

1999 DRAFTING REQUEST

Bill

Received: 10/19/1999

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC

By/Representing: John Stolzenberg

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters: traderc
shoveme
malaigm
kahlepj
isagerro
jkreye
mlief

Subject: Education - state superintendent
Higher Education - tech. college
Econ. Development - bus. dev.
Munis - tax incrmntal financing
Environment - solid haz. waste
Tax - corp. inc. and fran.
Employ Priv - job training
Public Assistance - Wis works

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Economic development

Instructions:

See Attached

Drafting History:

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	grantpr 01/12/2000	chanaman 01/27/2000		_____			
/P2	kahlepj 02/07/2000	chanaman 02/10/2000	kfollet 01/28/2000	_____	lrb_docadmin 02/01/2000		
			jfrantze 02/01/2000	_____			
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03-08-00
By Request
of Senator
Risser

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12-1

1 **AN ACT** *to repeal* 20.255 (3) (er); *to amend* 38.15 (3) (c) 3. and 4., 49.1475, 49.157,
2 66.462 (1) (c), 66.462 (2), 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2)
3 (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10., 77.92 (4), 281.60 (2r) (a),
4 292.15 (2) (at) (intro.) and 6., 292.24 (title), (2) (intro.), (a), (b), (c), (f), (g) and (3)
5 (a) to (c), 292.26 (2) (intro.), 560.14 (4m) (a) (intro.) and 560.33 (1) (c); and *to*
6 *create* 20.255 (2) (dr) and (3) (er), 38.04 (27), 38.12 (12), 49.143 (2) (a) 11., 49.143
7 (2) (er), 49.175 (1) (nm), 71.07 (5r), 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28 (1dx)
8 (f), 71.28 (5r), 71.30 (3) (g), 71.47 (5r), 71.49 (1) (g), 106.01 (11), 115.28 (42),
9 115.455, 292.11 (14), 292.15 (2) (at) 5., 292.15 (8), 292.31 (11), 560.14 (4m) (c),
10 560.25, 560.31 (2) (g) and 560.34 (1r) of the statutes; **relating to:** job retention
11 programs; productivity enhancement training tax credit; applied technology centers;
12 amending the certified capital company program and providing for the development
13 of and grants to multi-state venture capital development conferences; amending the
14 brownfield laws; creating a foreign language immersion instruction grant and
15 Wisconsin world geography fund; low-income transportation assistance; an
16 advanced journey worker pilot program 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 makes numerous changes to state laws in a variety of subject matters. Among other things, the draft does the following:

- Creates a statewide job retention skills development program within the technical college system.
- Provides a business tax credit for expenses incurred by a business to provide certain training to the business's incumbent work force.
- Modifies the technical college district board applied technology center program to allow full use of donated funds and to extend the sunset date of the program.
- Modifies the certified capital companies (CAPCO) program.
- Expands the scope of the state's venture capital fair grant program.
- Establishes a foreign language immersion instruction grant program within the department of public instruction (DPI).
- Appropriates \$500,000 for the establishment of the Wisconsin world geography fund.
- Provides additional emphasis on transportation under the Wisconsin Works (W-2) program by expanding eligibility for W-2 transportation, requiring the establishment of local W-2 transportation advisory committees and requiring W-2 agencies to account for their W-2 related transportation expenditures.
- Requires the department of workforce development (DWD) to create an advanced journeyworker credential pilot program.
- Modifies a number of provisions of state law relating to brownfields and environmental remediation tax incremental finance districts.

The provisions of the draft are more fully explained below.

Job Retention Skills Development Program

This draft requires the technical college system board (the "board") to establish a statewide job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees and assist those employees to attain higher wages and long-term careers. Under the draft, the program must be available to all employers in the state and to the extent practicable, must be provided at employment sites.

The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first 6 months of employment with their employer and entry-level employees.

In establishing the program, the board must consult with employers, technical college district boards, W-2 agencies, local units of government and labor organizations. The program must include elements relating to the skills needed to show up for work on time, to work effectively in a team, to communicate with supervisors and coworkers and to solve basic job-related personal and interpersonal problems.

The draft requires the board, in consultation with employers, district boards and the department of workforce development, to develop standards to assess the job retention skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

Further, the draft requires technical college district boards to offer the program and to assist employers providing ongoing job retention skills development and reinforcement activities in the work place. The draft also allows district boards to charge employers a fee for the program and services offered to employers. The draft directs \$200,000 of federal temporary assistance for needy families block grant funds to be used to implement the program.

Finally, the draft requires W-2 agencies to provide case management services to individuals that move from W-2 employment positions to unsubsidized employment and coordinate those services with the job retention skills development program. [SECTIONS 4, 5, 9, 11 and 48 (2).]

Productivity Enhancement Training Expense Tax Credit

This draft provides a nonrefundable business tax credit for expenses made by a business to provide certain training to the business's incumbent work force. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried forward for up to 15 years. Under the draft, sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax option corporations compute the credit but pass it on to the partners, members and shareholders in proportion to their ownership interests.

The purpose of the credit is to encourage businesses to provide training to their incumbent work force to improve that work force's productivity and promote and provide workers for high-skill and high-wage jobs.

To qualify for the credit, the department of commerce must certify the business's productivity enhancement training expenses. To be eligible to have its expenses certified, the business must submit to the department of commerce a productivity enhancement training plan which will: (1) increase the incumbent work force's productivity; and (2) result in the work force holding higher skilled jobs and higher paying jobs. In addition, the business must receive pre-training needs assessment and consultation from an experienced provider of productivity assessments, as approved by the department of commerce. Finally, the business must submit an accounting of its productivity enhancement training expenses so that the department of commerce may determine if the expenses were incurred under the training plan.

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce by March 1 of the year after receiving the certification on the results of its productivity enhancement training and its success in meeting the goals established in its productivity enhancement training plan. The department is required to report to the legislature by December 1 annually on the effectiveness of the program.

The tax credit is available for tax years beginning on or after January 1, 2000 and sunsets on December 31, 2008. [SECTIONS 14-19, 23-29, 43 and 48 (3).]

Applied Technology Centers

Under current law, as created by 1999 Wisconsin Act 9, technical college district boards may expend up to \$5,000,000 for the purchase or construction of facilities to be used as applied technology centers without approval of voters in a referendum. To do so, the district board must adopt a resolution and gain the approval of the technical college system board. The approval process must be developed by the technical college system board in consultation with representatives of business and labor interests.

To gain approval, the district board must demonstrate all of the following:

1. That the proposed applied technology center is likely to increase or retain the number of jobs in the region that require a high level of skill and provide a high level of wages.
2. That the productivity of workers that would use the applied technology center is likely to increase.
3. That a commitment exists from businesses in the region to fund 30% of the capital costs of the applied technology center, 100% of the direct

operating costs of services provided under a contract at the applied technology center and 20% of the indirect operating costs of services provided under a contract at the applied technology center.

4. That representatives of labor and business interests were consulted on the development of the proposed applied technology center.

The district board must report to the technical college system board on the change in wages, productivity and skill levels of workers that have been directly served by the applied technology center.

Expenditures must be made by January 1, 2002.

The draft makes 2 changes to current law. First, the draft provides that the \$5,000,000 limit does not apply to gifts, grants or federal funds. Also, the draft extends the date by which expenditures may be made to December 31, 2002. [SECTION 6.]

CAPCO

1997 Wisconsin Act 215 created the certified capital company (CAPCO) program. Under the program, an insurance company may receive a credit on its insurance premiums tax for its investments in a CAPCO if the CAPCO uses these funds from the insurer to invest as venture capital in designated small businesses in Wisconsin. These venture capital investments are referred to in act 215 as "qualified investments". The draft focuses CAPCOs qualified investments on supporting the creation and expansion of start-up firms, i.e., providing seed capital rather than later stage financing, by doing the following:

1. Lowers the average annual net income of a qualified business that a CAPCO may invest in from \$2,000,000 to \$1,000,000.
2. Precludes a CAPCO's qualified investment from being used to replace existing sources of financing.
3. Requires a CAPCO to have professional staff based in the state to manage its investments in qualified businesses in Wisconsin to ensure that the CAPCO will be able to provide the direct assistance that a start-up firm needs. [SECTIONS 44-46 and 49 (3).]

Venture Capital Fairs

Under current law, the department of commerce may make a grant from its appropriation for community-based economic development programs to a community-based economic development organization or a private nonprofit organization for a venture capital fair if the fair will: (1) assist Wisconsin entrepreneurs or businesses in obtaining capital for the start-up or development of a business; and (2) likely stimulate

investment, promote economic development or create or retain jobs in the state.

The draft establishes that an eligible venture capital fair may be local, statewide or multi-state in nature and directs the department to encourage the development of regional venture fairs in the upper midwest that meet the 2 conditions specified above for receipt of a grant to support a venture capital fair. [SECTIONS 41 and 42.]

Foreign Language Immersion Instruction Grants

The draft creates a foreign language immersion instruction grant program which requires the state superintendent of public instruction to award grants, on a competitive basis, to an educational organization or consortium of such organizations for the development and implementation of a foreign language immersion instruction program in public or private schools in grades kindergarten to 6. Under the draft, the state superintendent is required to promulgate rules defining "educational organization". The draft appropriates \$350,000 general purpose revenues (GPR) in fiscal year 1999-00 and \$750,000 GPR in fiscal year 2000-01 for this program. [SECTIONS 1, 2 and 32.]

Wisconsin World Geography Fund

The draft creates a one-time appropriation of \$500,000 GPR in fiscal year 2000-01 for the Wisconsin world geography fund. The draft requires the state superintendent of public instruction to enter into an agreement with the national geographic society education foundation to establish the fund. The agreement must require the foundation to manage the fund and must require the state superintendent to award a grant of \$500,000 to the fund if the award is matched by the foundation. The agreement must further require that the income and appreciation of the fund be used to fund grants to educational programs in the state that improve the geographic literacy of students and teachers. The agreement must require that the national geographic society education foundation annually submit a statement of the Wisconsin world geography fund account prepared by an independent auditor to the state superintendent, along with a report on the recipients who received a grant from the fund. Finally, the agreement must provide that if the fund ceases to operate, or the state withdraws from participation, the state contribution to the fund, along with any unexpended income or appreciation of the fund attributable to the state's contribution, must be returned to the state. [SECTIONS 1, 2, 3, 31 and 49 (1).]

W-2 Transportation Services

The draft makes the following changes in the W-2 program relating to transportation services:

• W-2 Advisory Committee on Transportation

Under current law, each W-2 agency must establish a community steering committee which, among other things, is to advise the W-2 agency concerning employment and training activities and to provide and encourage others to provide jobs and training opportunities for W-2 participants. The community steering committee must also work with W-2 participants, employers, child care providers and the community to identify child care needs, improve access to child care and expand the availability of child care.

The draft requires the community steering committee to establish an advisory committee on transportation strategies and planning. The advisory committee is to be made up of local transit or transportation providers, employers, child care providers, a representative of a community organization that serves participants in the W-2 program, a representative of a W-2 agency and other persons considered appropriate by the steering committee. The advisory committee must make recommendations to the steering committee on ways to provide affordable and sufficient transportation options to low-income workers to access employment opportunities, child care services and other services conducive to stable employment. [SECTION 7.]

• Accounting for Transportation Expenses

Currently, W-2 agencies are authorized to provide transportation assistance to eligible individuals. Those services are paid for out of a W-2 agency's "ancillary services" account. This ancillary services account may be used to provide other services such as jobs skills assessment, job coaching, employment search, emergency child care and worker's compensation premiums. Current law does not require a W-2 agency to provide an accounting of its W-2-related transportation expenses.

The draft requires W-2 agencies to provide to the DWD an accounting of the amount expended on W-2-related transportation services in each contract year. [SECTION 8.]

• Eligibility for Transportation Assistance

Under current law, W-2 agencies may provide transportation assistance in a manner prescribed by DWD. The W-2 agency must limit any financial assistance it provides to financial assistance for public

transportation if a form of public transportation is available that meets the needs of the participant. Generally, a person is eligible for W-2 transportation assistance if the individual is a member of a "W-2 group", the gross income of which is at or below 115% of the federal poverty line.

The draft raises the eligibility limit for W-2 transportation assistance to a level at or below 165% of the federal poverty line and makes noncustodial parents of children in a W-2 group eligible for W-2 transportation assistance. [SECTION 10.]

Advanced Journeyworker Credential Pilot Program

The draft establishes an advanced journey worker credential pilot program to be implemented by the DWD to expand the development and training of the current work force through expansion of the adult apprenticeship model.

The draft authorizes DWD to implement 3 pilot programs in the state to provide credentialing opportunities beyond the journeyman level to recognize advanced training and post-apprenticeship achievements. The draft requires the department to submit to the legislature by July 1, 2003, an evaluation of the program.

The program may be implemented beginning July 1, 1999. The draft appropriates \$160,000 in fiscal year 1999-00 and \$120,000 in fiscal year 2000-01. This amount includes \$80,000 per year for salary, fringe benefits and supplies for one additional full-time equivalent position, \$30,000 for one-time program design and implementation costs and \$50,000 for ongoing program development and promotional costs. [SECTIONS 30, 47 and 49 (2).]

Brownfields

As noted above, the draft makes changes to the state's brownfield laws. Those changes are described below.

• **Expand Protections for Local Units of Government That Involuntarily Acquire Contaminated Property**

Current law generally requires a person who possesses or controls a hazardous substance that is discharged or who causes the discharge of a hazardous substance to restore the environment to the extent practicable and to minimize the harmful effects of the discharge on the environment. Current law generally exempts a local governmental unit from these clean-up requirements with respect to hazardous substance discharges on land acquired in specified ways, such as through tax delinquency proceedings and condemnation.

Current law, as amended by 1999 Wisconsin Act 9, exempts a local governmental unit that has acquired property in one of the specified ways from certain liability requirements with respect to the existence of a hazardous waste if, among other things, the waste is identified by an environmental investigation, the waste is cleaned up, the local unit of government maintains and monitors the property and does not engage in activities that are inconsistent with the maintenance of the property. The draft expands this exemption to cover the existence of solid waste, subject to the same conditions as apply to the existence of hazardous waste. [SECTION 38.]

• **Provide Flexibility With Development Zone Tax Credits for Remediation**

Under current law, a person may claim an income tax credit for up to 50% of the person's environmental remediation expenses that occur in a development zone. Under current law, the credit may not be transferred between persons, and a municipality or nonprofit organization that engages in remedial remediation activities in a development zone may not claim a credit.

This draft provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer to any other person subject to taxation in Wisconsin the right to claim the credit. In addition, the draft provides that a person may claim a credit for 50% of the amount expended by a municipality or a tax-exempt or nonprofit organization for environmental remediation in a development zone if the municipality or organization has entered into an exclusive written agreement with the person claiming the credit. The draft requires the department of revenue (DOR) to promulgate rules implementing the credit transfer provisions. [SECTIONS 20-22 and 48 (4).]

• **Modify the DNR Land Recycling Loan Program**

Under the land recycling loan program, the state provides loans to cities, villages, towns and counties (political subdivisions) for projects to remedy environmental contamination at sites owned by political subdivisions where the environmental contamination has affected, or threatens to affect, groundwater or surface water.

