

2001 DRAFTING REQUEST

Assembly Amendment (AA-AB579)

Received: 10/29/2001

Received By: kahlepj

Wanted: Today

Identical to LRB:

For: Glenn Grothman (608) 264-8486

By/Representing: himself

This file may be shown to any legislator: NO

Drafter: kahlepj

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Subject: Econ. Development - bus. dev.

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Requester's email: Rep.Grothman@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Investment schedule

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> |
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560.35 (2) Annual Semiannual Reports. On or before January 31 and July 31 semiannually, a certified capital company shall report all of the following to the department in format and substance acceptable to the department:

- (1) The amount of the certified capital company's certified capital at the end of the preceding year semiannual period.
- (2) Whether the certified capital company has invested more than 15% of its total certified capital in any one person.

All qualified investments that the certified capital company has made during the previous calendar year and the investment pool from which each qualified investment was made.

5. **Qualified Investments: The Investment Schedule**

Current Law: Under s. 560.34 (1m), Stats., A certified capital company shall ensure that each of its investment pools makes qualified investments according to the following schedule:

- Within 3 years after the investment date for a particular investment pool, at least 30% of the investment pool shall be placed in qualified investments.
- Within 5 years after the investment date for a particular investment pool, at least 50% of the investment pool shall be placed in qualified investments.

Problem: There is no requirement to ensure that 100% of the investment pool is placed in qualified investments. There is also no requirements governing the investments after five years.

Recommended Solution: The Department recommends that s. 560.34 (1m) be amended to provide that the investment schedule should continue beyond year 5, and to require that 100% of the investment pool should be placed by year 10. Specifically, the following new subsections should be added include:

- Within 7 years after the investment date for a particular investment pool, at least 70% of the investment pool shall be placed in qualified investments.
- Within 10 years after the investment date for a particular investment pool, 100% of the investment pool shall be placed in qualified investments.
- Sub 3 and 4 do not apply to investment pools prior to December 31, 1999.

a0862



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0862/A
PJK:.....

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~~PRELIMINARY DRAFT NOT READY FOR INTRODUCTION~~
ASSEMBLY AMENDMENT,
TO 2001 ASSEMBLY BILL 579

Now

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 5: after "requirements," insert "qualified investment schedule,".

3 2. Page 4, line 19: after that line insert:

4 "SECTION 9h. 560.34 (1m) (a) 3. of the statutes is created to read:

5 560.34 (1m) (a) 3. Within 7 years after the investment date for a particular
6 investment pool, at least 70% of the investment pool shall be placed in qualified
7 investments.

8 SECTION 9j. 560.34 (1m) (a) 4. of the statutes is created to read:

9 560.34 (1m) (a) 4. Within 10 years after the investment date for a particular
10 investment pool, 100% of the investment pool shall be placed in qualified
11 investments."

12 3. Page 5, line 16: after that line insert:

1 "SECTION 12m. Initial applicability.

2 QUALIFIED INVESTMENT SCHEDULE. The treatment of section 560.34 (1m) (a)
3 3. and 4. of the statutes first applies to investment pools for which ~~January 1, 2000~~
4 is the investment date."

5 (END)

December 31, 1999

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