



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-3778/E

PG/RT/MS/GM/PK/IS/JK/ML:cmh:kf/jf

*vm not run*

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

*negotiate*

1     **AN ACT to renumber and amend 49.157 and 66.462 (2); to amend 20.445 (3)**  
2           (md), 38.15 (3) (c) 3. and 4., 49.1475, 66.462 (1) (c), 71.05 (6) (a) 15., 71.08 (1)  
3           (intro.), 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10.,  
4           77.92 (4), 281.60 (2r) (a), 292.15 (2) (at) (intro.) and 6., 292.24 (title), (2) (intro.),  
5           (a), (b), (c), (f), (g) and (3) (a) to (c), 292.26 (2) (intro.), 560.14 (4m) (a) (intro.),  
6           560.33 (1) (c), 560.34 (1) (intro.) and 560.34 (2) (title); and **to create** 20.255 (2)  
7           (dr), 20.255 (3) (er), 20.292 (1) (kd), 38.34, 49.157 (2), 49.157 (3), 49.175 (1) (zp),  
8           71.07 (5r), 71.10 (4) (k), 71.28 (1dx) (b) 1m., 71.28 (1dx) (f), 71.28 (5r), 71.30 (3)  
9           (g), 71.47 (5r), 71.49 (1) (g), 106.01 (11), 115.28 (45), 115.455, 292.11 (14), 292.15  
10          (2) (at) 5., 292.15 (8), 292.31 (11), 560.14 (4m) (c), 560.27, 560.31 (2) (g) and  
11          560.34 (1c) of the statutes; **relating to:** job retention programs; productivity  
12          enhancement training tax credit; applied technology centers; the certified  
13          capital company program; promoting the development of multistate venture  
14          capital development conferences; amending the brownfield and the  
15          environmental remediation tax incremental financing district laws; creating a

1 foreign language immersion grant program and Wisconsin world geography  
2 fund; low-income transportation assistance; establishing an advanced  
3 journeyworker pilot program; granting rule-making authority; and making an  
4 appropriation.

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

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

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

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on state strategies for economic development.

The bill makes numerous changes to state laws in a variety of subject matters. Among other things, the bill 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 employees.
- Modifies the technical college district board applied technology center program to allow full use of donated funds and to extend the sunset date of the program.
- Modifies the certified capital companies (CAPCO) program.
- Expands the scope of the state's venture capital fair grant program.
- Establishes a foreign language immersion 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.
- Permits the department of workforce development (DWD) to establish 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 bill are more fully explained below.

**Job Retention Skills Development Program**

This bill requires each technical college district board to make available to all employers in the district a 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. To the extent practicable, the program 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 six months of employment with their employer and entry-level employes.

In supervising and establishing minimum requirements for the program, the state technical college system (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 bill requires the board, in consultation with employers, district boards and DWD, to develop standards to assess the job retention and skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

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

Finally, the bill requires W-2 agencies to coordinate case management services that are provided to W-2 participants in unsubsidized employment with the job retention skills development program. [SECTIONS 7, 8 and 12.]

#### *Productivity Enhancement Training Expense Tax Credit*

This bill provides a nonrefundable business tax credit for expenses incurred by a business to provide certain training to the business's employes. 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 bill, 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 employes to improve productivity and to 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 designed to: (1) increase employe productivity; and (2) result in employes holding jobs that require higher degrees of skill to perform and that pay higher wages than their current 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 the business receives the certification, on the results of its productivity enhancement training and on 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 taxable years beginning on or after January 1, 2000. No business may be certified for tax credits for any taxable year beginning after December 31, 2008. [SECTIONS 15 to 20, 24 to 30, 44 and 51 (2).]

#### 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 changes in wages, productivity and skill levels of workers that have been directly served by the applied technology center.

Expenditures must be made before January 1, 2002.

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

#### CAPCO

The certified capital company (CAPCO) program was created by 1997 Wisconsin Act 215. 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 as "qualified investments". The bill focuses qualified investments on supporting the creation and expansion of new businesses, rather than later stage financing, by doing the following:

1. Lowering the average annual net income of a qualified business that a CAPCO may invest in from \$2,000,000 to \$1,000,000.
2. Precluding a CAPCO's qualified investment from being used to replace existing sources of financing.

3. Requiring 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 business needs. [SECTIONS 45 to 48 and 52 (1).]

#### 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 bill establishes that an eligible venture capital fair may be local, statewide or multistate in nature and directs the department of commerce to encourage the development of regional venture fairs in the upper midwest that meet the two requirements for receipt of a grant to support a venture capital fair. [SECTIONS 42 and 43.]

#### Foreign Language Immersion Grants

The bill creates a foreign language immersion grant program that 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 six. Under the bill, the state superintendent is required to promulgate rules defining "educational organization". The bill appropriates \$350,000 general purpose revenues (GPR) in the 1999-00 school year and \$750,000 GPR in the 2000-01 school year for this program. [SECTIONS 1, 2 and 33.]

#### Wisconsin World Geography Fund

The bill creates a onetime appropriation of \$500,000 GPR in fiscal year 2000-01 for the Wisconsin world geography fund and 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. 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 and 32.]

#### W-2 Transportation Services

The bill 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 that, 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 bill 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 10.]

• 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 job 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 bill requires W-2 agencies to provide to DWD an accounting of the amount expended on W-2-related transportation services in each contract year. [SECTION 11.]

• 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, an individual 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 bill requires DWD to set the income eligibility limit for W-2 transportation assistance at or below 165% of the federal poverty line and makes noncustodial parents of dependent children in a W-2 group eligible for W-2 transportation assistance if the dependent child's custodial parent is a W-2 participant and the noncustodial parent is subject to a child support order. [SECTION 9.]

Advanced Journeyworker Credential Pilot Program

The bill permits DWD to establish an advanced journeyworker credential pilot program in up to three trades, crafts or businesses to recognize advanced training and postapprenticeship achievements. The bill requires DWD to submit to the legislature, by July 1, 2003, an evaluation of the effectiveness of the program.

The bill appropriates \$160,000 in fiscal year 1999-00 and \$120,000 in fiscal year 2000-01 and authorizes one additional full-time equivalent position for the implementation and program development of the program. [SECTIONS 31 and 50.]

Brownfields

The bill 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 bill expands this exemption to cover the existence of solid waste, subject to the same conditions as apply to the existence of hazardous waste. [SECTION 39.]

• *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 incurred 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 bill provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer the right to claim the credit to any other person subject to taxation in this state. In addition, the bill 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 bill requires the department of revenue (DOR) to promulgate rules implementing the credit transfer provisions. [SECTIONS 21 to 23 and 51 (3).]

• *Modify the 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 bill provides that land recycling loans may not be made for the purpose of refinancing site investigations. [SECTION 34.]

• *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 bill 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 bill prohibits it from being sold or transferred to any person who is responsible for the environmental pollution that is remediated. [SECTIONS 13, 14 and 51 (1).]

Current law, as amended by 1999 Wisconsin Act 9, provides that a voluntary party is not liable with respect to a discharge of a hazardous substance on or originating from a property if the discharge occurred before an environmental investigation is complete but was not discovered in the course of that investigation and if certain other requirements are met. Those other requirements include: the environmental investigation is approved by the department of natural resources (DNR); the voluntary party enters into a clean-up agreement with DNR, if required by DNR; the voluntary party obtains and maintains insurance to cover the costs of restoring the environment and the discharge that is discovered before the original cleanup is complete. The bill modifies these requirements to exempt from liability voluntary parties who discover a discharge after doing all of the above and after conducting a second environmental investigation and having it approved by DNR. Thus, under the bill, a voluntary party is only exempt from the requirements to clean up hazardous substance discharge discovered after the second 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 bill 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 36, 37 and 40.]

• Require Use of Natural Attenuation in Areawide Groundwater Approaches and Consideration of Groundwater Use in Conducting Cleanups

Current law gives DNR authority to promulgate administrative rules governing cleanup of contaminated property. 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 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 bill, 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 35, 38 and 41.]

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



1			<b>1999-00</b>	<b>2000-01</b>
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2     **20.255 Public Instruction**

3     (2)    AIDS FOR LOCAL EDUCATIONAL PROGRAMMING

4     (dr)   Foreign language immersion

5	grants	GPR A	350,000	750,000
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6     (3)    AIDS TO LIBRARIES, INDIVIDUALS AND

7           ORGANIZATIONS

8	(er)   Wisconsin world geography fund	GPR A	-0-	500,000
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9           **SECTION 2.** 20.255 (2) (dr) of the statutes is created to read:

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

12          **SECTION 3.** 20.255 (3) (er) of the statutes is created to read:

13          20.255 (3) (er) *Wisconsin world geography fund.* The amounts in the schedule  
14          for a grant to the Wisconsin world geography fund under s. 115.28 (45). No moneys  
15          may be encumbered under this paragraph after June 30, 2001.

16          **SECTION 4.** 20.292 (1) (kd) of the statutes is created to read:

17          20.292 (1) (kd) *Job retention skills development programs.* All moneys  
18          transferred from the appropriation account under s. 20.445 (3) (md) for job retention  
19          skills development programs. No moneys may be encumbered from this  
20          appropriation after June 30, 2001.