The draft provides that land recycling loans may not be made for the purpose of refinancing site investigations. [SECTIONS 33.]

• **Modify Environmental Remediation Tax Incremental Financing District**

Under current law, a city, village, town or county (political subdivision) may create an environmental remediation tax incremental district

(ERTID) to defray the costs of remediating contaminated property that is owned by the political subdivision. The mechanism for financing costs that are eligible for remediation is very similar to the mechanism under the tax incremental financing (TIF) program. If the remediated property is transferred to another person and is then subject to property taxation, environmental remediation (ER) tax incremental financing may be used to allocate some of the property taxes that are levied on the property to the political subdivision to pay for the costs of remediation.

Under current law, as amended by 1999 Wisconsin Act 9, "eligible costs" include capital costs, financing costs and certain administrative and professional service costs incurred for the investigation, removal, containment or monitoring of, the environment affected by, environmental pollution, property acquisition costs and demolition costs. The draft expands "eligible costs" to include the cancellation of delinquent taxes.

Also, if the property that is being remediated is sold by a political subdivision, the draft prohibits it from being sold or transferred to any person who is responsible for the environmental pollution that is remediated. [SECTIONS 12, 13 and 48 (1).]

Current law, as amended by 1999 Wisconsin Act 9, provides that a voluntary party is not liable with respect to a subsequent discharge of a hazardous substance on or originating from a property if the discharge occurred before an environmental investigation is complete and if certain other requirements are met. Those other requirements include: an environmental investigation is conducted and is approved by the DNR; the voluntary party enters into a cleanup agreement with the DNR, if required by the DNR; the voluntary party obtains and maintains insurance to cover the costs of restoring the environment; a 2nd discharge that occurred before the investigation is completed is discovered after the investigation is approved and before the original cleanup, if regulated by the DNR, is complete. The draft modifies these requirements to exempt from liability voluntary parties who discover a subsequent discharge after doing all of the above and after conducting a 2nd environmental investigation and having it approved by the DNR. Thus, under the draft, a voluntary party is exempt from the requirements to clean up any subsequent hazardous substance discharge discovered after the 2nd environmental investigation is approved.

• **Expand the Liability Protections for Local Units of Government**

Generally, current law provides that a local governmental unit is immune from civil liability for a discharge of a hazardous substance on or from property formerly owned or controlled by the local governmental unit if

the property is no longer owned by the local governmental unit at the time that the discharge is discovered and if the property was acquired by the local governmental unit in certain ways. Those ways include the acquisition of the property through tax delinquency proceedings, as the result of an order of a bankruptcy court, through condemnation or in pursuit of slum clearance or blight elimination.

The draft expands this immunity to property acquired in these ways that is still owned or controlled by the local unit of government at the time the discharge is discovered. [SECTIONS 35, 36 and 39.]

- Require Use of Natural Attenuation in Area-Wide Groundwater Approaches and Consideration of Groundwater Use in Conducting Cleanups

Current law gives the DNR authority to promulgate administrative rules governing brownfields cleanup. Under current administrative rules, one of the criteria for case closure approval in a situation in which hazardous substance discharges into groundwater exceed enforcement standards or preventive action limits is that, among other things, groundwater contamination exceeding those standards or limits will not migrate beyond the boundaries of the property or properties for which groundwater use restrictions have been recorded.

Under the draft, when determining the criteria for closure of a case involving groundwater contamination exceeding enforcement standards or preventive action limits, DNR is required to consider institutional controls, including municipal ordinances, that provide adequate notice to the public of groundwater contamination in the area affected by the groundwater contamination to be equivalent to recorded groundwater use restrictions. [SECTIONS 34, 37 and 40.]

1 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the
2 following amounts for the purposes indicated:

		1999-00	2000-01
3			
4	20.255 Public Instruction		
5	(2) AID FOR LOCAL EDUCATIONAL PROGRAMMING		
6	(dr) Foreign language immersion		
7	instruction grants	GPR A \$350,000	\$750,000

		1999-00	2000-01
1	(3) AIDS TO LIBRARIES, INDIVIDUALS AND ORGANIZATIONS		
2	(er) Wisconsin world geography fund GPR A	—	\$500,000

3 SECTION 2. 20.255 (2) (dr) and (3) (er) of the statutes are created to read:

4 20.255 (2) (dr) *Foreign instruction grants*. The amounts in the schedule for foreign
5 language immersion instruction grants under s. 115.455.

6 (3) (er) *Wisconsin world geography fund*. The amounts in the schedule for a grant for
7 the Wisconsin world geography fund under s. 115.28 (42).

8 SECTION 3. 20.255 (3) (er) of the statutes, as affected by 1999 Wisconsin Act . . . (this
9 Act), is repealed.

10 SECTION 4. 38.04 (27) of the statutes is created to read:

11 38.04 (27) JOB RETENTION SKILLS DEVELOPMENT PROGRAMS. (a) In order to assist
12 employers to retain new employes, build job skill levels of those employes and assist those
13 employes in attaining higher wages and long-term careers, the board shall establish and
14 supervise training programs for employes in basic job retention skills development.

15 (b) The programs under par. (a) shall be available to all employers in the state and, to
16 the extent practicable, shall be offered at employment sites.

17 (c) The program shall emphasize job retention skills development for employes with
18 gross incomes at or below 200% of the poverty line, as defined in s. 49.001 (5), who are any
19 of the following:

20 1. Current or former recipients of public assistance, including participants in W-2
21 employment positions under s. 49.147.

22 2. Employes within the first 6 months of employment with their employer.

1 3. Entry-level employees.

2 (d) The board shall determine the length and content of the programs offered under par.
3 (a) after consultation with employers, district boards, W-2 agencies, local units of government
4 and labor organizations. The program shall include the following elements:

5 1. Skills needed to achieve punctuality and consistency in attendance at employment.

6 2. Skills needed to effectively work in a team.

7 3. Skills needed to effectively communicate with supervisors and coworkers.

8 4. Skills necessary for solving basic workplace-related personal and interpersonal
9 problems.

10 (e) The board, in consultation with employers, district boards and the department of
11 workforce development, shall develop standards to assess job retention and soft skills
12 competencies of participants before and after participation in the program.

13 (f) This subsection shall not apply after December 31, 2004.

14 **SECTION 5.** 38.12 (12) of the statutes is created to read:

15 **38.12 (12) JOB RETENTION SKILLS PROGRAMS.** (a) The district board shall make available
16 to all employers in the district a job retention skills program as described in s. 38.04 (27).

17 (b) To the extent practicable, the district board shall assist employers in providing
18 ongoing job retention skills development and reinforcement activities in the workplace.

19 (c) The district board may charge employers a fee for the program and services offered
20 under this subsection.

21 (d) This subsection does not apply after December 31, 2004.

22 **SECTION 6.** 38.15 (3) (c) 3. and 4. of the statutes, as created by 1999 Wisconsin Act 9,
23 are amended to read:

24 38.15 (3) (c) 3. The capital expenditure is made before ~~January 1~~ December 31, 2002.

1 4. The total amount of capital expenditures made by the district board under this
2 paragraph does not exceed \$5,000,000, excluding moneys received from gifts, grants or
3 federal funds.

4 **SECTION 7.** 49.143 (2) (a) 11. of the statutes is created to read:

5 49.143 (2) (a) 11. Establish an advisory committee on transportation strategies and
6 planning consisting of local transit or transportation providers, employers, child care
7 providers, a representative of a community organization that serves participants, a
8 representative of a Wisconsin works agency and other persons considered appropriate by the
9 steering committee to make recommendations to the steering committee on ways to provide
10 affordable and sufficient transportation options to low-income workers to access employment
11 opportunities, child care services and other services conducive to stable employment.

12 **SECTION 8.** 49.143 (2) (er) of the statutes is created to read:

13 49.143 (2) (er) Provide to the department an accounting of the amount expended on
14 Wisconsin works-related transportation services in each year of the contract in a manner
15 prescribed by the department.

16 **SECTION 9.** 49.1475 of the statutes, as created by 1999 Wisconsin Act 9, is amended to
17 read:

18 **49.1475 Follow-up services.** Following any follow-up period required by the contract
19 entered into under s. 49.143, a Wisconsin works agency ~~may~~ shall provide case management
20 services for an individual who moves from a Wisconsin works employment position to
21 unsubsidized employment to help the individual retain the unsubsidized employment. Case
22 management services may include the provision of employment skills training; English as a
23 2nd language classes, if the Wisconsin works agency determines that the course will facilitate
24 the individual's efforts to retain employment; a course of study meeting the standards

1 established under s. 115.29 (4) for the granting of a declaration of equivalency of high school
2 graduation; or other remedial education courses. Case management services shall be
3 coordinated with a program offered by a technical college under s. 38.12 (12). The Wisconsin
4 works agency may provide case management services regardless of the individual's income
5 and assets levels.

6 **SECTION 10.** 49.157 of the statutes is amended to read:

7 **49.157 Wisconsin works; transportation assistance.** A Wisconsin works agency
8 may provide transportation assistance in the manner prescribed by the department. In addition
9 to any other eligibility criteria established by the department, an individual is eligible for
10 transportation assistance if the gross income of the Wisconsin works group of which the
11 individual is a member is at or below 165% of the poverty line. In calculating gross income
12 under this section, the Wisconsin works agency shall include the items specified in s. 49.145
13 (3) (b) 1. to 3. A noncustodial parent of a dependent child is eligible for transportation
14 assistance under this section if the dependent child's custodial parent is a participant and if the
15 noncustodial parent is subject to a child support order. The Wisconsin works agency shall limit
16 any financial assistance granted under this subsection to financial assistance for public
17 transportation if a form of public transportation that meets the needs of the participant is
18 available.

19 **SECTION 11.** 49.175 (1) (nm) of the statutes is created to read:

20 49.175 (1) (nm) *Job retention skills development programs.* For payments to the
21 Wisconsin technical college system board for implementation costs of the job retention skills
22 development program under s. 38.04 (27), \$200,000 in fiscal year 1999-2000.

23 **SECTION 12.** 66.462 (1) (c) of the statutes, as amended by 1999 Wisconsin Act 9, is
24 amended to read:

1 66.462 (1) (c) "Eligible costs" means capital costs, financing costs and administrative
2 and professional service costs, incurred or estimated to be incurred by a political subdivision,
3 for the investigation, removal, containment or monitoring of, or the restoration of soil, air,
4 surface water, sediments or groundwater affected by, environmental pollution, including
5 monitoring costs incurred within 2 years after the date on which the department of natural
6 resources certifies that environmental pollution on the property has been remediated,
7 cancellation of delinquent taxes, property acquisition costs, demolition costs including
8 asbestos removal, and removing and disposing of underground storage tanks or abandoned
9 containers, as defined in s. 292.41 (1), except that for any parcel of land "eligible costs" shall
10 be reduced by any amounts received from persons responsible for the discharge, as defined
11 in s. 292.01 (3), of a hazardous substance on the property to pay for the costs of remediating
12 environmental pollution on the property, by any amounts received, or reasonably expected by
13 the political subdivision to be received, from a local, state or federal program for the
14 remediation of contamination in the district that do not require reimbursement or repayment
15 and by the amount of net gain from the sale of the property by the political subdivision.
16 "Eligible costs" associated with groundwater affected by environmental pollution include
17 investigation and remediation costs for groundwater that is located in, and extends beyond,
18 the property that is being remediated.

19 SECTION 13. 66.462 (2) of the statutes, as amended by 1999 Wisconsin Act 9, is
20 amended to read:

21 66.462 (2) USE OF ENVIRONMENTAL REMEDIATION TAX INCREMENTS. A political
22 subdivision that develops, and whose governing body approves, a written proposal to
23 remediate environmental pollution may use an environmental remediation tax increment to
24 pay the eligible costs of remediating environmental pollution on contiguous parcels of

1 property that are located within the political subdivision and that are not part of a tax
2 incremental district created under s. 66.46, as provided in this section, except that a political
3 subdivision may use an environmental remediation tax increment to pay the cost of
4 remediating environmental pollution of groundwater without regard to whether the property
5 above the groundwater is owned by the political subdivision. If the political subdivision owns
6 the property that is being remediated, the political subdivision may not sell or otherwise
7 transfer the property to any person who is responsible for the environmental pollution that is
8 remediated. No political subdivision may submit an application to the department under sub.
9 (4) until the joint review board approves the political subdivision's written proposal under sub.
10 (3).

11 **SECTION 14.** 71.05 (6) (a) 15. of the statutes is amended to read:

12 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di),
13 (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) and (5r) not passed through by a partnership, limited
14 liability company or tax-option corporation that has added that amount to the partnership's,
15 company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

16 **SECTION 15.** 71.07 (5r) of the statutes is created to read:

17 71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any partner, member of
18 a limited liability company or a shareholder of a tax-option corporation may credit against
19 taxes otherwise due under this chapter an amount equal to 100% of the amount of the partner's,
20 member's or shareholder's productivity enhancement training expenses certified by the
21 department of commerce under s. 560.25 in the tax year for which the expenses are certified
22 not to exceed \$7,500.

23 (b) The carry forward provisions of s. 71.28 (5r) (b) and (f) as they apply to the credit
24 under s. 71.28 (5r) apply to the credit under this subsection.

1 (c) A partner, member of a limited liability company or a shareholder of a tax-option
2 corporation may not claim the credit under par. (a) for any productivity enhancement training
3 expenses that the partner, member or shareholder deducted from gross income for Wisconsin
4 purposes under section 162 of the Internal Revenue Code.

5 (d) Partnerships, limited liability companies and tax-option corporations may not claim
6 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
7 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
8 limited liability company or tax-option corporation shall compute the amount of credit that
9 each of its partners, members or shareholders may claim and shall provide that information
10 to each of them. Partners, members of limited liability companies and shareholders of
11 tax-option corporations may claim the credit in proportion to their ownership interest.

12 (e) In this subsection, "productivity enhancement training expenses" means expenses
13 certified under s. 560.25 of a partnership, limited liability company or tax-option corporation
14 in providing training which is designed to improve the productivity of the partnership's
15 limited liability company's or tax-option corporation's incumbent work force and promote or
16 provide workers for high-skill, high-wage jobs. "Productivity enhancement training
17 expenses" includes expenses incurred for assessment and consultation under s. 560.25 (4) (b),
18 not to exceed \$2,000.

19 (f) No credit may be taken under this subsection for any tax year that begins after
20 December 31, 2008.

21 **SECTION 16.** 71.08 (1) (intro.) of the statutes is amended to read:

22 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple
23 filing jointly, trust or estate under s. 71.02, not considering the credits under ss. 71.07 (1),
24 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6) and (9e), 71.28 (1dd),

1 (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and 71.47 (1dd), (1de),
2 (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and subchs. VIII and IX and
3 payments to other states under s. 71.07 (7), is less than the tax under this section, there is
4 imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax
5 under s. 71.02, an alternative minimum tax computed as follows:

6 **SECTION 17.** 71.10 (4) (k) of the statutes is created to read:

7 71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5r).

8 **SECTION 18.** 71.21 (4) of the statutes is amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj),
10 (2dL), (2ds), (2dx) ~~and~~, (3s) and (5r) and passed through to partners shall be added to the
11 partnership's income.

