

# Memo

**To:** PJK, JK, (GMM), ISR, MES, RCT

**From:** Peter G.

**Date:** 10/26/99

**Re:** Leg. Council Draft

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The attached draft was put together by John Stolzenberg and Bob Conlin for the Joint Legislative Council's Special Committee on State Strategies for Economic Development. Please mark up the pages of the draft that are in your subject matter areas and return the draft to me by December 10. I'll mark the changes on the "master." Note that much of the draft has been included in the budget act.

PG,

See pp. 2, 6, 26, 40 and 41.

GMM



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1       **AN ACT to repeal** 20.255 (3) (er), 281.60 (1) (c), 292.11 (9) (e) 3. and 292.11 (9) (e)  
2           5. c.; **to renumber and amend** 66.462 (2); **to amend** 38.15 (1), 49.157, 66.462  
3           (1) (c), 66.462 (3) (b) 2., 66.462 (4) (a), 66.462 (4) (c), 71.05 (6) (a) 15., 71.08 (1)  
4           (intro.), 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10.,  
5           77.92 (4), 281.60 (1) (a), 281.60 (2), 281.60 (2r) (a), 281.60 (7) (c), 281.60 (11),  
6           281.60 (11m), 292.11 (9) (e) 1., 292.11 (9) (e) 1m. (intro.), 292.11 (9) (e) 1m. b.,  
7           292.11 (9) (e) 1s., 292.15 (2) (a) (intro.), 292.15 (2) (c), 292.15 (4) (intro.), 292.26  
8           (2) (intro.), 560.14 (4m) (a) (intro.) and 560.33 (1) (c); and **to create** 20.255 (2)  
9           (dr) and (3) (er), 38.04 (27), 38.04 (28), 38.12 (12), 38.15 (7), 49.143 (2) (a) 11.,  
10          49.143 (2) (er), 49.1475, 49.175 (1) (nm), 66.462 (2) (b), 71.07 (5r), 71.10 (4) (k),  
11          71.28 (1dx) (b) 1m., 71.28 (1dx) (f), 71.28 (5r), 71.30 (3) (g), 71.47 (5r), 71.49 (1)  
12          (g), 106.01 (11), 115.28 (42), 115.455, 292.10, 292.11 (9) (e) 1m. e., 292.11 (9) (e)  
13          1m. f., 292.11 (9) (e) 6., 292.11 (9) (e) 7., 292.11 (14), 292.15 (2) (at), 292.15 (6)  
14          (b), 292.15 (8), 292.24, 292.31 (11), 560.14 (4m) (c), 560.25, 560.31 (2) (g) and  
15          560.34 (1r) of the statutes; **relating to:** job retention programs; productivity

establishing

;

1 enhancement training tax credit; applied technology centers; amending the  
 2 certified capital company program and providing for the development of and  
 3 grants to multi-state venture capital development conferences; amending the  
 4 brownfield laws; creating a foreign language immersion instruction grant and  
 5 Wisconsin world geography fund; low-income transportation assistance; an  
 6 advanced journey worker pilot program) and making an appropriation.

*Analysis by the Legislative Reference Bureau*

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

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.

Permits

establish

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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

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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.

*bill* 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.

bill permits DWD to establish

In up to three trades, crafts or businesses

bill

DWD

effectiveness of

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**  
2           **the following amounts for the purposes indicated:**

1 1999-00 2000-01

2 **20.255 Public Instruction**

3 (2) AIDS FOR LOCAL EDUCATIONAL PROGRAMMING

4 (dr) Foreign language immersion

5 instruction grants GPR A \$350,000 \$750,000

6 (3) AIDS TO LIBRARIES, INDIVIDUALS AND

7 ORGANIZATIONS

8 (er) Wisconsin world geography fund GPR A ~~0~~ \$500,000

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

10 20.255 (2) (dr) *Foreign instruction grants.* The amounts in the schedule for  
11 foreign language immersion instruction grants under s. 115.455.

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

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

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

17 **38.04 (27) JOB RETENTION SKILLS DEVELOPMENT PROGRAMS.** (a) In order to assist  
18 employers to retain new employes, build job skill levels of those employes and assist  
19 those employes in attaining higher wages and long-term careers, the board shall  
20 establish and supervise training programs for employes in basic job retention skills  
21 development.

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

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

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

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

7 3. Entry-level employees.

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

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

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

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

16 4. Skills necessary for solving basic workplace-related personal and  
17 interpersonal problems.

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

22 (f) This subsection <sup>does</sup> ~~shall~~ not apply after December 31, 2004.

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

24 38.04 (28) APPLIED TECHNOLOGY CENTERS. (a) The board shall develop,  
25 implement and administer an approval process to approve the borrowing by district

1 boards of funds to purchase or construct facilities to be used as applied technology  
2 centers under s. 38.15 (7). The board shall develop the approval process in  
3 consultation with representatives of business and labor interests.

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

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

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

11 3. That a commitment exists from businesses in the region to be served by the  
12 proposed applied technology center to fund 30% of the capital costs of the applied  
13 technology center, 100% of the direct operating costs of services provided at the  
14 applied technology center pursuant to a contract under s. 38.14 (3) and 20% of the  
15 indirect operating costs of services provided at the applied technology center  
16 pursuant to a contract under s. 38.14 (3).

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

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

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

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

1           **38.12 (12) JOB RETENTION SKILLS PROGRAMS.** (a) The district board shall make  
2 available to all employers in the district a job retention skills program as described  
3 in s. 38.04 (27).

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

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

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

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

11          38.15 (1) Subject to sub. (3), and except as provided in sub. (7), if the district  
12 board intends to make a capital expenditure in excess of \$500,000, excluding moneys  
13 received from gifts, grants or federal funds, for the acquisition of sites, purchase or  
14 construction of buildings, the lease/purchase of buildings if costs exceed \$500,000 for  
15 the lifetime of the lease, building additions or enlargements or the purchase of fixed  
16 equipment relating to any such activity, it shall adopt a resolution stating its  
17 intention to do so and identifying the anticipated source of revenue for each project  
18 and shall submit the resolution to the electors of the district for approval. The  
19 referendum shall be noticed, called and conducted as provided in s. 67.05 (3) insofar  
20 as applicable. For the purposes of this section, all projects located on a single campus  
21 site within one district which are bid concurrently or which are approved by the  
22 board under s. 38.04 (10) within a 2-year period shall be considered as one capital  
23 expenditure project.