21          **SECTION 5.** 20.445 (3) (md) of the statutes, as affected by 1999 Wisconsin Act  
22          9, is amended to read:

23          20.445 (3) (md) *Federal block grant aids.* The amounts in the schedule, less  
24          the amounts withheld under s. 49.143 (3), for aids to individuals or organizations and

1 to be transferred to the appropriation accounts under sub. (7) (kc) and ss. 20.255 (2)  
2 (kh) and (kp), 20.292 (1) (kd), 20.433 (1) (k), 20.434 (1) (kp) and (ky), 20.435 (3) (kc),  
3 (kd), (km) and (ky), (5) (ky), (7) (kw) and (ky) and (8) (kx), 20.465 (4) (k) and 20.835  
4 (2) (kf). All block grant moneys received for these purposes from the federal  
5 government or any of its agencies and all moneys recovered under s. 49.143 (3) shall  
6 be credited to this appropriation account.

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

9 38.15 (3) (c) 3. The capital expenditure is made before January 1, ~~2002~~ 2003.

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

13 **SECTION 7.** 38.34 of the statutes is created to read:

14 **38.34 Job retention skills development programs.** (1) Each district  
15 board shall make available to all employers in the district a job retention skills  
16 development program in order to assist employers to retain new employes, build job  
17 skill levels of those employes and assist those employes in attaining higher wages  
18 and long-term careers. To the extent practicable, the district board shall offer the  
19 program at employment sites. The program shall emphasize job retention skills  
20 development for employes with gross incomes at or below 200% of the poverty line,  
21 as defined in s. 49.001 (5), who are any of the following:

22 (a) Current or former recipients of public assistance, including participants in  
23 W-2 employment positions under s. 49.147.

24 (b) Employes within the first 6 months of employment with their employer.

25 (c) Entry-level employes.

1           (2) The program shall provide training in all of the following skills:

2           (a) Skills needed to achieve punctuality and consistency in attendance at  
3 employment.

4           (b) Skills needed to effectively work in a team.

5           (c) Skills needed to effectively communicate with supervisors and coworkers.

6           (d) Skills needed to solve basic workplace-related personal and interpersonal  
7 problems.

8           (3) (a) The board shall supervise, and establish minimum requirements for, the  
9 program. Except as provided in sub. (2), the board shall determine the length and  
10 content of the program after consultation with employers, district boards, W-2  
11 agencies, local units of government and labor organizations.

12           (b) In consultation with employers, district boards and the department of  
13 workforce development, the board shall develop standards for assessing the job  
14 retention skills, including the skills specified in sub. (2), of employes before and after  
15 their participation in the program.

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

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

21           (5) This section does not apply after December 31, 2004.

22           **SECTION 8.** 49.1475 of the statutes, as created by 1999 Wisconsin Act 9, is  
23 amended to read:

24           **49.1475 Follow-up services.** Following any follow-up period required by the  
25 contract entered into under s. 49.143, a Wisconsin works agency ~~may~~ shall provide

## SECTION 8

1 case management services for an individual who moves from a Wisconsin works  
2 employment position to unsubsidized employment to help the individual retain the  
3 unsubsidized employment. Case management services may include the provision of  
4 employment skills training; English as a 2nd language classes, if the Wisconsin  
5 works agency determines that the course will facilitate the individual's efforts to  
6 retain employment; a course of study meeting the standards established under s.  
7 115.29 (4) for the granting of a declaration of equivalency of high school graduation;  
8 or other remedial education courses. A Wisconsin works agency shall coordinate case  
9 management services with a program offered by a technical college under s. 38.34.  
10 The Wisconsin works agency may provide case management services regardless of  
11 the individual's income and assets levels.

12 SECTION 9. 49.157 of the statutes is renumbered 49.157 (1) and amended to  
13 read:

14 49.157 (1) A Wisconsin works agency may provide transportation assistance  
15 in the manner prescribed by the department. In addition to any other eligibility  
16 criteria established by the department, an individual is eligible for transportation  
17 assistance if the gross income of the Wisconsin works group of which the individual  
18 is a member is at or below 165% of the poverty line. In calculating gross income under  
19 this subsection, the Wisconsin works agency shall include the items specified in s.  
20 49.145 (3) (b) 1. and 3. A noncustodial parent of a dependent child is eligible for  
21 transportation assistance under this subsection if the dependent child's custodial  
22 parent is a participant and if the noncustodial parent is subject to a child support  
23 order. The Wisconsin works agency shall limit any financial assistance granted  
24 under this subsection to financial assistance for public transportation if a form of  
25 public transportation that meets the needs of the participant is available.

1       **SECTION 10.** 49.157 (2) of the statutes is created to read:

2       49.157 (2) A community steering committee established under s. 49.143 (2) (a)  
3 shall establish an advisory committee on transportation strategies and planning.  
4 The advisory committee shall consist of local transit or transportation providers,  
5 employers, child care providers, a representative of a community organization that  
6 serves participants, a representative of a Wisconsin works agency and other persons  
7 considered appropriate by the steering committee. The advisory committee shall  
8 make recommendations to the steering committee on ways to provide affordable and  
9 sufficient transportation options to low-income workers to enable the workers to  
10 access employment opportunities, child care services and other services conducive  
11 to stable employment.

12       **SECTION 11.** 49.157 (3) of the statutes is created to read:

13       49.157 (3) A Wisconsin works agency shall, in a manner prescribed by the  
14 department, provide to the department an accounting of the amount expended on  
15 Wisconsin works-related transportation services in each year of the agency's  
16 contract.

17       **SECTION 12.** 49.175 (1) (zp) of the statutes is created to read:

18       49.175 (1) (zp) *Job retention skills development programs.* For the transfer of  
19 moneys to the technical college system board for <sup>implementation costs for</sup> job retention skills development  
20 programs under s. 38.34, \$200,000 in fiscal year 1999-2000.

21       **SECTION 13.** 66.462 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9,  
22 is amended to read:

23       66.462 (1) (c) "Eligible costs" means capital costs, financing costs and  
24 administrative and professional service costs, incurred or estimated to be incurred  
25 by a political subdivision, for the investigation, removal, containment or monitoring

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

18 **SECTION 14.** 66.462 (2) of the statutes, as affected by 1999 Wisconsin Act 9,  
19 section 1634a, is renumbered 66.462 (2) (a) and amended to read:

20 66.462 (2) (a) A political subdivision that develops, and whose governing body  
21 approves, a written proposal to remediate environmental pollution may use an  
22 environmental remediation tax increment to pay the eligible costs of remediating  
23 environmental pollution on contiguous parcels of property that are located within  
24 the political subdivision and that are not part of a tax incremental district created  
25 under s. 66.46, as provided in this section, except that a political subdivision may use

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

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

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

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

16 71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,  
17 "productivity enhancement training expenses" has the meaning given in s. 560.27  
18 (1).

19 (b) Any partner, member of a limited liability company or a shareholder of a  
20 tax-option corporation may claim as a credit against taxes otherwise due under s.  
21 71.02 an amount that is equal to 100% of the amount of the partner's, member's or  
22 shareholder's productivity enhancement training expenses certified by the  
23 department of commerce under s. 560.27 in the tax year for which the expenses are  
24 certified, but that is not to exceed \$7,500.

1 (c) The carry forward provisions of s. 71.28 (5r) (c) and (f) as they apply to the  
2 credit under s. 71.28 (5r) apply to the credit under this subsection.

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

8 (e) Partnerships, limited liability companies and tax-option corporations may  
9 not claim the credit under this subsection, but the eligibility for, and the amount of,  
10 the credit are based on their productivity enhancement training expenses certified  
11 under s. 560.27. A partnership, limited liability company or tax-option corporation  
12 shall compute the amount of credit that each of its partners, members or  
13 shareholders may claim and shall provide that information to each of them.  
14 Partners, members of limited liability companies and shareholders of tax-option  
15 corporations may claim the credit in proportion to their ownership interest.

16 (f) No credit may be taken under this subsection for taxable years beginning  
17 after December 31, 2008.

18 **SECTION 17.** 71.08 (1) (intro.) of the statutes is amended to read:

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



1 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
2 computed as follows:

3 **SECTION 18.** 71.10 (4) (k) of the statutes is created to read:

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

5 **SECTION 19.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
7 (2dj), (2dL), (2ds), (2dx) ~~and~~, (3s) ~~and~~ (5r) and passed through to partners shall be  
8 added to the partnership's income.

9 **SECTION 20.** 71.26 (2) (a) of the statutes is amended to read:

10 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means  
11 the gross income as computed under the ~~internal revenue code~~ Internal Revenue  
12 Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di)  
13 plus the amount of credit computed under s. 71.28 (1) and (3) to (5) plus the amount  
14 of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx)  
15 ~~and~~ (5r) and not passed through by a partnership, limited liability company or  
16 tax-option corporation that has added that amount to the partnership's, limited  
17 liability company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)  
18 (g) plus the amount of losses from the sale or other disposition of assets the gain from  
19 which would be wholly exempt income, as defined in sub. (3) (L), if the assets were  
20 sold or otherwise disposed of at a gain and minus deductions, as computed under the  
21 ~~internal revenue code~~ Internal Revenue Code as modified under sub. (3), plus or  
22 minus, as appropriate, an amount equal to the difference between the federal basis  
23 and Wisconsin basis of any asset sold, exchanged, abandoned or otherwise disposed  
24 of in a taxable transaction during the taxable year, except as provided in par. (b) and  
25 s. 71.45 (2) and (5).

