

2001 DRAFTING REQUEST**Assembly Amendment (AA-ASA1-SB55)**

Received: 06/28/2001

Received By: **champra**Wanted: **Soon**

Identical to LRB:

For: **Shirley Krug (608) 266-5813**By/Representing: **Dan Lorentz**This file may be shown to any legislator: **NO**Drafter: **champra**

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Subject: **State Finance - investment board**

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Pre Topic:

No specific pre topic given

Topic:

Wisconsin investment in specialtechnology

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	champra 06/28/2001	jdye 06/28/2001	pgreensl 06/29/2001	_____	lrb_docadmin 06/29/2001	lrb_docadmin 06/29/2001	

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2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/28/2001

Received By: champra

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Identical to LRB:

For: Shirley Krug (608) 266-5813

By/Representing: Dan Lorentz

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/1	champra	1 6/28 jld	6/28 pg pg	6/28 scb			

FE Sent For:

<END>

Kahler, Pam

From: Lorentz, Daniel
Sent: Wednesday, June 27, 2001 6:03 PM
To: Kahler, Pam
Subject: Drafting request: WISTECH as a budget amendment

Rep. Krug has asked me make this drafting request.

Please draft as a budget amendment to ASA 1 to SB 55.

Deliver stripes to Rep. Krug's office.

Thanks. Call me if questions....Dan Lorentz, Assembly Democratic Caucus...4-8358.

Drafting request:

Require SWIB to make recommendations to the legislature regarding the structure, funding and governance of a new public-private investment program called Wisconsin Investment in Special Technology (WISTECH). Require SWIB to submit its WISTECH plan to the legislature no later than 3 months after the budget bill becomes law.

Require SWIB to make its recommendation using these program goals:

- The WISTECH program would be a private-public co-investment strategy designed to provide more capital to Wisconsin-based biotech or high tech firms;
- A privately managed entity (called WISTECH Investment Corporation) would select the state investments;
- WISTECH would invest a dollar in biotech or high technology firms for every three dollars committed privately. The initial WISTECH funding money would come from an annual initial appropriation of state funds, which would be paid back from the investment returns.
- Firms selected would commit to adding jobs, be identified as innovative, technology-based and have the potential for high returns. The companies would be required to commit to remaining in Wisconsin for varying periods, depending on the level of state investment.
- The aim would be to liquidate the investments within seven to 10 years and reinvest any returns after retiring the initial startup loan.



Jan

JLD

**ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 55**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1339, line 7: after that line insert:

3 ^C~~(15)~~ WISCONSIN INVESTMENT IN SPECIAL TECHNOLOGY. No later than 90 days after
4 the effective date of this subsection, the investment board shall submit to the
5 legislature for distribution under section 13.172 (2) of the statutes recommendations
6 regarding the structure, operations, funding, and governance of a new program to
7 be known as the Wisconsin Investment in Special Technology program. The key
8 features of this program shall include all of the following:

9 (a) A privately managed corporation to be called the WISTECH Investment
10 Corporation will be created and will be required to design an investment strategy to
11 make capital investments in biotechnology and high technology businesses that are
12 organized in this state.

1 (b) The biotechnology and high technology businesses that will be provided
2 capital under the program must be businesses that are identified by WISTECH
3 Investment Corporation as innovative^{and} technology-based, and have the potential for
4 a higher than average rate of investment return. In addition, any such business
5 must commit as a condition of ~~receive~~^{receiving the} funding to expand its workforce.

6 (c) Under the program, for every \$3[✓] invested by private individuals and
7 organizations in a biotechnology or high technology business that meets the criteria
8 specified under paragraph (b),[✓] WISTECH Investment Corporation[✓] would be able to
9 invest \$1. Any biotechnology or high technology business that would receive capital
10 funding from WISTECH Investment Corporation would have to commit, as a
11 condition of receiving the funding,[✓] to retain its operations in this state for a period
12 specified by WISTECH Investment Corporation.

13 (d) Under the program, the state would provide annual funding for the
14 investments made by WISTECH Investment Corporation. This funding would be in
15 the form of a loan to be repaid from investment returns earned by WISTECH
16 Investment Corporation from investing in the biotechnology and high technology
17 businesses.”[✓]

18 (END)