



~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

SOON
(11-26)

regenerate ↓

1 AN ACT to amend 66.1105 (13), 560.70 (2m) and 560.785 (2) (b); and to create
 2 16.27 and 16.28 of the statutes; relating to: requiring state agencies, political
 3 subdivisions, and housing, redevelopment, and community development
 4 authorities, as well as subsidy recipients, to report on subsidies provided to
 5 businesses; requiring certain disclosures by business subsidy applicants;
 6 prohibiting business subsidies under certain circumstances; defining a
 7 full-time job for purposes of development zone tax credits; granting
 8 rule-making authority; requiring the exercise of rule-making authority; and
 9 providing a penalty.

Insert A →

Analysis by the Legislative Reference Bureau

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

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

10 SECTION 1. 16.27 of the statutes is created to read:

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16.27 Definitions for business subsidy awards and reports. In s. 16.28:

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(1) "Agency" means a state agency or a local government agency.

(2) "Business" means:

(a) Any person engaged in a business enterprise for profit in this state.

(b) Any organization or enterprise operating not for profit in this state that has at least 100 full-time positions with a ratio of highest-paid to lowest-paid employee that exceeds 10 to one, determined on the basis of full-time equivalent positions.

(3) (a) Except as provided in par. (b), "business subsidy" means:

1. Public improvements of at least \$25,000 in value that are made to buildings or lands owned by the state or a political subdivision and that serve a public purpose but that principally benefit a single business or a defined group of businesses at the time the improvements are made.

2. Any of the following that has a value of at least \$25,000 and that is given to a business by an agency:

a. A grant.

b. A contribution of personal or real property or infrastructure.

c. Any preferential use of government facilities.

3. Any of the following that has a value of at least \$75,000 and that is given to a business by an agency:

a. A loan.

b. A guarantee of any payment under a loan, lease, or other obligation.

4. A transaction between a business and an agency, regardless of how structured, with the potential to result in a benefit described under subd. 1., 2., or 3.

(b) "Business subsidy" does not include any of the following:

this section and

1. Assistance that is generally available to all businesses or to a general class of similar businesses.

3 ~~1~~. Assistance for the sole purpose of providing job readiness and training services.

5 ~~2~~. Housing assistance.

6 ~~3~~. Energy conservation assistance.

7 ~~4~~. A reduction or deferral of any tax or fee, including tax credits under ch. 71, general tax reductions, and tax reductions resulting from conformity with federal law.

10 ~~5~~. General changes in the tax incremental financing laws and other general tax law changes.

12 ~~6~~. Worker's compensation and unemployment compensation.

13 ~~7~~. Payment to a person providing goods or services to this state under subch. IV or V or under ch. 84.

15 ~~8~~. Funds from bonds issued for the benefit of any institution, facility, or organization described in section 501 (c) (3) of the Internal Revenue Code that is exempt from federal taxation under section 501 (a) of the Internal Revenue Code.

18 ~~9~~. Assistance for a consortium, as defined in s. 560.60 (3).

19 ~~10~~. Federal loan funds provided through the U.S. economic development administration.

21 (3m) "Development zone" means a development zone under ss. 560.71 to
22 560.78, a development opportunity zone under s. 560.795, or an enterprise
23 development zone under s. 560.797.

24 (4) "Grantor" means an agency that provides a business subsidy.

awards or

1 (5) "Local government agency" means any political subdivision, housing
2 authority created under ss. 66.1201 to 66.1211, redevelopment authority created
3 under s. 66.1333, or community development authority created under s. 66.1335, or
4 any entity created or authorized by any of them.

5 (6) "Political subdivision" means a city, village, town, or county.

6 (7) "Recipient" means a business that is benefited by a business subsidy under
7 sub. (3) (a) 1. or that receives a business subsidy under sub. (3) (a) 2., 3., or 4.

8 (8) "State agency" means any office, department, agency, institution of higher
9 education, association, society, or other body in state government that is created or
10 authorized to be created by the constitution or any law, including any authority
11 created under ch. 231, 233, or 234 but not including the legislature or the courts.

