

1999 DRAFTING REQUEST

Bill

Received: **01/5/99**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7329**

By/Representing: **Justus**

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

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

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

Extra Copies:

Topic:

DOA:.....Justus - Fiscal changes for the Wisconsin Manufacturing Extension Partnership

Instructions:

See Attached

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 01/6/99	chanaman 01/7/99		_____			State
/1			martykr 01/8/99	_____	lrb_docadmin 01/8/99		State
/2	kahlepj 01/27/99	chanaman 01/27/99	jfrantze 01/27/99	_____	lrb_docadmin 01/27/99		State
/3	kahlepj 02/2/99	chanaman 02/2/99	hhagen 02/3/99	_____	lrb_docadmin 02/3/99		

FE Sent For:

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1/27/99 2:18:21 PM

Page 1

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/2	kahlepj 01/27/99	chanaman 01/27/99	jfrantze 01/27/99	_____	lrb_docadmin 01/27/99		

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cmh
2/2/13 *2/2/13* *2/2/13*
13 3/2 jg *<END>*

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/?	kahlepj 01/6/99	chanaman 01/7/99		_____			State

/1		cmH 1/2 1/27	martykr 01/8/99	_____	lrb_docadmin 01/8/99		
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1/27
<END>
1/27

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Bill

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Wanted: **Soon**

Identical to LRB:

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DOA:.....Justus - Fiscal changes for the Wisconsin Manufacturing Extension Partnership

Instructions:

See Attached

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>
1?	kahlepj	CMM 1/6 1 1 1/2 JG	Km 1/4	JM 1/4 JT 1/4			

FE Sent For:

<END>

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: December 28, 1998

To: Steve Miller
Chief, Legislative Reference Bureau

From: Sarah Justus
State Budget Office *SJ*

Subject: Drafting Request; Wisconsin Manufacturing Extension Partnership (WMEP)

WMEP currently receives funds from the WDF through the Department of Commerce under s. 560.615 for technology transfer and supplier training activities. Those funds are limited to \$750,000 during a biennium. We would like to change the allocation to WMEP and the requirements and restrictions by deleting what is currently in s. 560.615 and replacing it with more general language. We'd like to have the following provisions:

s. 20.143 (1) (c): Strike "for grants under 560.615", we'd like the grants to come only from the PR WDF Repayments appropriation under (1) (ie) ✓

s. 20.143 (1) (ie): Current language would seem to allow payment out of this appropriation because it is included under Subchapter V. However, if you feel it would be better we could specifically allow grants under 560.615. *ok as is*

s. 560.615: Change title to Manufacturing Extension Center Grants. The department may grant up to \$1,000,000 in a fiscal year from the appropriation under 20.143 (1) (ie) to a technology-based nonprofit organization to provide support for a manufacturing extension center. The department may not award a grant under this subsection unless the technology-based nonprofit organization submits to the department a plan detailing proposed expenditures and performance measures and the plan is approved by the Secretary of Commerce. An organization receiving a grant under this subsection is not eligible to receive further funding under WDF programs.

*Does this replace all of 560.615?
yes*

Please give me a call with any questions.
Thanks.

*out of budget
draft in singular form
w/limit*

Post-it* Fax Note	7671	Date	12/28	# of pages	1
To	Steve Miller	From	Sarah Justus		
Co./Dept	PAM Kahler	Co.	DOA - SBO		
Phone #	LRB	Phone #	6-7329		
Fax #	4-8522	Fax #			



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1582/A

PJK.....

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jlg

DOA:.....Justus - Fiscal changes for the Wisconsin Manufacturing Extension Partnership

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

SOON
(1-6)
D-note

do not
gen cat

1 AN ACT relating to: manufacturing extension center grants.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT

The manufacturing assistance grants program under current law is administered by the department of commerce. The program is funded with general purpose revenue from the Wisconsin development fund and with repayments of grants and loans made under programs funded by the Wisconsin development fund. Under the program, the department makes grants that are awarded by the development finance board for various purposes. One type of grant may be made to a business with 500 or fewer employees to fund a management assessment and plan. Another type of grant may be made to a business that manufactures original equipment to provide customized training for the employees of its supplier businesses. A third type of grant may be made to a technology-based nonprofit organization to provide support for a manufacturing extension center technology transfer program. Grants awarded under the program may not total more than \$750,000 in a fiscal biennium.