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

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

4           **SECTION 22.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

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

13           **SECTION 23.** 71.28 (1dx) (f) of the statutes is created to read:

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

18           **SECTION 24.** 71.28 (5r) of the statutes is created to read:

19           71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) In this subsection,  
20 “productivity enhancement training expenses” has the meaning given in s. 560.27  
21 (1).

22           (b) Any corporation may claim as a credit against taxes otherwise due under  
23 s. 71.23 an amount that is equal to 100% of the amount of the corporation’s  
24 productivity enhancement training expenses certified by the department of

1 commerce under s. 560.27 in the tax year for which the expenses are certified, but  
2 that is not to exceed \$7,500.

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

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

10 (e) Partnerships, limited liability companies and tax-option corporations may  
11 not claim the credit under this subsection, but the eligibility for, and the amount of,  
12 the credit are based on their productivity enhancement training expenses certified  
13 under s. 560.27. A partnership, limited liability company or tax-option corporation  
14 shall compute the amount of credit that each of its partners, members or  
15 shareholders may claim and shall provide that information to each of them.  
16 Partners, members of limited liability companies and shareholders of tax-option  
17 corporations may claim the credit in proportion to their ownership interest.

18 (f) No credit may be taken under this subsection for taxable years beginning  
19 after December 31, 2008. Credits under this subsection that are claimed for taxable  
20 years beginning before December 31, 2008 may be carried forward to taxable years  
21 beginning after December 31, 2008.

22 **SECTION 25.** 71.30 (3) (g) of the statutes is created to read:

23 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).

24 **SECTION 26.** 71.34 (1) (g) of the statutes is amended to read:

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

4           **SECTION 27.** 71.45 (2) (a) 10. of the statutes is amended to read:

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

11           **SECTION 28.** 71.47 (5r) of the statutes is created to read:

12           71.47 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,  
13 "productivity enhancement training expenses" has the meaning given in s. 560.27  
14 (1).

15           (b) Any corporation may claim as a credit against taxes otherwise due under  
16 s. 71.43 an amount that is equal to 100% of the amount of the corporation's  
17 productivity enhancement training expenses certified by the department of  
18 commerce under s. 560.27 in the tax year for which the expenses are certified, but  
19 that is not to exceed \$7,500.

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

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

4 (e) Partnerships, limited liability companies and tax-option corporations may  
5 not claim the credit under this subsection, but the eligibility for, and the amount of,  
6 the credit are based on their productivity enhancement training expenses certified  
7 under s. 560.27. A partnership, limited liability company or tax-option corporation  
8 shall compute the amount of credit that each of its partners, members or  
9 shareholders may claim and shall provide that information to each of them.  
10 Partners, members of limited liability companies and shareholders of tax-option  
11 corporations may claim the credit in proportion to their ownership interest.

12 (f) No credit may be taken under this subsection for taxable years beginning  
13 after December 31, 2008. Credits under this subsection that are claimed for taxable  
14 years beginning before December 31, 2008 may be carried forward to taxable years  
15 beginning after December 31, 2008.

16 **SECTION 29.** 71.49 (1) (g) of the statutes is created to read:

17 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

18 **SECTION 30.** 77.92 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is  
19 amended to read:

20 77.92 (4) "Net business income", with respect to a partnership, means taxable  
21 income as calculated under section 703 of the Internal Revenue Code; plus the items  
22 of income and gain under section 702 of the Internal Revenue Code, including taxable  
23 state and municipal bond interest and excluding nontaxable interest income or  
24 dividend income from federal government obligations; minus the items of loss and  
25 deduction under section 702 of the Internal Revenue Code, except items that are not

1 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
2 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
3 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s) and (5r); and plus or minus, as  
4 appropriate, transitional adjustments, depreciation differences and basis  
5 differences under s. 71.05 (13), (15), (16), (17) and (19); but excluding income, gain,  
6 loss and deductions from farming. "Net business income", with respect to a natural  
7 person, estate or trust, means profit from a trade or business for federal income tax  
8 purposes and includes net income derived as an employe as defined in section 3121  
9 (d) (3) of the Internal Revenue Code.

10 SECTION 31. 106.01 (11) of the statutes is created to read:

11 106.01 (11) The department may establish an advanced journeyworker  
12 credential pilot program in up to 3 trades, crafts or businesses to recognize advanced  
13 training and postapprenticeship achievements. By July 1, 2003, the department  
14 shall submit to the legislature under s. 13.172 (2) an evaluation of the effectiveness  
15 of the program established under this subsection.

16 SECTION 32. 115.28 (45) of the statutes is created to read:

17 115.28 (45) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with  
18 the National Geographic Society Education Foundation, ~~and the agreement~~ <sup>that</sup> does all  
19 of the following:

20 (a) Establishes a Wisconsin world geography fund to be managed by the  
21 National Geographic Society Education Foundation.

22 (b) Requires the state superintendent to award a grant of \$500,000 from the  
23 appropriation under s. 20.255 (3) (er) to the fund if the award is matched by a grant  
24 from the National Geographic Society.

1 (c) Requires the income and appreciation of the fund to be used to fund grants  
2 to educational programs that improve the geographic literacy of pupils and teachers.

3 (d) Requires that, annually, the National Geographic Society Education  
4 Foundation submit to the state superintendent a financial statement of the  
5 Wisconsin world geography fund account prepared by an independent auditor and  
6 a report on the recipients in the state who received a grant from the fund.

7 (e) Requires that if the state ceases to participate in the fund, or the National  
8 Geographic Society Education Foundation ceases to offer the fund, the state's  
9 contribution to the fund, along with any unexpended income or appreciation of the  
10 fund attributable to the state's contribution, be returned to the state.

11 SECTION 33. 115.455 of the statutes is created to read:

12' **115.455 Foreign language immersion grants.** Beginning in the <sup>1999-2000</sup>~~1999-00~~  
13 school year, the state superintendent shall award from the appropriation under s.  
14 20.255 (2) (dr) at least one grant in each school year, on a competitive basis, to an  
15 educational organization, as defined by the state superintendent by rule, or  
16 consortium of educational organizations for the development and implementation of  
17 a foreign language immersion program in a public or private school in grades  
18 kindergarten to 6.

19 SECTION 34. 281.60 (2r) (a) of the statutes, as affected by 1999 Wisconsin Act  
20 9, is amended to read:

21 281.60 (2r) (a) Making loans for projects described in sub. (2), but not for the  
22 purpose of refinancing obligations incurred to conduct site investigations.

23 SECTION 35. 292.11 (14) of the statutes is created to read:

24 292.11 (14) GROUNDWATER CONTAMINATIONS; INSTITUTIONAL CONTROLS. In  
25 specifying the criteria for determining whether any further action is required under

1 sub. (3) in a case involving groundwater contamination exceeding enforcement  
2 standards or preventive action limits established by the department under s. 160.07,  
3 160.09 or 160.15, the department shall consider institutional controls, including  
4 municipal ordinances, that provide adequate notice to the public of groundwater  
5 contamination in the area affected by the groundwater contamination to be  
6 equivalent to recorded groundwater use restrictions.

7 **SECTION 36.** 292.15 (2) (at) (intro.) and 6. of the statutes, as created by 1999  
8 Wisconsin Act 9, are amended to read:

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

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

22 **SECTION 37.** 292.15 (2) (at) 5. of the statutes is created to read:

23 292.15 (2) (at) 5. After the discharge under subd. 4. is discovered, a 2nd  
24 environmental investigation of the property is conducted and is approved by the  
25 department.



1           **SECTION 38.** 292.15 (8) of the statutes is created to read:

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

9           **SECTION 39.** 292.24 (title), (2) (intro.), (a), (b), (c), (f), (g) and (3) (a) to (c) of the  
10   statutes, as created by 1999 Wisconsin Act 9, are amended to read:

11           **292.24 (title) Responsibility of local governmental units; hazardous**  
12   **waste or solid waste.**

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

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

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

1 the 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 waste or solid waste discharges and that the harmful  
6 effects 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 know or  
10 should have known about more discharges of hazardous waste or solid waste than  
11 were revealed by the investigation conducted under par. (a).

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

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

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

24 SECTION 40. 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 on or from property formerly owned or controlled by  
5 the local governmental unit ~~if the property that~~ is no longer owned by the local  
6 governmental unit at the time that the discharge is discovered ~~and~~ if any of the  
7 following applies:

8           **SECTION 41.** 292.31 (11) of the statutes is created to read:

9           292.31 (11) CONSIDERATION OF INSTITUTIONAL CONTROLS. In specifying the  
10 criteria for determining whether any further action is necessary under sub. (3) in a  
11 case involving groundwater contamination exceeding enforcement standards or  
12 preventive action limits adopted by the department, the department shall consider  
13 institutional controls, including municipal ordinances, that provide adequate notice  
14 to the public of groundwater contamination in the area affected by the groundwater  
15 contamination to be equivalent to recorded groundwater use restrictions.