12 **SECTION 19.** 71.26 (2) (a) of the statutes is amended to read:

13 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means the
14 gross income as computed under the ~~internal-revenue code~~ Internal Revenue Code as modified
15 under sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
16 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed under s.
17 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx) and (5r) and not passed through by a
18 partnership, limited liability company or tax-option corporation that has added that amount
19 to the partnership's, limited liability company's or tax-option corporation's income under s.
20 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other disposition of assets
21 the gain from which would be wholly exempt income, as defined in sub. (3) (I.), if the assets
22 were sold or otherwise disposed of at a gain and minus deductions, as computed under the
23 ~~internal-revenue code~~ Internal Revenue Code as modified under sub. (3), plus or minus, as
24 appropriate, an amount equal to the difference between the federal basis and Wisconsin basis

1 of any asset sold, exchanged, abandoned or otherwise disposed of in a taxable transaction
2 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

3 **SECTION 20.** 71.28 (1dx) (b) 1. of the statutes is amended to read:

4 71.28 (1dx) (b) 1. Fifty percent of the amount expended by the person for environmental
5 remediation in a development zone.

6 **SECTION 21.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

7 71.28 (1dx) (b) 1m. Fifty percent of the amount expended by a municipality, as defined
8 in s. 292.01 (11), or an organization that is exempt from federal income taxation under section
9 501 (c) (3) of the Internal Revenue Code for environmental remediation in a development zone
10 if the municipality or organization has entered into an exclusive written agreement with the
11 person claiming the credit that approves of the person claiming the credit based on the
12 expenditures of the municipality or organization. The department shall promulgate rules
13 implementing this subdivision.

14 **SECTION 22.** 71.28 (1dx) (f) of the statutes is created to read:

15 71.28 (1dx) (f) *Transfer of credits.* Any person eligible to claim credit under par. (b)
16 1. may transfer to any other person subject to taxation under this chapter, the right to claim
17 the credit under par. (b) 1. The department shall promulgate rules governing the transfer of
18 credits under this paragraph.

19 **SECTION 23.** 71.28 (5r) of the statutes is created to read:

20 71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any corporation may
21 credit against taxes otherwise due under this chapter an amount equal to 100% of the amount
22 of the corporation's productivity enhancement training expenses certified by the department
23 of commerce under s. 560.25 in the tax year for which the expenses are certified, not to exceed
24 \$7,500.

1 (b) Any corporation receiving a credit under this subsection may carry forward to the
2 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
3 in which the productivity enhancement training expenses were incurred.

4 (c) A corporation may not claim the credit under par. (a) for any productivity
5 enhancement training expenses that the corporation deducted from gross income for
6 Wisconsin purposes under section 162 of the Internal Revenue Code.

7 (d) Partnerships, limited liability companies and tax-option corporations may not claim
8 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
9 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
10 limited liability company or tax-option corporation shall compute the amount of credit that
11 each of its partners, members or shareholders may claim and shall provide that information
12 to each of them. Partners, members of limited liability companies and shareholders of
13 tax-option corporations may claim the credit in proportion to their ownership interest.

14 (e) In this subsection, "productivity enhancement training expenses" means expenses
15 certified under s. 560.25 of a corporation in providing training which is designed to improve
16 the productivity of a corporation's incumbent work force and promote or provide workers for
17 high-skill, high-wage jobs. "Productivity enhancement training expenses" includes
18 expenses incurred for assessment and consultation under s. 560.25 (4) (b), not to exceed
19 \$2,000.

20 (f) No credit may be taken under this subsection for any tax year that begins after
21 December 31, 2008. Credits under this subsection for taxable years that begin before
22 December 31, 2008 may be carried forward to taxable years that begin after December 31,
23 2008.

24 **SECTION 24.** 71.30 (3) (g) of the statutes is created to read:

1 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).

2 **SECTION 25.** 71.34 (1) (g) of the statutes is amended to read:

3 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
4 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) ~~and~~, (3) and (5r) and
5 passed through to shareholders.

6 **SECTION 26.** 71.45 (2) (a) 10. of the statutes is amended to read:

7 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed
8 under s. 71.47 (1dd) to (1dx) and (5r) and not passed through by a partnership, limited liability
9 company or tax-option corporation that has added that amount to the partnership's, limited
10 liability company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and
11 the amount of credit computed under s. 71.47 (1), (3), (4) and (5).

12 **SECTION 27.** 71.47 (5r) of the statutes is created to read:

13 71.47 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any corporation may
14 credit against taxes otherwise due under this chapter an amount equal to 100% of the amount
15 of the corporation's productivity enhancement training expenses certified by the department
16 of commerce under s. 560.25 in the tax year for which the expenses are certified, not to exceed
17 \$7,500.

18 (b) Any corporation receiving a credit under this subsection may carry forward to the
19 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
20 in which the productivity enhancement training expenses were incurred.

21 (c) A corporation may not claim the credit under par. (a) for any productivity
22 enhancement training expenses that the corporation deducted from gross income for
23 Wisconsin purposes under section 162 of the Internal Revenue Code.

1 (d) Partnerships, limited liability companies and tax-option corporations may not claim
2 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
3 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
4 limited liability company or tax-option corporation shall compute the amount of credit that
5 each of its partners, members or shareholders may claim and shall provide that information
6 to each of them. Partners, members of limited liability companies and shareholders of
7 tax-option corporations may claim the credit in proportion to their ownership interest.

8 (e) In this subsection, "productivity enhancement training expenses" means expenses
9 certified under s. 560.25 of a corporation in providing training which is designed to improve
10 the productivity of a corporation's incumbent work force and promote or provide workers for
11 high-skill, high-wage jobs. "Productivity enhancement training expenses" includes
12 expenses incurred for assessment and consultation under s. 560.25 (4) (b), not to exceed
13 \$2,000.

14 (f) No credit may be taken under this subsection for any tax year that begins after
15 December 31, 2008. Credits under this subsection for taxable years that begin before
16 December 31, 2008 may be carried forward to taxable years that begin after December 31,
17 2008.

18 **SECTION 28.** 71.49 (1) (g) of the statutes is created to read:

19 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

20 **SECTION 29.** 77.92 (4) of the statutes is amended to read:

21 77.92 (4) "Net business income", with respect to a partnership, means taxable income
22 as calculated under section 703 of the ~~internal-revenue-code~~ Internal Revenue Code; plus the
23 items of income and gain under section 702 of the ~~internal-revenue-code~~ Internal Revenue
24 Code; minus the items of loss and deduction under section 702 of the ~~internal-revenue-code~~

1 Internal Revenue Code; plus payments treated as not made to partners under section 707 (a)
2 of the ~~internal revenue code~~ Internal Revenue Code; plus the credits claimed under s. 71.07
3 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) and (5r); but excluding income,
4 gain, loss and deductions from farming. "Net business income", with respect to a natural
5 person, estate or trust, means profit from a trade or business for federal income tax purposes
6 and includes net income derived as an employe as defined in section 3121 (d) (3) of the ~~internal~~
7 ~~revenue code~~ Internal Revenue Code.

8 **SECTION 30.** 106.01 (11) of the statutes is created to read:

9 106.01 (11) The department may establish an advanced journey worker credential pilot
10 program in up to 3 trades, crafts or businesses to recognize advanced training and
11 post-apprenticeship achievements. The department, by July 1, 2003, shall submit to the
12 legislature under s. 13.172 (2), stats., an evaluation of the effectiveness of the program
13 established under this subsection.

14 **SECTION 31.** 115.28 (42) of the statutes is created to read:

15 115.28 (42) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with the
16 national geographic society education foundation to establish a Wisconsin world geography
17 fund. The agreement must do all of the following:

18 (a) Require the national geographic society education foundation to manage the fund.

19 (b) Require the state superintendent to award a grant of \$500,000 from the appropriation
20 under s. 20.255 (3) (er) to the fund if the award is matched by the foundation.

21 (c) Require that the income and appreciation of the fund be used to fund grants to
22 educational programs in the state that improve the geographic literacy of students and
23 teachers.

1 (d) Require that, annually, the national geographic society education foundation submit
2 to the state superintendent the following:

3 1. A statement of the Wisconsin world geography fund account prepared by an
4 independent auditor.

5 2. A report on the recipients in the state who received a grant from the fund.

6 (e) Require that if the state ceases to participate in the fund, or the national geographic
7 society education foundation ceases to offer the fund, the state contribution to the fund, along
8 with any unexpended income or appreciation of the fund attributable to the state's
9 contribution, be returned to the state.

10 SECTION 32. 115.455 of the statutes is created to read:

11 **115.455 Foreign language instruction grants.** (1) Beginning in the 1999-00 fiscal
12 year, the state superintendent shall award at least one grant in each fiscal year, on a competitive
13 basis, to an educational organization or consortium of educational organizations for the
14 development and implementation of a foreign language immersion instruction program in a
15 public or private school in grades kindergarten to 6.

16 (2) The state superintendent shall award grants under sub. (1) from the appropriation
17 under s. 20.255 (2) (dr).

18 (3) The state superintendent shall promulgate rules defining "educational organization"
19 for the purposes of this section.

20 SECTION 33. 281.60 (2r) (a) of the statutes, as amended by 1999 Wisconsin Act 9, is
21 amended to read:

22 281.60 (2r) (a) Making loans for projects described in sub. (2). Loans may not be made
23 for the purpose of refinancing site investigations.

24 SECTION 34. 292.11 (14) of the statutes is created to read:

1 292.11 (14) In determining the criteria for closure of a case involving groundwater
2 contamination exceeding enforcement standards or preventive action limits adopted by the
3 department, the department shall consider institutional controls, including municipal
4 ordinances, that provide adequate notice to the public of groundwater contamination in the
5 area affected by the groundwater contamination to be equivalent to recorded groundwater use
6 restrictions.

7 **SECTION 35.** 292.15 (2) (at) (intro.) and 6. of the statutes, as created by 1999 Wisconsin
8 Act 9, are amended to read:

9 292.15 (2) (at) (intro.) *Discharges discovered after environmental investigations.*
10 Except as provided in sub. (6) or (7), a voluntary party is exempt from ss. 289.05 (1), (2), (3)
11 and (4), 289.42 (1), 289.67, 291.25 (1) to (5), 291.29, 291.37, 292.11 (3), (4) and (7) (b) and
12 (c) and 292.31 (8), and rules promulgated under those provisions, with respect to a discharge
13 of a hazardous substance on or originating from a property if the discharge occurred before
14 the environmental investigation under subd. 1. is completed and is discovered after the
15 environmental investigation under subd. 7. is approved and if all of the following apply:

16 6. The voluntary party has not obtained approval of the investigation under subd 1. or
17 7. or the agreement under subd. 2. by fraud or misrepresentation, by the knowing failure to
18 disclose material information or under circumstances in which the voluntary party knew or
19 should have known about more discharges of hazardous substances than were revealed by the
20 investigation conducted under subd. 1. or 7.

21 **SECTION 36.** 292.15 (2) (at) 7. of the statutes is created to read:

22 292.15 (2) (at) 7. A 2nd environmental investigation of the property is conducted and
23 is approved by the department.

24 **SECTION 37.** 292.15 (8) of the statutes is created to read:

1 292.15 (8) In determining the criteria for closure of a case involving groundwater
2 contamination exceeding enforcement standards or preventive action limits adopted by the
3 department, the department shall consider institutional controls, including municipal
4 ordinances, that provide adequate notice to the public of groundwater contamination in the
5 area affected by the groundwater contamination to be equivalent to recorded groundwater use
6 restrictions.

7 **SECTION 38.** 292.24 (title), (2) (intro.), (a), (b), (c), (f), (g) and (3) (a) to (c) of the
8 statutes, as created by 1999 Wisconsin Act 9, are amended to read:

9 **292.24 Responsibility of local governmental units; hazardous or solid waste.**

10 (2) **EXEMPTION FROM LIABILITY.** Except as provided in sub. (3), a local governmental unit
11 is exempt from ss. 291.25 (1) to (5), 291.29 and 291.37, and rules promulgated under those
12 provisions, with respect to the existence of a hazardous or solid waste discharge on property
13 acquired in a way or for a purpose described in s. 292.11 (9) (e) 1m., if all of the following
14 occur at any time before or after the date of acquisition:

15 (a) An environmental investigation of the property is conducted that is approved by the
16 department and that identifies any hazardous or solid waste discharges that occurred on the
17 property.

18 (b) The hazardous or solid waste discharges identified by the investigation under par.
19 (a) are cleaned up by restoring the environment to the extent practicable with respect to the
20 discharges and minimizing the harmful effects from the discharges in accordance with rules
21 promulgated by the department and any contract entered into under those rules.

22 (c) The local governmental unit obtains an approval from the department stating that
23 the property has been satisfactorily restored to the extent practicable with respect to the

1 hazardous or solid waste discharges and that the harmful effects from the discharges have been
2 minimized.

3 (f) The local governmental unit has not obtained the certification under par. (c) by fraud
4 or misrepresentation, by the knowing failure to disclose material information or under
5 circumstances in which the local governmental unit knew or should have known about more
6 discharges of hazardous or solid waste than were revealed by the investigation conducted
7 under par. (a).

8 (g) The local governmental unit did not cause the discharge of any hazardous or solid
9 waste identified on the property.

10 (3) (a) A hazardous or solid waste treatment, storage or disposal facility that first begins
11 operation after the date on which the local governmental unit acquired the property.

12 (b) A licensed hazardous or solid waste treatment, storage or disposal facility operated
13 on the property before the date on which the local governmental unit acquired the property and
14 that is operated after the date on which the local governmental unit acquired the property.

15 (c) Any hazardous or solid waste disposal facility that has been issued a license under
16 s. 144.441 (2), 1995 stats., or s. 289.41 (1m), or rules promulgated under those sections, for
17 a period of long-term care following closure of the facility.

18 **SECTION 39.** 292.26 (2) (intro.) of the statutes is amended to read:

19 292.26 (2) (intro.) Except as provided in sub. (3), a local governmental unit is immune
20 from civil liability related to the discharge of a hazardous substance on or from property owned
21 or controlled by the local unit of government at the time that the discharge is discovered or
22 from property formerly owned or controlled by the local governmental unit if the property is
23 no longer owned by the local governmental unit at the time that the discharge is discovered
24 and if any of the following applies:

1 **SECTION 40.** 292.31 (11) of the statutes is created to read:

2 292.31 (11) In determining the criteria for closure of a case involving groundwater
3 contamination exceeding enforcement standards or preventive action limits adopted by the
4 department, the department shall consider institutional controls, including municipal
5 ordinances, that provide adequate notice to the public of groundwater contamination in the
6 area affected by the groundwater contamination to be equivalent to recorded groundwater use
7 restrictions.

8 **SECTION 41.** 560.14 (4m) (a) (intro.) of the statutes is amended to read:

9 560.14 (4m) (a) (intro.) Subject to par. (b), the department may make a grant under this
10 subsection from the appropriation under s. 20.143 (1) (fg) to a community-based organization
11 or private nonprofit organization for a local, statewide or multi-state venture capital
12 development conference if all of the following apply:

13 **SECTION 42.** 560.14 (4m) (c) of the statutes is created to read:

14 560.14 (4m) (c) The department shall encourage the development of venture capital
15 development conferences in the upper midwest region of the United States that comply with
16 the requirements specified in par. (a) 1. and 2.