12 (9) "Technology zone" means a technology zone under s. 560.96.

13 SECTION 2. 16.28 of the statutes is created to read:

14 **16.28 Business subsidies; awarding and reporting requirements. (1)**

15 DEVELOPING CRITERIA; APPLICATION REQUIREMENTS; PUBLIC HEARINGS; PROHIBITIONS. (a)

16 Every ~~agency that is authorized to award business subsidies~~ shall develop criteria
17 for awarding business subsidies. The criteria shall set minimum requirements that
18 a business must meet to be eligible for a business subsidy. The criteria shall provide
19 that, if the public purpose for the subsidy is job creation, all jobs created as a result
20 of the subsidy must provide compensation that is equal to at least 200% of the federal
21 poverty line, as defined under 42 USC 9902 (2), for a family of 2 persons.

22 Compensation may include ~~health insurance~~ health ~~insurance~~ for
23 purposes of determining whether this requirement is met.

24 (b) No ~~agency~~ may award a business subsidy until the ~~agency~~ has developed
25 the criteria required under par. (a).

grantor

grantor

insurance premiums paid by the employer on behalf of the employee

grantor

grantor

a grantor

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(c) 1 A copy of the criteria developed under par. (a) shall be submitted along with the first annual report filed by the ~~agency~~ under sub. (4). A copy of any changes to the original set of criteria developed under par. (a) shall be submitted along with the first annual report that is filed by the ~~agency~~ after the changes are made. If in awarding a business subsidy ~~an agency~~ deviates from the criteria ~~developed~~ under par. (a), the ~~agency~~ shall document the reason for the deviation in writing and submit a copy of that documentation along with the first annual report that is filed by the ~~agency~~ after the deviation occurs.

2. Notwithstanding subd. 1., if the agency that awards a business subsidy is different from the grantor of the business subsidy, the criteria for awarding the business subsidy, changes to the original set of criteria, and documentation of the reason for deviation from the criteria shall be submitted along with the first applicable annual report under sub. (4) that is filed with respect to the business subsidy by the grantor of the business subsidy.

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(cm) 1. Every applicant for a business subsidy shall reveal in the application whether, in the preceding 5 years, the applicant has been ~~found~~ to have violated any federal or state environmental or labor law ~~as determined~~ by an administrative proceeding, civil action, criminal action, or other legal proceeding. For purposes of this paragraph, issuance of an order or acceptance of an agreement requiring corrective action or a stipulated fine, forfeiture, or other penalty is considered a determination of a violation, regardless of whether there is a finding or admission of liability.

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2. For a violation described in subd. 1. that resulted in a finding, the applicant shall describe the finding and the penalty assessed and shall specify the entity that made the finding and the location of the public records relating to the matter.

1 3. For a violation described in subd. 1. that resulted in an agreement for
 2 corrective action or a stipulated fine, forfeiture, or other penalty, the applicant shall
 3 provide a summary description of the violation that led to the agreement or
 4 stipulation and, if the agreement or stipulation is a public record, a summary
 5 description of the agreement or stipulation and the location of the agreement or
 6 stipulation as a public record.

7 (d) 1. Except as provided in subd. 2., before awarding a business subsidy to a
 8 subsidy applicant, ~~the grantor~~ shall conduct ^{at least} 2 public hearings in the political
 9 subdivision in which the applicant proposes to conduct the project for which the
 10 subsidy will be used. The 2nd public hearing must be held at least 30 days after the
 11 first public hearing and at least 30 days before the final decision is made on whether
 12 to award the business subsidy to the applicant. Notice of each hearing shall be given
 13 by publication of a class 1 notice under ch. 985 in a newspaper that is likely to give
 14 notice in the political subdivision in which the applicant proposes to conduct the
 15 project for which the subsidy will be used.

16 2. The requirement under subd. 1. does not apply if, under another process that
 17 is separate and distinct from the process under this section, at least one public
 18 hearing has been held with respect to the project for which the subsidy will be used.