The bill eliminates the manufacturing assistance grants program and creates a manufacturing extension center grants program. Under the new grant program, the department of commerce awards and makes a grant to a technology-based

nonprofit organization to provide support for a manufacturing extension center. The technology-based nonprofit organization must submit a plan detailing its proposed expenditures and performance measures for the project and the secretary of commerce must approve the plan. Grants awarded under the program may not exceed \$1,000,000 in a fiscal year and are funded solely with repayments of grants and loans made from the Wisconsin development fund. Any technology-based nonprofit organization that receives a grant under the new program loses eligibility to receive a grant or loan under any of the programs funded by the Wisconsin development fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

Insert 2-1 →

1 SECTION 1. 560.25 of the statutes is created to read:

2 **560.25 Manufacturing extension center grants.** (1) DEFINITIONS. In this
3 section:

4 (a) "Biotechnology" means technology related to life sciences.

5 (b) "Business" means a company located in this state, a company ^{that} which has
6 made a firm commitment to locate a facility in this state or a group of companies at
7 least 80% of which ^{are} ~~are~~ located in this state.

8 (c) "Technology" includes biotechnology. ✓

9 (d) "Technology-based nonprofit organization" means a nonprofit corporation,
10 as defined in s. 181.0103^X (17), or an organization described in section 501 (c) (3) of
11 the internal revenue code ✓ that is exempt from federal income tax under section 501

12 (a) of the internal revenue code, and that has as a mission the transfer of technology
13 to businesses in this state.

14 (2) ✓ GRANTS. Subject to sub. (3), ✓ the department ✓ may make a grant from the
15 appropriation under s. 20.143^X (1) (ie) ✓ to a technology-based nonprofit organization
16 to provide support for a manufacturing extension center if all of the following apply:

1 (a) The technology-based nonprofit organization submits to the department a
2 plan detailing its proposed expenditures and performance measures related to the
3 project.

4 (b) The secretary approves the plan submitted under par. (a).

5 (3) LIMIT ON GRANTS. The department may not award more than \$1,000,000 in
6 grants under this section in a fiscal year.

7 (4) RESTRICTION ON GRANT RECIPIENTS. A technology-based nonprofit
8 organization that receives a grant under this section is thereafter ineligible to
9 receive a grant or loan under subch. V.

10 SECTION 2. 560.60 (4) of the statutes is amended to read:

11 560.60 (4) "Eligible recipient" means a governing body or a person who is
12 eligible to receive a grant under s. 560.615, a grant or loan under s. 560.62, a grant
13 or loan under s. 560.63 or a grant or loan under s. 560.65.

History: 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1995 a. 27, 201; 1997 a. 27, 79.

14 SECTION 3. 560.605 (1) (e) (intro.) and 1. of the statutes are consolidated,
15 renumbered 560.605 (1) (e) and amended to read:

16 560.605 (1) (e) The Except as provided in s. 560.68 (6), the eligible recipient
17 receiving the grant or loan will contribute, from funds not provided by this state,
18 whichever of the following applies: 1. Except as provided under subd. 3. and s. 560.68
19 (6), not less than 25% of the cost of the project.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

20 SECTION 4. 560.605 (1) (e) 3. of the statutes is repealed.

21 SECTION 5. 560.605 (1) (f) of the statutes is amended to read:

22 560.605 (1) (f) The project meets all criteria set forth in s. 560.615, 560.62,
23 560.63, 560.65 or 560.66, whichever is appropriate.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

24 SECTION 6. 560.605 (1) (g) of the statutes is amended to read:

1 560.605 (1) (g) Funds from the grant or loan under s. ~~560.615~~, 560.62, 560.63,
 2 560.65 or 560.66 will not be used to pay overhead costs, except as provided in s. 560.65
 3 (1m) (b), or to replace funds from any other source.

4 History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

4 **SECTION 7.** 560.605 (1) (i) of the statutes is created to read:

5 560.605 (1) (i) The eligible recipient has not received a grant under s. 560.25. ✓ ✓

6 **SECTION 8.** 560.605 (2) (intro.) of the statutes is amended to read:

7 560.605 (2) (intro.) The board shall consider all of the following before
 8 awarding a grant or loan to an eligible recipient for a project under s. ~~560.615~~, 560.62,
 9 560.63 or 560.66:

10 History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

10 **SECTION 9.** 560.605 (2m) (intro.) of the statutes is amended to read:

11 560.605 (2m) (intro.) When considering whether a project under s. ~~560.615~~,
 12 560.62, 560.63 or 560.66 will be located in a targeted area, the board shall consider
 13 all of the following:

14 History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

14 **SECTION 10.** 560.61 (1) of the statutes is amended to read:

15 560.61 (1) Make a grant or loan to an eligible recipient for a project that meets
 16 the criteria for funding under s. 560.605 (1) and (2) and under s. ~~560.615~~, 560.62,
 17 560.63, 560.65 or 560.66, whichever is appropriate, from the appropriations under
 18 s. 20.143 (1) (c), (cb), (ie), (s) and (sm).