17 **SECTION 43.** 560.25 of the statutes is created to read:

18 **560.25 Productivity enhancement training expense certification. (1) DEPARTMENT**
19 **POWERS AND DUTIES.** The department shall develop, implement and administer a productivity
20 enhancement training expense certification program.

21 **(2) PURPOSES OF PRODUCTIVITY ENHANCEMENT TRAINING EXPENSE CERTIFICATION**
22 **PROGRAM.** The department shall develop the productivity enhancement training expense
23 certification program to assist businesses to provide training to their incumbent work force

1 designed to improve that work force's productivity and promote and provide workers for
2 high-skill and high-wage jobs.

3 (3) CERTIFICATION. The department shall certify as eligible for the tax credit under ss.
4 71.07 (5r), 71.28 (5r) and 71.47 (5r) the productivity enhancement training expenses of any
5 business that meets the eligibility requirements under sub. (4).

6 (4) ELIGIBILITY. A business may apply to have its productivity enhancement training
7 expenses certified if all of the following apply:

8 (a) The business submits to the department a productivity enhancement training plan
9 that the department finds does all of the following:

10 1. Provides for the training of the business's incumbent work force which will increase
11 the incumbent work force's productivity to achieve specific goals established as a result of the
12 assessment and consultation in par. (b).

13 2. Provides for the training of the business's incumbent work force which will result
14 in the work force holding higher skilled jobs and holding higher paying jobs, as determined
15 by the assessment and consultation in par. (b).

16 (b) The business receives pre-training needs assessment and consultation which
17 establishes the appropriateness of the proposed training from an entity experienced in
18 providing productivity assessment or business planning and that is approved by the
19 department.

20 (c) The business submits to the department an accounting of the productivity
21 enhancement training expenses incurred by the business under the plan under par. (a) and the
22 department determines that the expenses were incurred under the plan.

23 (5) REPORT. (a) Each business certified under this section and that claims the tax credit
24 under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r), shall report to the department by the March 1

1 of the year after receiving the certification on the results of its productivity enhancement
2 training and its success in meeting the goals established in its productivity enhancement
3 training plan. The report shall be on a form prescribed by the department.

4 (b) Annually, the department shall estimate the amount of foregone state revenue
5 because of the benefits claimed by persons certified under this section.

6 (c) Annually, by December 1, the department shall report to the legislature under s.
7 13.172 (2) on the effectiveness of the productivity enhancement training certification program
8 and the tax credit under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r), in meeting the purposes of
9 the program as identified in sub. (2).

10 (6) APPLICATION. The department shall, by rule, develop application procedures for the
11 productivity enhancement training certification. The application for certification shall show
12 that the applicant satisfies the requirements under sub. (4) and commits to reporting under sub.
13 (5).

14 (7) DEFINITION. For purposes of this section, "productivity enhancement training
15 expenses" means expenses of a business incurred in providing training which is designed to
16 increase the productivity of the business' incumbent work force and promote or create high-
17 skill, high-wage jobs. "Productivity enhancement training expenses" includes expenses
18 incurred for assessment and consultation under sub. (4) (b), not to exceed \$2,000.

19 (8) NOTIFICATION. The department shall notify the department of revenue of all persons
20 entitled to claim tax benefits under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r).

21 (9) TRANSFERABILITY. The tax benefits for which a person is certified as eligible under
22 this section are not transferable to another person or business.

23 (10) SUNSET. No business may be certified under this subsection after December 31,
24 2008.

1 **SECTION 44.** 560.31 (2) (g) of the statutes is created to read:

2 560.31 (2) (g) The person has an office in this state with at least one full-time
3 professional employe actively engaged in the investment of cash in qualified businesses in
4 Wisconsin.

5 **SECTION 45.** 560.33 (1) (c) of the statutes is amended to read:

6 560.33 (1) (c) During its 2 most recent fiscal years, the business had, together with all
7 of its consolidated affiliates, an average annual net income, after federal income taxes and
8 excluding any carry-over losses, of not more than ~~\$2,000,000~~ \$1,000,000, as determined in
9 accordance with generally accepted accounting principles.

10 **SECTION 46.** 560.34 (1r) of the statutes is created to read:

11 560.34 (1r) Notwithstanding sub. (1), an investment shall not be a qualified investment
12 if the investment is used in whole or in part to do any of the following:

13 (a) Retire outstanding long-term debt or obligations to the affiliates of the qualified
14 business.

15 (b) Purchase outstanding equity of the qualified business.

16 (c) Purchase stock or other interests in a person other than the qualified business.

17 (d) Purchase, lease or license substantially all of the assets which are currently used by
18 an existing business to produce net income after taxes to the holders of the assets.

19 **SECTION 47. Appropriation changes; department of workforce development.**

20 (1) **ADVANCED JOURNEY WORKER CREDENTIAL PILOT PROGRAM.** In the schedule under
21 section 20.005 (3) of the statutes for the appropriation to the department of workforce
22 development under section 20.445 (1) (a) of the statutes, as affected by the acts of 1999, the
23 dollar amount is increased by \$160,000 for fiscal year 1999-00 and the dollar amount is
24 increased by \$120,000 for fiscal year 2000-01 to increase the authorized FTE positions for

1 the department by 1.0 GPR position on July 1, 1999, for the implementation and program
2 development of the advanced journey worker credential pilot program.

3 **SECTION 48. Initial applicability.**

4 (1) ENVIRONMENTAL REMEDIATION TAX INCREMENTAL FINANCING. The treatment of
5 section 66.462 (1) (c) and (2) of the statutes first applies to an environmental remediation tax
6 incremental financing district, the written remediation proposal for which is approved by the
7 political subdivision's governing body on the effective date of this subsection.

8 (2) JOB RETENTION SKILLS DEVELOPMENT PROGRAM; WISCONSIN WORKS. The treatment of
9 section 49.1475 of the statutes first applies to Wisconsin works agencies that enter into or
10 renew contracts on the effective date of this act.

11 (3) PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT. The treatment of sections 71.07
12 (5r), 71.28 (5r) and 71.47 (5r) of the statutes first applies to taxable years beginning in January
13 1, 2000.

14 (4) TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS. The treatment of section
15 71.28 (1dx) (b) 1., 1m. and (f) by this act first applies to tax years beginning on January 1, 2000.

16 **SECTION 49. Effective dates.** This act takes effect on the day after publication, except
17 as follows:

18 (1) WORLD GEOGRAPHY FUND. The repeal of section 20.255 (3) (er) of the statutes takes
19 effect on June 30, 2001.

20 (2) ADVANCED JOURNEYWORKER PILOT PROGRAM. The treatment of section 106.01 (11)
21 of the statutes takes effect on July 1, 1999.

22 (3) CERTIFIED CAPITAL COMPANIES. The treatment of sections 560.14 (4m) (a) (intro.),
23 560.14 (4m) (c), 560.31 (2) (g), 560.33 (1) (c) and 560.34 (1r) shall take effect on July 1, 2000.

24 (END)



1 **AN ACT** to repeal 20.255 (3) (er), 281.60 (1) (c), 292.11 (9) (e) 3. and 292.11 (9) (e) 5.
2 c.; to renumber and amend 66.462 (2); to amend 38.15 (1), 49.157, 66.462 (1) (c),
3 66.462 (3) (b) 2., 66.462 (4) (a), 66.462 (4) (c), 71.05 (6) (a) 15., 71.08 (1) (intro.),
4 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10., 77.92 (4),
5 281.60 (1) (a), 281.60 (2), 281.60 (2r) (a), 281.60 (7) (c), 281.60 (11), 281.60 (11m),
6 292.11 (9) (e) 1., 292.11 (9) (e) 1m. (intro.), 292.11 (9) (e) 1m. b., 292.11 (9) (e) 1s.,
7 292.15 (2) (a) (intro.), 292.15 (2) (c), 292.15 (4) (intro.), 292.26 (2) (intro.), 560.14
8 (4m) (a) (intro.) and 560.33 (1) (c); and to create 20.255 (2) (dr) and (3) (er), 38.04
9 (27), 38.04 (28), 38.12 (12), 38.15 (7), 49.143 (2) (a) 11., 49.143 (2) (er), 49.1475,
10 49.175 (1) (nm), 66.462 (2) (b), 71.07 (5r), 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28
11 (1dx) (f), 71.28 (5r), 71.30 (3) (g), 71.47 (5r), 71.49 (1) (g), 106.01 (11), 115.28 (42),
12 115.455, 292.10, 292.11 (9) (e) 1m. e., 292.11 (9) (e) 1m. f., 292.11 (9) (e) 6., 292.11
13 (9) (e) 7., 292.11 (14), 292.15 (2) (af), 292.15 (6) (b), 292.15 (8), 292.24, 292.31
14 (11), 560.14 (4m) (c), 560.25, 560.31 (2) (g) and 560.34 (1r) of the statutes; relating
15 to: job retention programs; productivity enhancement training tax credit; applied
16 technology centers; amending the certified capital company program and providing
17 for the development of and grants to multi-state venture capital development
18 conferences; amending the brownfield laws; creating a foreign language immersion
19 instruction grant and Wisconsin world geography fund; low-income transportation
20 assistance; an advanced journey worker pilot program 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 makes numerous changes to state laws in a variety of subject matters. Among the changes, the draft does the following:

- Creates a statewide job retention skills development program within the technical college system.
- Provides a business tax credit for expenses incurred by a business to provide certain training to the business's incumbent work force.
- Authorizes a technical college district board to construct an applied technology center without having to receive voter approval at a referendum.
- Modifies the certified capital companies (CAPCO) program.
- Expands the scope of the state's venture capital fair grant program.
- Establishes a foreign language immersion instruction grant program within the department of public instruction (DPI).
- Appropriates \$500,000 for the establishment of the Wisconsin world geography fund.
- Provides additional emphasis on transportation under the Wisconsin Works (W-2) program by expanding eligibility for W-2 transportation, requiring the establishment of local W-2 transportation advisory committees and requiring W-2 agencies to account for their W-2 related transportation expenditures.
- Requires the department of workforce development (DWD) to create an advanced journeyworker credential pilot program.
- Modifies a number of provisions of state law relating to brownfields.

The provisions of the draft are more fully explained below.

Job Retention Skills Development Program

This draft requires the technical college system board (the "board") to establish a statewide job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees and assist those employees to attain higher wages and long-term careers. Under the draft, the program must be available to all employers in the state and to the extent practicable, must be provided at employment sites.

The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first 6 months of employment with their employer and entry-level employees.

In establishing the program, the board must consult with employers, technical college district boards, W-2 agencies, local units of government and labor organizations. The program must include elements relating to the skills needed to show up for work on time, to work effectively in a team, to communicate with supervisors and coworkers and to solve basic job-related personal and interpersonal problems encountered in the workplace.

The draft requires the board, in consultation with employers, district boards and the department of workforce development, to develop standards to assess the job retention skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

Further, the draft requires technical college district boards to offer the program and to assist employers providing ongoing job retention skills development and reinforcement activities in the work place. The draft also allows district boards to charge employers a fee for the program and services offered to employers. The draft directs \$200,000 of federal temporary assistance for needy families block grant funds to be used to implement the program.

Finally, the draft requires W-2 agencies to provide case management services to individuals that move from W-2 employment positions to unsubsidized employment and coordinate those services with the job retention skills development program. [SECTIONS 4, 6, 11, 13 and 74 (2).]

Productivity Enhancement Training Expense Tax Credit

This draft provides a nonrefundable business tax credit for expenses made by a business to provide certain training to the business's incumbent work force. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried forward for up to 15 years. Under the draft, sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax option corporations compute the credit but

pass it on to the partners, members and shareholders in proportion to their ownership interests.

The purpose of the credit is to encourage businesses to provide training to their incumbent work force to improve that work force's productivity and promote and provide workers for high-skill and high-wage jobs.

To qualify for the credit, the department of commerce must certify the business's productivity enhancement training expenses. To be eligible to have its expenses certified, the business must submit to the department of commerce a productivity enhancement training plan which: (1) provides for the training of its incumbent work force which will increase the incumbent work force's productivity; and (2) provides for the training of its incumbent work force which will result in the work force holding higher skilled jobs and higher paying jobs. In addition, the business must receive pre-training needs assessment and consultation from an experienced provider of productivity assessments, as approved by the department of commerce. Finally, the business must submit an accounting of its productivity enhancement training expenses so that the department of commerce may determine if the expenses were incurred under the training plan.

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce by March 1 of the year after receiving the certification on the results of its productivity enhancement training and its success in meeting the goals established in its productivity enhancement training plan. The department is required to report to the legislature by December 1 annually on the effectiveness of the program.

The tax credit is available for tax years beginning on or after January 1, 2000 and sunsets on December 31, 2008. [SECTIONS 20-25, 29-35, 69 and 74 (3).]

Applied Technology Centers

Under current law, if a technical college district board intends to make a capital expenditure in excess of \$500,000 for the purchase or construction of buildings, the district board must adopt a resolution stating its intention to do so and must submit the resolution to a referendum of the electors in the district.

This draft provides technical college district boards the authority to encumber or expend up to \$5,000,000 for the purchase or construction of facilities to be used as applied technology centers without approval in a referendum. To do so, the district board must adopt a resolution and gain the approval of the technical college system board. The approval

process must be developed by the technical college system board in consultation with representatives of business and labor interests.

To gain approval, the district board must demonstrate all of the following:

1. That the proposed applied technology center is likely to increase or retain the number of jobs in the region that require a high level of skill and provide a high level of wages.
2. That the productivity of workers that would use the applied technology center is likely to increase.
3. That a commitment exists from businesses in the region to fund 30% of the capital costs of the applied technology center, 100% of the direct operating costs of services provided under a contract at the applied technology center and 20% of the indirect operating costs of services provided under a contract at the applied technology center.
4. That representatives of labor and business interests were consulted on the development of the proposed applied technology center.

After receiving approval, the district board must report to the technical college system board on the change in wages, productivity and skill levels of workers that have been directly served by the applied technology center.

This program sunsets December 31, 2002. [SECTIONS 5, 7 and 8.]

CAPCO

1997 Wisconsin Act 215 created the CAPCO program. Under the program, an insurance company may receive a credit on its insurance premiums tax for its investments in a CAPCO if the CAPCO uses these funds from the insurer to invest as venture capital in designated small businesses in Wisconsin. These venture capital investments are referred to in act 215 as "qualified investments". The draft focuses CAPCOs qualified investments on supporting the creation and expansion of start-up firms, i.e., providing seed capital rather than later stage financing, by doing the following:

1. Lowers the average annual net income of a qualified business that a CAPCO may invest in from \$2,000,000 to \$1,000,000.
2. Precludes a CAPCO's qualified investment from being used to replace existing sources of financing.
3. Requires a CAPCO to have professional staff based in the state to manage its investments in qualified businesses in Wisconsin to ensure

that the CAPCO will be able to provide the direct assistance that a start-up firm needs. [SECTIONS 70-72 and 75 (3).]