19 (e) ~~the grantor~~ may not award to a business subsidy applicant a business subsidy
 20 in the form of a grant, a loan ~~at an interest rate that is below the rate commercially~~
 21 ~~available to the applicant~~ or a contribution of personal or real property if any of the
 22 following applies:

23 1. The business subsidy will be used to subsidize any portion of the cost of
 24 moving the applicant's business operations from one political subdivision in this
 25 state to another political subdivision in this state. This subdivision does not apply

A grantor

a grantor

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a loan guaranteed

1 if the governing body of the political subdivision from which the applicant intends
2 to move consents to the move in writing, which may be by resolution.

3 2. The business subsidy will be used to subsidize any portion of the cost of
4 moving the applicant's business operations from this state to a state with which this
5 state has entered into an agreement or compact related to businesses moving from
6 one state to another, except as allowed under the terms of the agreement or compact.

7 (f) 1. Except as provided in subd. 2., a recipient may not apply for another
8 business subsidy, and ~~may not~~ may not award another business subsidy to a
9 recipient, if the recipient fails to submit a report required under sub. (3) (a) within
10 6 months of the time required for submitting such report under sub. (3) (b).

11 2. A recipient that submits a report more than 6 months after the time required
12 under sub. (3) (b) may apply for, and may be awarded, another business subsidy only
13 upon the approval of the department.

14 (2) SUBSIDY AGREEMENT. (a) Whenever ~~may not~~ provides a business subsidy,
15 the recipient shall enter into a subsidy agreement with the grantor. The subsidy
16 agreement shall include all of the following:

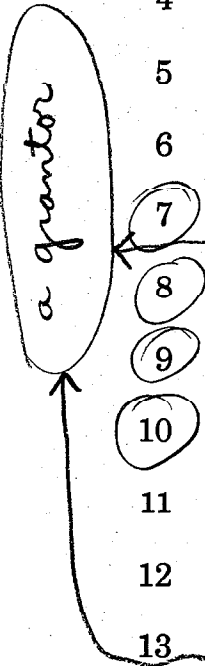
17 1. A description of the subsidy, including the amount, or fair market value, and
18 type of subsidy.

19 2. A statement of the public purpose for the subsidy.

20 3. A statement of why the subsidy is needed.

21 4. Specific measurable goals for the subsidy.

22 4m. If the public purpose for the subsidy is the creation or retention of jobs,
23 specific measurable goals for the number of jobs to be created or retained and wage
24 goals for the jobs to be created or retained.



1 5. If the public purpose for the subsidy is the retention of jobs, the total number
2 of jobs currently provided by the recipient and identification of the jobs that would
3 be lost without the subsidy.

4 6. The time ~~which~~ ^{by} which the goals specified in subd. 4. and, if applicable, in
5 subd. 4m. are to be achieved.

6 7. A commitment to continue operations at the location where the subsidy is
7 to be used for at least 5 years from the date of receiving the full amount of the subsidy.

8 8. A description of any financial obligation of the recipient if the goals under
9 subd. 4. or, if applicable, under subd. 4m. are not met or if the recipient ceases
10 operations at the location before the time specified in subd. 7.

11 9. The name and address of the recipient's parent corporation, if any.

12 10. A list, by amount and provider, of all other public financial assistance for
13 the project for which the subsidy will be used.

14 (b) A subsidy agreement under par. (a) shall be in writing and signed by both
15 the recipient and the grantor. If the grantor is a local government agency that is not
16 a political subdivision, the governing body of the political subdivision within which
17 the local government agency operates must approve the agreement.

18 (3) REPORTS OF RECIPIENTS. (a) ~~A grantor shall monitor the progress of each of~~

19 ~~its recipients in meeting the goals specified in the subsidy agreement.~~ Each recipient
20 shall submit to its grantor, by the time required under par. (b), a report developed
21 by the grantor that provides the following information:

- 22 1. The type, public purpose, and amount of the subsidy.
- 23 2. The hourly wage of each job created or retained as a result of the subsidy,
- 24 shown in separate wage bands.

or other
by the time specified
under subd. 6.