19 History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75; 1995 a. 27, 417; 1997 a. 27.

19 **SECTION 11.** ~~560.615~~ of the statutes is repealed.

20 **SECTION 12.** 560.66 (1) (intro.) of the statutes is amended to read:

21 560.66 (1) (intro.) The board may award grants and loans under s. 560.61 to
 22 eligible recipients for any project that is not eligible for a grant or loan under s.

1 [✓]
2 ~~560.615~~, 560.62 or 560.63, if the board determines that the project is a major
3 economic development project and considers all of the following:

History: 1987 a. 27, 399; 1989 a. 31; 1993 a. 16; 1997 a. 27.

(END) ✓

D-note

Inset 2-1

unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

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

1 SECTION 1. 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,
2 section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*

4 assistance. Biennially, the amounts in the schedule for grants under ss. 560.145^x

5 ^{land} 560.16^x, 560.175^x and 560.615^x; for grants and loans under ss. 560.62^x, 560.63^x and
6 560.66^x; for loans under s. 560.147^x; for reimbursements under s. 560.167^x; for

7 providing assistance under s. 560.06^x; for the loan under 1997 Wisconsin Act 27^x,

8 section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg),

9 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g).

10 Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years

11 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06^x.

12 Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be
13 allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99,

14 for grants and loans under s. 560.62 (1) (a).

15 SECTION 2. 20.143 (1) (ie) of the statutes is amended to read:

16 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received

17 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s.

18 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989

19 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),

20 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),

21 and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under

22 subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s.



ens 2-1 cont'd

2002

560.25

1 560.16, ~~for grants under s. 560.175~~ for the loans ~~loan~~ under 1997 Wisconsin Act 27,
2 section 9110 (7f), and 1997 Wisconsin Act 310, section 2 (2d), and for reimbursements
3 under s. 560.167.

4 **SECTION 3.** 560.175 of the statutes is created to read:

5 **560.175 Urban area early planning grants.** (1) In this section:

6 (a) "Early planning project" means the preliminary stages of considering and
7 planning the expansion or start-up of a business that is or will be located in an urban
8 area in this state.

9 (b) "Urban area" means any of the following:

- 10 1. A city, village or town that is located in a county with a population density
- 11 of at least 150 persons per square mile.
- 12 2. A city, village or town with a population of more than 6,000.

13 (2) Subject to subs. (3) and (6), the department may make a grant from the
14 appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

15 (3) The department may not award a grant to a person under this section unless
16 the person submits an application, in a form required by the department, that
17 contains or describes all of the following:

- 18 (a) The location of the new or expanding business.
- 19 (b) The ownership structure of the new or expanding business.
- 20 (c) The product or service provided by the new or expanding business.
- 21 (d) The market for the product or service described in par. (c).
- 22 (e) Competition within the market described in par. (d).
- 23 (f) Any competitive advantages of the new or expanding business.
- 24 (g) The person's estimate of the gross revenue of the new or expanding business
- 25 over a period specified by the department.

(end of ins 2-1)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1582/dn

PJK.....

CMJ
*
JG

Sarah:

1. Notice that, as in LRB-0557/2, I amended s. 20.143 (1) (ie) to eliminate the loan under 1997 Wisconsin Act 310, section 2 (2d).

2. I did not add repayments of grants under s. 560.25 as a source of funding in s. 20.143 (1) (ie) because I assumed that any grants would not have to be repaid.

3. I did not amend ss. 20.143 (1) (gm) and 560.13 (2) (b) 1. to include s. 560.25, although that section would have been included if it had been drafted in subch. V of ch. 560. Okay?

4. I included in s. 560.25 relevant definitions from subch. V of ch. 560. Do you want to make any changes to them?

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1582/1dn
PJK:cmh&jlg:km

January 8, 1999

Sarah:

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3. I did not amend ss. 20.143 (1) (gm) and 560.13 (2) (b) 1. to include s. 560.25, although that section would have been included if it had been drafted in subch. V of ch. 560. Okay?

