutes, as affected by 1999 Wisconsin Act 9, SECTIONS  
13 2975 and 2976, is repealed and recreated to read:

14           560.20 (2) The department may make a grant or loan to an individual, for-profit  
15 business or a nonprofit organization from the appropriations under s. 20.143 (1) (en) and (in)  
16 to support a project or activity that is expected to lead to or provide employment opportunities  
17 for persons with severe disabilities, if the project or activity contributes to the implementation  
18 of the economic development policy developed by the department under s. 560.01 (2) (a).

19           **SECTION 48.** 560.20 (3) (title) of the statutes is repealed.

20           **SECTION 49.** 560.20 (3) to (5) of the statutes are created to read:

21           560.20 (3) The department shall identify by rule the criteria for awarding a grant or loan  
22 under this section, including the types of projects and activities that are eligible for funding  
23 and which types shall receive priority consideration for funding.

1           (4) The department may establish conditions on a grant or loan made under this section,  
2 including matching contributions to be provided by the grant or loan recipient.

3           (5) The department shall establish procedures for a person to apply for a grant or loan  
4 under this section and for the department to evaluate and award a grant or loan under this  
5 section.

6           **SECTION 50.** 560.20 (3) (a) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
7 2977, is repealed.

8           **SECTION 51.** 560.20 (3) (b) and (c) of the statutes are repealed.

9           **SECTION 52.** 560.20 (3) (cm) of the statutes, as affected by 1999 Wisconsin Act 9,  
10 SECTION 2978, is repealed.

11           **SECTION 53.** 560.20 (3) (d) and (e) of the statutes are repealed.

12           **SECTION 54.** 560.20 (3) (f) (intro.) and 4. of the statutes are consolidated, renumbered  
13 560.20 (6) and amended to read:

14           560.20 (6) The department shall ~~do all of the following:~~

15           ~~4. Deposit deposit in the appropriation account under s. 20.143 (1) (in) all interest and~~  
16 principal received in repayment of loans under this subsection, any proceeds from equity  
17 investments made by the community development finance company under s. 234.965, 1991  
18 stats., that are received by the department or the community development finance company  
19 and any unencumbered grant funds returned to the department under 1993 Wisconsin Act 437,  
20 section 9115 (1t).

21           **SECTION 55.** 560.20 (3) (f) 1. to 3. of the statutes are repealed.

22           **SECTION 56.** 560.20 (3) (g) and (h) of the statutes are renumbered 560.20 (7) and (8)  
23 and 560.20 (7) is amended to read:

1           560.20 (7) The department, in agreement with the for-profit business, may convert any  
2 equity investments made by the community development finance company in a for-profit  
3 business under s. 234.965, 1991 stats., to a grant or a loan under this subsection without regard  
4 to the requirements under par. (b) section.

5           **SECTION 57.** 560.25 and 560.26 of the statutes, as affected by 1999 Wisconsin Act 9,  
6 SECTIONS 2979 and 2980m, are repealed.

7           **SECTION 58.** 560.60 (1m), (1s) and (1v) of the statutes are repealed.

8           **SECTION 59.** 560.60 (4) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
9 2984, is repealed.

10          **SECTION 60.** 560.60 (6) of the statutes is repealed.

11          **SECTION 61.** 560.60 (10) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
12 2985, is repealed.

13          **SECTION 62.** 560.60 (15) and (17) of the statutes are repealed.

14          **SECTION 63.** 560.605 of the statutes, as affected by 1999 Wisconsin Act 9, SECTIONS  
15 2986, 2987, 2988, 2989, 2990, 2991 and 2992, is repealed.

16          **SECTION 64.** 560.607 (1) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
17 2996, is amended to read:

18           **560.607 (1)** Evaluation of proposed technical research projects under ~~s. 560.62~~ this  
19 subchapter.

20          **SECTION 65.** 560.607 (2) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
21 2996, is repealed.

22          **SECTION 66.** 560.61 of the statutes, as affected by 1999 Wisconsin Act 9, SECTION 2994,  
23 is repealed and recreated to read:

1           **560.61 Wisconsin development fund. (1)** The department may make a grant or loan  
2 to a business, consortium, existing business group, higher educational institution or nonprofit  
3 organization from the appropriations under s. 20.143 (1) (c) and (ie) to support a  
4 manufacturing assistance, technology development, labor training, urban or regional  
5 economic development, foreign trade show or event, federal government contract, revolving  
6 loan fund, or employe ownership assistance project or activity or a major economic  
7 development project, if the project or activity contributes to the implementation of the  
8 economic development policy developed by the department under s. 560.01 (2) (a).

