

2003 SENATE BILL 384

January 14, 2004 - Introduced by Senators LEIBHAM, STEPP, KANAVAS, DARLING, ZIEN, KEDZIE and ROESSLER, cosponsored by Representatives WIECKERT, SUDER, LADWIG, MUSSER, OWENS, GUNDERSON, HAHN, OTT, MCCORMICK, GRONEMUS, ALBERS and FREESE. Referred to Select Committee on Job Creation.

1 **AN ACT** *to amend* 38.28 (1m) (a) 1. and 66.0621 (1) (c); and *to create* 20.292 (1)
2 (cn), 38.14 (15), 38.16 (3), 38.39, 73.03 (61) and 560.03 (24) and (25) of the
3 statutes; **relating to:** authorizing technical college districts to issue revenue
4 bonds for the purpose of providing services and facilities to businesses, granting
5 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill authorizes a technical college district board, with the approval of the state Technical College System Board, to enter into a contract with a business to provide job training, adult basic education, vocational and professional services, and training facilities, equipment, and material to the business. A contract may not provide more than \$3,500 in services to a trainee unless the Joint Committee on Finance (JCF) approves a higher limit. In addition, the state board must ensure that the total cost of such contracts does not exceed \$10,000,000 in any fiscal year unless JCF approves a higher limit. (In both cases, approval by JCF may be by passive review; i.e., if the cochairpersons of JCF do not schedule a meeting to review the request, it is considered approved.) The bill allows a district board to issue revenue bonds to finance the costs of providing these services and materials to a business.

The bill requires the Department of Revenue (DOR) to determine the amount of wages from which income tax withholding is calculated for an individual who has been provided training or education by a technical college district under a contract described above and calculate the total for each technical college district. The names

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of such individuals are certified to DOR by the Department of Commerce. DOR must then certify 1.5 percent of the amount calculated for each technical college district to the Technical College System Board, which distributes the amounts to the districts.

The bill also authorizes a district board to organize a nonstock corporation for the purposes of raising funds and providing support for the district.

For further information see the *state and local* 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.** 20.292 (1) (cn) of the statutes is created to read:

2 20.292 (1) (cn) *Services provided to businesses.* A sum sufficient equal to the
3 total of the amounts determined by the department of revenue under s. 73.03 (61) for
4 distribution to the districts under s. 38.39.

5 **SECTION 2.** 38.14 (15) of the statutes is created to read:

6 38.14 (15) NONSTOCK CORPORATIONS. The district board may organize one or
7 more nonstock corporations under ch. 181 for the purposes of raising funds and
8 providing support for the operation and management of the district.

9 **SECTION 3.** 38.16 (3) of the statutes is created to read:

10 38.16 (3) The district board may not levy a tax to pay debt service on revenue
11 obligations issued for the purposes of paying the costs of providing services under a
12 contract entered into under s. 38.39.

13 **SECTION 4.** 38.28 (1m) (a) 1. of the statutes, as affected by 2003 Wisconsin Act
14 33, is amended to read:

15 38.28 (1m) (a) 1. "District aidable cost" means the annual cost of operating a
16 technical college district, including debt service charges for district bonds and
17 promissory notes for building programs or capital equipment, but excluding all
18 expenditures relating to auxiliary enterprises and community service programs, all

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1 expenditures funded by or reimbursed with federal revenues, all receipts under sub.
2 (6) and ss. 38.12 (9), 38.14 (3) and (9), 38.39, 118.15 (2) (a), 118.55 (7r), and 146.55
3 (5), all receipts from grants awarded under ss. 38.04 (8), (20), (28), and (31), 38.14
4 (11), 38.26, 38.27, 38.33, and 38.38, all fees collected under s. 38.24, and driver
5 education and chauffeur training aids.

6 **SECTION 5.** 38.39 of the statutes is created to read:

7 **38.39 Wisconsin Advantage Program. (1)** (a) With the approval of the
8 board, a district board may establish a regional project for the creation and retention
9 of jobs. Under the project, the district board may on its own or jointly with any other
10 entity contract with a business located in the district to provide the business with one
11 or more of the following:

- 12 1. Training for jobs created or retained by the business.
- 13 2. Adult basic education.
- 14 3. Vocational and skill-assessment services.
- 15 4. Training facilities, equipment, and material.
- 16 5. Professional services.

17 (b) 1. Except as provided in subd. 2., a district board may not enter into a
18 contract under par. (a) in which the cost per trainee exceeds \$3,500.