Venture Capital Fairs

Under current law, the department of commerce may make a grant from its appropriation for community-based economic development programs to a community-based economic development organization or a private nonprofit organization for a venture capital fair if the fair will: (1) assist Wisconsin entrepreneurs or businesses in obtaining capital for the start-up or development of a business; and (2) likely stimulate investment, promote economic development or create or retain jobs in the state. The draft establishes that an eligible venture capital fair may be local, statewide or multi-state in nature and directs the department to encourage the development of regional venture fairs in the upper midwest that meet the 2 conditions specified above for receipt of a grant to support a venture capital fair. [SECTIONS 67 and 68.]

Foreign Language Immersion Instruction Grants

The draft creates a foreign language immersion instruction grant program which requires the state superintendent of public instruction to award grants, on a competitive basis, to an educational organization or consortium of such organizations for the development and implementation of a foreign language immersion instruction program in public or private schools in grades kindergarten to 6. Under the draft, the state superintendent is required to promulgate rules defining "educational organization". The draft appropriates \$350,000 general purpose revenue (GPR) in fiscal year 1999-00 and \$750,000 in fiscal year 2000-01. [SECTIONS 1, 2 and 38.]

Wisconsin World Geography Fund

The draft creates a one-time appropriation of \$500,000 GPR in fiscal year 2000-01 for the Wisconsin world geography fund. The draft requires the state superintendent of public instruction to enter into an agreement with the national geographic society education foundation to establish the fund. The agreement must require the foundation to manage the fund and must require the state superintendent to award a grant of \$500,000 to the fund if the award is matched by the foundation. The agreement must further require that the income and appreciation of the fund be used to fund grants to educational programs in the state that improve the geographic literacy of students and teachers. The agreement must require that the national geographic society education foundation annually submit a statement of the Wisconsin world geography fund account prepared by an independent auditor to the state superintendent, along with a report on the recipients who received a grant from the fund.

Finally, the agreement must provide that if the fund ceases to operate, or the state withdraws from participation, the state contribution to the fund, along with any unexpended income or appreciation of the fund attributable to the state's contribution, must be returned to the state. [SECTIONS 1, 2, 3, 37 and 75 (1).]

W-2 Transportation Services

The draft makes the following changes in the W-2 program relating to transportation services:

• **W-2 Advisory Committee on Transportation**

Under current law, each W-2 agency must establish a community steering committee which, among other things, is to advise the W-2 agency concerning employment and training activities and to provide and encourage others to provide jobs and training opportunities for W-2 participants. The community steering committee must also work with W-2 participants, employers, child care providers and the community to identify child care needs, improve access to child care and expand availability of child care.

The draft requires the community steering committee to establish an advisory committee on transportation strategies and planning. The advisory committee is to be made up of local transit or transportation providers, employers, child care providers, a representative of a community organization that serves participants in the W-2 program, a representative of a W-2 agency and other persons considered appropriate by the steering committee. The advisory committee must make recommendations to the steering committee on ways to provide affordable and sufficient transportation options to low-income workers to access employment opportunities, child care services and other services conducive to stable employment. [SECTION 9.]

• **Accounting for Transportation Expenses**

Currently, W-2 agencies are provided a certain amount of funds to provide W-2 services to eligible individuals. W-2 agencies are authorized to provide transportation assistance to eligible individuals. Those services are paid for out of a W-2 agency's "ancillary services" account. This ancillary services account may be used to provide other services such as jobs skills assessment, job coaching, employment search, emergency child care and worker's compensation premiums. Current law does not require a W-2 agency to provide an accounting of its W-2-related transportation expenses.

The draft requires W-2 agencies to provide to the DWD an accounting of the amount expended on W-2-related transportation services in each contract year. [SECTION 10.]

• **Eligibility for Transportation Assistance**

Under current law, W-2 agencies may provide transportation assistance in a manner prescribed by DWD. The W-2 agency must limit any financial assistance it provides to financial assistance for public transportation if a form of public transportation is available that meets the needs of the participant. Generally, a person is eligible for W-2 transportation assistance if the individual is a member of a "W-2 group", the gross income of which is at or below 115% of the federal poverty line.

The draft raises the eligibility limit for W-2 transportation assistance to a level at or below 165% of the federal poverty line and makes noncustodial parents of children in a W-2 group eligible for W-2 transportation assistance. [SECTION 12.]

Advanced Journeyworker Credential Pilot Program

The draft establishes an advanced journey worker credential pilot program to be implemented by the DWD to expand the development and training of the current work force through expansion of the adult apprenticeship model.

The draft authorizes DWD to implement 3 pilot programs in the state to provide credentialing opportunities beyond the journeyman level to recognize advanced training and post-apprenticeship achievements. The draft requires the department to submit to the legislature by July 1, 2003, an evaluation of the program.

The program may be implemented beginning July 1, 1999. The draft appropriates \$160,000 in fiscal year 1999-00 and \$120,000 in fiscal year 2000-01. This amount includes \$80,000 per year for salary, fringe benefits and supplies for one additional full-time equivalent position, \$30,000 for one-time program design and implementation costs and \$50,000 for ongoing program development and promotional costs. [SECTIONS 36, 73 and 75 (2).]

Brownfields

As noted above, the draft makes changes to the state's brownfield laws. Those changes are described below.

• **Expand Protections for Local Units of Government That Involuntarily Acquire Contaminated Property**

Current law generally requires a person who possesses or controls a hazardous substance that is discharged or who causes the discharge of a hazardous substance to restore the environment to the extent practicable and to minimize the harmful effects of the discharge on the environment. Current law generally exempts a local governmental unit from these clean-up requirements with respect to hazardous substance discharges on land acquired in specified ways, such as through tax delinquency proceedings and condemnation. "Local governmental unit" is defined to include a city, village, town, county, redevelopment authority and housing authority.

This draft expands the local governmental unit exemption from clean-up requirements so that it applies to land acquired with funds from the state's stewardship program. The draft also expands the definition of "local governmental unit" to include a community development authority.

Under current law, the local governmental unit exemption from clean-up requirements is not available if the discharge is from an underground petroleum storage tank. This draft eliminates that limitation.

This draft also exempts a local governmental unit that has acquired property in one of the specified ways from certain requirements relating to hazardous or solid waste if the hazardous or solid waste is cleaned up, DNR approves the cleanup and other conditions are satisfied. [SECTIONS 47, 51-53, 56 and 64.]

• **Provide Flexibility With Development Zone Tax Credits for Remediation**

Under current law, a person may claim an income tax credit for up to 50% of the person's environmental remediation expenses that occur in a development zone. Under current law, the credit may not be transferred between persons, and a municipality or nonprofit organization that engages in remedial remediation activities in a development zone may not claim a credit.

This draft provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer to any other person subject to taxation in Wisconsin the right to claim the credit. In addition, the draft provides that a person may claim a credit for 50% of the amount expended by a municipality or a tax-exempt or nonprofit organization for environmental remediation in a development zone if the municipality or organization has entered into an exclusive

written agreement with the person claiming the credit. The draft requires the department of revenue (DOR) to promulgate rules implementing the credit transfer provisions. [SECTIONS 26-28 and 74 (4).]

• **Modify the DNR Land Recycling Loan Program**

Under the land recycling loan program, the state provides loans to cities, villages, towns and counties (political subdivisions) for projects to remedy environmental contamination at sites owned by political subdivisions where the environmental contamination has affected, or threatens to affect, groundwater or surface water. The loans are provided at subsidized interest rates.

This draft provides that recipients of loans under the land recycling loan program are not required to pay any interest. The draft makes redevelopment authorities and housing authorities eligible for loans under the program. The draft also provides that a political subdivision may obtain a loan to remedy environmental contamination at a site owned by a redevelopment authority or a housing authority. In addition, the draft provides that land recycling loans may not be made for the purpose of refinancing site investigations. [SECTIONS 39-45.]

• **Modify Environmental Remediation Tax Incremental Financing District**

Under current law, a city, village, town or county (political subdivision) may create an environmental remediation tax incremental district (ERTID) to defray the costs of remediating contaminated property that is owned by the political subdivision. The mechanism for financing costs that are eligible for remediation is very similar to the mechanism under the tax incremental financing (TIF) program. If the remediated property is transferred to another person and is then subject to property taxation, environmental remediation (ER) tax incremental financing may be used to allocate some of the property taxes that are levied on the property to the political subdivision to pay for the costs of remediation.

Under the draft, ER tax incremental financing may be used to defray the costs of remediating contaminated property that is owned by private persons.

Before the political subdivision may use ER tax incremental financing, however, it must create a joint review board that is similar to the current law tax incremental district (TID) joint review board, or a city or village may use an existing TID joint review board to review the political subdivision's proposal to remediate environmental pollution. If the joint review board approves the proposal, the political subdivision may proceed with its plan. An ERTID joint review board is made up of one

representative chosen by the school district that has power to levy taxes on the property that is remediated, one representative chosen by the technical college district that has power to levy taxes on the property, one representative chosen by the county that has power to levy taxes on the property that is remediated, one representative chosen by the political subdivision and one public member.

A political subdivision that has incurred "eligible costs" to remediate environmental pollution on a parcel of property may apply to the DOR to certify the "environmental remediation tax incremental base" (ERTIB) of the parcel. DOR is required to certify the ERTIB if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred eligible costs, detailing the purpose and amount of the expenditures, and including certification of the department of natural resources (DNR) that the ER has been completed; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its ER costs by using an "ER tax increment"; and 3) a statement that the political subdivision has attempted to recover its ER costs from the person who is responsible for the environmental pollution that is remediated.

Under the draft, the environmental remediation does not need to be completed before a political subdivision may ask DOR to certify the ERTIB. The political subdivision is required, under the draft, to submit to DOR a statement that the political subdivision has incurred some eligible costs and includes with the statement a detailed proposed remedial action plan approved by DNR that contains cost estimates for anticipated eligible costs and a schedule for the design and implementation that is needed to complete the remediation. The political subdivision is also required to include certification from DNR that the department has approved the site investigation report that relates to the parcel.

Under current law, "eligible costs" are capital costs, cancellation of delinquent taxes, financing costs and administrative and professional service costs for the removal, containment or monitoring of, or the restoration of soil or groundwater affected by, environmental pollution. Eligible costs are reduced by any amounts received from persons who are responsible for the discharge of a hazardous substance on the property to pay remediation costs and by the amount of net gain on the sale of the property by the political subdivision. The "ERTIB" of the property is the property's equalized value on the January 1 preceding the date on which DNR certifies that the property has been properly remediated. No expenditure for an eligible cost may be made by a

political subdivision later than seven years after the ERTIB is certified by DOR.

The draft changes the definition of eligible costs to include property acquisition costs, costs associated with the restoration of air, surface water and sediments affected by environmental pollution, demolition costs including asbestos removal, and removing and disposing of certain abandoned containers. The draft reduces eligible costs by any amounts received, or reasonably expected by the political subdivision to be received, from a local, state or federal program for the remediation of contamination in the district that do not require reimbursement or repayment. The draft also requires that an ERTID be created on contiguous parcels of property. Under the draft, a political subdivision is authorized to use an ER tax increment to pay the cost of remediating environmental pollution of groundwater without regard to whether the property above the groundwater is owned by the political subdivision. If the property that is being remediated is sold by a political subdivision, it may not be sold or transferred to any person who is responsible for the environmental pollution that is remediated. [SECTIONS 14-19 and 74 (1).]

• Create Interim Liability Protections During the Voluntary Party Liability Exemption Process and Expand the Voluntary Party Liability Exemption and the Liability Protections for Local Units of Government

Current law generally requires a person who possesses or controls a hazardous substance that is discharged or who causes the discharge of a hazardous substance to restore the environment to the extent practicable and to minimize the harmful effects of the discharge on the environment. Under current law, a person who did not intentionally or recklessly cause the original discharge of a hazardous substance on a property, called a "voluntary party", is exempt from absolute requirements to restore the environment and minimize the harmful effects of the discharge on a property, and from the requirements of other laws relating to hazardous substances, if an environmental investigation of the property is conducted and approved by the DNR, the property is cleaned up, DNR issues a certificate of completion stating that the cleanup restored the environment and minimized the harmful effects of the discharge and the voluntary party maintains and monitors the property as required by DNR. This exemption applies if later changes to the law would impose greater responsibilities on the voluntary party or if it is later discovered that the cleanup failed to restore the environment fully or to minimize the harmful effects of the discharge.

The draft specifies that the exemptions apply only with respect to hazardous substances released on the property before the DNR approves an environmental investigation of the property, one of the necessary conditions for the exemptions to apply.

In addition, under the draft, if an environmental investigation of a property is conducted and approved by DNR, a voluntary party obtains insurance to cover the costs of cleaning up hazardous substance discharges discovered after the environmental investigation is approved, an additional hazardous substance discharge is discovered during a cleanup and a second environmental investigation is conducted and approved by DNR, a voluntary party is exempt from the requirements to clean up any hazardous substance discharge discovered after the second environmental investigation is approved.

Current law generally exempts a local governmental unit from the above clean-up requirements with respect to hazardous substance discharges on land acquired in specified ways, such as through tax delinquency proceedings and condemnation.

The draft expands the exemption from the clean-up requirements so that it applies to land acquired through escheat and land acquired from another local governmental unit that is entitled to the exemption. (Land is acquired through escheat when the owner dies without a will that disposes of the land and without any heir.) The draft also requires local governmental units to agree to provide access to land that is subject to the exemption for the purpose of letting someone else conduct a cleanup of the discharge.

Generally, current law provides that a local governmental unit is immune from civil liability for a discharge of a hazardous substance on or from property formerly owned or controlled by the local governmental unit if the property is no longer owned by the local governmental unit at the time that the discharge is discovered if the property was acquired by the local governmental unit in certain ways. Those ways include the acquisition of the property through tax delinquency proceedings, as the result of an order of a bankruptcy court, through condemnation or in pursuit of slum clearance or blight elimination.

The draft expands this immunity to property acquired in these ways that is still owned or controlled by the local unit of government at the time the discharge is discovered. [SECTIONS 48-50, 54, 55, 58-62 and 65.]

• Require Use of Natural Attenuation in Area-Wide Groundwater Approaches and Consideration of Groundwater Use in Conducting Cleanups

Current law gives the DNR authority to promulgate administrative rules governing brownfields cleanup. Under current administrative rules, one of the criteria for case closure approval in a situation in which hazardous substance discharges into groundwater exceed enforcement standards or preventive action limits is that, among other things, groundwater contamination exceeding those standards or limits will not migrate beyond the boundaries of the property or properties for which groundwater use restrictions have been recorded.

Under the draft, DNR is required to adopt groundwater standards to be met through remediation activities that take into consideration the natural quality of the groundwater, the current and likely future uses of the groundwater and the potential threat to public health or the environment from the groundwater. In addition, the draft requires that in determining the criteria for closure of a case involving groundwater contamination exceeding enforcement standards or preventive action limits, DNR must consider institutional controls, including municipal ordinances, that provide adequate notice to the public of groundwater contamination in the area affected by the groundwater contamination to be equivalent to recorded groundwater use restrictions. [SECTIONS 46, 57, 63 and 66.]