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

1           38.15 (7) The district board, upon resolution, and with the approval of the  
2 board, may encumber or expend up to \$5,000,000 prior to December 31, 2002, for the  
3 purchase or construction of facilities to be used as applied technology centers, as  
4 described in s. 38.04 (28). This subsection does not apply after December 31, 2002.

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

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

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

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

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

19           **49.1475 Follow-up services.** Following any follow-up period required by the  
20 contract entered into under s. 49.143, a Wisconsin works agency shall provide case  
21 management services for an individual who moves from a Wisconsin works  
22 employment position to unsubsidized employment to help the individual retain the  
23 unsubsidized employment. Case management services provided under this section  
24 shall be coordinated with a program offered by a technical college under s. 38.12 (12).

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



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

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

15           49.175 (1) (nm) *Job retention skills development programs.* For payments to  
16 the Wisconsin technical college system board for implementation costs of the job  
17 retention skills development program under s. 38.04 (27), \$200,000 in fiscal year  
18 1999–2000.

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

20           66.462 (1) (c) “Eligible costs” means capital costs, financing costs and  
21 administrative and professional service costs, incurred or estimated to be incurred  
22 by a political subdivision, for the investigation, removal, containment or monitoring  
23 of, or the restoration of soil, air, surface water, sediments or groundwater affected by,  
24 environmental pollution, including monitoring costs incurred within 2 years after  
25 the date on which the department of natural resources certifies that environmental

1 pollution on the property has been remediated, cancellation of delinquent taxes,  
2 property acquisition costs, demolition costs including asbestos removal, and  
3 removing and disposing of underground storage tanks or abandoned containers, as  
4 defined in s. 292.41 (1), except that for any parcel of land “eligible costs” shall be  
5 reduced by any amounts received from persons responsible for the discharge, as  
6 defined in s. 292.01 (3), of a hazardous substance on the property to pay for the costs  
7 of remediating environmental pollution on the property, by any amounts received,  
8 or reasonably expected by the political subdivision to be received, from a local, state  
9 or federal program for the remediation of contamination in the district that do not  
10 require reimbursement or repayment and by the amount of net gain from the sale  
11 of the property by the political subdivision. “Eligible costs” associated with  
12 groundwater affected by environmental pollution include investigation and  
13 remediation costs for groundwater that is located in, and extends beyond, the  
14 property that is being remediated.

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

17 66.462 (2) USE OF ENVIRONMENTAL REMEDIATION TAX INCREMENTS. (a) A political  
18 subdivision that develops, and whose governing body approves, a written proposal  
19 to remediate environmental pollution ~~on property owned by the political subdivision~~  
20 may use an environmental remediation tax increment to pay the eligible costs of  
21 remediating environmental pollution on contiguous parcels of property that is are  
22 located within the political subdivision and that are not part of a tax incremental  
23 district created under s. 66.46 and that is owned by the political subdivision at the  
24 time of the remediation and then transferred to another person after the property is  
25 remediated, as provided in this section, except that a political subdivision may use

1 an environmental remediation tax increment to pay the cost of remediating  
2 environmental pollution of groundwater without regard to whether the property  
3 above the groundwater is owned by the political subdivision. If the political  
4 subdivision owns the property that is being remediated, the political subdivision  
5 may not sell or otherwise transfer the property to any person who is responsible for  
6 the environmental pollution that is remediated. No political subdivision may submit  
7 an application to the department under sub. (4) until the joint review board approves  
8 the political subdivision's written proposal under sub. (3).

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

10 66.462 (2) (b) No expenditure for an eligible cost may be made by a political  
11 subdivision later than 7 years after the environmental remediation tax incremental  
12 base is certified by the department under sub. (4).

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

14 66.462 (3) (b) 2. No written application may be submitted under sub. (4) unless  
15 the board approves the written proposal under sub. (2) (a) by a majority vote not less  
16 than 10 days nor more than 30 days after receiving the proposal.

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

18 66.462 (4) (a) The political subdivision submits a statement that it has incurred  
19 some eligible costs, and includes with the statement a detailed proposed remedial  
20 action plan approved by the department of natural resources that contains cost  
21 estimates for anticipated eligible costs and a schedule for the design, implementation  
22 and construction that is needed to complete the remediation, with respect to the  
23 parcel or contiguous parcels of property and the statement details the purpose and  
24 amount of the expenditures already made and includes a dated certificate issued by  
25 the department of natural resources that certifies that environmental pollution on

1 ~~the parcel of property has been remediated~~ the department of natural resources has  
2 approved the site investigation report that relates to the parcel or contiguous parcels  
3 in accordance with rules promulgated by the department of natural resources.

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

5 66.462 (4) (c) The political subdivision submits a statement, signed by its chief  
6 executive officer, that the political subdivision has attempted to recover the cost of  
7 remediating environmental pollution on the property from ~~responsible parties~~ the  
8 person who caused the environmental pollution.

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

10 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
11 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) and (5r) not passed through by a  
12 partnership, limited liability company or tax-option corporation that has added that  
13 amount to the partnership's, company's or tax-option corporation's income under s.  
14 71.21 (4) or 71.34 (1) (g).

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

16 71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any partner,  
17 member of a limited liability company or a shareholder of a tax-option corporation  
18 may credit against taxes otherwise due under this chapter an amount equal to 100%  
19 of the amount of the partner's, member's or shareholder's productivity enhancement  
20 training expenses certified by the department of commerce under s. 560.25 in the tax  
21 year for which the expenses are certified not to exceed \$7,500.

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

24 (c) A partner, member of a limited liability company or a shareholder of a  
25 tax-option corporation may not claim the credit under par. (a) for any productivity

1 enhancement training expenses that the partner, member or shareholder deducted  
2 from gross income for Wisconsin purposes under section 162 of the Internal Revenue  
3 Code.

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

12 (e) In this subsection, “productivity enhancement training expenses” means  
13 expenses certified under s. 560.25 of a partnership, limited liability company or  
14 tax-option corporation in providing training which is designed to improve the  
15 productivity of the partnership’s limited liability company’s or tax-option  
16 corporation’s incumbent work force and promote or provide workers for high-skill,  
17 high-wage jobs. “Productivity enhancement training expenses” includes expenses  
18 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  
21 after December 31, 2008.