4. I included in s. 560.25 relevant definitions from subch. V of ch. 560. Do you want to make any changes to them?

Pamela J. Kahler
Senior Legislative Attorney
266-2682

Kahler, Pam

From: Justus, Sarah
Sent: Wednesday, January 27, 1999 9:35 AM
To: Kahler, Pam
Subject: Draft #1582

Please add a sunset date of June 30, 2001 to the WMEP draft, #1582

Thanks

Peter and I are working on the Board membership for the Nonprofit biotech corp draft we'll get back to you asap.

Sarah

Sarah Justus
State Budget Office
266-7329



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1582/2
PJK:cmh&jlg:km

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DOA:.....Justus - Fiscal changes for the Wisconsin Manufacturing Extension Partnership

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

*Soon
(1-27)
D-vote*

*do not
gen cost*

1 AN ACT ~~relating to~~; relating to: manufacturing extension center grants.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

The manufacturing assistance grants program under current law is administered by the department of commerce. The program is funded with general purpose revenue from the Wisconsin development fund and with repayments of grants and loans made under programs funded by the Wisconsin development fund. Under the program, the department makes grants that are awarded by the development finance board for various purposes. One type of grant may be made to a business with 500 or fewer employees to fund a management assessment and plan. Another type of grant may be made to a business that manufactures original equipment to provide customized training for the employees of its supplier businesses. A third type of grant may be made to a technology-based nonprofit organization to provide support for a manufacturing extension center technology transfer program. Grants awarded under the program may not total more than \$750,000 in a fiscal biennium.

The bill eliminates the manufacturing assistance grants program and creates a manufacturing extension center grants program. Under the new grant program, the department of commerce awards and makes a grant to a technology-based

nonprofit organization to provide support for a manufacturing extension center. The technology-based nonprofit organization must submit a plan detailing its proposed expenditures and performance measures for the project and the secretary of commerce must approve the plan. Grants awarded under the program may not exceed \$1,000,000 in a fiscal year and are funded solely with repayments of grants and loans made from the Wisconsin development fund. Any technology-based nonprofit organization that receives a grant under the new program loses eligibility to receive a grant or loan under any of the programs funded by the Wisconsin development fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,
2 section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*
4 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145 and
5 560.16; for grants and loans under ss. 560.62, 560.63 and 560.66; for loans under s.
6 560.147; for reimbursements under s. 560.167; for providing assistance under s.
7 560.06; for the loan under 1997 Wisconsin Act 27, section 9110 (7f); and for the grants
8 under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2
9 (1), and 1997 Wisconsin Act 27, section 9110 (6g). Of the amounts in the schedule,
10 \$50,000 shall be allocated in each of fiscal years 1997–98, 1998–99 and 1999–2000
11 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the
12 amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal
13 years, beginning with fiscal year 1998–99, for grants and loans under s. 560.62 (1)
14 (a).

15 **SECTION 2.** 20.143 (1) (ie) of the statutes is amended to read:

16 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
17 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s.

1 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989
2 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),
3 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),
4 and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under
5 subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s.
6 560.16, for grants under s. 560.25, for the ~~loans~~ loan under 1997 Wisconsin Act 27,
7 section 9110 (7f), ~~and 1997 Wisconsin Act 310, section 2 (2d)~~, and for reimbursements
8 under s. 560.167.

9 SECTION 3. 560.25 of the statutes is created to read:

10 **560.25 Manufacturing extension center grants. (1) DEFINITIONS.** In this
11 section:

12 (a) "Biotechnology" means technology related to life sciences.

13 (b) "Business" means a company located in this state, a company that has made
14 a firm commitment to locate a facility in this state or a group of companies at least
15 80% of which are located in this state.

16 (c) "Technology" includes biotechnology.

17 (d) "Technology-based nonprofit organization" means a nonprofit corporation,
18 as defined in s. 181.0103 (17), or an organization described in section 501 (c) (3) of
19 the Internal Revenue Code that is exempt from federal income tax under section 501
20 (a) of the Internal Revenue Code, and that has as a mission the transfer of technology
21 to businesses in this state.