1 3. The sum of the hourly wages and cost of health care benefits provided by the
2 recipient, shown in separate wage bands.

3 4. A statement of the goals identified in the subsidy agreement under sub. (2)
4 (a) 4. ✓

5 4m. If the public purpose for the subsidy is the creation or retention jobs, a
6 statement of the goals identified in the subsidy agreement under sub. (2) (a) 4m. and
7 ~~at the date on~~ ^{a statement of} the progress toward meeting the job and wage goals or the date on
8 which the job and wage goals were or are expected to be achieved.

9 5. If the public purpose for the subsidy is the retention of jobs, the total number
10 of jobs currently provided by the recipient and the status of the jobs identified under
11 sub. (2) (a) 5. ✓

12 5m. If the public purpose for the subsidy is the creation of jobs, the total number
13 of jobs currently provided by the recipient that satisfy the requirements under sub.
14 (1) (a) ✓ compared to the average number of jobs provided by the recipient in the 12
15 months preceding the period covered by this report that satisfied those
16 requirements.

a statement of

17 6. A statement of any financial ^{or other} obligation of the recipient under sub. (2) (a) 8. ✓
18 and ~~the~~ the progress toward meeting the ~~the~~ obligation or the date
19 on which the ~~the~~ obligation was or will be met.

20 7. The location of the recipient before receiving the business subsidy.

21 8. If the recipient was previously located at another site in this state, why the
22 recipient was unable to complete the project for which the business subsidy was
23 awarded at the recipient's previous location.

24 9. The name and address of the recipient's parent corporation, if any.

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1 9 ← A list, by amount and provider, of all other public financial assistance for
2 the project.

3 10 ← Any other information requested by the grantor.

4 (b) 1. If a subsidy is provided in a lump sum or over a period that does not exceed
5 one year, the recipient shall submit a report, as required under par. (a), within 24
6 months after the subsidy is first provided.

7 2. If a subsidy is provided over a period that exceeds one year, the recipient shall
8 submit a report, as required under par. (a), within 24 months after the subsidy is first
9 provided. Annually thereafter, until the ~~conclusion of the period over which the~~

10 ~~subsidy is provided~~, the recipient shall submit a report, as required under par. (a),
11 for the period since the previous report was submitted.

12 (c) If a recipient fails to submit a report by the time the report is due, the grantor
13 shall within 30 days after the due date notify the recipient that the report is overdue.
14 If the report remains delinquent for 6 months after the due date, the grantor shall
15 notify the department and commence any action or proceedings to recover the
16 subsidy that are specified in the subsidy agreement, and the recipient shall be
17 ineligible for any other business subsidies, as provided in sub. (1) (f).

18 (d) For each recipient, a grantor shall keep a centrally located and easily
19 accessible file containing the recipient's application, all documents related to the
20 application, the subsidy agreement entered into under sub. (2), and all reports
21 submitted under this subsection.

22 (4) REPORTS OF ~~GRANTORS~~ (a) Annually, no later than April 1, every ~~reporter~~
23 ~~provider of a business subsidy~~ shall manually or electronically file with the department
24 a report on the form described in par. (b).

time specified in the subsidy agreement under sub. (2) (a) (i).

GRANTORS

grantor

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(b) The department shall develop a report form to be completed by ~~grantee~~ ^{grants}

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~~selected grantee~~ that does all of the following:

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1. Summarizes the information submitted to the ~~grantee~~ ^{grantor} during the previous calendar year in the reports under sub. (3). ✓

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2. Minimizes confusion and duplication in the reporting process through the use, for each recipient, of a consistent, unique identifier, such as the recipient's federal employer identification number.

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3. Enables the department to produce a compilation and summary of the reports under par. (a), as required under sub. (5). ✓

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(c) In addition to filing any report that is required under par. (a), the department of commerce shall annually, no later than June 1, file with the department of administration a report on the development zone programs under subch. VI of ch. 560 and the technology zone program under s. 560.96 that includes all of the following information:

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1. Identification of all development zones and technology zones in effect and the total amount of tax credits that may be claimed in each of those zones.