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

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

1 (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and  
2 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~, (3) and (5r) and  
3 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the  
4 tax under this section, there is imposed on that natural person, married couple filing  
5 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
6 computed as follows:

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

8 71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5r).

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

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

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

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

1 minus, as appropriate, an amount equal to the difference between the federal basis  
2 and Wisconsin basis of any asset sold, exchanged, abandoned or otherwise disposed  
3 of in a taxable transaction during the taxable year, except as provided in par. (b) and  
4 s. 71.45 (2) and (5).

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

6 71.28 (1dx) (b) 1. Fifty percent of the amount expended by the person for  
7 environmental remediation in a development zone.

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

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

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

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

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

23 71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any corporation  
24 may credit against taxes otherwise due under this chapter an amount equal to 100%  
25 of the amount of the corporation's productivity enhancement training expenses

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

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

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

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

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

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



1 before December 31, 2008 may be carried forward to taxable years that begin after  
2 December 31, 2008.

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

4 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).

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

6 71.34 (1) (g) An addition shall be made for credits computed by a tax-option  
7 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) ~~and, (3) and (5r)~~  
8 and passed through to shareholders.

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

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

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

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

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

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

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

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

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

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

23 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

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

1           77.92 (4) "Net business income", with respect to a partnership, means taxable  
 2 income as calculated under section 703 of the ~~internal revenue code~~ Internal  
 3 Revenue Code; plus the items of income and gain under section 702 of the ~~internal~~  
 4 ~~revenue code~~ Internal Revenue Code; minus the items of loss and deduction under  
 5 section 702 of the ~~internal revenue code~~ Internal Revenue Code; plus payments  
 6 treated as not made to partners under section 707 (a) of the ~~internal revenue code~~  
 7 Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di),  
 8 (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) ~~and~~ (5r); but excluding income, gain, loss and  
 9 deductions from farming. "Net business income", with respect to a natural person,  
 10 estate or trust, means profit from a trade or business for federal income tax purposes  
 11 and includes net income derived as an employe as defined in section 3121 (d) (3) of  
 12 the ~~internal revenue code~~ Internal Revenue Code.

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

14           106.01 (11) The department may establish an advanced journey worker  
 15 credential pilot program in up to 3 trades, crafts or businesses to recognize advanced  
 16 training and post-apprenticeship achievements. ~~The department, by~~ July 1, 2003,  
 17 shall submit to the legislature under s. 13.172 (2), ~~MAA~~ an evaluation of the  
 18 effectiveness of the program established under this subsection.

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

20           115.28 (42) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with  
 21 the national geographic society education foundation to establish a Wisconsin world  
 22 geography fund. The agreement must do all of the following:

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

the department

By

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

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

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

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

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

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

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

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

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

1           (3) The state superintendent shall promulgate rules defining “educational  
2 organization” for the purposes of this section.

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

4           281.60 (1) (a) “Eligible applicant” means a political subdivision, a  
5 redevelopment authority created under s. 66.431 or a housing authority.

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

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

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

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

21           281.60 (2r) (a) Making loans ~~below the market interest rate~~ for projects  
22 described in sub. (2). Loans may not be made for the purpose of refinancing site  
23 investigations.

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

1           281.60 (7) (c) The department of administration determines that the eligible  
2 applicant will meet the requirements of s. 281.59 (9) (b).

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

4           **281.60 (11) LOAN INTEREST RATES.** The department and the department of  
5 administration may not charge interest rate on a land recycling loan program loan  
6 shall be 55% of market interest rate.

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

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

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

19           **292.10 Groundwater standards.** The department shall adopt groundwater  
20 standards to be met through remediation activities under this chapter that take into  
21 consideration all of the following:

22           (1) The natural quality of the groundwater.

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

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

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

2           292.11 (9) (e) 1. ~~“Local~~ In this paragraph, “local governmental unit” means a  
3           municipality, a redevelopment authority created under s. 66.431, a public body  
4           designated by a municipality under s. 66.435 (4), a community development  
5           authority or a housing authority.

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

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

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

13          292.11 (9) (e) 1m. b. The local governmental unit acquired the property from  
14          a local governmental unit that acquired is exempt under this subdivision with  
15          respect to the property under a method described in subd. 1m. a.

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

17          292.11 (9) (e) 1m. e. The local governmental unit acquired the property through  
18          escheat.

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

20          292.11 (9) (e) 1m. f. The local governmental unit acquired the property using  
21          funds appropriated under s. 20.866 (2) (tz).

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

23          292.11 (9) (e) 1s. ~~An~~ Except as provided in subds. 2. and 4. to 6., an economic  
24          development corporation described in section 501 (c) of the Internal Revenue Code,  
25          as defined in s. 71.22 (4), that is exempt from federal taxation under section 501 (a)

1 of the Internal Revenue Code, or an entity wholly owned and operated by such a  
2 corporation, is exempt from subs. (3), (4) and (7) (b) and (c) with respect to property  
3 acquired before, on or after October 14, 1997, if the property is acquired to further  
4 the economic development purposes that qualify the corporation as exempt from  
5 federal taxation.

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

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

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

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

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

16 292.11 (9) (e) 7. Subdivision 1m. does not apply to property described in subd.  
17 1m. f. unless the local governmental unit enters into an agreement with the  
18 department to ensure that the conditions in subs. 2. and 4. are satisfied.

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

20 292.11 (14) In determining the criteria for closure of a case involving  
21 groundwater contamination exceeding enforcement standards or preventive action  
22 limits adopted by the department, the department shall consider institutional  
23 controls, including municipal ordinances, that provide adequate notice to the public  
24 of groundwater contamination in the area affected by the groundwater  
25 contamination to be equivalent to recorded groundwater use restrictions.