9           **(2)** The department shall identify by rule the criteria for awarding a grant or loan under  
10 this section, including the types of projects and activities that are eligible for funding and  
11 which types shall receive priority consideration for funding.

12           **(3)** The department may establish conditions on a grant or loan made under this section,  
13 including matching contributions to be provided by the grant or loan recipient.

14           **(4)** The department shall establish procedures for a person to apply for a grant or loan  
15 under this section and for the department to evaluate and award a grant or loan under this  
16 section.

17           **SECTION 67.** 560.62 and 560.63 of the statutes, as affected by 1999 Wisconsin Act 9,  
18 **SECTIONS 2996 and 2996g,** are repealed.

19           **SECTION 68.** 560.65 (1) to (4) and (5) (a) of the statutes are repealed.

20           **SECTION 69.** 560.65 (5) (b) of the statutes is amended to read:

21           560.65 (5) (b) The department shall deposit in the recycling fund all moneys received  
22 after July 1, 1995, in repayment of loans made under ~~this section~~ s. 560.65, 1997 stats.

23           **SECTION 70.** 560.66 of the statutes, as affected by 1999 Wisconsin Act 9, **SECTION 2997,**  
24 is repealed.

1       **SECTION 71.** ~~560.68 (2), (4), (5), (5m), (6) and (7)~~ of the statutes are repealed.

2       **SECTION 72.** 560.81 (intro.) of the statutes is amended to read:

3       **560.81 Minority business grants and loans.** (intro.) The department shall make a  
4 grant or loan to an eligible recipient ~~or local development corporation~~ under this subchapter  
5 if any of the following apply:

6       **SECTION 73.** 560.81 (1) of the statutes is repealed.

7       **SECTION 74.** 560.81 (2) of the statutes, as affected by 1999 Wisconsin Act 9, SECTION  
8 3016, is amended to read:

9       560.81 (2) The board awards a grant or loan to the eligible recipient ~~or local~~  
10 ~~development corporation~~ under ~~ss. 560.83 (1) and 560.84~~ or to the eligible recipient under ~~ss.~~  
11 ~~s. 560.835 and 560.84.~~

12       **SECTION 75.** 560.81 (3) and (4) of the statutes are repealed.

13       **SECTION 76.** 560.815 of the statutes is created to read:

14       **560.815 Minority business development.** (1) The department may make a grant or  
15 loan to a minority business, minority group member who is a resident of this state, business  
16 incubator operator, nonprofit corporation owning and operating a business incubator, local  
17 development corporation or private financial institution, as defined in s. 234.01 (5k), from the  
18 appropriations under s. 20.143 (1) (f) and (im) to support a project or activity that benefits one  
19 or more minority businesses or minority group members who are residents of this state, if the  
20 project or activity contributes to the implementation of the economic development policy  
21 developed by the department under s. 560.01 (2) (a).

22       (2) The department shall identify by rule the criteria for awarding a grant or loan under  
23 this section, including the types of projects and activities that are eligible for funding and  
24 which types shall receive priority consideration for funding.

1           (3) The department may establish conditions on a grant or loan made under this section,  
2 including matching contributions to be provided by the grant or loan recipient.

3           (4) The department shall establish procedures for a person to apply for a grant or loan  
4 under this section and for the department to evaluate and award a grant or loan under this  
5 section.

6           **SECTION 77.** 560.82 (6) of the statutes is created to read:

7           560.82 (6) The department may not award a grant under this section after December  
8 31, 2000.

9           **SECTION 78.** 560.83 (6) of the statutes is created to read:

10          560.83 (6) The board may not award a grant or loan under this section after December  
11 31, 2000.

12          **SECTION 79.** 560.837 (3) of the statutes is created to read:

13          560.837 (3) The board may not award a grant under this section after December 31,  
14 2000.

15          **SECTION 80.** 560.84 (1) (intro.) of the statutes is amended to read:

16          560.84 (1) (intro.) The ~~department or~~ board may not award a grant or loan for a project  
17 under ~~this subchapter s. 560.835~~ unless, after considering the application or other material  
18 submitted by the eligible recipient ~~or local development corporation~~, the ~~department or~~ board  
19 determines all of the following:

20          **SECTION 81.** 560.84 (1) (b) 1., 2., (e) (intro.), 1. and 2. of the statutes are amended to  
21 read:

22          560.84 (1) (b) 1. If an early planning project under s. ~~560.82 or~~ 560.835 (6), that the  
23 project will increase employment in this state.



1           2. If a ~~development project or recycling development project~~, that the project will retain  
2 or increase employment in this state.