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2. A listing of every person in each development zone or technology zone in effect that has claimed a total of \$25,000 or more in tax credits.

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3. The total tax credits claimed, both in the previous calendar year and since the zone was designated, in each development zone or technology zone in effect.

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4. The public purpose for which each person listed in subd. 2. was certified for tax credits.

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5. The progress each person listed in subd. 2. has made in achieving the public purpose specified in subd. 4.

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1 6. The criteria used to measure the progress made in achieving the public
2 purposes specified in subd. 4.

3 7. The total number of jobs that satisfy the compensation criteria under sub.
4 (1) (a) that have been created, both in the previous calendar year and since the zone
5 was designated, in each development zone or technology zone in effect.

6 8. The total number of jobs that satisfy the compensation criteria under sub.
7 (1) (a) that have been retained, both in the previous calendar year and since the zone
8 was designated, in each development zone or technology zone in effect.

grants ✓

9 (5) DEPARTMENT REPORT, COMPILATION AND SUMMARY. (a) Annually, by August 1,
10 the department shall publish for the previous calendar year a report that includes
11 the report filed under sub. (4) (c) ✓ and a compilation and summary of the reports
12 received from ~~grants~~ under sub. (4) (a). In each year after the year in which the
13 department receives the report under s. 66.1105 (13), the department shall include
14 a summary of that report in the report under this subsection.

15 (b) The portion of the report under this subsection that is the compilation and
16 summary of the reports under sub. (4) (a) shall include at least all of the following
17 information:

18 1. The total amount of business subsidies awarded in each county of the state.

19 2. Distribution of business subsidies, categorized by subsidy amounts.

20 3. Distribution of business subsidy amounts, categorized by the length of time
21 over which the subsidy is provided.

22 4. Distribution of business subsidies, categorized by type of subsidy, amount of
23 subsidy, and public purpose.

24 5. The percentage and number of recipients that reached their ~~goals~~ goals.

by the times specified in their subsidy agreements under sub. (2)(a) 6

by the times specified in their subsidy agreements under sub. (2) (a) ✓

1 6. The percentage and number of recipients that reached their interim goals,
2 if any.

3 7. The percentage and number of recipients that did not reach their ~~ultimate~~
4 goals ~~by the times specified in their subsidy agreements~~ ~~under sub. (2) (a)~~

5 8. The total dollar amount of business subsidies provided to recipients that did
6 not reach their ~~ultimate~~ ~~goals~~ ~~by the times specified in their subsidy agreements~~ ~~under sub. (2) (a)~~
7 ~~goals~~

8 9. The number of jobs created as a result of business subsidies, shown by wage
9 bands.

10 10. Fringe benefits paid or otherwise provided as a result of business subsidies,
11 shown by wage bands.

12 (c) The compilation and summary of the reports under sub. (4) (a) shall be
13 presented in a manner that allows for comparisons across time periods and among
14 grantors and, in addition, shall include sufficient information to enable comparisons
15 between wages paid and fringe benefits provided by new jobs created as a result of
16 business subsidies and wages paid and fringe benefits provided by comparable jobs
17 in each area in which the new jobs are created.

18 (6) PUBLIC RECORD REQUIREMENT. Business subsidy applications, all documents
19 related to business subsidy applications, recipient reports under sub. (3), ~~reports~~
20 reports under sub. (4), and the report under sub. (5) are open to public inspection.

21 (7) RULES. The department shall promulgate rules for the administration of
22 this section. ~~The rules may specify other compensation and employer-provided~~
23 ~~benefits that may be considered for satisfying the requirement under sub. (1) (a)~~ The
24 rules shall provide reporting standards, including standards for the disclosures

grantor

1 required under sub. (1) (cm), to ensure that information is reported by recipients and
2 ~~recipients~~ in a uniform manner.