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

2           292.15 (2) (a) (intro.) Except as provided in sub. (6) or (7), a voluntary party is  
3 exempt from the provisions of ss. 289.05 (1), (2), (3) and (4), 289.42 (1), 289.67, 291.25  
4 (1) to (5), 291.29, 291.37, 292.11 (3), (4) and (7) (b) and (c) and 292.31 (8), and rules  
5 promulgated under those provisions, with respect to ~~the existence~~ discharges of a  
6 hazardous ~~substance~~ substances on the or originating from a property, if the release  
7 of those hazardous substances occurred prior to the date on which the department  
8 approves the environmental investigation of the property under subd. 1. and if all  
9 of the following occur at any time before or after the date of acquisition:

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

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

19           1. An initial environmental investigation of the property is conducted and is  
20 approved by the department.

21           2. If required by the department, the voluntary party enters into an agreement  
22 with the department under which the voluntary party agrees to conduct a cleanup  
23 approved by the department.

24           3. The voluntary party obtains and maintains insurance to cover the costs of  
25 complying with s. 292.11 (3) with respect to a hazardous substance discharges that

1 occurred before the investigation under subd. 1. is completed and that are discovered  
2 in the course of conducting a cleanup of the property, the insurance complies with  
3 rules promulgated by the department and the insurance names the voluntary party  
4 and this state as insureds.

5 4. A hazardous substance discharge that occurred before the investigation  
6 under subd. 1. is completed is discovered after the investigation under subd. 1. is  
7 approved and before the cleanup is completed.

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

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

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

16 292.15 (2) (c) The department of justice may not commence an action under 42  
17 USC 9607 against any voluntary party meeting the criteria of this subsection to  
18 recover costs for which the voluntary party is exempt under pars. (a), (am), (at) and  
19 (b).

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

21 292.15 (4) LIMITED RESPONSIBILITY. (intro.) The responsibility of a voluntary  
22 party under sub. (2) (a) 2. may be monetarily limited by agreement between the  
23 voluntary party and the department if the voluntary party purchased the property  
24 from a local governmental unit that acquired the property in a way or for a purpose

1 described in s. 292.11 (9) (e) 1m. ~~a., b., c. or d.~~ The agreement shall stipulate all of the  
2 following:

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

4 292.15 (6) (b) This section does not exempt property from any lien filed under  
5 s. 292.81 (3) for costs that are incurred by the department with respect to a hazardous  
6 substance discharge described in sub. (2) (at) 3. and that are not covered by insurance  
7 required by sub. (2) (at) 3.

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

9 292.15 (8) In determining the criteria for closure of a case involving  
10 groundwater contamination exceeding enforcement standards or preventive action  
11 limits adopted by the department, the department shall consider institutional  
12 controls, including municipal ordinances, that provide adequate notice to the public  
13 of groundwater contamination in the area affected by the groundwater  
14 contamination to be equivalent to recorded groundwater use restrictions.

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

16 **292.24 Responsibility of local governmental units; hazardous or solid**  
17 **waste. (1) DEFINITION.** In this section, “local governmental unit” has the meaning  
18 given in s. 292.11 (9) (e) 1.

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

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

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

9 (c) The local governmental unit obtains a certificate of completion from the  
10 department stating that the property has been satisfactorily restored to the extent  
11 practicable with respect to the hazardous or solid waste discharges and that the  
12 harmful effects from the discharges have been minimized.

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

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

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

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

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

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

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

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

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

13 292.26 (2) (intro.) Except as provided in sub. (3), a local governmental unit is  
14 immune from civil liability related to the discharge of a hazardous substance on or  
15 from property owned or controlled by the local unit of government at the time that  
16 the discharge is discovered or from property formerly owned or controlled by the local  
17 governmental unit if the property is no longer owned by the local governmental unit  
18 at the time that the discharge is discovered and if any of the following applies:

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

20 292.31 (11) In determining the criteria for closure of a case involving  
21 groundwater contamination exceeding enforcement standards or preventive action  
22 limits adopted by the department, the department shall consider institutional  
23 controls, including municipal ordinances, that provide adequate notice to the public  
24 of groundwater contamination in the area affected by the groundwater  
25 contamination to be equivalent to recorded groundwater use restrictions.

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

2           560.14 (4m) (a) (intro.) Subject to par. (b), the department may make a grant  
3 under this subsection from the appropriation under s. 20.143 (1) (fg) to a  
4 community-based organization or private nonprofit organization for a local,  
5 statewide or multi state venture capital development conference if all of the  
6 following apply:

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

8           560.14 (4m) (c) The department shall encourage the development of venture  
9 capital development conferences in the upper midwest region of the United States  
10 that comply with the requirements specified in par. (a) 1. and 2.

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

12           **560.25 Productivity enhancement training expense certification.** (1)  
13 DEPARTMENT POWERS AND DUTIES. The department shall develop, implement and  
14 administer a productivity enhancement training expense certification program.

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

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

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

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

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

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

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

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

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

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

24           (c) Annually, by December 1, the department shall report to the legislature  
25 under s. 13.172 (2) on the effectiveness of the productivity enhancement training

1 certification program and the tax credit under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r),  
2 in meeting the purposes of the program as identified in sub. (2).

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

7 (7) DEFINITION. For purposes of this section, “productivity enhancement  
8 training expenses” means expenses of a business incurred in providing training  
9 which is designed to increase the productivity of the business’ incumbent work force  
10 and promote or create high– skill, high–wage jobs. “Productivity enhancement  
11 training expenses” includes expenses incurred for assessment and consultation  
12 under sub. (4) (b), not to exceed \$2,000.

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

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

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

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

20 560.31 (2) (g) The person has an office in this state with at least one full–time  
21 professional employe actively engaged in the investment of cash in qualified  
22 businesses in Wisconsin.

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

24 560.33 (1) (c) During its 2 most recent fiscal years, the business had, together  
25 with all of its consolidated affiliates, an average annual net income, after federal



1 income taxes and excluding any carry-over losses, of not more than \$2,000,000  
2 \$1,000,000, as determined in accordance with generally accepted accounting  
3 principles.

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

5 560.34 (1r) Notwithstanding sub. (1), an investment shall not be a qualified  
6 investment if the investment is used in whole or in part to do any of the following:

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

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

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

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

15 SECTION 73. Appropriation changes; department of workforce  
16 development.

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

25 SECTION 74. Initial applicability.

that  
under section 106.01 (11) of the statutes,  
as created by this act

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

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

9 (3) PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT. The treatment of sections  
10 71.07 (5r), 71.28 (5r) and 71.47 (5r) of the statutes first applies to taxable years  
11 beginning in January 1, 2000.