16           **SECTION 42.** 560.14 (4m) (a) (intro.) of the statutes is amended to read:

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

22           **SECTION 43.** 560.14 (4m) (c) of the statutes is created to read:

23           560.14 (4m) (c) The department shall encourage the organizing of venture  
24 capital development conferences in the upper midwest region of the United States  
25 that satisfy the requirements under par. (a) 1. and 2.

1 SECTION 44. 560.27 of the statutes is created to read:

2 **560.27 Productivity enhancement training expense certification. (1)**

3 DEFINITION. In this section, "productivity enhancement training expenses" means  
4 expenses incurred by a business in providing training designed to increase the  
5 productivity of the business's employees and to promote or create jobs that require  
6 high degrees of skill to perform and that pay high wages. "Productivity enhancement  
7 training expenses" includes up to \$2,000 in expenses incurred for needs assessment  
8 and consultation under sub. (4) (b).

9 (2) PROGRAM. The department shall develop, implement and administer a  
10 productivity enhancement training expense certification program to assist  
11 businesses in providing training to their employees that is designed to improve the  
12 employees' productivity and to promote, and provide workers for, jobs ~~that pay~~  
13 degrees of skill to perform and ~~pay~~ high wages. *that pay*

14 (3) CERTIFICATION. The department shall certify as eligible for the tax credit  
15 under s. 71.07 (5r), 71.28 (5r) or 71.47 (5r) any business that meets the eligibility  
16 requirements under sub. (4).

17 (4) ELIGIBILITY. A business is eligible to have its productivity enhancement  
18 training expenses certified if all of the following apply:

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

21 1. Provides for training of the business's employees that will increase the  
22 employees' productivity to achieve specific goals established as a result of the  
23 assessment and consultation under par. (b).

24 2. Provides for training of the business's employees that will result in the  
25 employees holding jobs ~~that pay~~ higher degrees of skill and ~~pay~~ higher wages

*within the business that require*

*that pay*

*within the business that require*

1 than their current jobs, as determined by the assessment and consultation under par.  
2 (b).

3 (b) Prior to providing any productivity enhancement training, the business  
4 receives needs assessment and consultation from an entity that is experienced in  
5 providing productivity assessment or business planning and that is approved by the  
6 department.

7

8

(c) <sup>Through</sup> The needs assessment and consultation under par. (b) <sup>the business and the</sup> <sup>entity agree on</sup> ~~the~~ <sup>proposed</sup> <sup>a</sup> <sup>plan that</sup> training is appropriate for the purposes specified under par. (a).

\*\*\*\*NOTE: The proposed language was unclear to me. Does the business come up with its training plan through the assessment and consultation or does the entity with the experience in productivity assessment or business planning assess the plan that the business comes up and give it its stamp of approval?

9 (d) The business submits to the department an accounting of the productivity  
10 enhancement training expenses incurred by the business under the plan under par.  
11 (a) and the department determines that the expenses were incurred under the plan.

12 (5) REPORTING. (a) Each business certified under this section that claims the  
13 tax credit under s. 71.07 (5r), 71.28 (5r) or 71.47 (5r) shall report to the department,  
14 no later March 1 of the year after it received the certification, on the results of its  
15 productivity enhancement training and on its success in meeting the goals  
16 established in its productivity enhancement training plan. The report shall be on a  
17 form prescribed by the department.

18 (b) Annually, the department shall estimate the amount of foregone state  
19 revenue because of the tax credits claimed by persons certified under this section.

20 (c) Annually, by December 1, the department shall report to the legislature  
21 under s. 13.172 (2) on the effectiveness of the productivity enhancement training  
22 certification program and the tax credit <sup>A</sup> under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r)  
23 in meeting the purposes of the program as specified in sub. (2).

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

5 (7) NOTIFICATION. The department shall notify the department of revenue of all  
6 persons entitled to claim tax credits under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r).

7 (8) TRANSFERABILITY. The tax credits for which a person is certified as eligible  
8 under this section are not transferable to another person or business.

9 (9) SUNSET. No business may be certified under this section after December 31,  
10 2008, or for tax credits for any tax year beginning after December 31, 2008.

\*\*\*\*NOTE: It sounds like the purpose of the training under this program is to train  
employees to leave their jobs for better jobs at other businesses. Is this okay, or should the  
language make it clear that the jobs paying higher wages and requiring higher degrees  
of skill are at the same business?

11 SECTION 45. 560.31 (2) (g) of the statutes is created to read:

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

15 SECTION 46. 560.33 (1) (c) of the statutes is amended to read:

16 560.33 (1) (c) During its 2 most recent fiscal years, the business had, together  
17 with all of its consolidated affiliates, an average annual net income, after federal  
18 income taxes and excluding any carry-over losses, of not more than \$2,000,000  
19 \$1,000,000, as determined in accordance with generally accepted accounting  
20 principles.

21 SECTION 47. 560.34 (1) (intro.) of the statutes is amended to read:

22 560.34 (1) QUALIFIED INVESTMENTS REQUIREMENTS. (intro.) In order for a  
23 certified capital company to prevent disqualification under s. 560.37 of an

1 investment pool, the certified capital company shall ensure that the investment pool  
2 makes qualified investments in accordance with the schedule under sub. (1m). An  
3 ~~Except as provided in sub. (1c), an investment is a qualified investment if the~~  
4 investment meets all of the following requirements:

5 SECTION 48. 560.34 (1c) of the statutes is created to read:

6 560.34 (1c) INVESTMENTS THAT ARE NOT QUALIFIED. An investment is not a  
7 qualified investment if the investment is used in whole or in part to do any of the  
8 following:

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

11 (b) Purchase outstanding equity of a qualified business.

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

\*\*\*\*NOTE: Since a qualified investment is a cash investment in a qualified business,  
is this paragraph necessary?

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

\*\*\*\*NOTE: Does "to produce net income after taxes, etc.," modify "assets that are  
currently used"?

16 SECTION 49. 560.34 (2) (title) of the statutes is amended to read:

17 560.34 (2) (title) ~~Nonqualified~~ OTHER CERTIFIED CAPITAL COMPANY INVESTMENTS.

18 SECTION 50. Appropriation changes.

19 (1) ADVANCED JOURNEYWORKER CREDENTIAL PILOT PROGRAM. In the schedule  
20 under section 20.005 (3) of the statutes for the appropriation to the department of  
21 workforce development under section 20.445 (1) (a) of the statutes, as affected by the  
22 acts of 1999, the dollar amount is increased by \$160,000 for fiscal year 1999-00 and

*notwithstanding sub. (1)*  
*by one paragraph*  
*the*  
*the*

**SECTION 50**

1 the dollar amount is increased by \$120,000 for fiscal year 2000-01 to increase the  
2 authorized FTE positions for the department by 1.0 GPR position for the  
3 implementation and program development of the advanced journey worker  
4 credential pilot program under section 106.01 (11) of the statutes, as created by this  
5 act.

6 (2) **JOB RETENTION SKILLS DEVELOPMENT PROGRAMS.**

7 (a) There is transferred from the appropriation to the department of workforce  
8 development under section 20.445 (3) (md) of the statutes, as affected by 1999  
9 Wisconsin Acts 9 and this act, to the appropriation to the technical system college  
10 board under section 20.292 (1) (kd) of the statutes, as created by this act, \$200,000  
11 in fiscal year 1999-00.

12 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation  
13 to the department of workforce development under section 20.445 (3) (md) of the  
14 statutes, as affected by 1999 Wisconsin Act 9 and this act, the dollar amount for fiscal  
15 year 1999-00 is decreased by \$200,000 to reflect the transfer of moneys under  
16 paragraph (a).

17 **SECTION 51. Initial applicability.**

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

23 (2) **PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT.** The treatment of sections  
24 71.07 (5r), 71.28 (5r), 71.47 (5r) and 560.27 of the statutes first applies to taxable  
25 years beginning on January 1, 2000.



1 (3) TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS. The treatment of  
2 section 71.28 (1dx) (b) 1. and 1m. and (f) of the statutes first applies to taxable years  
3 beginning on January 1, 2000.

4 **SECTION 52. Effective dates.** This act takes effect on the day after publication,  
5 except as follows: **DEVELOPMENT**  
**AND VENTURE CAPITAL CONFERENCES** (CS)

6 (1) CERTIFIED CAPITAL COMPANIES. The treatment of sections 560.14 (4m) (a)  
7 (intro.) and (c), 560.31 (2) (g), 560.33 (1) (c) and 560.34 (1c) of the statutes takes effect  
8 on July 1, 2000.

\*\*\*\*NOTE: Did you intend to include the sections on venture capital development conferences in this subsection? If so, the title should be changed to reflect more than the CAPCO provisions.