3           (e) (intro.) That the eligible recipient ~~or local development corporation~~ receiving the  
4 grant or loan will contribute, from a source or sources other than the state, whichever of the  
5 following applies:

6           1. For grants funding early planning projects under s. ~~560.82 or 560.835~~ (6), not less  
7 than 25% of the cost of the project. Up to 50% of the contribution under this subdivision may  
8 be in the form of the in-kind services of a qualified 3rd party or qualified 3rd parties. The  
9 department shall determine what services may be used as in-kind contributions and whether  
10 a 3rd party is qualified, for purposes of this subdivision.

11           2. For grants and loans funding ~~development projects or recycling development~~  
12 projects, a cash contribution of not less than 25% of the cost of the project.

13           SECTION 82. 560.84 (1) (e) 3. of the statutes is repealed.

14           SECTION 83. 560.84 (1) (f) of the statutes is amended to read:

15           560.84 (1) (f) That the project meets all criteria set forth in s. ~~560.82, 560.83, 560.835~~  
16 ~~or 560.837, whichever is appropriate.~~

17           SECTION 84. 560.84 (1) (im) of the statutes is repealed.

18           SECTION 85. 560.84 (1) (j), (2) (intro.), (a) 1., 2., (c) (intro.) and (f) of the statutes are  
19 amended to read:

20           560.84 (1) (j) If a ~~development project, recycling development project, finance project~~  
21 ~~or education and training project~~, that funds from the grant or loan will not be used to refinance  
22 existing debt.

23           (2) (intro.) The board ~~or department~~ shall consider all of the following before awarding  
24 a grant or loan to an eligible recipient or local development corporation for a project:

1 (a) 1. If an early planning project under s. ~~560.82~~ or 560.835 (6), the extent to which  
2 the project will increase employment in this state.

3 2. If a ~~development project or recycling development project~~, the extent to which the  
4 project will retain or increase employment in this state.

5 (c) (intro.) If a ~~development project or recycling development project~~, whether the  
6 project will be located in any or all of the following:

7 (f) If a ~~development project or recycling development project~~, the financial soundness  
8 of the minority business involved in the project and the commitment of the eligible recipient  
9 to repay the loan or grant.

10 SECTION 86. 560.85 (1), (2), (3) (a) and (b) of the statutes are amended to read:

11 560.85 (1) The department shall promulgate rules for the administration of this  
12 subchapter s. ~~560.835~~. The department may not promulgate a rule under this subsection unless  
13 the proposed rule has been reviewed by the board.

14 (2) The board shall develop a policy governing the repayment of grants and loans made  
15 under s. ~~560.83~~ or 560.835. ~~The board or department shall deposit moneys received in~~  
16 ~~repayment of grants and loans under s. 560.83 in the appropriation under s. 20.143 (1) (im).~~

17 (3) (a) Develop procedures to evaluate applications and monitor project performance  
18 for grants awarded for early planning projects under s. ~~560.82~~ or 560.835 (6).

19 (b) Develop procedures, with the approval of the board, to evaluate applications,  
20 monitor project performance and audit grants and loans awarded for ~~development projects~~  
21 ~~under s. 560.83~~, recycling development projects under s. 560.835 and ~~finance projects and~~  
22 ~~education and training projects under s. 560.837.~~

23 SECTION 87. Nonstatutory provisions.

1           (1) The department of commerce shall submit in proposed form the rules required under  
2 sections 560.14 (3), 560.17 (3), 560.20 (3), 560.61 (2) and 560.815 (2) of the statutes, as  
3 affected by this act, to the legislative council staff under section 227.15 (1) of the statutes no  
4 later than the first day of the 13th month beginning after the effective date of this subsection.

5           **SECTION 88. Effective date.**

6           (1) This act takes effect on January 1, 2001, except that the treatment of sections 560.03  
7 (18), 560.168, 560.82 (6), 560.83 (5) and 560.837 (3) of the statutes takes effect on the day  
8 after publication.

NOTE: This delayed effective date gives the department a transition period to revise the financial assistance programs affected by this act. Under s. 227.11 (2) (d), the department may promulgate rules implementing this act after publication of the act but prior to the act's effective date.

9

(END)

~~\*~~

✓ 560.14 (fg) + (ih) ✓ add dep repay = (ig)

✓ 560.17 (er) + (ir) ✓ add dep repay = (ir)

✓ 560.20 (en) + (in)

✓ 560.64 (c) + (ie) ✓ add deposit repay = (ie)

✓ 560.815 (fm) + (im) ✓ add deposit repay = (im)