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

15 **SECTION 75. Effective dates.** This act takes effect on the day after publication,  
16 except as follows:

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

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

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

24 (END)

**Date:** 12/02/1998

**To:** PJK, JK, MJL, GMM, ISR, MES, RCT

**From:** Peter Grant

**RE:** Leg. Council Draft

---

Attached is the second draft of the Joint Legislative Council's Special Committee on State Strategies for Economic Development. Bob Conlin and John Stolzenberg have taken Act 9 into account. Please mark up the pages of the draft that are in your subject matter areas and return the draft to me. I'll mark the changes on the "master." There is no specific deadline, but they'd sure like to have an introducible draft before the January floor period.

Attachment

PG

See pp 2, 6, 22, and 31 and 32.

GMM

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(not  
entirely)



Attachment

Peter:  
These are pages  
that I worked up  
assume we want to doing  
an analysis...???



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-3778/P1

PG:....ch

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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

5           (3) (a) to (c), 292.26 (2) (intro.), 560.14 (4m) (a) (intro.) and 560.33 (1) (c); and

6           **to create** 20.255 (2) (dr) and (3) (er), 38.04 (27), 38.12 (12), 49.143 (2) (a) 11.,

7           49.143 (2) (er), 49.175 (1) (nm), 71.07 (5r), 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28

8           (1dx) (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) 7., 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

12          centers; ~~the~~ the certified capital company program ~~and~~ the

13          development of ~~the~~ multi-state venture capital development

14          conferences; amending the brownfield laws; creating a foreign language

15          immersion instruction grant and Wisconsin world geography fund; low-income

- 1 transportation assistance; an advanced journey worker pilot program and  
2 making an appropriation.

---

***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version.

---

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

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 ~~dependent work force~~ → employees.
- 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).]

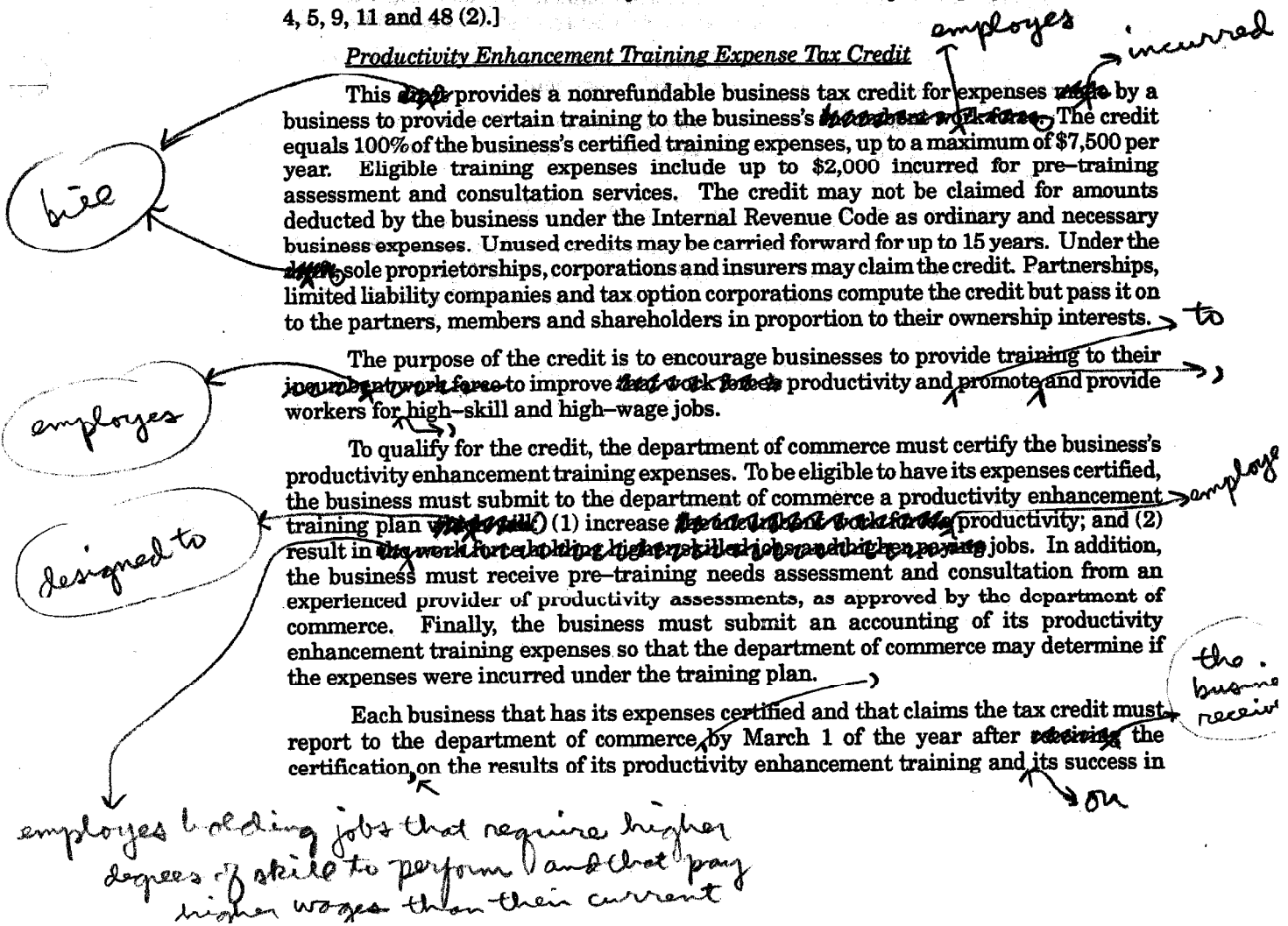
Productivity Enhancement Training Expense Tax Credit

This ~~act~~ provides a nonrefundable business tax credit for expenses ~~made~~ by a business to provide certain training to the business's ~~employees~~. 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 ~~act~~, 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 ~~workforce~~ to improve ~~that workforce'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 ~~that will~~ (1) increase ~~the business'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~~ ~~subject to~~ December 31, 2008. [SECTIONS 14-19, 23-29, 43 and 48 (3).]

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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.

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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.]