(END)

9



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-3778/2

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1999 BILL

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1 AN ACT to renumber and amend 49.157 and 66.462 (2); to amend 20.445 (3)  
2 (md), 38.15 (3) (c) 3. and 4., 49.1475, 66.462 (1) (c), 71.05 (6) (a) 15., 71.08 (1)  
3 (intro.), 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10.,  
4 77.92 (4), 281.60 (2r) (a), 292.15 (2) (at) (intro.) and 6., 292.24 (title), (2) (intro.),  
5 (a), (b), (c), (f), (g) and (3) (a) to (c), 292.26 (2) (intro.), 560.14 (4m) (a) (intro.),  
6 560.33 (1) (c) and 560.34 (2) (title); and to create 20.255 (2) (dr), 20.255 (3) (er),  
7 20.292 (1) (kd), 38.34, 49.157 (2), 49.157 (3), 49.175 (1) (zp), 71.07 (5r), 71.10 (4)  
8 (k), 71.28 (1dx) (b) 1m., 71.28 (1dx) (f), 71.28 (5r), 71.30 (3) (g), 71.47 (5r), 71.49  
9 (1) (g), 106.01 (11), 115.28 (45), 115.455, 292.11 (14), 292.15 (2) (at) 5., 292.15  
10 (8), 292.31 (11), 560.14 (4m) (c), 560.27, 560.31 (2) (g) and 560.34 (1c) of the  
11 statutes; relating to: job retention programs; productivity enhancement  
12 training tax credit; applied technology centers; the certified capital company  
13 program; promoting the development of multistate venture capital  
14 development conferences; amending the brownfield and the environmental

**BILL**

1 remediation tax incremental financing district laws; creating a foreign  
2 language immersion grant program and Wisconsin world geography fund;  
3 low-income transportation assistance; establishing an advanced  
4 journeyworker pilot program; granting rule-making authority; and making an  
5 appropriation.

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

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

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on state strategies for economic development.

The bill makes numerous changes to state laws in a variety of subject matters. Among other things, the bill 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 employees.
- Modifies the technical college district board applied technology center program to allow full use of donated funds and to extend the sunset date of the program.
- Modifies the certified capital companies (CAPCO) program.
- Expands the scope of the state's venture capital fair grant program.
- Establishes a foreign language immersion 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.
- Permits the department of workforce development (DWD) to establish 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 bill are more fully explained below.

***Job Retention Skills Development Program***

**BILL**

This bill requires each technical college district board to make available to all employers in the district a job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees and assist those employees to attain higher wages and long-term careers. To the extent practicable, the program 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 six months of employment with their employer and entry-level employees.

In supervising and establishing minimum requirements for the program, the state technical college system (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 bill requires the board, in consultation with employers, district boards and DWD, to develop standards to assess the job retention and skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

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

Finally, the bill requires W-2 agencies to coordinate case management services that are provided to W-2 participants in unsubsidized employment with the job retention skills development program. [SECTIONS 7, 8 ~~and 12~~ and 49(2)]

Productivity Enhancement Training Expense Tax Credit

This bill provides a nonrefundable business tax credit for expenses incurred by a business to provide certain training to the business's employees. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried forward for up to 15 years. Under the bill, 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 employees to improve productivity and to 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 designed to: (1) increase employee productivity; and (2) result in employees holding jobs that require higher degrees of skill to perform and that pay higher wages than their current 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.



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**BILL**

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 the business receives the certification, on the results of its productivity enhancement training and on 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 taxable years beginning on or after January 1, 2000. No business may be certified for tax credits for any taxable year beginning after December 31, 2008. [SECTIONS 15 to 20, 24 to 30, 44 and 50 (2).]

**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 changes in wages, productivity and skill levels of workers that have been directly served by the applied technology center.

Expenditures must be made before January 1, 2002.

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

**CAPCO**

The certified capital company (CAPCO) program was created by 1997 Wisconsin Act 215. 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 as "qualified investments". The bill focuses qualified investments on supporting the creation and expansion of new businesses, rather than later stage financing, by doing the following:

1. Lowering the average annual net income of a qualified business that a CAPCO may invest in from \$2,000,000 to \$1,000,000.
2. Precluding a CAPCO's qualified investment from being used to replace existing sources of financing.

**BILL**

3. Requiring 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 business needs. [SECTIONS 45 to 47 and 51 (1).]

***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 bill establishes that an eligible venture capital fair may be local, statewide or multistate in nature and directs the department of commerce to encourage the development of regional venture fairs in the upper midwest that meet the two requirements for receipt of a grant to support a venture capital fair. [SECTIONS 42 and 43.]

***Foreign Language Immersion Grants***

The bill creates a foreign language immersion grant program that 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 six. Under the bill, the state superintendent is required to promulgate rules defining "educational organization". The bill appropriates \$350,000 general purpose revenues (GPR) in the 1999-00 school year and \$750,000 GPR in the 2000-01 school year for this program. [SECTIONS 1, 2 and 33.]

***Wisconsin World Geography Fund***

The bill creates a onetime appropriation of \$500,000 GPR in fiscal year 2000-01 for the Wisconsin world geography fund and 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. 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, 3 and 32.]

***W-2 Transportation Services***

The bill 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 that, among other things, is to advise the W-2 agency concerning employment

**BILL**

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 bill 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 10.]

• 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 job 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 bill requires W-2 agencies to provide to DWD an accounting of the amount expended on W-2-related transportation services in each contract year. [SECTION 11.]

• 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, an individual 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 bill requires DWD to set the income eligibility limit for W-2 transportation assistance at or below 165% of the federal poverty line and makes noncustodial parents of dependent children in a W-2 group eligible for W-2 transportation assistance if the dependent child's custodial parent is a W-2 participant and the noncustodial parent is subject to a child support order. [SECTION 9.]

Advanced Journeyworker Credential Pilot Program

The bill permits DWD to establish an advanced journeyworker credential pilot program in up to three trades, crafts or businesses to recognize advanced training and postapprenticeship achievements. The bill requires DWD to submit to the legislature, by July 1, 2003, an evaluation of the effectiveness of the program.

The bill appropriates \$160,000 in fiscal year 1999-00 and \$120,000 in fiscal year 2000-01 and authorizes one additional full-time equivalent position for the implementation and program development of the program. [SECTIONS 31 and 49.]

Brownfields

The bill 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

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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 bill expands this exemption to cover the existence of solid waste, subject to the same conditions as apply to the existence of hazardous waste. [SECTION 39.]

• *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 incurred 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 bill provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer the right to claim the credit to any other person subject to taxation in this state. In addition, the bill 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 bill requires the department of revenue (DOR) to promulgate rules implementing the credit transfer provisions. [SECTIONS 21 to 23 and 50 (3).]

• *Modify the 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 bill provides that land recycling loans may not be made for the purpose of refinancing site investigations. [SECTION 34.]

• *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



**BILL**

incurred for the investigation, removal, containment or monitoring of, the environment affected by, environmental pollution, property acquisition costs and demolition costs. The bill 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 bill prohibits it from being sold or transferred to any person who is responsible for the environmental pollution that is remediated. [SECTIONS 13, 14 and 50 (1).]

Current law, as amended by 1999 Wisconsin Act 9, provides that a voluntary party is not liable with respect to a discharge of a hazardous substance on or originating from a property if the discharge occurred before an environmental investigation is complete but was not discovered in the course of that investigation and if certain other requirements are met. Those other requirements include: the environmental investigation is approved by the department of natural resources (DNR); the voluntary party enters into a clean-up agreement with DNR, if required by DNR; the voluntary party obtains and maintains insurance to cover the costs of restoring the environment and the discharge that is discovered before the original cleanup is complete. The bill modifies these requirements to exempt from liability voluntary parties who discover a discharge after doing all of the above and after conducting a second environmental investigation and having it approved by DNR. Thus, under the bill, a voluntary party is only exempt from the requirements to clean up hazardous substance discharge discovered after the second 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 bill 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. [SECTION 19.40, ~~19.40~~ 40.]

**• Require Use of Natural Attenuation in Areawide Groundwater Approaches and Consideration of Groundwater Use in Conducting Cleanups**

Current law gives DNR authority to promulgate administrative rules governing cleanup of contaminated property. 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 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 bill, 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 35, 38 and 41.]

SECTIONS 36 and 37  
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(closed on page 24)

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



**BILL**

1 to be transferred to the appropriation accounts under sub. (7) (kc) and ss. 20.255 (2)  
2 (kh) and (kp), 20.292 (1) (kd), 20.433 (1) (k), 20.434 (1) (kp) and (ky), 20.435 (3) (kc),  
3 (kd), (km) and (ky), (5) (ky), (7) (kw) and (ky) and (8) (kx), 20.465 (4) (k) and 20.835  
4 (2) (kf). All block grant moneys received for these purposes from the federal  
5 government or any of its agencies and all moneys recovered under s. 49.143 (3) shall  
6 be credited to this appropriation account.

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

9 38.15 (3) (c) 3. The capital expenditure is made before January 1, ~~2002~~ 2003.

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

13 **SECTION 7.** 38.34 of the statutes is created to read:

14 **38.34 Job retention skills development programs.** (1) Each district  
15 board shall make available to all employers in the district a job retention skills  
16 development program in order to assist employers to retain new employees, build job  
17 skill levels of those employees and assist those employees in attaining higher wages  
18 and long-term careers. To the extent practicable, the district board shall offer the  
19 program at employment sites. The program shall emphasize job retention skills  
20 development for employees with gross incomes at or below 200% of the poverty line,  
21 as defined in s. 49.001 (5), who are any of the following:

22 (a) Current or former recipients of public assistance, including participants in  
23 W-2 employment positions under s. 49.147.