19 2. If the district board proposes to enter into a contract under subd. 1. in which
20 the cost per trainee exceeds \$3,500, the district board shall notify the joint committee
21 on finance in writing of its proposed action. If the cochairpersons of the committee
22 do not notify the district board that the committee has scheduled a meeting for the
23 purpose of reviewing the proposed contract within 14 working days after the date of
24 the district board's notification, the district board may enter into the contract. If,
25 within 14 working days after the date of the district board's notification, the

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1 cochairpersons of the committee notify the district board that the committee has
2 scheduled a meeting for the purpose of reviewing the proposed contract, the district
3 board may enter into the contract only upon approval of the committee.

4 (c) 1. Except as provided under subd. 2., the board shall ensure that the total
5 cost to the district boards of the contracts under par. (a) does not exceed \$10,000,000
6 in any fiscal year.

7 2. If the board proposes to increase the limit under subd. 1. in any fiscal year,
8 the board shall notify the joint committee on finance in writing of its proposed action.
9 If the cochairpersons of the committee do not notify the board that the committee has
10 scheduled a meeting for the purpose of reviewing the proposed increase within 14
11 working days after the date of the board's notification, the board may increase the
12 limit. If, within 14 working days after the date of the board's notification, the
13 cochairpersons of the committee notify the board that the committee has scheduled
14 a meeting for the purpose of reviewing the proposed increase, the limit may be
15 increased only upon approval of the committee.

16 (2) A contract under sub. (1) may require the business to pay fees for the
17 services provided, or to pay all or a portion of the costs of the services provided.

18 (3) (a) The district board may issue revenue obligations under s. 66.0621 to
19 provide funds for payment of the costs of providing services under a contract under
20 sub. (1).

21 (b) The district board may pledge as security for repayment of the bonds issued
22 under par. (a) district property and moneys in reserve fund balances that are not
23 derived from property taxes.

24 (c) The district board shall maintain a special fund, to be identified as the
25 Wisconsin Advantage Program special redemption fund, into which it deposits the

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1 fees received under sub. (2), the payments received from the state under sub. (4), and
2 any other moneys designated by the district board for deposit into the special fund.
3 The district board may use this revenue solely for the payment of principal of and
4 interest on the bonds issued under par. (a) until all such bonds are retired.

5 (d) Notwithstanding s. 66.0621 (4) (a) 1., all of the following apply to the bonds
6 issued under par. (a):

7 1. In the statement included with each bond the district board shall express its
8 expectation and aspiration that if at any time the revenues received or expected to
9 be received in the special redemption fund under par. (c) are insufficient to pay the
10 principal and interest on the bond when due, the district board shall make the
11 payment from other district funds.

12 2. The bonds are payable at times not to exceed 10 years from the date of
13 issuance.

14 (4) Annually the board shall pay to the district board, from the appropriation
15 under s. 20.292 (1) (cn), an amount equal to the amount calculated for that district
16 by the department of revenue under s. 73.03 (61).

17 (5) Annually, the board shall submit a report to the governor, and to the
18 legislature under s. 13.172 (2), describing the contracts entered into under this
19 section and the success of the program under this section in creating and retaining
20 jobs.

21 (6) The board shall promulgate rules to implement and administer this section.

22 **SECTION 6.** 66.0621 (1) (c) of the statutes is amended to read:

23 66.0621 (1) (c) "Revenue" means all moneys received from any source by or for
24 the operation of a public utility and all rentals and fees and, in the case of a local
25 professional baseball park district created under subch. III of ch. 229 includes tax

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1 revenues deposited into a special fund under s. 229.685 and payments made into a
2 special debt service reserve fund under s. 229.74 and, in the case of a local
3 professional football stadium district created under subch. IV of ch. 229 includes tax
4 revenues deposited into a special fund under s. 229.825 and payments made into a
5 special debt service reserve fund under s. 229.830 and, in the case of a technical
6 college district includes revenues deposited into a special fund under s. 38.39 (3) (c).

7 **SECTION 7.** 73.03 (61) of the statutes is created to read:

8 73.03 **(61)** To determine the amount of wages from which withholding under
9 s. 71.64 (1) is calculated for an individual whose name is reported to the department
10 by the department of commerce under s. 560.03 (25), and to certify 1.5 percent of that
11 amount, aggregated by each technical college district, to the technical college system
12 board.

13 **SECTION 8.** 560.03 (24) and (25) of the statutes are created to read:

14 560.03 **(24)** Promulgate rules for determining the number of persons provided
15 training, education, or services under s. 38.39 and the identity of each such person,
16 for purposes of sub. (25) and s. 73.03 (61).

17 **(25)** No later than July 1 of each year, report to the department of revenue the
18 number of persons provided training, education, or services under s. 38.39 and the
19 identity of each such person.

20 **(END)**