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1. ~~lowers~~ <sup>Lowering</sup> the average annual net income of a qualified business that a CAPCO may invest in from \$2,000,000 to \$1,000,000.
2. ~~Prohibits~~ 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~~ <sup>business</sup> needs. [SECTIONS 44-46 and 49 (3).]

period -> no business may be certified for tax credits for any year beginning

new businesses

Precluding

Requiring

business



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.

*bie ←*  
*requirements →* 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 ~~conditions specified above~~ for receipt of a grant to support a venture capital fair. [SECTIONS 41 and 42.] *→ two*

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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.]

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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.]

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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

# Memo

**To:** PG

**From:** PJK

**Subject:** Leg. Council Draft, LRB-3778

**Date:** Dec. 6, 1999

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<sup>next</sup>  
These pages are from the first version of the leg. council draft, which I had marked up before the second version came over. Because I had made so many changes, I did not want to transfer them all to the second version. I'm pretty sure that the versions are the same for these parts of the draft. If you run into any problems, let me know. Thanks.

1 income taxes and excluding any carry-over losses, of not more than \$2,000,000  
2 \$1,000,000, as determined in accordance with generally accepted accounting  
3 principles.

Insert 40-3

4 SECTION 72. 560.34 (~~3r~~) of the statutes is created to read:  
5 560.34 (~~1p~~) ~~Retire outstanding long-term debt~~, an investment ~~shall~~ not ~~be~~ a qualified  
6 investment if the investment is used in whole or in part to do any of the following:

Insert 40-11

7 (a) Retire outstanding long-term debt or obligations to the affiliates of ~~the~~  
8 qualified business.

9 (b) Purchase outstanding equity of ~~the~~ qualified business.

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

Insert 40-14

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

15 SECTION 73. Appropriation changes; department of workforce  
16 development.

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

25 SECTION 74. Initial applicability.

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

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

9 (3) PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT. The treatment of sections  
10 71.07 (5r), 71.28 (5r) <sup>and</sup> 71.47 (5r) <sup>and 560.27</sup> of the statutes first applies to taxable years  
11 beginning in January 1, 2000.

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

15 **SECTION 75. Effective dates.** This act takes effect on the day after publication,  
16 except as follows:

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

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

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

24

(END)

Insert 41-23

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

JRS Δ

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  
5           (3) (a) to (c), 292.26 (2) (intro.), 560.14 (4m) (a) (intro.) and 560.33 (1) (c); and  
6           **to create** 20.255 (2) (dr) and (3) (er), 38.04 (27), 38.12 (12), 49.143 (2) (a) 11.,  
7           49.143 (2) (er), 49.175 (1) (nm), 71.07 (5r), 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28  
8           (1dx) (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) 7., 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  
12          centers; amending the certified capital company program and providing for the  
13          development of and grants to multi-state venture capital development  
14          conferences; amending the brownfield laws; creating a foreign language  
15          immersion instruction grant and Wisconsin world geography fund; low-income

1 transportation assistance; an advanced journey worker pilot program and  
2 making an appropriation.

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***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version.

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

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 employes, build the job skill levels of those employes and assist those employes 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 employes with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employes in the first 6 months of employment with their employer and entry-level employes.

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).]

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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~~ <sup>this state</sup> the right to claim the credit. In addition, the ~~draft~~ <sup>bill</sup> 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~~ <sup>bill</sup> 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 (b) The programs under par. (a) shall be available to all employers in the state  
2 and, to the extent practicable, shall be offered at employment sites.

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

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

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

9 3. Entry-level employes.

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

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

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

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

18 4. Skills necessary for solving basic workplace-related personal and  
19 interpersonal problems.

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

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

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

1           **38.12 (12) JOB RETENTION SKILLS PROGRAMS.** (a) The district board shall make  
2 available to all employers in the district a job retention skills program as described  
3 in s. 38.04 (27).

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

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

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

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

12           **38.15 (3) (c) 3.** The capital expenditure is made before ~~January 1~~ December 31,  
13 2002.

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

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

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



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

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

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

7           **49.1475 Follow-up services.** Following any follow-up period required by the  
8 contract entered into under s. 49.143, a Wisconsin works agency ~~may~~ shall provide  
9 case management services for an individual who moves from a Wisconsin works  
10 employment position to unsubsidized employment to help the individual retain the  
11 unsubsidized employment. Case management services may include the provision of  
12 employment skills training; English as a 2nd language classes, if the Wisconsin  
13 works agency determines that the course will facilitate the individual's efforts to  
14 retain employment; a course of study meeting the standards established under s.  
15 115.29 (4) for the granting of a declaration of equivalency of high school graduation;  
16 or other remedial education courses. Case management services shall be  
17 coordinated with a program offered by a technical college under s. 38.12 (12). The  
18 Wisconsin works agency may provide case management services regardless of the  
19 individual's income and assets levels.

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

21           **49.157 Wisconsin works; transportation assistance.** A Wisconsin works  
22 agency may provide transportation assistance in the manner prescribed by the  
23 department. In addition to any other eligibility criteria established by the  
24 department, an individual is eligible for transportation assistance if the gross  
25 income of the Wisconsin works group of which the individual is a member is at or

1 below 165% of the poverty line. In calculating gross income under this section, the  
2 Wisconsin works agency shall include the items specified in s. 49.145 (3) (b) 1. to 3.  
3 A noncustodial parent of a dependent child is eligible for transportation assistance  
4 under this section if the dependent child's custodial parent is a participant and if the  
5 noncustodial parent is subject to a child support order. The Wisconsin works agency  
6 shall limit any financial assistance granted under this subsection to financial  
7 assistance for public transportation if a form of public transportation that meets the  
8 needs of the participant is available.

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

10 49.175 (1) (nm) *Job retention skills development programs.* For payments to  
11 the Wisconsin technical college system board for implementation costs of the job  
12 retention skills development program under s. 38.04 (27), \$200,000 in fiscal year  
13 1999–2000.