1 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the
2 following amounts for the purposes indicated:

		1999-00	2000-01
3			
4	20.255 Public Instruction		
5	(2) AIDS FOR LOCAL EDUCATIONAL PROGRAMMING		
6	(dr) Foreign language immersion		
7	instruction grants	GPR A \$350,000	\$750,000
8	(3) AIDS TO LIBRARIES, INDIVIDUALS AND ORGANIZATIONS		
9	(er) Wisconsin world geography fund	GPR A —	\$500,000

10 SECTION 2. 20.255 (2) (dr) and (3) (er) of the statutes are created to read:

1 20.255 (2) (dr) *Foreign instruction grants*. The amounts in the schedule for foreign
2 language immersion instruction grants under s. 115.455.

3 (3) (er) *Wisconsin world geography fund*. The amounts in the schedule for a grant for
4 the Wisconsin world geography fund under s. 115.28 (42).

5 **SECTION 3.** 20.255 (3) (er) of the statutes, as affected by 1999 Wisconsin Act . . . (this
6 Act), is repealed.

7 **SECTION 4.** 38.04 (27) of the statutes is created to read:

8 38.04 (27) **JOB RETENTION SKILLS DEVELOPMENT PROGRAMS.** (a) In order to assist
9 employers to retain new employees, build job skill levels of those employees and assist those
10 employees in attaining higher wages and long-term careers, the board shall establish and
11 supervise training programs for employees in basic job retention skills development.

12 (b) The programs under par. (a) shall be available to all employers in the state and, to
13 the extent practicable, shall be offered at employment sites.

14 (c) The program shall emphasize job retention skills development for employees with
15 gross incomes at or below 200% of the poverty line, as defined in s. 49.001 (5), who are any
16 of the following:

17 1. Current or former recipients of public assistance, including participants in W-2
18 employment positions under s. 49.147.

19 2. Employees within the first 6 months of employment with their employer.

20 3. Entry-level employees.

21 (d) The board shall determine the length and content of the programs offered under par.

22 (a) after consultation with employers, district boards, W-2 agencies, local units of government
23 and labor organizations. The program shall include the following elements:

24 1. Skills needed to achieve punctuality and consistency in attendance at employment.

- 1 2. Skills needed to effectively work in a team.
- 2 3. Skills needed to effectively communicate with supervisors and coworkers.
- 3 4. Skills necessary for solving basic workplace-related personal and interpersonal
- 4 problems.

5 (e) The board, in consultation with employers, district boards and the department of
6 workforce development, shall develop standards to assess job retention and soft skills
7 competencies of participants before and after participation in the program.

8 (f) This subsection shall not apply after December 31, 2004.

9 **SECTION 5.** 38.04 (28) of the statutes is created to read:

10 **38.04 (28) APPLIED TECHNOLOGY CENTERS.** (a) The board shall develop, implement and
11 administer an approval process to approve the borrowing by district boards of funds to
12 purchase or construct facilities to be used as applied technology centers under s. 38.15 (7).
13 The board shall develop the approval process in consultation with representatives of business
14 and labor interests.

15 (b) To be approved under par. (a), the district board must demonstrate, to the satisfaction
16 of the board, all of the following:

17 1. That the proposed applied technology center is likely to increase or retain the number
18 of jobs in the region to be served by the proposed center that require a high level of skill and
19 provide a high level of wages.

20 2. That the productivity of workers that would use the applied technology centers is
21 likely to increase.

22 3. That a commitment exists from businesses in the region to be served by the proposed
23 applied technology center to fund 30% of the capital costs of the applied technology center,
24 100% of the direct operating costs of services provided at the applied technology center

1 pursuant to a contract under s. 38.14 (3) and 20% of the indirect operating costs of services
2 provided at the applied technology center pursuant to a contract under s. 38.14 (3).

3 4. That representatives of labor and business interests were consulted on the
4 development of the proposed applied technology center.

5 (c) The board shall require each district board receiving approval under this subsection
6 to report, annually by December 1 beginning in the year the applied technology center is
7 operational, on the change in wages, productivity, and skill levels of workers that have been
8 directly served by the applied technology center.

9 (d) Paragraphs (a) and (b) do not apply after December 31, 2002.

10 **SECTION 6.** 38.12 (12) of the statutes is created to read:

11 38.12 (12) JOB RETENTION SKILLS PROGRAMS. (a) The district board shall make available
12 to all employers in the district a job retention skills program as described in s. 38.04 (27).

13 (b) To the extent practicable, the district board shall assist employers in providing
14 ongoing job retention skills development and reinforcement activities in the workplace.

15 (c) The district board may charge employers a fee for the program and services offered
16 under this subsection.

17 (d) This subsection does not apply after December 31, 2004.

18 **SECTION 7.** 38.15 (1) of the statutes is amended to read:

19 38.15 (1) Subject to sub. (3), and except as provided in sub. (7), if the district board
20 intends to make a capital expenditure in excess of \$500,000, excluding moneys received from
21 gifts, grants or federal funds, for the acquisition of sites, purchase or construction of buildings,
22 the lease/purchase of buildings if costs exceed \$500,000 for the lifetime of the lease, building
23 additions or enlargements or the purchase of fixed equipment relating to any such activity, it
24 shall adopt a resolution stating its intention to do so and identifying the anticipated source of

1 revenue for each project and shall submit the resolution to the electors of the district for
2 approval. The referendum shall be noticed, called and conducted as provided in s. 67.05 (3)
3 insofar as applicable. For the purposes of this section, all projects located on a single campus
4 site within one district which are bid concurrently or which are approved by the board under
5 s. 38.04 (10) within a 2-year period shall be considered as one capital expenditure project.

6 **SECTION 8.** 38.15 (7) of the statutes is created to read:

7 38.15 (7) The district board, upon resolution, and with the approval of the board, may
8 encumber or expend up to \$5,000,000 prior to December 31, 2002, for the purchase or
9 construction of facilities to be used as applied technology centers, as described in s. 38.04 (28).
10 This subsection does not apply after December 31, 2002.

11 **SECTION 9.** 49.143 (2) (a) 11. of the statutes is created to read:

12 49.143 (2) (a) 11. Establish an advisory committee on transportation strategies and
13 planning consisting of local transit or transportation providers, employers, child care
14 providers, a representative of a community organization that serves participants, a
15 representative of a Wisconsin works agency and other persons considered appropriate by the
16 steering committee to make recommendations to the steering committee on ways to provide
17 affordable and sufficient transportation options to low-income workers to access employment
18 opportunities, child care services and other services conducive to stable employment.

19 **SECTION 10.** 49.143 (2) (er) of the statutes is created to read:

20 49.143 (2) (er) Provide to the department an accounting of the amount expended on
21 Wisconsin works-related transportation services in each year of the contract in a manner
22 prescribed by the department.

23 **SECTION 11.** 49.1475 of the statutes is created to read:

1 **49.1475 Follow-up services.** Following any follow-up period required by the contract
2 entered into under s. 49.143, a Wisconsin works agency shall provide case management
3 services for an individual who moves from a Wisconsin works employment position to
4 unsubsidized employment to help the individual retain the unsubsidized employment. Case
5 management services provided under this section shall be coordinated with a program offered
6 by a technical college under s. 38.12 (12).

7 **SECTION 12.** 49.157 of the statutes is amended to read:

8 **49.157 Wisconsin works; transportation assistance.** A Wisconsin works agency
9 may provide transportation assistance in the manner prescribed by the department. In addition
10 to any other eligibility criteria established by the department, an individual is eligible for
11 transportation assistance if the gross income of the Wisconsin works group of which the
12 individual is a member is at or below 165% of the poverty line. In calculating gross income
13 under this section, the Wisconsin works agency shall include the items specified in s. 49.145
14 (3) (b) 1. to 3. A noncustodial parent of a dependent child is eligible for transportation
15 assistance under this section if the dependent child's custodial parent is a participant and if the
16 noncustodial parent is subject to a child support order. The Wisconsin works agency shall limit
17 any financial assistance granted under this subsection to financial assistance for public
18 transportation if a form of public transportation that meets the needs of the participant is
19 available.

20 **SECTION 13.** 49.175 (1) (nm) of the statutes is created to read:

21 **49.175 (1) (nm) Job retention skills development programs.** For payments to the
22 Wisconsin technical college system board for implementation costs of the job retention skills
23 development program under s. 38.04 (27), \$200,000 in fiscal year 1999-2000.

24 **SECTION 14.** 66.462 (1) (c) of the statutes is amended to read:

1 66.462 (1) (c) "Eligible costs" means capital costs, financing costs and administrative
2 and professional service costs, incurred or estimated to be incurred by a political subdivision,
3 for the investigation, removal, containment or monitoring of, or the restoration of soil, air,
4 surface water, sediments or groundwater affected by, environmental pollution, including
5 monitoring costs incurred within 2 years after the date on which the department of natural
6 resources certifies that environmental pollution on the property has been remediated,
7 cancellation of delinquent taxes, property acquisition costs, demolition costs including
8 asbestos removal, and removing and disposing of underground storage tanks or abandoned
9 containers, as defined in s. 292.41 (1), except that for any parcel of land "eligible costs" shall
10 be reduced by any amounts received from persons responsible for the discharge, as defined
11 in s. 292.01 (3), of a hazardous substance on the property to pay for the costs of remediating
12 environmental pollution on the property, by any amounts received, or reasonably expected by
13 the political subdivision to be received, from a local, state or federal program for the
14 remediation of contamination in the district that do not require reimbursement or repayment
15 and by the amount of net gain from the sale of the property by the political subdivision.
16 "Eligible costs" associated with groundwater affected by environmental pollution include
17 investigation and remediation costs for groundwater that is located in, and extends beyond,
18 the property that is being remediated.

19 **SECTION 15.** 66.462 (2) of the statutes is renumbered 66.462 (2) (a) and amended to
20 read:

21 66.462 (2) USE OF ENVIRONMENTAL REMEDIATION TAX INCREMENTS. (a) A political
22 subdivision that develops, and whose governing body approves, a written proposal to
23 remediate environmental pollution ~~on property owned by the political subdivision~~ may use
24 an environmental remediation tax increment to pay the eligible costs of remediating

1 environmental pollution on contiguous parcels of property that is are located within the
2 political subdivision and that are not part of a tax incremental district created under s. 66.46
3 and that is owned by the political subdivision at the time of the remediation and then
4 transferred to another person after the property is remediated, as provided in this section,
5 except that a political subdivision may use an environmental remediation tax increment to pay
6 the cost of remediating environmental pollution of groundwater without regard to whether the
7 property above the groundwater is owned by the political subdivision. If the political
8 subdivision owns the property that is being remediated, the political subdivision may not sell
9 or otherwise transfer the property to any person who is responsible for the environmental
10 pollution that is remediated. No political subdivision may submit an application to the
11 department under sub. (4) until the joint review board approves the political subdivision's
12 written proposal under sub. (3).

13 **SECTION 16.** 66.462 (2) (b) of the statutes is created to read:

14 66.462 (2) (b) No expenditure for an eligible cost may be made by a political
15 subdivision later than 7 years after the environmental remediation tax incremental base is
16 certified by the department under sub. (4).

17 **SECTION 17.** 66.462 (3) (b) 2. of the statutes is amended to read:

18 66.462 (3) (b) 2. No written application may be submitted under sub. (4) unless the
19 board approves the written proposal under sub. (2) (a) by a majority vote not less than 10 days
20 nor more than 30 days after receiving the proposal.

21 **SECTION 18.** 66.462 (4) (a) of the statutes is amended to read:

22 66.462 (4) (a) The political subdivision submits a statement that it has incurred some
23 eligible costs, and includes with the statement a detailed proposed remedial action plan
24 approved by the department of natural resources that contains cost estimates for anticipated

1 eligible costs and a schedule for the design, implementation and construction that is needed
2 to complete the remediation, with respect to the parcel or contiguous parcels of property and
3 the statement details the purpose and amount of the expenditures already made and includes
4 a dated certificate issued by the department of natural resources that certifies that
5 environmental pollution on the parcel of property has been remediated the department of
6 natural resources has approved the site investigation report that relates to the parcel or
7 contiguous parcels in accordance with rules promulgated by the department of natural
8 resources.

9 **SECTION 19.** 66.462 (4) (c) of the statutes is amended to read:

10 66.462 (4) (c) The political subdivision submits a statement, signed by its chief
11 executive officer, that the political subdivision has attempted to recover the cost of
12 remediating environmental pollution on the property from ~~responsible parties~~ the person who
13 caused the environmental pollution.

14 **SECTION 20.** 71.05 (6) (a) 15. of the statutes is amended to read:

15 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di),
16 (2dj), (2dL), (2dr), (2ds), (2dx) and (3s) and (5r) not passed through by a partnership, limited
17 liability company or tax-option corporation that has added that amount to the partnership's,
18 company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

19 **SECTION 21.** 71.07 (5r) of the statutes is created to read:

20 **71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any partner, member of
21 a limited liability company or a shareholder of a tax-option corporation may credit against
22 taxes otherwise due under this chapter an amount equal to 100% of the amount of the partner's,
23 member's or shareholder's productivity enhancement training expenses certified by the

1 department of commerce under s. 560.25 in the tax year for which the expenses are certified
2 not to exceed \$7,500.

3 (b) The carry forward provisions of s. 71.28 (5r) (b) and (f) as they apply to the credit
4 under s. 71.28 (5r) apply to the credit under this subsection.

5 (c) A partner, member of a limited liability company or a shareholder of a tax-option
6 corporation may not claim the credit under par. (a) for any productivity enhancement training
7 expenses that the partner, member or shareholder deducted from gross income for Wisconsin
8 purposes under section 162 of the Internal Revenue Code.

9 (d) Partnerships, limited liability companies and tax-option corporations may not claim
10 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
11 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
12 limited liability company or tax-option corporation shall compute the amount of credit that
13 each of its partners, members or shareholders may claim and shall provide that information
14 to each of them. Partners, members of limited liability companies and shareholders of
15 tax-option corporations may claim the credit in proportion to their ownership interest.

16 (e) In this subsection, "productivity enhancement training expenses" means expenses
17 certified under s. 560.25 of a partnership, limited liability company or tax-option corporation
18 in providing training which is designed to improve the productivity of the partnership's
19 limited liability company's or tax-option corporation's incumbent work force and promote or
20 provide workers for high-skill, high-wage jobs. "Productivity enhancement training
21 expenses" includes expenses incurred for assessment and consultation under s. 560.25 (4) (b),
22 not to exceed \$2,000.

23 (f) No credit may be taken under this subsection for any tax year that begins after
24 December 31, 2008.

1 **SECTION 22.** 71.08 (1) (intro.) of the statutes is amended to read:

2 71.08 (1) **IMPOSITION.** (intro.) If the tax imposed on a natural person, married couple
3 filing jointly, trust or estate under s. 71.02, not considering the credits under ss. 71.07 (1),
4 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6) and (9e), 71.28 (1dd),
5 (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and 71.47 (1dd), (1de),
6 (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and subchs. VIII and IX and
7 payments to other states under s. 71.07 (7), is less than the tax under this section, there is
8 imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax
9 under s. 71.02, an alternative minimum tax computed as follows:

10 **SECTION 23.** 71.10 (4) (k) of the statutes is created to read:

11 71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5r).

