

Date: 12/02/1999

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



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

15

program

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 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.
- X •Establishes a foreign language immersion ~~grant~~ 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 employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first 6 months of employment with their employer and entry-level employees.

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

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

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

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

Productivity Enhancement Training Expense Tax Credit

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

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

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

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce by March 1 of the year after receiving the certification on the results of its productivity enhancement training and its success in

meeting the goals established in its productivity enhancement training plan. The department is required to report to the legislature by December 1 annually on the effectiveness of the program.

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

Applied Technology Centers

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

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

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

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

Expenditures must be made by January 1, 2002.

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

CAPCO

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

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

Venture Capital Fairs

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

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

X Foreign Language Immersion Instruction Grants

X The ^{bill} draft creates a foreign language immersion ^{the} 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 ^{bill} 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 ^{that} draft appropriates \$350,000 general purpose revenues (GPR) in ^{the} fiscal year 1999-00 and \$750,000 GPR in ^{school} fiscal year 2000-01 for this program. [SECTIONS 1, 2 and 32.]

X Wisconsin World Geography Fund

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

W-2 Transportation Services

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

• W-2 Advisory Committee on Transportation

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

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

• Accounting for Transportation Expenses

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

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

• Eligibility for Transportation Assistance

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

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

• Advanced Journeyworker Credential Pilot Program

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

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

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

• Brownfields

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

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

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

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

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

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

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

• *Modify the DNR Land Recycling Loan Program*

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

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

• *Modify Environmental Remediation Tax Incremental Financing District*

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

Under current law, as amended by 1999 Wisconsin Act 9, "eligible costs" include capital costs, financing costs and certain administrative and professional service costs

incurred for the investigation, removal, containment or monitoring of, the environment affected by, environmental pollution, property acquisition costs and demolition costs. The draft expands "eligible costs" to include the cancellation of delinquent taxes.

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

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

• Expand the Liability Protections for Local Units of Government

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

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

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

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

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

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

3 1999-00 2000-01

4 20.255 Public Instruction

5 (2) AIDS FOR LOCAL EDUCATIONAL PROGRAMMING

6 (dr) Foreign language immersion

7 ~~instruction~~ grants GPR/A ~~550,000~~ ~~750,000~~

change spacing

8 (3) AIDS TO LIBRARIES, INDIVIDUALS AND
9 ORGANIZATIONS

10 (er) Wisconsin world geography fund GPR/A - 0 - ~~500,000~~

11 SECTION 2. 20.255 (2) (dr) ~~instruction~~ of the statutes ~~is~~ created to read:

12 20.255 (2) (dr) Foreign ~~instruction~~ grants. The amounts in the schedule for
13 foreign language immersion ~~instruction~~ grants under s. 115.455.

14 (3) (er) Wisconsin world geography fund. The amounts in the schedule for a
15 grant for the Wisconsin world geography fund under s. 115.28 (4) ^S.

16 SECTION 3. 20.255 (3) (er) of the statutes ~~is~~ affected by 1999 Wisconsin Act
17 ~~this Act~~, is repealed.

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

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

*No moneys may be encumbered
under this paragraph after
June 30, 2001.*

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:

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 may credit against taxes otherwise due under 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 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 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.

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 implementing
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 eligible to claim credit under par.
14 (b) 1. may transfer to any other person subject to taxation under this chapter, the
15 right to claim the credit under par. (b) 1. The department shall promulgate rules
16 governing the transfer of credits under this paragraph.

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

18 71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any corporation
19 may credit against taxes otherwise due under this chapter an amount 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, 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

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 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).

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 may credit against taxes otherwise due under this chapter 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, 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.

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.

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

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 (~~4~~⁵) of the statutes is created to read:

16 115.28 (~~4~~⁵) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with
 17 the national geographic society education foundation to establish a Wisconsin world
 18 ~~geography fund~~ ^{that does} ~~The agreement must do~~ all of the following:

19 (a) ~~Require~~ ^{Establishes a Wisconsin world geography fund to be managed by} the national geographic society education foundation ~~to manage~~
 20 ~~the fund.~~

21 (b) Require ^(S) the state superintendent to award a grant of \$500,000 from the
 22 appropriation under s. 20.255 (3) (er) to the fund if ^{to be} the award is matched by ~~the~~
 23 ~~foundation.~~ ^{a grant from the National Geographic Society}

1 (c) Require ² 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 ^{pupils} students
3 and teachers.

4 (d) Require ³ that, annually, the national geographic society education
5 foundation submit to the state superintendent ~~the following~~ a financial
6 ~~statement~~ statement of the Wisconsin world geography fund account prepared by an
7 independent auditor, and a

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

9 (e) Require ⁴ 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's
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 ^{immersion} instruction grants. ~~Beginning~~ Beginning in the
15 1999-00 ^{school} fiscal year, the state superintendent shall award at least one grant in each
16 ^{school} 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:

From the appropriation under s. 20.255 (2) (dr)
as defined by the state superintendent by rule,

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.