14 **SECTION 12.** 66.462 (1) (c) of the statutes, as amended by 1999 Wisconsin Act  
15 9, is amended to read:

16 66.462 (1) (c) “Eligible costs” means capital costs, financing costs and  
17 administrative and professional service costs, incurred or estimated to be incurred  
18 by a political subdivision, for the investigation, removal, containment or monitoring  
19 of, or the restoration of soil, air, surface water, sediments or groundwater affected by,  
20 environmental pollution, including monitoring costs incurred within 2 years after  
21 the date on which the department of natural resources certifies that environmental  
22 pollution on the property has been remediated, cancellation of delinquent taxes,  
23 property acquisition costs, demolition costs including asbestos removal, and  
24 removing and disposing of underground storage tanks or abandoned containers, as  
25 defined in s. 292.41 (1), except that for any parcel of land “eligible costs” shall be

1 reduced by any amounts received from persons responsible for the discharge, as  
2 defined in s. 292.01 (3), of a hazardous substance on the property to pay for the costs  
3 of remediating environmental pollution on the property, by any amounts received,  
4 or reasonably expected by the political subdivision to be received, from a local, state  
5 or federal program for the remediation of contamination in the district that do not  
6 require reimbursement or repayment and by the amount of net gain from the sale  
7 of the property by the political subdivision. “Eligible costs” associated with  
8 groundwater affected by environmental pollution include investigation and  
9 remediation costs for groundwater that is located in, and extends beyond, the  
10 property that is being remediated.

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

13 66.462 (2) USE OF ENVIRONMENTAL REMEDIATION TAX INCREMENTS. A political  
14 subdivision that develops, and whose governing body approves, a written proposal  
15 to remediate environmental pollution may use an environmental remediation tax  
16 increment to pay the eligible costs of remediating environmental pollution on  
17 contiguous parcels of property that are located within the political subdivision and  
18 that are not part of a tax incremental district created under s. 66.46, as provided in  
19 this section, except that a political subdivision may use an environmental  
20 remediation tax increment to pay the cost of remediating environmental pollution  
21 of groundwater without regard to whether the property above the groundwater is  
22 owned by the political subdivision. If the political subdivision owns the property that  
23 is being remediated, the political subdivision may not sell or otherwise transfer the  
24 property to any person who is responsible for the environmental pollution that is  
25 remediated. No political subdivision may submit an application to the department

1 under sub. (4) until the joint review board approves the political subdivision's written  
2 proposal under sub. (3).

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

4 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
5 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and, (3s) and (5r) not passed through by a  
6 partnership, limited liability company or tax-option corporation that has added that  
7 amount to the partnership's, company's or tax-option corporation's income under s.  
8 71.21 (4) or 71.34 (1) (g).

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

INSERT 15-10

10 71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any partner,

11 member of a limited liability company or a shareholder of a tax-option corporation  
12 claim as a may credit against taxes otherwise due under <sup>s. 71.02</sup> ~~this chapter~~ an amount equal to 100%  
13 of the amount of the partner's, member's or shareholder's productivity enhancement  
14 training expenses certified by the department of commerce under s. 560.25 in the tax  
15 year for which the expenses are certified <sup>but</sup> not to exceed \$7,500.

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

18 (c) A partner, member of a limited liability company or a shareholder of a  
19 tax-option corporation may not claim the credit under par. (a) for any productivity  
20 enhancement training expenses that the partner, member or shareholder deducted  
21 from gross income for Wisconsin <sup>tax</sup> purposes under section 162 of the Internal Revenue  
22 Code.

23 (d) Partnerships, limited liability companies and tax-option corporations may  
24 not claim the credit under this subsection, but the eligibility for, and the amount of,  
25 the credit are based on their productivity enhancement training expenses certified

1 under s. 560.25. A partnership, limited liability company or tax-option corporation  
2 shall compute the amount of credit that each of its partners, members or  
3 shareholders may claim and shall provide that information to each of them.  
4 Partners, members of limited liability companies and shareholders of tax-option  
5 corporations may claim the credit in proportion to their ownership interest.

6 (e) In this subsection, "productivity enhancement training expenses" means  
7 expenses certified under s. 560.25 of a partnership, limited liability company or  
8 tax-option corporation in providing training which is designed to improve the  
9 productivity of the partnership's limited liability company's or tax-option  
10 corporation's incumbent work force and promote or provide workers for high-skill,  
11 high-wage jobs. "Productivity enhancement training expenses" includes expenses  
12 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~~  
15 after December 31, 2008.

*taxable year  
beginning*

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

17 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
18 couple filing jointly, trust or estate under s. 71.02, not considering the credits under  
19 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6) and  
20 (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and (5r) and  
21 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and (5r) and  
22 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the  
23 tax under this section, there is imposed on that natural person, married couple filing  
24 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
25 computed as follows:

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

2           71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5r).

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

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

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

8           71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means  
9 the gross income as computed under the ~~internal revenue code~~ Internal Revenue  
10 Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di)  
11 plus the amount of credit computed under s. 71.28 (1) and (3) to (5) plus the amount  
12 of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx)  
13 and (5r) and not passed through by a partnership, limited liability company or  
14 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)  
16 (g) plus the amount of losses from the sale or other disposition of assets the gain from  
17 which would be wholly exempt income, as defined in sub. (3) (L), if the assets were  
18 sold or otherwise disposed of at a gain and minus deductions, as computed under the  
19 ~~internal revenue code~~ Internal Revenue Code as modified under sub. (3), plus or  
20 minus, as appropriate, an amount equal to the difference between the federal basis  
21 and Wisconsin basis of any asset sold, exchanged, abandoned or otherwise disposed  
22 of in a taxable transaction during the taxable year, except as provided in par. (b) and  
23 s. 71.45 (2) and (5).

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

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

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

4 71.28 (1dx) (b) 1m. Fifty percent of the amount expended by a municipality, as  
5 defined in s. 292.01 (11), or an organization that is exempt from federal income  
6 taxation under section 501 (c) (3) of the Internal Revenue Code for environmental  
7 remediation in a development zone, if the municipality or organization has entered  
8 into an exclusive written agreement with the person claiming the credit that  
9 approves of the person claiming the credit based on the expenditures of the  
10 municipality or organization. The department shall promulgate rules <sup>to</sup> implement ~~the~~  
11 this subdivision.