3 (8) ~~RELATION TO OTHER REQUIREMENTS FOR AWARDED OR PROVIDING SUBSIDY~~

4 Except as provided in sub. (1) (d) 2., the requirements under this section related to
5 awarding or providing a business subsidy, including the awarding criteria developed
6 under sub. (1) (a), the subsidy agreement under sub. (2), and the recipient reporting
7 requirements under sub. (3), are in addition to any other requirements with which
8 an agency or recipient must comply with respect to the business subsidy. If a conflict
9 exists between a requirement under this section and any other requirement with
10 respect to a business subsidy, the requirement under this section controls.

11 SECTION 3. 66.1105 (13) of the statutes is amended to read:

12 66.1105 (13) The department of commerce, in cooperation with other state
13 agencies and local governments, shall make a comprehensive report to the governor
14 and the chief clerk of each house of the legislature, for distribution to the legislature
15 under s. 13.172 (2), at the beginning of each biennium, beginning with the 1977
16 biennium, as to the effects and impact of tax incremental financing projects socially,
17 economically, and financially. Beginning with the 2003 biennium, the department
18 of commerce shall also provide a copy of the report to the department of
19 administration for purposes of the report requirement under s. 16.28 (5) (a).

20 SECTION 4. 560.70 (2m) of the statutes is amended to read:

21 560.70 (2m) "Full-time job" means a regular, nonseasonal full-time position
22 in which an individual, as a condition of employment, is required to work at least
23 2,080 hours per year, including paid leave and holidays, and for which the individual
24 receives pay that is equal to at least 150% ~~of the federal minimum wage and~~

→ compensation

Insert 14-14

grants ✓

Insert 14-3 ✓

Insert 14-19

a

1 benefits that are not required by federal or state law. "Full-time job" does not include
2 initial training before an employment position begins. → compensation

3 SECTION 5. 560.785 (2) (b) of the statutes is amended to read:

4 560.785 (2) (b) The requirement under ss. 560.70 (2m) and 560.797 (1) (am)

5 that an individual's ~~pay~~ must equal at least 150% 200% of the federal ~~minimum~~ ✓

6 ~~wage~~ → poverty line, as defined under 42 USC 9902 (2),

7 SECTION 6. Initial applicability.

for a family of 2 persons

8 (1) ~~The act~~ ^{insert 15-8 ✓} first applies to business subsidies, as defined in section 16.27 (3)

9 of the statutes, as created by this act, that are awarded on the ~~effective date of this~~

10 ~~effective date~~ → first day of the 10th
11 month beginning
after publication

(END)

Insert 15-10 ✓

→ 200% of the federal poverty line, as
defined under 42 USC 9902 (2), for a
family of 2 persons. Compensation
may include health insurance
premiums paid by the employer on behalf
of the employee, for purposes of determining
whether the compensation requirement is met

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2658/P3ins
PJK:jld:jf

INSERT A

PS: look for "anal and other inserts for 1"

This bill creates reporting and other requirements for subsidies that are provided to businesses by state and local government agencies. Under the bill, a state agency is any office, department, agency, institution of higher learning, or other body in state government. A local government agency is any political subdivision, any housing, redevelopment, or community development authority, or any entity created by any of them. A business includes a nonprofit business if it has at least 100 full-time employees and the ratio of highest-paid employee to lowest-paid employee exceeds ten to one. A subsidy is defined as public improvements of at least \$25,000 in value that principally benefit a single business or a defined group of businesses; a grant, contribution of personal or real property, or preferential use of government facilities if the grant, contribution, or preferential use has a value of at least \$25,000; a loan or payment guarantee of at least \$75,000 in value; or a transaction between a business and an agency that has the potential to result in any of the previously mentioned benefits. Specifically excluded are such benefits as tax credits, housing assistance, and assistance for the sole purpose of providing job readiness and training services.