22 (2) GRANTS. Subject to ~~sub. (4) and (5)~~ ^{sub. (4) and (5)} the department may make a grant from the
23 appropriation under s. 20.143 (1) (ie) to a technology-based nonprofit organization
24 to provide support for a manufacturing extension center if all of the following apply:

1 (a) The technology-based nonprofit organization submits to the department a
2 plan detailing its proposed expenditures and performance measures related to the
3 project.

4 (b) The secretary approves the plan submitted under par. (a).

5 4 ← (5) LIMIT ON GRANTS. The department may not award more than \$1,000,000 in
6 grants under this section in a fiscal year.

7 3 ← (7) RESTRICTION ON GRANT RECIPIENTS. A technology-based nonprofit
8 organization that receives a grant under this section is thereafter ineligible to
9 receive a grant or loan under subch. V.

Grant 4-9

10 SECTION 4. 560.60 (4) of the statutes is amended to read:

11 560.60 (4) "Eligible recipient" means a governing body or a person who is
12 eligible to receive a grant under ~~s. 560.615~~, a grant or loan under s. 560.62, a grant
13 or loan under s. 560.63 or a grant or loan under s. 560.65.

14 SECTION 5. 560.605 (1) (e) (intro.) and 1. of the statutes are consolidated,
15 renumbered 560.605 (1) (e) and amended to read:

16 560.605 (1) (e) ~~The Except as provided in s. 560.68 (6),~~ the eligible recipient
17 receiving the grant or loan will contribute, from funds not provided by this state,
18 whichever of the following applies: 1. ~~Except as provided under subd. 3. and s. 560.68~~
19 ~~(6),~~ not less than 25% of the cost of the project.

20 SECTION 6. 560.605 (1) (e) 3. of the statutes is repealed.

21 SECTION 7. 560.605 (1) (f) of the statutes is amended to read:

22 560.605 (1) (f) The project meets all criteria set forth in s. ~~560.615~~, 560.62,
23 560.63, 560.65 or 560.66, whichever is appropriate.

24 SECTION 8. 560.605 (1) (g) of the statutes is amended to read:

**1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1582/2ins
PJK:cmh&jlg:km

INSERT 4-9

(5) PROGRAM SUNSET. The department may not encumber any moneys under this section after June 30, 2001.

(END OF INSERT 4-9)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1582/2dn
PJK:cmh&jlg:km

Sarah:

For a number of reasons, I think the best way to handle the sunset of the program under s. 560.25 is by an in-text sunset, rather than by a repeal with a delayed effective date. That way, it will be easier to make changes in the future and s. 560.605(1)(i) will make more sense.

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1582/2dn
PJK:cmh&jlg:jf

January 27, 1999

Sarah:

For a number of reasons, I think the best way to handle the sunset of the program under s. 560.25 is by an in-text sunset, rather than by a repeal with a delayed effective date. That way, it will be easier to make changes in the future and s. 560.605 (1) (i) will make more sense.

Pamela J. Kahler
Senior Legislative Attorney
266-2682

Search and draft:

(c)

(ie)

557 560.175 557 560.175 no delay

558 RN 560.62(4) → 560.607
no delay

1279 assistance under 560.06(2) 1279 ✓ no delay

1582 RP 560.615 1582 add 560.25
~~RP 560.615~~ ← no delay →

1827 US grant under 9110(1)
no delay

2072 NS 1991 US act 2072
9110(1) ↖ ↗
no delay



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1582/3
PJK:cmh&jlg:jf
r mcs reu

DOA:.....Justus - Fiscal changes for the Wisconsin Manufacturing Extension Partnership

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

today
(2-2)
D-note

do not
you cut

1 AN ACT relating to: manufacturing extension center grants.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

The manufacturing assistance grants program under current law is administered by the department of commerce. The program is funded with general purpose revenue from the Wisconsin development fund and with repayments of grants and loans made under programs funded by the Wisconsin development fund. Under the program, the department makes grants that are awarded by the development finance board for various purposes. One type of grant may be made to a business with 500 or fewer employees to fund a management assessment and plan. Another type of grant may be made to a business that manufactures original equipment to provide customized training for the employees of its supplier businesses. A third type of grant may be made to a technology-based nonprofit organization to provide support for a manufacturing extension center technology transfer program. Grants awarded under the program may not total more than \$750,000 in a fiscal biennium.