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

13 71.28 (1dx) (f) *Transfer of credits.* Any person <sup>who is</sup> eligible to claim <sup>the</sup> credit under par.  
14 (b) 1. may transfer to any other person <sup>the right to claim the credit under par. (b) 1.</sup> subject to taxation under this chapter ~~and~~  
15 ~~right to claim the credit under par. (b) 1.~~ The department shall promulgate rules  
16 ~~governing the transfer of credits under~~ <sup>who</sup> this paragraph. <sup>to implement</sup>

17 SECTION 23. 71.28 (5r) of the statutes is created to read: INSERT IS-10

18 71.28 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any corporation  
19 <sup>claim as a</sup> may credit against taxes otherwise due under <sup>s. 71.23</sup> ~~this chapter~~ an amount <sup>that is</sup> equal to 100%  
20 of the amount of the corporation's productivity enhancement training expenses  
21 certified by the department of commerce under s. 560.25 in the tax year for which the  
22 expenses are certified, <sup>but</sup> not to exceed \$7,500.

23 (b) Any corporation receiving a credit under this subsection may carry forward  
24 to the next succeeding 15 taxable years the amount of the credit not offset against

C

1 taxes for the year in which the productivity enhancement training expenses were  
2 incurred.

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

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

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

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

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

25 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).



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

2 71.34 (1) (g) An addition shall be made for credits computed by a tax-option  
3 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) and, (3) and (5r)  
4 and passed through to shareholders.

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

6 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
7 computed under s. 71.47 (1dd) to (1dx) and (5r) and not passed through by a  
8 partnership, limited liability company or tax-option corporation that has added that  
9 amount to the partnership's, limited liability company's or tax-option corporation's  
10 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under  
11 s. 71.47 (1), (3), (4) and (5).

INSERT 15-10

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

13 71.47 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) Any corporation  
14 *claim as a* may credit against taxes otherwise due under *s. 71.43* ~~the chapter~~ *that is* an amount equal to 100%  
15 of the amount of the corporation's productivity enhancement training expenses  
16 certified by the department of commerce under s. 560.25 in the tax year for which the  
17 expenses are certified, *but* not to exceed \$7,500.

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

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

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

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

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

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

20 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

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

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

*taxable year beginning*  
*beginning*  
*that are claimed*  
*beginning*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 **SECTION 33.** 281.60 (2r) (a) of the statutes, as amended by 1999 Wisconsin Act  
25 9, is amended to read:

1           281.60 (2r) (a) Making loans for projects described in sub. (2). Loans may not  
2 be made for the purpose of refinancing site investigations.

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

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

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

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

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

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

1           292.15 (2) (at) 7. A 2nd environmental investigation of the property is  
2 conducted and is approved by the department.

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

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

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

12           **292.24 Responsibility of local governmental units; hazardous or solid**  
13 **waste.**

14           (2) EXEMPTION FROM LIABILITY. Except as provided in sub. (3), a local  
15 governmental unit is exempt from ss. 291.25 (1) to (5), 291.29 and 291.37, and rules  
16 promulgated under those provisions, with respect to the existence of a hazardous or  
17 solid waste discharge on property acquired in a way or for a purpose described in s.  
18 292.11 (9) (e) 1m., if all of the following occur at any time before or after the date of  
19 acquisition:

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

23           (b) The hazardous or solid waste discharges identified by the investigation  
24 under par. (a) are cleaned up by restoring the environment to the extent practicable  
25 with respect to the discharges and minimizing the harmful effects from the

1 discharges in accordance with rules promulgated by the department and any  
2 contract entered into under those rules.

3 (c) The local governmental unit obtains an approval from the department  
4 stating that the property has been satisfactorily restored to the extent practicable  
5 with respect to the hazardous or solid waste discharges and that the harmful effects  
6 from the discharges have been minimized.

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

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

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

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

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

24 SECTION 39. 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  
2 immune from civil liability related to the discharge of a hazardous substance on or  
3 from property owned or controlled by the local unit of government at the time that  
4 the discharge is discovered or from property formerly owned or controlled by the local  
5 governmental unit if the property is no longer owned by the local governmental unit  
6 at the time that the discharge is discovered and if any of the following applies:

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

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

14           **SECTION 41.** 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  
16 under this subsection from the appropriation under s. 20.143 (1) (fg) to a  
17 community-based organization or private nonprofit organization for a local,  
18 statewide or multi-state venture capital development conference if all of the  
19 following apply:

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

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

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



1           **560.25 Productivity enhancement training expense certification. (1)**

2           DEPARTMENT POWERS AND DUTIES. The department shall develop, implement and  
3           administer a productivity enhancement training expense certification program.

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

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

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

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

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

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

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

1 (c) The business submits to the department an accounting of the productivity  
2 enhancement training expenses incurred by the business under the plan under par.

3 (a) and the department determines that the expenses were incurred under the plan.

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

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

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

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

20 (7) DEFINITION. For purposes of this section, “productivity enhancement  
21 training expenses” means expenses of a business incurred in providing training  
22 which is designed to increase the productivity of the business’ incumbent work force  
23 and promote or create high– skill, high–wage jobs. “Productivity enhancement  
24 training expenses” includes expenses incurred for assessment and consultation  
25 under sub. (4) (b), not to exceed \$2,000.

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

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

5           **(10) SUNSET.** No business may be certified under this subsection after  
6 December 31, 2008.

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

8           560.31 (2) (g) The person has an office in this state with at least one full-time  
9 professional employe actively engaged in the investment of cash in qualified  
10 businesses in Wisconsin.

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

12           560.33 (1) (c) During its 2 most recent fiscal years, the business had, together  
13 with all of its consolidated affiliates, an average annual net income, after federal  
14 income taxes and excluding any carry-over losses, of not more than \$2,000,000  
15 \$1,000,000, as determined in accordance with generally accepted accounting  
16 principles.

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

18           560.34 (1r) Notwithstanding sub. (1), an investment shall not be a qualified  
19 investment if the investment is used in whole or in part to do any of the following:

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

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

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

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

4 **SECTION 47. Appropriation changes; department of workforce**  
5 **development.**

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

14 **SECTION 48. Initial applicability.**

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

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

23 (3) PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT. The treatment of sections  
24 71.07 (5r), 71.28 (5r) and 71.47 (5r) of the statutes first applies to taxable years  
25 beginning in January 1, 2000.

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*of the statutes*

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(4) TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS. The treatment of section 71.28 (1d) (b) 1., 1m. and (f) ~~by this act~~ <sup>taxable</sup> first applies to ~~the~~ years beginning on January 1, 2000.

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

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

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

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

(END)