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

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

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

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

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

13 (END)

*Conversation w/ Bob Conner Leg. Council 12/10/99 1:00

- As long as majority of program serves "needy"
Then OK

?? accounting has to be good to make
sure TANF is used properly*

- the program will serve those people right out of
W-2 but also other people to a lesser extent

Note { *believe this is enough to satisfy
TANF??

- Regs of follow-up services, advisory
committee: transp accounting should
apply now.

- ok to move out of contract section

Note

From JJK

Date: 12/02/1999

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

20.292



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; 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.

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 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. *Under the* ~~the draft, \$200,000 of federal temporary assistance for needy families block grant funds will be used to implement the program.~~ *is*

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).]~~

case management services provided to W-2 participants in unsubsidized employment

Productivity Enhancement Training Expense Tax Credit

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

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

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

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce by March 1 of the year after receiving the certification on the results of its productivity enhancement training and its success in

meeting the goals established in its productivity enhancement training plan. The department is required to report to the legislature by December 1 annually on the effectiveness of the program.

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

Applied Technology Centers

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

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

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

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

Expenditures must be made by January 1, 2002.

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

CAPCO

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

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

Venture Capital Fairs

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

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

Foreign Language Immersion Instruction Grants

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

Wisconsin World Geography Fund

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

W-2 Transportation Services

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

• W-2 Advisory Committee on Transportation

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

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

• Accounting for Transportation Expenses

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

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

• Eligibility for Transportation Assistance

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

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

Advanced Journeyworker Credential Pilot Program

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

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

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

Brownfields

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

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



dependent
if the dependent child's
custodial parent is a W-2
participant
and the
noncustodial
parent is
subject to
a child support
order.

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

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

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

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

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

• *Modify the DNR Land Recycling Loan Program*

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

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

• *Modify Environmental Remediation Tax Incremental Financing District*

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

Under current law, as amended by 1999 Wisconsin Act 9, "eligible costs" include capital costs, financing costs and certain administrative and professional service costs

incurred for the investigation, removal, containment or monitoring of, the environment affected by, environmental pollution, property acquisition costs and demolition costs. The draft expands "eligible costs" to include the cancellation of delinquent taxes.

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

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

• Expand the Liability Protections for Local Units of Government

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

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

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

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

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

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

3 1999-00 2000-01

4 20.255 Public Instruction

5 (2) AIDS FOR LOCAL EDUCATIONAL PROGRAMMING

6 (dr) Foreign language immersion

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

8 (3) AIDS TO LIBRARIES, INDIVIDUALS AND

9 ORGANIZATIONS

10 (er) Wisconsin world geography fund GPR A — \$500,000

* -> Insert 9-10

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

12 20.255 (2) (dr) *Foreign instruction grants*. The amounts in the schedule for
13 foreign language immersion instruction grants under s. 115.455.

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

16 SECTION 3. 20.255 (3) (er) of the statutes, as affected by 1999 Wisconsin Act .

17 ... (this Act), is repealed.

* -> Insert 9-17

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

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

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.

*move section
to p. 130*

17 SECTION 7. ~~49.143 (2) (a) (ii)~~ ^{49.157 (2)} of the statutes is created to read:
18 ~~49.143 (2) (a) (ii)~~ ¹⁵⁷ Establish an advisory committee on transportation strategies ^{A community steering committee established under s. 49.143(2)(a) shall}
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 ^{The advisory committee shall}
23 steering committee on ways to provide affordable and sufficient transportation
24 options to low-income workers ^{to enable the worker} to access employment opportunities, child care
25 services and other services conducive to stable employment.

Move section
to p 13-8

49.157(3)

1 SECTION 8. ~~49.143(2)(a)~~ of the statutes is created to read:
 2 ~~49.143(2)(a)~~ ^{157(3)B} Provide to the department an accounting of the amount
 3 expended on Wisconsin works-related transportation services in each year of the
 4 ^{agencies entered into under s 49.143} 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~~ ^{A Wisconsin works agency shall coordinate} 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 ^{renumbered 49.157(1) and} 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 ^{subsection} 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.

* → Inserts from 11-17 and 2-1

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

10 49.175 (1) ^{ZP} ~~(nm)~~ Job retention skills development programs. For payments to
 11 ~~the Wisconsin~~ ^{the transfer of money to} technical college system board for implementation costs of the job
 12 retention skills development program ^S under s. 38. ~~nm~~ ^{SA}, \$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:

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 may credit against taxes otherwise due under 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 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 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.

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 implementing
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 eligible to claim credit under par.
14 (b) 1. may transfer to any other person subject to taxation under this chapter, the
15 right to claim the credit under par. (b) 1. The department shall promulgate rules
16 governing the transfer of credits under this paragraph.

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

18 71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) Any corporation
19 may credit against taxes otherwise due under this chapter an amount 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, 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

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 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).

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 may credit against taxes otherwise due under this chapter 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, 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.

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.

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

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 30. 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.** 17

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.

* →

Insert 31-13

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

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

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

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

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

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

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

13 **(END)**