12 **SECTION 24.** 71.21 (4) of the statutes is amended to read:

13 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj),
14 (2dL), (2ds), (2dx) ~~and~~, (3s) and (5r) and passed through to partners shall be added to the
15 partnership's income.

16 **SECTION 25.** 71.26 (2) (a) of the statutes is amended to read:

17 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means the
18 gross income as computed under the ~~internal revenue code~~ Internal Revenue Code as modified
19 under sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
20 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed under s.
21 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx) and (5r) and not passed through by a
22 partnership, limited liability company or tax-option corporation that has added that amount
23 to the partnership's, limited liability company's or tax-option corporation's income under s.
24 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other disposition of assets

1 the gain from which would be wholly exempt income, as defined in sub. (3) (L), if the assets
2 were sold or otherwise disposed of at a gain and minus deductions, as computed under the
3 ~~internal revenue code~~ Internal Revenue Code as modified under sub. (3), plus or minus, as
4 appropriate, an amount equal to the difference between the federal basis and Wisconsin basis
5 of any asset sold, exchanged, abandoned or otherwise disposed of in a taxable transaction
6 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

7 **SECTION 26.** 71.28 (1dx) (b) 1. of the statutes is amended to read:

8 71.28 (1dx) (b) 1. Fifty percent of the amount expended by the person for environmental
9 remediation in a development zone.

10 **SECTION 27.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

11 71.28 (1dx) (b) 1m. Fifty percent of the amount expended by a municipality, as defined
12 in s. 292.01 (11), or an organization that is exempt from federal income taxation under section
13 501 (c) (3) of the Internal Revenue Code for environmental remediation in a development zone
14 if the municipality or organization has entered into an exclusive written agreement with the
15 person claiming the credit that approves of the person claiming the credit based on the
16 expenditures of the municipality or organization. The department shall promulgate rules
17 implementing this subdivision.

18 **SECTION 28.** 71.28 (1dx) (f) of the statutes is created to read:

19 71.28 (1dx) (f) *Transfer of credits.* Any person eligible to claim credit under par. (b)
20 1. may transfer to any other person subject to taxation under this chapter, the right to claim
21 the credit under par. (b) 1. The department shall promulgate rules governing the transfer of
22 credits under this paragraph.

23 **SECTION 29.** 71.28 (5r) of the statutes is created to read:

1 71.28 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any corporation may
2 credit against taxes otherwise due under this chapter an amount equal to 100% of the amount
3 of the corporation's productivity enhancement training expenses certified by the department
4 of commerce under s. 560.25 in the tax year for which the expenses are certified, not to exceed
5 \$7,500.

6 (b) Any corporation receiving a credit under this subsection may carry forward to the
7 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
8 in which the productivity enhancement training expenses were incurred.

9 (c) A corporation may not claim the credit under par. (a) for any productivity
10 enhancement training expenses that the corporation deducted from gross income for
11 Wisconsin purposes under section 162 of the Internal Revenue Code.

12 (d) Partnerships, limited liability companies and tax-option corporations may not claim
13 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
14 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
15 limited liability company or tax-option corporation shall compute the amount of credit that
16 each of its partners, members or shareholders may claim and shall provide that information
17 to each of them. Partners, members of limited liability companies and shareholders of
18 tax-option corporations may claim the credit in proportion to their ownership interest.

19 (e) In this subsection, "productivity enhancement training expenses" means expenses
20 certified under s. 560.25 of a corporation in providing training which is designed to improve
21 the productivity of a corporation's incumbent work force and promote or provide workers for
22 high-skill, high-wage jobs. "Productivity enhancement training expenses" includes
23 expenses incurred for assessment and consultation under s. 560.25 (4) (b), not to exceed
24 \$2,000.

1 (f) No credit may be taken under this subsection for any tax year that begins after
2 December 31, 2008. Credits under this subsection for taxable years that begin before
3 December 31, 2008 may be carried forward to taxable years that begin after December 31,
4 2008.

5 **SECTION 30.** 71.30 (3) (g) of the statutes is created to read:

6 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).

7 **SECTION 31.** 71.34 (1) (g) of the statutes is amended to read:

8 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
9 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) ~~and~~, (3) and (5r) and
10 passed through to shareholders.

11 **SECTION 32.** 71.45 (2) (a) 10. of the statutes is amended to read:

12 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed
13 under s. 71.47 (1dd) to (1dx) and (5r) and not passed through by a partnership, limited liability
14 company or tax-option corporation that has added that amount to the partnership's, limited
15 liability company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) and
16 the amount of credit computed under s. 71.47 (1), (3), (4) and (5).

17 **SECTION 33.** 71.47 (5r) of the statutes is created to read:

18 71.47 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any corporation may
19 credit against taxes otherwise due under this chapter an amount equal to 100% of the amount
20 of the corporation's productivity enhancement training expenses certified by the department
21 of commerce under s. 560.25 in the tax year for which the expenses are certified, not to exceed
22 \$7,500.

1 (b) Any corporation receiving a credit under this subsection may carry forward to the
2 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
3 in which the productivity enhancement training expenses were incurred.

4 (c) A corporation may not claim the credit under par. (a) for any productivity
5 enhancement training expenses that the corporation deducted from gross income for
6 Wisconsin purposes under section 162 of the Internal Revenue Code.

7 (d) Partnerships, limited liability companies and tax-option corporations may not claim
8 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
9 on their productivity enhancement training expenses certified under s. 560.25. A partnership,
10 limited liability company or tax-option corporation shall compute the amount of credit that
11 each of its partners, members or shareholders may claim and shall provide that information
12 to each of them. Partners, members of limited liability companies and shareholders of
13 tax-option corporations may claim the credit in proportion to their ownership interest.

14 (e) In this subsection, "productivity enhancement training expenses" means expenses
15 certified under s. 560.25 of a corporation in providing training which is designed to improve
16 the productivity of a corporation's incumbent work force and promote or provide workers for
17 high-skill, high-wage jobs. "Productivity enhancement training expenses" includes
18 expenses incurred for assessment and consultation under s. 560.25 (4) (b), not to exceed
19 \$2,000.

20 (f) No credit may be taken under this subsection for any tax year that begins after
21 December 31, 2008. Credits under this subsection for taxable years that begin before
22 December 31, 2008 may be carried forward to taxable years that begin after December 31,
23 2008.

24 SECTION 34. 71.49 (1) (g) of the statutes is created to read:

1 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

2 **SECTION 35.** 77.92 (4) of the statutes is amended to read:

3 77.92 (4) "Net business income", with respect to a partnership, means taxable income
4 as calculated under section 703 of the ~~internal revenue code~~ Internal Revenue Code; plus the
5 items of income and gain under section 702 of the ~~internal revenue code~~ Internal Revenue
6 Code; minus the items of loss and deduction under section 702 of the ~~internal revenue code~~
7 Internal Revenue Code; plus payments treated as not made to partners under section 707 (a)
8 of the ~~internal revenue code~~ Internal Revenue Code; plus the credits claimed under s. 71.07
9 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) ~~and~~ (5r); but excluding income,
10 gain, loss and deductions from farming. "Net business income", with respect to a natural
11 person, estate or trust, means profit from a trade or business for federal income tax purposes
12 and includes net income derived as an employe as defined in section 3121 (d) (3) of the ~~internal~~
13 ~~revenue code~~ Internal Revenue Code.

14 **SECTION 36.** 106.01 (11) of the statutes is created to read:

15 106.01 (11) The department may establish an advanced journey worker credential pilot
16 program in up to 3 trades, crafts or businesses to recognize advanced training and
17 post-apprenticeship achievements. The department, by July 1, 2003, shall submit to the
18 legislature under s. 13.172 (2), stats., an evaluation of the effectiveness of the program
19 established under this subsection.

20 **SECTION 37.** 115.28 (42) of the statutes is created to read:

21 115.28 (42) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with the
22 national geographic society education foundation to establish a Wisconsin world geography
23 fund. The agreement must do all of the following:

24 (a) Require the national geographic society education foundation to manage the fund.

1 (b) Require the state superintendent to award a grant of \$500,000 from the appropriation
2 under s. 20.255 (3) (er) to the fund if the award is matched by the foundation.

3 (c) Require that the income and appreciation of the fund be used to fund grants to
4 educational programs in the state that improve the geographic literacy of students and
5 teachers.

6 (d) Require that, annually, the national geographic society education foundation submit
7 to the state superintendent the following:

8 1. A statement of the Wisconsin world geography fund account prepared by an
9 independent auditor.

10 2. A report on the recipients in the state who received a grant from the fund.

11 (e) Require that if the state ceases to participate in the fund, or the national geographic
12 society education foundation ceases to offer the fund, the state contribution to the fund, along
13 with any unexpended income or appreciation of the fund attributable to the state's
14 contribution, be returned to the state.

15 **SECTION 38.** 115.455 of the statutes is created to read:

16 **115.455 Foreign language instruction grants.** (1) Beginning in the 1999-00 fiscal
17 year, the state superintendent shall award at least one grant in each fiscal year, on a competitive
18 basis, to an educational organization or consortium of educational organizations for the
19 development and implementation of a foreign language immersion instruction program in a
20 public or private school in grades kindergarten to 6.

21 (2) The state superintendent shall award grants under sub. (1) from the appropriation
22 under s. 20.255 (2) (dr).

23 (3) The state superintendent shall promulgate rules defining "educational organization"
24 for the purposes of this section.

1 **SECTION 39.** 281.60 (1) (a) of the statutes is amended to read:

2 281.60 (1) (a) "Eligible applicant" means a political subdivision, a redevelopment
3 authority created under s. 66.431 or a housing authority.

4 **SECTION 40.** 281.60 (1) (c) of the statutes is repealed.

5 **SECTION 41.** 281.60 (2) of the statutes is amended to read:

6 281.60 (2) GENERAL. The department and the department of administration may
7 administer a program to provide financial assistance to eligible applicants for projects to
8 remedy environmental contamination of sites or facilities at which environmental
9 contamination has affected groundwater or surface water or threatens to affect groundwater
10 or surface water. The department and the department of administration may provide financial
11 assistance under this section to an eligible applicant only if the eligible applicant owns the
12 contaminated site or facility or, if the applicant is a political subdivision, if a redevelopment
13 authority or a housing authority owns the contaminated site or facility. The department and
14 the department of administration may not provide financial assistance under this section to
15 remedy environmental contamination at a site or facility that is not a landfill if the eligible
16 applicant caused the environmental contamination.

17 **SECTION 42.** 281.60 (2r) (a) of the statutes is amended to read:

18 281.60 (2r) (a) Making loans ~~below the market interest rate~~ for projects described in
19 sub. (2). Loans may not be made for the purpose of refinancing site investigations.

20 **SECTION 43.** 281.60 (7) (c) of the statutes is amended to read:

21 281.60 (7) (c) The department of administration determines that the eligible applicant
22 will meet the requirements of s. 281.59 (9) ~~(b)~~.

23 **SECTION 44.** 281.60 (11) of the statutes is amended to read:

1 281.60 (11) LOAN INTEREST RATES. The department and the department of
2 administration may not charge interest rate on a land recycling loan program loan ~~shall be 55%~~
3 ~~of market interest rate.~~

4 SECTION 45. 281.60 (11m) of the statutes is amended to read:

5 281.60 (11m) SERVICE FEE. The department and the department of administration shall
6 jointly charge and collect an annual service fee for reviewing and acting upon land recycling
7 loan program applications and servicing financial assistance agreements. ~~The fee shall be in~~
8 ~~addition to interest payments at the rate under sub. (11).~~ For the 1997-99 fiscal biennium, the
9 service fee shall be 0.5% of the loan balance. Fee amounts for later biennia shall be established
10 in the biennial finance plan under s. 281.59 (3) (a) 8. The department and the department of
11 administration shall specify in the biennial finance plan a fee designed to cover the costs of
12 reviewing and acting upon land recycling loan program applications and servicing financial
13 assistance agreements.

14 SECTION 46. 292.10 of the statutes is created to read:

15 **292.10 Groundwater standards.** The department shall adopt groundwater standards
16 to be met through remediation activities under this chapter that take into consideration all of
17 the following:

18 (1) The natural quality of the groundwater.

19 (2) The current and likely future uses of the groundwater.

20 (3) The potential threat to public health or the environment from the groundwater.

21 SECTION 47. 292.11 (9) (e) 1. of the statutes is amended to read:

22 292.11 (9) (e) 1. ~~Local~~ In this paragraph, "local governmental unit" means a
23 municipality, a redevelopment authority created under s. 66.431, a public body designated by
24 a municipality under s. 66.435 (4), a community development authority or a housing authority.

1 **SECTION 48.** 292.11 (9) (e) 1m. (intro.) of the statutes is amended to read:

2 292.11 (9) (e) 1m. (intro.) ~~A~~ Except as provided in subs. 2., 4., 6. and 7., a local
3 governmental unit is exempt from subs. (3), (4) and (7) (b) and (c) with respect to discharges
4 of hazardous substances on or originating from property acquired by the local government unit
5 before, on or after the effective date of this subdivision [revisor inserts date], if any of the
6 following applies:

7 **SECTION 49.** 292.11 (9) (e) 1m. b. of the statutes is amended to read:

8 292.11 (9) (e) 1m. b. The local governmental unit acquired the property from a local
9 governmental unit that ~~acquired~~ is exempt under this subdivision with respect to the property
10 ~~under a method described in subd. 1m. a.~~

11 **SECTION 50.** 292.11 (9) (e) 1m. e. of the statutes is created to read:

12 292.11 (9) (e) 1m. e. The local governmental unit acquired the property through escheat.

13 **SECTION 51.** 292.11 (9) (e) 1m. f. of the statutes is created to read:

14 292.11 (9) (e) 1m. f. The local governmental unit acquired the property using funds
15 appropriated under s. 20.866 (2) (tz).

16 **SECTION 52.** 292.11 (9) (e) 1s. of the statutes is amended to read:

17 292.11 (9) (e) 1s. ~~An~~ Except as provided in subs. 2. and 4. to 6., an economic
18 development corporation described in section 501 (c) of the Internal Revenue Code, as defined
19 in s. 71.22 (4), that is exempt from federal taxation under section 501 (a) of the Internal
20 Revenue Code, or an entity wholly owned and operated by such a corporation, is exempt from
21 subs. (3), (4) and (7) (b) and (c) with respect to property acquired before, on or after October
22 14, 1997, if the property is acquired to further the economic development purposes that qualify
23 the corporation as exempt from federal taxation.

24 **SECTION 53.** 292.11 (9) (e) 3. of the statutes is repealed.

1 **SECTION 54.** 292.11 (9) (e) 5. c. of the statutes is repealed.

2 **SECTION 55.** 292.11 (9) (e) 6. of the statutes is created to read:

3 292.11 (9) (e) 6. Subdivisions 1m. and 1s. only apply if the local governmental unit or
4 the economic development corporation agrees to allow the department, any authorized
5 representatives of the department, any party that possessed or controlled the hazardous
6 substance or caused the discharge of the hazardous substance and any consultant or contractor
7 of such a party to enter the property to take action to respond to the discharge.