24 (b) Employees within the first 6 months of employment with their employer.

25 (c) Entry-level employees.

**BILL**

1           (2) The program shall provide training in all of the following skills:

2           (a) Skills needed to achieve punctuality and consistency in attendance at  
3 employment.

4           (b) Skills needed to effectively work in a team.

5           (c) Skills needed to effectively communicate with supervisors and coworkers.

6           (d) Skills needed to solve basic workplace-related personal and interpersonal  
7 problems.

8           (3) (a) The board shall supervise, and establish minimum requirements for, the  
9 program. Except as provided in sub. (2), the board shall determine the length and  
10 content of the program after consultation with employers, district boards, W-2  
11 agencies, local units of government and labor organizations.

12           (b) In consultation with employers, district boards and the department of  
13 workforce development, the board shall develop standards for assessing the job  
14 retention skills, including the skills specified in sub. (2), of employees before and after  
15 their participation in the program.

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

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

21           (5) This section does not apply after December 31, 2004.

22           **SECTION 8.** 49.1475 of the statutes, as created by 1999 Wisconsin Act 9, is  
23 amended to read:

24           **49.1475 Follow-up services.** Following any follow-up period required by the  
25 contract entered into under s. 49.143, a Wisconsin works agency ~~may~~ shall provide

**BILL****SECTION 8**

1 case management services for an individual who moves from a Wisconsin works  
2 employment position to unsubsidized employment to help the individual retain the  
3 unsubsidized employment. Case management services may include the provision of  
4 employment skills training; English as a 2nd language classes, if the Wisconsin  
5 works agency determines that the course will facilitate the individual's efforts to  
6 retain employment; a course of study meeting the standards established under s.  
7 115.29 (4) for the granting of a declaration of equivalency of high school graduation;  
8 or other remedial education courses. A Wisconsin works agency shall coordinate case  
9 management services with a program offered by a technical college under s. 38.34.  
10 The Wisconsin works agency may provide case management services regardless of  
11 the individual's income and assets levels.

12 **SECTION 9.** 49.157 of the statutes is renumbered 49.157 (1) and amended to  
13 read:

14 49.157 (1) A Wisconsin works agency may provide transportation assistance  
15 in the manner prescribed by the department. In addition to any other eligibility  
16 criteria established by the department, an individual is eligible for transportation  
17 assistance if the gross income of the Wisconsin works group of which the individual  
18 is a member is at or below 165% of the poverty line. In calculating gross income under  
19 this subsection, the Wisconsin works agency shall include the items specified in s.  
20 49.145 (3) (b) 1. and 3. A noncustodial parent of a dependent child is eligible for  
21 transportation assistance under this subsection if the dependent child's custodial  
22 parent is a participant and if the noncustodial parent is subject to a child support  
23 order. The Wisconsin works agency shall limit any financial assistance granted  
24 under this subsection to financial assistance for public transportation if a form of  
25 public transportation that meets the needs of the participant is available.

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1           **SECTION 10.** 49.157 (2) of the statutes is created to read:

2           49.157 (2) A community steering committee established under s. 49.143 (2) (a)  
3 shall establish an advisory committee on transportation strategies and planning.  
4 The advisory committee shall consist of local transit or transportation providers,  
5 employers, child care providers, a representative of a community organization that  
6 serves participants, a representative of a Wisconsin works agency and other persons  
7 considered appropriate by the steering committee. The advisory committee shall  
8 make recommendations to the steering committee on ways to provide affordable and  
9 sufficient transportation options to low-income workers to enable the workers to  
10 access employment opportunities, child care services and other services conducive  
11 to stable employment.

12           **SECTION 11.** 49.157 (3) of the statutes is created to read:

13           49.157 (3) A Wisconsin works agency shall, in a manner prescribed by the  
14 department, provide to the department an accounting of the amount expended on  
15 Wisconsin works-related transportation services in each year of the agency's  
16 contract.

17           **SECTION 12.** 49.175 (1) (zp) of the statutes is created to read:

18           49.175 (1) (zp) *Job retention skills development programs.* For the transfer of  
19 moneys to the technical college system board for implementation costs for job  
20 retention skills development programs under s. 38.34, \$200,000 in fiscal year  
21 1999-2000.

22           **SECTION 13.** 66.462 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9,  
23 is amended to read:

24           66.462 (1) (c) "Eligible costs" means capital costs, financing costs and  
25 administrative and professional service costs, incurred or estimated to be incurred

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

19 **SECTION 14.** 66.462 (2) of the statutes, as affected by 1999 Wisconsin Act 9,  
20 section 1634a, is renumbered 66.462 (2) (a) and amended to read:

21 66.462 (2) (a) A political subdivision that develops, and whose governing body  
22 approves, a written proposal to remediate environmental pollution may use an  
23 environmental remediation tax increment to pay the eligible costs of remediating  
24 environmental pollution on contiguous parcels of property that are located within  
25 the political subdivision and that are not part of a tax incremental district created

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

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

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

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

17 71.07 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,  
18 "productivity enhancement training expenses" has the meaning given in s. 560.27  
19 (1).

20 (b) Any partner, member of a limited liability company or a shareholder of a  
21 tax-option corporation may claim as a credit against taxes otherwise due under s.  
22 71.02 an amount that is equal to 100% of the amount of the partner's, member's or  
23 shareholder's productivity enhancement training expenses certified by the  
24 department of commerce under s. 560.27 in the tax year for which the expenses are  
25 certified, but that is not to exceed \$7,500.



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1 (c) The carry forward provisions of s. 71.28 (5r) (c) and (f) as they apply to the  
2 credit under s. 71.28 (5r) apply to the credit under this subsection.

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

8 (e) Partnerships, limited liability companies and tax-option corporations may  
9 not claim the credit under this subsection, but the eligibility for, and the amount of,  
10 the credit are based on their productivity enhancement training expenses certified  
11 under s. 560.27. A partnership, limited liability company or tax-option corporation  
12 shall compute the amount of credit that each of its partners, members or  
13 shareholders may claim and shall provide that information to each of them.  
14 Partners, members of limited liability companies and shareholders of tax-option  
15 corporations may claim the credit in proportion to their ownership interest.

16 (f) No credit may be taken under this subsection for taxable years beginning  
17 after December 31, 2008.

18 **SECTION 17.** 71.08 (1) (intro.) of the statutes is amended to read:

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

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1 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
2 computed as follows:

3 **SECTION 18.** 71.10 (4) (k) of the statutes is created to read:

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

5 **SECTION 19.** 71.21 (4) of the statutes is amended to read:

6 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
7 (2dj), (2dL), (2ds), (2dx) and, (3s) and (5r) and passed through to partners shall be  
8 added to the partnership's income.

9 **SECTION 20.** 71.26 (2) (a) of the statutes is amended to read:

10 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means  
11 the gross income as computed under the ~~internal revenue code~~ Internal Revenue  
12 Code as modified under sub. (3) minus the amount of recapture under s. 71.28 (1di)  
13 plus the amount of credit computed under s. 71.28 (1) and (3) to (5) plus the amount  
14 of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds) and, (1dx)  
15 and (5r) and not passed through by a partnership, limited liability company or  
16 tax-option corporation that has added that amount to the partnership's, limited  
17 liability company's or tax-option corporation's income under s. 71.21 (4) or 71.34 (1)  
18 (g) plus the amount of losses from the sale or other disposition of assets the gain from  
19 which would be wholly exempt income, as defined in sub. (3) (L), if the assets were  
20 sold or otherwise disposed of at a gain and minus deductions, as computed under the  
21 ~~internal revenue code~~ Internal Revenue Code as modified under sub. (3), plus or  
22 minus, as appropriate, an amount equal to the difference between the federal basis  
23 and Wisconsin basis of any asset sold, exchanged, abandoned or otherwise disposed  
24 of in a taxable transaction during the taxable year, except as provided in par. (b) and  
25 s. 71.45 (2) and (5).

**BILL****SECTION 21**

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

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

4       **SECTION 22.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

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

13       **SECTION 23.** 71.28 (1dx) (f) of the statutes is created to read:

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

18       **SECTION 24.** 71.28 (5r) of the statutes is created to read:

19       71.28 (5r) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) In this subsection,  
20 "productivity enhancement training expenses" has the meaning given in s. 560.27  
21 (1).

22       (b) Any corporation may claim as a credit against taxes otherwise due under  
23 s. 71.23 an amount that is equal to 100% of the amount of the corporation's  
24 productivity enhancement training expenses certified by the department of

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1 commerce under s. 560.27 in the tax year for which the expenses are certified, but  
2 that is not to exceed \$7,500.

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

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

10 (e) Partnerships, limited liability companies and tax-option corporations may  
11 not claim the credit under this subsection, but the eligibility for, and the amount of,  
12 the credit are based on their productivity enhancement training expenses certified  
13 under s. 560.27. A partnership, limited liability company or tax-option corporation  
14 shall compute the amount of credit that each of its partners, members or  
15 shareholders may claim and shall provide that information to each of them.  
16 Partners, members of limited liability companies and shareholders of tax-option  
17 corporations may claim the credit in proportion to their ownership interest.

