



State of Wisconsin  
2005 - 2006 LEGISLATURE

P4 BMR  
LRB-0774/10  
~~CTS:wlj~~  
CTS:WLJ

DOA:.....Percy, BB0087 - Streamlining the Wisconsin Development Fund  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

In 1/26/05  
to-note

Today  
please

1 <sup>DO NOT GEN</sup>  
AN ACT ...; relating to: the budget.

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

**ECONOMIC DEVELOPMENT**

This bill changes the way the Department of Commerce (department) awards grants and loans from the Wisconsin development fund (WDF). Generally, the department is authorized under current law to make grants and loans from the WDF to businesses and local governments for promoting economic development and creating and retaining jobs.

Under current law, the department may make a grant from the WDF to a person for capitalizing a revolving loan fund whose purpose is to promote local or regional economic development. The department may also make a "rapid response" loan from the WDF to a person for the purchase of equipment or the purchase, renovation, or construction of a building. The department may make a grant from the WDF to a business group to investigate the reorganization or new incorporation of an existing business as an employee-owned business. The department may make a grant from the WDF to a small business for preparing a proposal for a federal program. "Small business" is defined as a business operating for profit with 250 or fewer employees. Further, the department may make a grant to fund the preliminary stages of the expansion or start-up of a business that is or will be located in an urban area in this state. In addition, the department may make grants to the Wisconsin Procurement Institute to further the Institute's efforts to secure federal government contracts and

create jobs in the state. Under current law, there are specific conditions and limitations that apply to the department's authority to make a grant or loan for each of the purposes described above.

Current law also authorizes the department, at the request of the Development Finance Board (board), to make grants and loans from the WDF under the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs. Under the technology development program, the board may award a grant or loan to a business or consortium for technical research intended to result in the development of, the initial commercialization of, or the improvement of an industrial product or process. Under the customized labor training program, the board may award a grant or loan to a business for labor training. Under the major economic development program, the board may award a grant or loan to a major economic development project that is not eligible for technology development or customized labor training grants or loans. "Major economic development project" is defined as a project that is necessary to retain or create a significant number of jobs in a political subdivision, will lead to significant capital investment in the state, or will make a significant contribution to the state's economy. Under the technology and pollution control and abatement program, the board may award a grant or loan to a new or expanding business, a municipality or other public entity, or a nonprofit organization for research into, and development of, products and processes involving certain types of pollution or waste and the marketing of such products and processes.

Under current law, there are specific conditions and limitations that apply to the department's authority to make a grant or loan under the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs. These programs are also subject to a set of conditions and limitations that apply to all four. These conditions and limitations permit the board to award a grant or loan only if it has made certain determinations and considered certain factors. The board must determine that the project serves a public purpose, that the project is not likely to occur without a WDF grant or loan, and that the recipient will contribute at least 25 percent of the cost of the project from funds not provided by the state. The board must consider, among other factors, the extent to which the project will retain or increase employment in this state, the extent to which the project will contribute to the economic growth of this state, the financial soundness of the business, and whether the project will be located in a targeted area. Currently, the board decides whether a project will be located in a targeted area based on a number of considerations including an area's employment rate and median household income.

This bill eliminates the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs, as well as the programs for revolving loan fund capitalization, rapid response loans, employee ownership assistance, urban area early planning, and the Wisconsin Procurement Institute. The bill authorizes the department, at the request of the board, to make a grant or loan of WDF funds to an eligible recipient for eligible activities. The bill defines "eligible recipient" as a governing body or person who is

eligible to receive a grant or loan. Under the bill, "eligible activities" means any of the following: capital financing; worker training; entrepreneurial development; providing assistance to technology-based businesses or to businesses at a foreign trade show or event; promoting urban or regional economic development; establishing revolving loan funds; providing working capital; and promoting employee ownership through conducting studies to investigate the reorganization of existing businesses as employee-owned businesses and implementing such studies.

Under the bill, the board is required to consider a number of factors in deciding whether to award a WDF grant or loan, including whether the project serves a public purpose and whether the project might not occur without a WDF grant or loan. Under the bill, the board is not required to make any factual determinations in order to award a grant or loan. The bill eliminates certain factors from the board's consideration of whether a project will be located in a targeted area. The bill also eliminates priority requirements that currently apply to the technology development, customized labor training, and major economic development programs; the board is no longer required to: (1) give priority to grants or loans to recipients who use techniques that reduce or eliminate the use of ozone-depleting substances; (2) give more favorable terms on grants and loans awarded to projects that will be located in targeted areas; (3) give priority to grants or loans to recipients who will give hiring priority to recipients of aid to families with dependent children; or (4) give priority to grants and loans for projects related to brownfields redevelopment.