The bill requires every agency that awards or provides a subsidy to a business to develop criteria for awarding business subsidies and prohibits the awarding of any subsidy to a business before the criteria are developed. Although no approval of the criteria is required, the criteria are submitted to the department of administration (DOA). The criteria must set minimum requirements for a business to meet to be eligible for a business subsidy. The criteria specifically must require that, if job creation is the public purpose of a subsidy, all jobs that are created as a result of the subsidy must pay compensation that is equal to at least 200% of the federal poverty line for a family of two. Health insurance premiums paid by an employer may be counted toward meeting the compensation amount.

The bill requires an agency that grants a subsidy to enter into an agreement with the business receiving the subsidy. The agreement must contain specified information, such as the public purpose for the subsidy, measurable goals for the subsidy, the time by which the goals are to be achieved, any financial or other obligation of the business if it does not achieve the goals by the time set in the agreement, and, if the public purpose is job creation or retention, the number of jobs to be created or retained. In the agreement, the business must commit to continuing operations at the location where the subsidy is to be used for at least five years from when the full amount of the subsidy is received.

A business that receives a subsidy is required to submit a report within 24 months after first receiving the subsidy to the agency that granted the subsidy. Thereafter, the agency must submit a report annually until the time that was set in the subsidy agreement for achieving its goals. The information contained in the reports generally addresses the requirements set out in the subsidy agreement. In addition, the business must report on its progress toward achieving its goals and on the wages and cost of health care benefits for each job created or retained as a result of the subsidy. The reports submitted by a business must be kept by the granting

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agency in a centrally located and easily accessible file that includes the application, subsidy agreement, and all other documents related to the subsidy and that is open to public inspection. If a business fails to submit a report by the time it is due, the granting agency must notify the business within 30 days. If the report remains delinquent for six months after the due date, the granting agency must notify DOA and take any action for the recovery of the subsidy that is specified in the subsidy agreement. In addition, the business may not apply for another subsidy and an agency may not award another subsidy to the business. If the business eventually submits the report, however, it may apply for and be awarded another subsidy with the approval of DOA.

Annually, by April 1, every agency that received a report during the previous calendar year from one or more businesses that received subsidies must submit a report to DOA that summarizes the information submitted to the agency in the businesses' reports. In addition, the department of commerce must annually, by June 1, file a report with DOA that provides specified information about the development zone and technology zone programs, which are administered by the department of commerce and under which businesses located in areas of the state designated as development or technology zones receive tax credits for certain activities, such as job creation. Annually, by August 1, DOA is required to publish a report for the previous calendar year that compiles and summarizes the reports received from the agencies that granted business subsidies; that includes the report received from the department of commerce on the development and technology zone programs; and that, every other year, summarizes the biennial report of the department of commerce on the social, economic, and financial effects of tax incremental financing projects. The report published by DOA must provide information about the total amount of business subsidies awarded in each county; the distribution of business subsidies, categorized by various characteristics, such as type, amount, and public purpose; the number and percentage of subsidy recipients that achieved their goals within the time set, and the number of jobs created as a result of business subsidies, shown by wage bands.

In addition to the reporting requirements, the bill imposes other requirements related to business subsidies. The bill requires every applicant for a business subsidy to reveal in the application whether the applicant has been found in a court or administrative proceeding to have violated any federal or state environmental or labor law. The bill requires that, before a business subsidy is awarded, the agency awarding the subsidy must conduct at least two public hearings in the political subdivision in which the applicant proposes to conduct the project for which the subsidy is to be awarded. The bill prohibits an agency from awarding to an applicant a business subsidy that is in the form of a grant, loan, loan guarantee, or contribution of personal or real property if the applicant intends to use the business subsidy to subsidize any portion of the cost of moving its business operations within the state from one political subdivision to another, unless the political subdivision from which the business will be moved consents to the move, or from this state to another state with which this state has entered into an agreement related to businesses moving from one state to another.