18 (f) No credit may be taken under this subsection for taxable years beginning  
19 after December 31, 2008. Credits under this subsection that are claimed for taxable  
20 years beginning before December 31, 2008 may be carried forward to taxable years  
21 beginning after December 31, 2008.

22 **SECTION 25.** 71.30 (3) (g) of the statutes is created to read:

23 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5r).

24 **SECTION 26.** 71.34 (1) (g) of the statutes is amended to read:

**BILL****SECTION 26**

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

4           **SECTION 27.** 71.45 (2) (a) 10. of the statutes is amended to read:

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

11           **SECTION 28.** 71.47 (5r) of the statutes is created to read:

12           71.47 (5r) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,  
13 "productivity enhancement training expenses" has the meaning given in s. 560.27  
14 (1).

15           (b) Any corporation may claim as a credit against taxes otherwise due under  
16 s. 71.43 an amount that is equal to 100% of the amount of the corporation's  
17 productivity enhancement training expenses certified by the department of  
18 commerce under s. 560.27 in the tax year for which the expenses are certified, but  
19 that is not to exceed \$7,500.

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

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

4 (e) Partnerships, limited liability companies and tax-option corporations may  
5 not claim the credit under this subsection, but the eligibility for, and the amount of,  
6 the credit are based on their productivity enhancement training expenses certified  
7 under s. 560.27. A partnership, limited liability company or tax-option corporation  
8 shall compute the amount of credit that each of its partners, members or  
9 shareholders may claim and shall provide that information to each of them.  
10 Partners, members of limited liability companies and shareholders of tax-option  
11 corporations may claim the credit in proportion to their ownership interest.

12 (f) No credit may be taken under this subsection for taxable years beginning  
13 after December 31, 2008. Credits under this subsection that are claimed for taxable  
14 years beginning before December 31, 2008 may be carried forward to taxable years  
15 beginning after December 31, 2008.

16 **SECTION 29.** 71.49 (1) (g) of the statutes is created to read:

17 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5r).

18 **SECTION 30.** 77.92 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is  
19 amended to read:

20 77.92 (4) "Net business income", with respect to a partnership, means taxable  
21 income as calculated under section 703 of the Internal Revenue Code; plus the items  
22 of income and gain under section 702 of the Internal Revenue Code, including taxable  
23 state and municipal bond interest and excluding nontaxable interest income or  
24 dividend income from federal government obligations; minus the items of loss and  
25 deduction under section 702 of the Internal Revenue Code, except items that are not

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1 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
2 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
3 (2di), (2dj), (2dL), (2dr), (2ds), (2dx) and (3s) and (5r); and plus or minus, as  
4 appropriate, transitional adjustments, depreciation differences and basis  
5 differences under s. 71.05 (13), (15), (16), (17) and (19); but excluding income, gain,  
6 loss and deductions from farming. "Net business income", with respect to a natural  
7 person, estate or trust, means profit from a trade or business for federal income tax  
8 purposes and includes net income derived as an employe as defined in section 3121  
9 (d) (3) of the Internal Revenue Code.

10 **SECTION 31.** 106.01 (11) of the statutes is created to read:

11 106.01 (11) The department may establish an advanced journeyworker  
12 credential pilot program in up to 3 trades, crafts or businesses to recognize advanced  
13 training and postapprenticeship achievements. By July 1, 2003, the department  
14 shall submit to the legislature under s. 13.172 (2) an evaluation of the effectiveness  
15 of the program established under this subsection.

16 **SECTION 32.** 115.28 (45) of the statutes is created to read:

17 115.28 (45) WISCONSIN WORLD GEOGRAPHY FUND. Enter into an agreement with  
18 the National Geographic Society Education Foundation, that does all of the  
19 following:

20 (a) Establishes a Wisconsin world geography fund to be managed by the  
21 National Geographic Society Education Foundation.

22 (b) Requires the state superintendent to award a grant of \$500,000 from the  
23 appropriation under s. 20.255 (3) (er) to the fund if the award is matched by a grant  
24 from the National Geographic Society.

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1 (c) Requires the income and appreciation of the fund to be used to fund grants  
2 to educational programs that improve the geographic literacy of pupils and teachers.

3 (d) Requires that, annually, the National Geographic Society Education  
4 Foundation submit to the state superintendent a financial statement of the  
5 Wisconsin world geography fund account prepared by an independent auditor and  
6 a report on the recipients in the state who received a grant from the fund.

7 (e) Requires that if the state ceases to participate in the fund, or the National  
8 Geographic Society Education Foundation ceases to offer the fund, the state's  
9 contribution to the fund, along with any unexpended income or appreciation of the  
10 fund attributable to the state's contribution, be returned to the state.

11 **SECTION 33.** 115.455 of the statutes is created to read:

12 **115.455 Foreign language immersion grants.** Beginning in the 1999-2000  
13 school year, the state superintendent shall award from the appropriation under s.  
14 20.255 (2) (dr) at least one grant in each school year, on a competitive basis, to an  
15 educational organization, as defined by the state superintendent by rule, or  
16 consortium of educational organizations for the development and implementation of  
17 a foreign language immersion program in a public or private school in grades  
18 kindergarten to 6.

19 **SECTION 34.** 281.60 (2r) (a) of the statutes, as affected by 1999 Wisconsin Act  
20 9, is amended to read:

21 281.60 (2r) (a) Making loans for projects described in sub. (2), but not for the  
22 purpose of refinancing obligations incurred to conduct site investigations.

23 **SECTION 35.** 292.11 (14) of the statutes is created to read:

24 **292.11 (14) GROUNDWATER CONTAMINATIONS; INSTITUTIONAL CONTROLS.** In  
25 specifying the criteria for determining whether any further action is required under



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## SECTION 35

1 sub. (3) in a case involving groundwater contamination exceeding enforcement  
2 standards or preventive action limits established by the department under s. 160.07,  
3 160.09 or 160.15, the department shall consider institutional controls, including  
4 municipal ordinances, that provide adequate notice to the public of groundwater  
5 contamination in the area affected by the groundwater contamination to be  
6 equivalent to recorded groundwater use restrictions.

7 <sup>create auto-ref "d" (use in analysis, page 8)</sup>  
SECTION 35. 292.15 (2) (at) (intro.) and 6. of the statutes, as created by 1999  
8 Wisconsin Act 9, are amended to read:

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

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

22 <sup>create auto-ref "e" (use in analysis, page 8)</sup>  
SECTION 37. 292.15 (2) (at) 5. of the statutes is created to read:

23 292.15 (2) (at) 5. After the discharge under subd. 4. is discovered, a 2nd  
24 environmental investigation of the property is conducted and is approved by the  
25 department.

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1       **SECTION 38.** 292.15 (8) of the statutes is created to read:

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

9       **SECTION 39.** 292.24 (title), (2) (intro.), (a), (b), (c), (f), (g) and (3) (a) to (c) of the  
10 statutes, as created by 1999 Wisconsin Act 9, are amended to read:

11       **292.24 (title) Responsibility of local governmental units; hazardous**  
12 **waste or solid waste.**

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

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

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

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1 the 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 waste or solid waste discharges and that the harmful  
6 effects 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 waste or solid waste than  
11 were revealed by the investigation conducted under par. (a).

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

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

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

24 **SECTION 40.** 292.26 (2) (intro.) of the statutes is amended to read:

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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 on or from property formerly owned or controlled by  
5 the local governmental unit ~~if the property that~~ is no longer owned by the local  
6 governmental unit at the time that the discharge is discovered ~~and~~ if any of the  
7 following applies:

8           **SECTION 41.** 292.31 (11) of the statutes is created to read:

9           292.31 (11) **CONSIDERATION OF INSTITUTIONAL CONTROLS.** In specifying the  
10 criteria for determining whether any further action is necessary under sub. (3) in a  
11 case involving groundwater contamination exceeding enforcement standards or  
12 preventive action limits adopted by the department, the department shall consider  
13 institutional controls, including municipal ordinances, that provide adequate notice  
14 to the public of groundwater contamination in the area affected by the groundwater  
15 contamination to be equivalent to recorded groundwater use restrictions.

16           **SECTION 42.** 560.14 (4m) (a) (intro.) of the statutes is amended to read:

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

22           **SECTION 43.** 560.14 (4m) (c) of the statutes is created to read:

23           560.14 (4m) (c) The department shall encourage the organizing of venture  
24 capital development conferences in the upper midwest region of the United States  
25 that satisfy the requirements under par. (a) 1. and 2.

**BILL****SECTION 44**

1           **SECTION 44.** 560.27 of the statutes is created to read:

2           **560.27 Productivity enhancement training expense certification. (1)**

3           **DEFINITION.** In this section, "productivity enhancement training expenses" means  
4           expenses incurred by a business in providing training designed to increase the  
5           productivity of the business's employees and to promote or create jobs that require  
6           high degrees of skill to perform and that pay high wages. "Productivity enhancement  
7           training expenses" includes up to \$2,000 in expenses incurred for needs assessment  
8           and consultation under sub. (4) (b).