The bill eliminates the manufacturing assistance grants program and creates a manufacturing extension center grants program. Under the new grant program, the department of commerce awards and makes a grant to a technology-based

nonprofit organization to provide support for a manufacturing extension center. The technology-based nonprofit organization must submit a plan detailing its proposed expenditures and performance measures for the project and the secretary of commerce must approve the plan. Grants awarded under the program may not exceed \$1,000,000 in a fiscal year and are funded solely with repayments of grants and loans made from the Wisconsin development fund. Any technology-based nonprofit organization that receives a grant under the new program loses eligibility to receive a grant or loan under any of the programs funded by the Wisconsin development fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,
2 section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*
4 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145 and
5 560.16; for grants and loans under ss. 560.62, 560.63 and 560.66; for loans under s.
6 560.147; for reimbursements under s. 560.167; for providing assistance under s.
7 560.06; for the loan under 1997 Wisconsin Act 27, section 9110 (7f); and for the grants
8 under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2
9 (1), and 1997 Wisconsin Act 27, section 9110 (6g). Of the amounts in the schedule,
10 \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000
11 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the
12 amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal
13 years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1)
14 (a).

15 **SECTION 2.** 20.143 (1) (ie) of the statutes is amended to read:

16 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
17 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s.

1 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989
 2 ~~Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),~~
 3 ~~1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),~~
 4 ~~and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under~~
 5 ~~subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s.~~
 6 ~~560.16, for grants under s. 560.25, for the loans loan under 1997 Wisconsin Act 27,~~
 7 ~~section 9110 (7f), and 1997 Wisconsin Act 310, section 2 (2d), and for reimbursements~~
 8 ~~under s. 560.167.~~

Insert 3-8

9 SECTION 3. 560.25 of the statutes is created to read:

10 **560.25 Manufacturing extension center grants.** (1) DEFINITIONS. In this
 11 section:

12 (a) "Biotechnology" means technology related to life sciences.

13 (b) "Business" means a company located in this state, a company that has made
 14 a firm commitment to locate a facility in this state or a group of companies at least
 15 80% of which are located in this state.

16 (c) "Technology" includes biotechnology.

17 (d) "Technology-based nonprofit organization" means a nonprofit corporation,
 18 as defined in s. 181.0103 (17), or an organization described in section 501 (c) (3) of
 19 the Internal Revenue Code that is exempt from federal income tax under section 501
 20 (a) of the Internal Revenue Code, and that has as a mission the transfer of technology
 21 to businesses in this state.

22 (2) GRANTS. Subject to subs. (4) and (5), the department may make a grant from
 23 the appropriation under s. 20.143 (1) (ie) to a technology-based nonprofit
 24 organization to provide support for a manufacturing extension center if all of the
 25 following apply:

1 (a) The technology-based nonprofit organization submits to the department a
2 plan detailing its proposed expenditures and performance measures related to the
3 project.

4 (b) The secretary approves the plan submitted under par. (a).

5 (3) RESTRICTION ON GRANT RECIPIENTS. A technology-based nonprofit
6 organization that receives a grant under this section is thereafter ineligible to
7 receive a grant or loan under subch. V.

8 (4) LIMIT ON GRANTS. The department may not award more than \$1,000,000 in
9 grants under this section in a fiscal year.

10 (5) PROGRAM SUNSET. The department may not encumber any moneys under
11 this section after June 30, 2001.

12 **SECTION 4.** 560.60 (4) of the statutes is amended to read:

13 560.60 (4) "Eligible recipient" means a governing body or a person who is
14 eligible to receive a grant under s. 560.615, a grant or loan under s. 560.62, a grant
15 or loan under s. 560.63 or a grant or loan under s. 560.65.

16 **SECTION 5.** 560.605 (1) (e) (intro.) and 1. of the statutes are consolidated,
17 renumbered 560.605 (1) (e) and amended to read:

18 560.605 (1) (e) ~~The Except as provided in s. 560.68 (6), the~~ eligible recipient
19 receiving the grant or loan will contribute, from funds not provided by this state,
20 ~~whichever of the following applies: 1. Except as provided under subd. 3. and s. 560.68~~
21 (6), not less than 25% of the cost of the project.

22 **SECTION 6.** 560.605 (1) (e) 3. of the statutes is repealed.

23 **SECTION 7.** 560.605 (1) (f) of the statutes is amended to read:

24 560.605 (1) (f) The project meets all criteria set forth in s. ~~560.615, 560.62,~~
25 560.63, 560.65 or 560.66, whichever is appropriate.