Under the development zone programs under current law, businesses may be certified by the department of commerce for tax credits on the basis of, among other things, the number of full-time jobs that are created in a development zone. A full-time job is defined as a regular, nonseasonal full-time position in which an individual is required to work at least 2,080 hours per year and for which the individual receives pay that is equal to at least 150% of the federal minimum wage and benefits that are not required by federal or state law. The bill changes the definition of full-time job with respect to pay for purposes of the development zone programs, and makes the pay that is required consistent with that required under the bill for business subsidies that have job creation as the public purpose. Instead of 150% of the federal minimum wage, ~~the~~ job must pay compensation that is equal to at least 200% of the federal poverty line for a family of two. Health insurance premiums paid by the employer may be counted toward the compensation amount.

✓ a full-time

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

(END OF INSERT A)

INSERT 14-3

1 ~~NS~~ RESPONSIBILITY FOR COMPLIANCE AND ~~NO~~

(END OF INSERT 14-3)

INSERT 14-4

2 ~~not~~ (a) If the agency that awards a business subsidy is different from the agency that
3 provides the business subsidy, the agency that provides the business subsidy shall
4 determine how the requirements under this section for the grantor of the business
5 subsidy will be met, and may delegate the responsibility for any such requirement
6 to the agency that awards the business subsidy.

7 ~~(b)~~ (b)

(END OF INSERT 14-4)

INSERT 14-19

8 SECTION 1. 71.07 (2dx) (a) 4. of the statutes is amended to read:
9 71.07 (2dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time
10 position in which an individual, as a condition of employment, is required to work at



1 least 2,080 hours per year, including paid leave and holidays, and for which the
 2 individual receives pay compensation that is equal to at least 150% of the federal
 3 ~~minimum wage and receives benefits that are not required by federal or state law~~
 4 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
 5 2 persons. Compensation may include health insurance premiums paid by the
 6 employer on behalf of the employee, for purposes of determining whether the
 7 compensation requirement is met. "Full-time job" does not include initial training
 8 before an employment position begins.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16.

9 **SECTION 2. 71.28 (1dx) (a) 4. of the statutes is amended to read:**

10 71.28 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time
 11 position in which an individual, as a condition of employment, is required to work at
 12 least 2,080 hours per year, including paid leave and holidays, and for which the
 13 individual receives pay compensation that is equal to at least 150% of the federal
 14 ~~minimum wage and receives benefits that are not required by federal or state law~~
 15 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
 16 2 persons. Compensation may include health insurance premiums paid by the
 17 employer on behalf of the employee, for purposes of determining whether the
 18 compensation requirement is met. "Full-time job" does not include initial training
 19 before an employment position begins.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r
 to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

20 **SECTION 3. 71.47 (1dx) (a) 4. of the statutes is amended to read:**

21 71.47 (1dx) (a) 4. "Full-time job" means a regular, nonseasonal full-time
 22 position in which an individual, as a condition of employment, is required to work at
 23 least 2,080 hours per year, including paid leave and holidays, and for which the



1 individual receives pay compensation that is equal to at least ~~150%~~ of the federal
 2 ~~minimum wage and receives benefits that are not required by federal or state law~~
 3 200% of the federal poverty line, as defined under 42 USC 9902 (2), for a family of
 4 2 persons. Compensation may include health insurance premiums paid by the
 5 employer on behalf of the employee, for purposes of determining whether the
 6 compensation requirement is met. "Full-time job" does not include initial training
 7 before an employment position begins.

History: 1987 a. 312, 411, 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292, 315; 1993 a. 16, 112; 1995 a. 27 ss. 3407m to 3412m, 9116 (5); 1995 a. 209, 227, 417; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16.

(END OF INSERT 14-19)

INSERT 15-8

8 ~~#~~ The treatment of sections 16.27 and 16.28[✓] of the statutes ~~#~~

(END OF INSERT 15-8)

INSERT 15-10

9 ~~#~~ The treatment of sections 71.07 (2dx) (a) 4.,[✓] 71.28 (1dx) (a) 4.,[✓] 71.47 (1dx)
 10 (a) 4.,[✓] 560.70 (2m),[✓] and 560.785 (2) (b) of the statutes first applies to taxable years
 11 beginning on January 1, 2003.

(END OF INSERT 15-10)