9           **(2) PROGRAM.** The department shall develop, implement and administer a  
10          productivity enhancement training expense certification program to assist  
11          businesses in providing training to their employees that is designed to improve the  
12          employees' productivity and to promote, and provide workers for, jobs within the  
13          businesses that require high degrees of skill to perform and that pay high wages.

14          **(3) CERTIFICATION.** The department shall certify as eligible for the tax credit  
15          under s. 71.07 (5r), 71.28 (5r) or 71.47 (5r) any business that meets the eligibility  
16          requirements under sub. (4).

17          **(4) ELIGIBILITY.** A business is eligible to have its productivity enhancement  
18          training expenses certified if all of the following apply:

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

21                    1. Provides for training of the business's employees that will increase the  
22          employees' productivity to achieve specific goals established as a result of the  
23          assessment and consultation under par. (b).

24                    2. Provides for training of the business's employees that will result in the  
25          employees holding jobs within the business that require higher degrees of skill and

**BILL**

1 that pay higher wages than their current jobs, as determined by the assessment and  
2 consultation under par. (b).

3 (b) Prior to providing any productivity enhancement training, the business  
4 receives needs assessment and consultation from an entity that is experienced in  
5 providing productivity assessment or business planning and that is approved by the  
6 department.

7 ~~(c)~~ <sup>Through</sup> The needs assessment and consultation under par. (b), the business and the  
8 entity agree on a training plan that is appropriate for the purposes specified under  
9 par. (a).

10 (d) The business submits to the department an accounting of the productivity  
11 enhancement training expenses incurred by the business under the plan under par.  
12 (a) and the department determines that the expenses were incurred under the plan.

13 (5) REPORTING. (a) Each business certified under this section that claims the  
14 tax credit under s. 71.07 (5r), 71.28 (5r) or 71.47 (5r) shall report to the department,  
15 no later March 1 of the year after it received the certification, on the results of its  
16 productivity enhancement training and on its success in meeting the goals  
17 established in its productivity enhancement training plan. The report shall be on a  
18 form prescribed by the department.

19 (b) Annually, the department shall estimate the amount of foregone state  
20 revenue because of the tax credits claimed by persons certified under this section.

21 (c) Annually, by December 1, the department shall report to the legislature  
22 under s. 13.172 (2) on the effectiveness of the productivity enhancement training  
23 certification program and the tax credits under ss. 71.07 (5r), 71.28 (5r) and 71.47  
24 (5r) in meeting the purposes of the program as specified in sub. (2).

**BILL****SECTION 44**

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

5           **(7) NOTIFICATION.** The department shall notify the department of revenue of all  
6 persons entitled to claim tax credits under ss. 71.07 (5r), 71.28 (5r) and 71.47 (5r).

7           **(8) TRANSFERABILITY.** The tax credits for which a person is certified as eligible  
8 under this section are not transferable to another person or business.

9           **(9) SUNSET.** No business may be certified under this section after December 31,  
10 2008, or for tax credits for any tax year beginning after December 31, 2008.

11           **SECTION 45.** 560.31 (2) (g) of the statutes is created to read:

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

15           **SECTION 46.** 560.33 (1) (c) of the statutes is amended to read:

16           560.33 (1) (c) During its 2 most recent fiscal years, the business had, together  
17 with all of its consolidated affiliates, an average annual net income, after federal  
18 income taxes and excluding any carry-over losses, of not more than \$2,000,000  
19 \$1,000,000, as determined in accordance with generally accepted accounting  
20 principles.

21           **SECTION 47.** 560.34 (1c) of the statutes is created to read:

22           560.34 (1c) **INVESTMENTS THAT ARE NOT QUALIFIED.** Notwithstanding sub. (1), an  
23 investment is not a qualified investment if the investment is used in whole or in part  
24 by the qualified business to do any of the following:

**BILL**

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

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

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

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

9 **SECTION 48.** 560.34 (2) (title) of the statutes is amended to read:

10 560.34 (2) (title) ~~NONQUALIFIED OTHER CERTIFIED CAPITAL COMPANY INVESTMENTS.~~

11 **SECTION 49.** <sup>create auto-reference "a" (use in analysis)</sup> **Appropriation changes.**

12 (1) **ADVANCED JOURNEYWORKER CREDENTIAL PILOT PROGRAM.** In the schedule  
13 <sup>create auto-ref. "c" (use in analysis page 6)</sup> under section 20.005 (3) of the statutes for the appropriation to the department of  
14 workforce development under section 20.445 (1) (a) of the statutes, as affected by the  
15 acts of 1999, the dollar amount is increased by \$160,000 for fiscal year 1999-00 and  
16 the dollar amount is increased by \$120,000 for fiscal year 2000-01 to increase the  
17 authorized FTE positions for the department by 1.0 GPR position for the  
18 implementation and program development of the advanced journey worker  
19 credential pilot program under section 106.01 (11) of the statutes, as created by this  
20 act.

21 <sup>create auto-ref. "b" (use in analysis)</sup> (2) **JOB RETENTION SKILLS DEVELOPMENT PROGRAMS.**

22 (a) There is transferred from the appropriation to the department of workforce  
23 development under section 20.445 (3) (md) of the statutes, as affected by 1999  
24 Wisconsin Acts 9 and this act, to the appropriation to the technical system college



**BILL****SECTION 49**

1 board under section 20.292 (1) (kd) of the statutes, as created by this act, \$200,000  
2 in fiscal year 1999-00.

3 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation  
4 to the department of workforce development under section 20.445 (3) (md) of the  
5 statutes, as affected by 1999 Wisconsin Act 9 and this act, the dollar amount for fiscal  
6 year 1999-00 is decreased by \$200,000 to reflect the transfer of moneys under  
7 paragraph (a).

8 **SECTION 50. Initial applicability.**

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

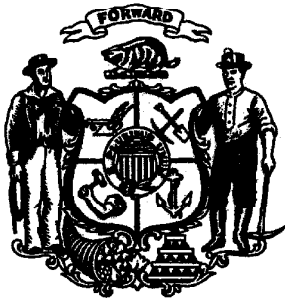
14 (2) PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT. The treatment of sections  
15 71.07 (5r), 71.28 (5r), 71.47 (5r) and 560.27 of the statutes first applies to taxable  
16 years beginning on January 1, 2000.

17 (3) TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS. The treatment of  
18 section 71.28 (1dx) (b) 1. and 1m. and (f) of the statutes first applies to taxable years  
19 beginning on January 1, 2000.

20 **SECTION 51. Effective dates.** This act takes effect on the day after publication,  
21 except as follows:

22 (1) CERTIFIED CAPITAL COMPANIES AND VENTURE CAPITAL DEVELOPMENT  
23 CONFERENCES. The treatment of sections 560.14 (4m) (a) (intro.) and (c), 560.31 (2) (g),  
24 560.33 (1) (c) and 560.34 (1c) of the statutes takes effect on July 1, 2000.

25 (END)



# Wisconsin Senate

March 7, 2000

Mr. Steve Miller, Director  
Legislative Reference Bureau  
100 N. Hamilton.  
Madison, WI 53703

LRB COPY

Dear Mr. Miller:

Pursuant to Joint Rule 41 (3) (b), I am requesting that the Legislative Reference Bureau have the Department of Administration prepare a Fiscal Estimate on Senate Bill 394, introduced by the Joint Legislative Council.

The bill is currently in the committee on Economic Development, Housing and Government Operations.

Thank you for your attention to this matter.

Sincerely,

FRED A. RISSER  
Senate President

Copy to:  
→ Leg. Council  
→ SCC  
→ Deborah at DOP  
(fiscals)



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

May 19, 2000



### MEMORANDUM

**To:** Legislative Council

**From:** Joseph T. Kreye, Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **1999 SB 394** (LRB 99-3778/2)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

**MEMORANDUM**

May 16, 2000

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Yeang-Eng Braun *YEB*  
Department of Revenue

**SUBJECT:** Technical Memorandum on SB 394 – Economic Development Strategies

The bill language does not provide that sole proprietorships may claim the productivity enhancement training expense credit even though the analysis indicates that they may. The sponsor may wish to clarify that sole proprietorships may claim the credit.

The sponsor may wish to clarify that the maximum productivity enhancement training expense credit is \$7,500 for each partnership, limited liability company or tax option corporation, rather than for each partner, member or shareholder.

The sponsor may wish to locate the productivity enhancement training expense credit after the development zone credits in the computation order. As drafted, the credit would be claimed after all credits, withholding and estimated tax payments, which would make it very difficult to determine the amount of credit.

The sponsor may wish to clarify to whom the development zone credits may be transferred—corporations, individuals or other types of entities—and under what circumstances.

The bill provides that the amount of the productivity enhancement training expense credit be added back to taxable income. The bill also provides that partnerships, tax-option corporations, corporations and insurance companies cannot claim the credit for amounts that were deducted from income. Thus, there is no need to add back the credits to income.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (1) (a)	\$93,000	
annual	s. 20.566 (1) (a)	\$ 3,000	

If you have any questions regarding this technical memorandum, please contact Pamela Walgren at 266-7817; for administrative costs contact Jackie Wipperfurth at 266-9513.

YEB:PW:ds  
t:\fsn99-00\pw\sb394.tec