1 **SECTION 8.** 560.605 (1) (g) of the statutes is amended to read:

2 560.605 (1) (g) Funds from the grant or loan under s. ~~560.615~~, 560.62, 560.63,
3 560.65 or 560.66 will not be used to pay overhead costs, except as provided in s. 560.65
4 (1m) (b), or to replace funds from any other source.

5 **SECTION 9.** 560.605 (1) (i) of the statutes is created to read:

6 560.605 (1) (i) The eligible recipient has not received a grant under s. 560.25.

7 **SECTION 10.** 560.605 (2) (intro.) of the statutes is amended to read:

8 560.605 (2) (intro.) The board shall consider all of the following before
9 awarding a grant or loan to an eligible recipient for a project under s. ~~560.615~~, 560.62,
10 560.63 or 560.66:

11 **SECTION 11.** 560.605 (2m) (intro.) of the statutes is amended to read:

12 560.605 (2m) (intro.) When considering whether a project under s. ~~560.615~~,
13 560.62, 560.63 or 560.66 will be located in a targeted area, the board shall consider
14 all of the following:

15 **SECTION 12.** 560.61 (1) of the statutes is amended to read:

16 560.61 (1) Make a grant or loan to an eligible recipient for a project that meets
17 the criteria for funding under s. 560.605 (1) and (2) and under s. ~~560.615~~, 560.62,
18 560.63, 560.65 or 560.66, whichever is appropriate, from the appropriations under
19 s. 20.143 (1) (c), (cb), (ie), (s) and (sm).

20 **SECTION 13.** 560.615 of the statutes is repealed.

21 **SECTION 14.** 560.66 (1) (intro.) of the statutes is amended to read:

22 560.66 (1) (intro.) The board may award grants and loans under s. 560.61 to
23 eligible recipients for any project that is not eligible for a grant or loan under s.

- 1 560.615, 560.62 or 560.63, if the board determines that the project is a major
- 2 economic development project and considers all of the following:
- 3 (END)

D-note

4

Insert 3-8

OS
draft removes the treatment of
NOTE: This ~~is reconciled~~ s. 20.143 (1)
(c) and (ie). ~~This does not apply~~

Section 20.143(1)(c) has been
affected by drafts with the following
LRB#'s: LRB-0557/2, LRB-0558/1,
LRB-1279/1, LRB-1582/2, LRB-1827/3
and LRB-2072/1. Section 20.143(1)
^{ie}
(ie) has been affected by drafts with
- the following LRB#'s: LRB-0557/2,
LRB-1279/1, LRB-1582/2 and
LRB-2072/1. The reconciled treatment
of s. 20.143(1)(c) and (ie) is ~~is~~ contained
in LRB-2072/2.
(end of ins 3-8)

cmH + jlg

D-note

Sarah:

(is one of many that)

¶ This draft reconciles LRB-0557/2,

LRB-0558/1, LRB-1279/1, LRB-1582/2,

LRB-1827/3 and LRB-2072/1.

All ^{of these drafts} except LRB-1827/3, which is

~~not included~~ incorporated into

LRB-2072/2, ^{should} should continue

to appear in the compile.

PJK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1582/3dn
PJK:cmh&jlg:hmh

Wednesday, February 3, 1999

Sarah:

This draft (is one of many that) reconciles LRB-0557/2, LRB-0558/1, LRB-1279/1, LRB-1582/2, LRB-1827/3 and LRB-2072/1. All of these drafts except LRB-1827/3, which is incorporated into LRB-2072/2, should continue to appear in the compile.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1582/3
PJK:cmh&jlg:hmh

DOA:.....Justus – Fiscal changes for the Wisconsin Manufacturing Extension
Partnership

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** manufacturing extension center grants.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

****NOTE: This draft removes the treatment of s. 20.143 (1) (c) and (ie). Section 20.143 (1) (c) has been affected by drafts with the following LRB numbers: LRB-0557/2, LRB-0558/1, LRB-1279/1, LRB-1582/2, LRB-1827/3 and LRB-2072/1. Section 20.143 (1) (ie) has been affected by drafts with the following LRB numbers: LRB-0557/2, LRB-1279/1, LRB-1582/2 and LRB-2072/1. The reconciled treatment of s. 20.143 (1) (c) and (ie) is contained in LRB-2072/2.

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25 (6), not less than 25% of the cost of the project.

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24 **SECTION 11.** 560.615 of the statutes is repealed.

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