8 **SECTION 56.** 292.11 (9) (e) 7. of the statutes is created to read:

9 292.11 (9) (e) 7. Subdivision 1m. does not apply to property described in subd. 1m. f.
10 unless the local governmental unit enters into an agreement with the department to ensure that
11 the conditions in subds. 2. and 4. are satisfied.

12 **SECTION 57.** 292.11 (14) of the statutes is created to read:

13 292.11 (14) In determining the criteria for closure of a case involving groundwater
14 contamination exceeding enforcement standards or preventive action limits adopted by the
15 department, the department shall consider institutional controls, including municipal
16 ordinances, that provide adequate notice to the public of groundwater contamination in the
17 area affected by the groundwater contamination to be equivalent to recorded groundwater use
18 restrictions.

19 **SECTION 58.** 292.15 (2) (a) (intro.) of the statutes is amended to read:

20 292.15 (2) (a) (intro.) Except as provided in sub. (6) or (7), a voluntary party is exempt
21 from the provisions of ss. 289.05 (1), (2), (3) and (4), 289.42 (1), 289.67, 291.25 (1) to (5),
22 291.29, 291.37, 292.11 (3), (4) and (7) (b) and (c) and 292.31 (8), and rules promulgated under
23 those provisions, with respect to ~~the existence~~ discharges of a hazardous substance substances
24 on the or originating from a property, if the release of those hazardous substances occurred

1 prior to the date on which the department approves the environmental investigation of the
2 property under subd. 1. and if all of the following occur at any time before or after the date
3 of acquisition:

4 SECTION 59. 292.15 (2) (at) of the statutes is created to read:

5 292.15 (2) (at) *Discharges discovered after environmental investigations.* Except as
6 provided in sub. (6) or (7), a voluntary party is exempt from ss. 289.05 (1), (2), (3) and (4),
7 289.42 (1), 289.67, 291.25 (1) to (5), 291.29, 291.37, 292.11 (3), (4) and (7) (b) and (c) and
8 292.31 (8), and rules promulgated under those provisions, with respect to a discharge of a
9 hazardous substance on or originating from a property if the discharge occurred before the
10 environmental investigation under subd. 1. is completed and is discovered after the
11 environmental investigation under subd. 5. is approved and if all of the following apply:

12 1. An initial environmental investigation of the property is conducted and is approved
13 by the department.

14 2. If required by the department, the voluntary party enters into an agreement with the
15 department under which the voluntary party agrees to conduct a cleanup approved by the
16 department.

17 3. The voluntary party obtains and maintains insurance to cover the costs of complying
18 with s. 292.11 (3) with respect to a hazardous substance discharges that occurred before the
19 investigation under subd. 1. is completed and that are discovered in the course of conducting
20 a cleanup of the property, the insurance complies with rules promulgated by the department
21 and the insurance names the voluntary party and this state as insureds.

22 4. A hazardous substance discharge that occurred before the investigation under subd.
23 1. is completed is discovered after the investigation under subd. 1. is approved and before the
24 cleanup is completed.

1 5. A 2nd environmental investigation of the property is conducted and is approved by
2 the department.

3 6. The voluntary party has not obtained approval of the investigation under subd. 1. or
4 5. or the agreement under subd. 2. by fraud or misrepresentation, by the knowing failure to
5 disclose material information or under circumstances in which the voluntary party knew or
6 should have known about more discharges of hazardous substances than were revealed by the
7 investigation conducted under subd. 1. or 5.

8 **SECTION 60.** 292.15 (2) (c) of the statutes is amended to read:

9 292.15 (2) (c) The department of justice may not commence an action under 42 USC
10 9607 against any voluntary party meeting the criteria of this subsection to recover costs for
11 which the voluntary party is exempt under pars. (a), (am), (at) and (b).

12 **SECTION 61.** 292.15 (4) (intro.) of the statutes is amended to read:

13 292.15 (4) LIMITED RESPONSIBILITY. (intro.) The responsibility of a voluntary party
14 under sub. (2) (a) 2. may be monetarily limited by agreement between the voluntary party and
15 the department if the voluntary party purchased the property from a local governmental unit
16 that acquired the property in a way or for a purpose described in s. 292.11 (9) (e) 1m. ~~a., b.,~~
17 ~~e. or d.~~ The agreement shall stipulate all of the following:

18 **SECTION 62.** 292.15 (6) (b) of the statutes is created to read:

19 292.15 (6) (b) This section does not exempt property from any lien filed under s. 292.81
20 (3) for costs that are incurred by the department with respect to a hazardous substance
21 discharge described in sub. (2) (at) 3. and that are not covered by insurance required by sub.
22 (2) (at) 3.

23 **SECTION 63.** 292.15 (8) of the statutes is created to read:

1 292.15 (8) In determining the criteria for closure of a case involving groundwater
2 contamination exceeding enforcement standards or preventive action limits adopted by the
3 department, the department shall consider institutional controls, including municipal
4 ordinances, that provide adequate notice to the public of groundwater contamination in the
5 area affected by the groundwater contamination to be equivalent to recorded groundwater use
6 restrictions.

7 SECTION 64. 292.24 of the statutes is created to read:

8 **292.24 Responsibility of local governmental units; hazardous or solid waste. (1)**

9 DEFINITION. In this section, "local governmental unit" has the meaning given in s. 292.11 (9)
10 (e) 1.

11 (2) EXEMPTION FROM LIABILITY. Except as provided in sub. (3), a local governmental unit
12 is exempt from ss. 291.25 (1) to (5), 291.29 and 291.37, and rules promulgated under those
13 provisions, with respect to the existence of a hazardous or solid waste on property acquired
14 in a way or for a purpose described in s. 292.11 (9) (e) 1m., if all of the following occur at any
15 time before or after the date of acquisition:

16 (a) An environmental investigation of the property is conducted that is approved by the
17 department and that identifies any hazardous or solid waste discharges that occurred on the
18 property.

19 (b) The hazardous or solid waste discharges identified by the investigation under par.
20 (a) are cleaned up by restoring the environment to the extent practicable with respect to the
21 discharges and minimizing the harmful effects from the discharges in accordance with rules
22 promulgated by the department and any contract entered into under those rules.

23 (c) The local governmental unit obtains a certificate of completion from the department
24 stating that the property has been satisfactorily restored to the extent practicable with respect

1 to the hazardous or solid waste discharges and that the harmful effects from the discharges
2 have been minimized.

3 (d) The local governmental unit maintains and monitors the property as required under
4 rules promulgated by the department and any contract entered into under those rules.

5 (e) The local governmental unit does not engage in activities that are inconsistent with
6 the maintenance of the property.

7 (f) The local governmental unit has not obtained the certification under par. (c) by fraud
8 or misrepresentation, by the knowing failure to disclose material information or under
9 circumstances in which the local governmental unit knew or should have known about more
10 discharges of hazardous or solid waste than were revealed by the investigation conducted
11 under par. (a).

12 (g) The local governmental unit did not cause the discharge of any hazardous or solid
13 waste identified on the property.

14 (3) APPLICABILITY. Subsection (2) does not apply to any of the following:

15 (a) A hazardous or solid waste treatment, storage or disposal facility that first begins
16 operation after the date on which the local governmental unit acquired the property.

17 (b) A licensed hazardous or solid waste treatment, storage or disposal facility operated
18 on the property before the date on which the local governmental unit acquired the property and
19 that is operated after the date on which the local governmental unit acquired the property.

20 (c) Any hazardous or solid waste disposal facility that has been issued a license under
21 s. 144.441 (2), 1995 stats., or s. 289.41 (1m), [ch. cross-ref.] or rules promulgated under those
22 sections, for a period of long-term care following closure of the facility.

23 SECTION 65. 292.26 (2) (intro.) of the statutes is amended to read:

1 292.26 (2) (intro.) Except as provided in sub. (3), a local governmental unit is immune
2 from civil liability related to the discharge of a hazardous substance on or from property owned
3 or controlled by the local unit of government at the time that the discharge is discovered or
4 from property formerly owned or controlled by the local governmental unit if the property is
5 no longer owned by the local governmental unit at the time that the discharge is discovered
6 and if any of the following applies:

7 **SECTION 66.** 292.31 (11) of the statutes is created to read:

8 292.31 (11) In determining the criteria for closure of a case involving groundwater
9 contamination exceeding enforcement standards or preventive action limits adopted by the
10 department, the department shall consider institutional controls, including municipal
11 ordinances, that provide adequate notice to the public of groundwater contamination in the
12 area affected by the groundwater contamination to be equivalent to recorded groundwater use
13 restrictions.

14 **SECTION 67.** 560.14 (4m) (a) (intro.) of the statutes is amended to read:

15 560.14 (4m) (a) (intro.) Subject to par. (b), the department may make a grant under this
16 subsection from the appropriation under s. 20.143 (1) (fg) to a community-based organization
17 or private nonprofit organization for a local, statewide or multi-state venture capital
18 development conference if all of the following apply:

19 **SECTION 68.** 560.14 (4m) (c) of the statutes is created to read:

20 560.14 (4m) (c) The department shall encourage the development of venture capital
21 development conferences in the upper midwest region of the United States that comply with
22 the requirements specified in par. (a) 1. and 2.

23 **SECTION 69.** 560.25 of the statutes is created to read:

1 **560.25 Productivity enhancement training expense certification.** (1) DEPARTMENT
2 POWERS AND DUTIES. The department shall develop, implement and administer a productivity
3 enhancement training expense certification program.

4 (2) PURPOSES OF PRODUCTIVITY ENHANCEMENT TRAINING EXPENSE CERTIFICATION
5 PROGRAM. The department shall develop the productivity enhancement training expense
6 certification program to assist businesses to provide training to their incumbent work force
7 designed to improve that work force's productivity and promote and provide workers for
8 high-skill and high-wage jobs.

9 (3) CERTIFICATION. The department shall certify as eligible for the tax credit under ss.
10 71.07 (5r), 71.28 (5r) and 71.47 (5r) the productivity enhancement training expenses of any
11 business that meets the eligibility requirements under sub. (4).

12 (4) ELIGIBILITY. A business may apply to have its productivity enhancement training
13 expenses certified if all of the following apply:

14 (a) The business submits to the department a productivity enhancement training plan
15 that the department finds does all of the following:

16 1. Provides for the training of the business's incumbent work force which will increase
17 the incumbent work force's productivity to achieve specific goals established as a result of the
18 assessment and consultation in par. (b).

19 2. Provides for the training of the business's incumbent work force which will result
20 in the work force holding higher skilled jobs and holding higher paying jobs, as determined
21 by the assessment and consultation in par. (b).

22 (b) The business receives pre-training needs assessment and consultation which
23 establishes the appropriateness of the proposed training from an entity experienced in

1 providing productivity assessment or business planning and that is approved by the
2 department.

3 (c) The business submits to the department an accounting of the productivity
4 enhancement training expenses incurred by the business under the plan under par. (a) and the
5 department determines that the expenses were incurred under the plan.

6 (5) REPORT. (a) Each business certified under this section and that claims the tax credit
7 under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r), shall report to the department by the March 1
8 of the year after receiving the certification on the results of its productivity enhancement
9 training and its success in meeting the goals established in its productivity enhancement
10 training plan. The report shall be on a form prescribed by the department.

11 (b) Annually, the department shall estimate the amount of foregone state revenue
12 because of the benefits claimed by persons certified under this section.

13 (c) Annually, by December 1, the department shall report to the legislature under s.
14 13.172 (2) on the effectiveness of the productivity enhancement training certification program
15 and the tax credit under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r), in meeting the purposes of
16 the program as identified in sub. (2).

17 (6) APPLICATION. The department shall, by rule, develop application procedures for the
18 productivity enhancement training certification. The application for certification shall show
19 that the applicant satisfies the requirements under sub. (4) and commits to reporting under sub.
20 (5).

21 (7) DEFINITION. For purposes of this section, "productivity enhancement training
22 expenses" means expenses of a business incurred in providing training which is designed to
23 increase the productivity of the business' incumbent work force and promote or create high-

1 skill, high-wage jobs. "Productivity enhancement training expenses" includes expenses
2 incurred for assessment and consultation under sub. (4) (b), not to exceed \$2,000.

3 (8) NOTIFICATION. The department shall notify the department of revenue of all persons
4 entitled to claim tax benefits under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r).

5 (9) TRANSFERABILITY. The tax benefits for which a person is certified as eligible under
6 this section are not transferable to another person or business.

7 (10) SUNSET. No business may be certified under this subsection after December 31,
8 2008.

9 SECTION 70. 560.31 (2) (g) of the statutes is created to read:

10 560.31 (2) (g) The person has an office in this state with at least one full-time
11 professional employe actively engaged in the investment of cash in qualified businesses in
12 Wisconsin.

13 SECTION 71. 560.33 (1) (c) of the statutes is amended to read:

14 560.33 (1) (c) During its 2 most recent fiscal years, the business had, together with all
15 of its consolidated affiliates, an average annual net income, after federal income taxes and
16 excluding any carry-over losses, of not more than ~~\$2,000,000~~ \$1,000,000, as determined in
17 accordance with generally accepted accounting principles.

18 SECTION 72. 560.34 (1r) of the statutes is created to read:

19 560.34 (1r) Notwithstanding sub. (1), an investment shall not be a qualified investment
20 if the investment is used in whole or in part to do any of the following:

21 (a) Retire outstanding long-term debt or obligations to the affiliates of the qualified
22 business.

23 (b) Purchase outstanding equity of the qualified business.

24 (c) Purchase stock or other interests in a person other than the qualified business.

1 (d) Purchase, lease or license substantially all of the assets which are currently used by
2 an existing business to produce net income after taxes to the holders of the assets.

3 **SECTION 73. Appropriation changes; department of workforce development.**

4 (1) **ADVANCED JOURNEY WORKER CREDENTIAL PILOT PROGRAM.** In the schedule under
5 section 20.005 (3) of the statutes for the appropriation to the department of workforce
6 development under section 20.445 (1) (a) of the statutes, as affected by the acts of 1999, the
7 dollar amount is increased by \$160,000 for fiscal year 1999-00 and the dollar amount is
8 increased by \$120,000 for fiscal year 2000-01 to increase the authorized FTE positions for
9 the department by 1.0 GPR position on July 1, 1999, for the implementation and program
10 development of the advanced journey worker credential pilot program.

11 **SECTION 74. Initial applicability.**

12 (1) **ENVIRONMENTAL REMEDIATION TAX INCREMENTAL FINANCING.** The treatment of
13 section 66.462 (1) (c), (2) and (4) (a) of the statutes first applies to an environmental
14 remediation tax incremental financing district, the written remediation proposal for which is
15 approved by the political subdivision's governing body on the effective date of this subsection.

16 (2) **JOB RETENTION SKILLS DEVELOPMENT PROGRAM; WISCONSIN WORKS.** The treatment of
17 section 49.1475 of the statutes first applies to Wisconsin works agencies that enter into or
18 renew contracts on the effective date of this act.

19 (3) **PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT.** The treatment of sections 71.07
20 (5r), 71.28 (5r) and 71.47 (5r) of the statutes first applies to taxable years beginning in January
21 1, 2000.

22 (4) **TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS.** The treatment of section
23 71.28 (1dx) (b) 1., 1m. and (f) by this act first applies to tax years beginning on January 1, 2000.

