

**1999 DRAFTING REQUEST**

**Bill**

Received: **02/29/2000**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Alice Clausing (608) 266-7745**

By/Representing: **Julia Sherman**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - bus. dev.  
Econ. Development - misc.**

Extra Copies:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

A nonprofit corporation to promote the development of high-technology businesses

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 02/29/2000	wjackson 02/29/2000		_____			
/1			kfollet 02/29/2000	_____	lrb_docadmin 02/29/2000	lrb_docadmin 03/01/2000	

FE Sent For:

<END>

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/?	kahlepj	1 wlj 2/29	kjf 2/29	kjf/self 2/29			

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State of Wisconsin  
1999 - 2000 LEGISLATURE

4658/1  
LRB-46002  
PJK:wj:kma

(Tues)  
today if possible  
otherwise, very soon

1999 BILL

No changes

Regen

1 AN ACT to create 20.143 (1) (d) and 560.27 of the statutes; relating to: a  
2 nonprofit corporation to promote the development of high-technology  
3 businesses and making an appropriation.

**Analysis by the Legislative Reference Bureau**

This bill requires the department of commerce (department) to organize and assist in maintaining a nonprofit corporation to promote and support the creation, development and retention of science-based and technology-based businesses in the state through the establishment and implementation of programs that focus on various elements that are important for the success of high-technology firms, such as entrepreneurs, seed and venture capital, universities and state government. The department must make a one-time grant of \$50,000 to the corporation for start-up capital and administrative expenses. Thereafter, the department may make grants to the corporation if the corporation submits an expenditure plan that is approved by the secretary of commerce (secretary), the corporation provides 50% of the funding for the project from other sources, the corporation provides information requested by the department related to funds received for the project from private sources and the corporation enters into a written agreement with the department related to the use of the grant proceeds. Every time the corporation receives a grant from the department, it must submit a report to the department with detailed information on how it spent the grant proceeds. Not including the start-up grant, the department may grant no more than \$200,000 to the corporation in fiscal year 2000-01 and no more than \$250,000 in a fiscal year thereafter.



**BILL**

1           **SECTION 3.** 560.27 of the statutes is created to read:

2           **560.27 High-technology business development corporation.** (1) (a) The  
3 department shall organize and assist in maintaining a high-technology business  
4 development corporation as a nonstock, nonprofit corporation under ch. 181 for the  
5 exclusive purpose of promoting and supporting the creation, development and  
6 retention of science-based and technology-based businesses in the state. In  
7 furtherance of its purpose, the corporation shall establish and implement programs  
8 focused on key elements necessary for the success of high-technology firms,  
9 including entrepreneurs, businesses, professional services, seed and venture capital,  
10 universities and state government.

11           (b) From the appropriation under s. 20.143 (1) (d), the department shall make  
12 a one-time grant of \$50,000 in fiscal year 2000-01 to the high-technology business  
13 development corporation for start-up capital and reasonable administrative  
14 expenses of the corporation.

15           (2) (a) The high-technology business development corporation shall be  
16 governed by a board of directors, consisting of the secretary, or his or her designee,  
17 the president of the University of Wisconsin System, or his or her designee, and at  
18 least 9 other members, one or more of whom represents each of the following  
19 categories:

- 20           1. Entrepreneurs in the state.
- 21           2. High-technology businesses in the state.
- 22           3. The state's venture capital industry.
- 23           4. The state's investment banking industry.
- 24           5. Local governments in the state.
- 25           6. The state's business development community.

**BILL**

1           7. Professionals in the state who are experienced in providing services to  
2 persons specified in subds. 1. to 6.

3           (b) The members who are representatives of the categories under par. (a) 1. to  
4 7. shall serve 5-year terms and the initial members who are representatives of the  
5 categories under par. (a) 1. to 7. shall be appointed by the governor. The  
6 high-technology business development corporation, in its bylaws, shall specify the  
7 method for electing new members who are representatives of the categories under  
8 par. (a) 1. to 7. and for filling vacancies.

9           (3) (a) Subject to par. (c), the department may make a grant to the  
10 high-technology business development corporation, from the appropriation under s.  
11 20.143 (1) (d), if all of the following apply:

12           1. The corporation submits an expenditure plan to the department detailing  
13 the proposed use of the grant proceeds and the secretary approves the plan.

14           2. The corporation enters into a written agreement with the department that  
15 specifies the conditions for the use of the grant proceeds, including reporting and  
16 auditing requirements.

17           3. The corporation provides matching funds equal to 50% of the grant proceeds.

18           4. The corporation provides to the department information requested by the  
19 department about private funding the corporation has received or will receive for the  
20 purposes detailed in the expenditure plan under subd. 1.

21           5. The corporation agrees in writing to submit to the department the report  
22 required by par. (b) by the time required under par. (b).

23           (b) If the corporation receives a grant under this subsection, the corporation  
24 shall submit to the department, within 6 months after spending the full amount of  
25 the grant, a report detailing how the grant proceeds were used.

**BILL**

1           (c) The department may not make grants under this subsection that exceed  
2           \$200,000 in total in fiscal year 2000-01, or that exceed \$250,000 in total in any fiscal  
3           year thereafter.

4           (4) Annually, the high-technology business development corporation shall  
5           provide a report on its activities to the appropriate standing committees of each  
6           house of the legislature in the manner provided under s. 13.172 (3) and to the  
7           governor.

8           (5) The assets transferred to, and the assets and liabilities of, the  
9           high-technology business development corporation shall be separate from all other  
10          assets and liabilities of the state, of all political subdivisions of the state and of the  
11          department. Neither the state, any political subdivision of the state nor the  
12          department guarantees any obligation of or has any obligation to the  
13          high-technology business development corporation. Neither the state, any political  
14          subdivision of the state nor the department is liable for any debt or liability of the  
15          high-technology business development corporation.

16

(END)



**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/29/2000

To: Senator Clausing

Relating to LRB drafting number: LRB-4658

**Topic**

A nonprofit corporation to promote the development of high-technology businesses

**Subject(s)**

Econ. Development - bus. dev., Econ. Development - misc.

1. **JACKET** the draft for introduction \_\_\_\_\_

in the Senate  or the Assembly  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT**. See the changes indicated or attached \_\_\_\_\_.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Pamela J. Kahler, Senior Legislative Attorney  
Telephone: (608) 266-2682

**Kahler, Pam**

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**From:** Sherman, Julia  
**Sent:** Tuesday, February 29, 2000 9:06 AM  
**To:** Kahler, Pam  
**Subject:** LRB 4500

Please draft a senate companion to LRB 4500 for Senator Clausing. This is on the fast track. Thanks.

Julia Sherman