The bill requires the department to establish procedures and conditions for WDF grants and loans, including a matching requirement of at least 25 percent. The bill also changes the definition of "small business," for purposes of WDF grants for preparing the federal program proposals, to mean a business with fewer than 100 employees.

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 is amended to read:

2 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*  
3 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145,  
4 560.16, 560.175, and 560.26 for grants and loans under ss. 560.62, 560.63, and  
5 560.66; for loans under s. 560.147; s. 560.61 subch. V of ch. 560; for reimbursements  
6 under s. 560.167; for providing assistance under s. 560.06; for the costs specified in

so 560024 subject to so 560024 (3)

plain

plain

1 s. 560.607; for the loan under 1999 Wisconsin Act 9, section 9110 (4); for the grants  
 2 under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2  
 3 (1), 1997 Wisconsin Act 27, section 9110 (6g), 1999 Wisconsin Act 9, section 9110 (5),  
 4 and 2003 Wisconsin Act 33, section 9109 (1d) and (2q); and for providing up to  
 5 \$100,000 annually for the continued development of a manufacturing and advanced  
 6 technology training center in Racine. Of the amounts in the schedule, \$50,000 shall  
 7 be allocated in each of fiscal years 1997-98 and 1998-99 for providing the assistance  
 8 under s. 560.06 (1). ~~Notwithstanding s. 560.607, of the amounts in the schedule,~~  
 9 ~~\$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal~~  
 10 ~~year 1998-99, for grants and loans under s. 560.62 (1) (a).~~

*MAX NOTE: This is reconciled s. 20043 (1)(c) This section has been affected by LRB-1614*

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

*drafts with the following numbers: -0774 and -1614*

11 SECTION 2. 20.143 (1) (cb) of the statutes is repealed.

12 SECTION 3. 20.143 (1) (ie) of the statutes is amended to read:

13 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received  
 14 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2003  
 15 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.62, 2003 stats., s. 560.63,  
 16 2003 stats., s. 560.66, 2003 stats., subch. V of ch. 560 except ~~s. 560.65,~~ and 1989  
 17 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),  
 18 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),  
 19 1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4),  
 20 to be used for grants and loans under subch. V of ch. 560 except ~~s. 560.65,~~ for loans  
 21 under ~~s. 560.147, for grants under ss. 560.16 and 560.175,~~ for assistance under s.  
 22 560.06 (2), for the loan under 1999 Wisconsin Act 9, section 9110 (4), for the grant

1 under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin  
2 Act 33, section 9109 (1d) and (2q), and for reimbursements under s. 560.167.

3 **SECTION 4.** 84.185 (1) (ce) of the statutes is amended to read:

4 84.185 (1) (ce) “Job” has the meaning specified in s. ~~560.60 (10)~~ 560.17 (1) (bm).

5 **SECTION 5.** 84.185 (1) (cm) of the statutes is amended to read:

6 84.185 (1) (cm) “Political subdivision” ~~has the meaning specified in s. 560.60~~  
7 ~~(13)~~ means a county, city, town, or village.

8 **SECTION 6.** 234.01 (4n) (a) 3m. e. of the statutes is amended to read:

9 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined  
10 by the authority after considering the factors set out in s. ~~560.605 (2m) (a) to (h)~~  
11 560.605 (2m) (c), 2003 stats., s. 560.605 (2m) (d), 2003 stats., s. 560.605 (2m) (e), 2003  
12 stats., and s.560.605 (2m) (a), (b), and (f) to (h).

13 **SECTION 7.** 292.11 (7) (d) 1m. b. of the statutes is amended to read:

14 292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the  
15 area consists of 2 or more properties affected by a contiguous region of groundwater  
16 contamination or contains 2 or more properties that are brownfields, as defined in  
17 s. ~~560.60 (1v)~~ 560.13 (1) (a).

18 **SECTION 8.** 292.255 of the statutes is amended to read:

19 **292.255 Report on brownfield efforts.** The department of natural  
20 resources, the department of administration, and the department of commerce shall  
21 submit a report evaluating the effectiveness of this state’s efforts to remedy the  
22 contamination of, and to redevelop, brownfields, as defined in s. ~~560.60 (1v)~~ 560.13  
23 (1) (a).

24 **SECTION 9.** 560.045 (1) of the statutes is amended to read:

1           560.045 (1) To the extent allowed under federal law or regulation, the  
2 department shall give priority in the awarding of grants under housing programs to  
3 grants for projects related to the redevelopment of brownfields, as defined in s.  
4 ~~560.60 (1v)~~ 560.13 (1) (a).

5           **SECTION 10.** 560.135 (5) (a) of the statutes is amended to read:

6           560.135 (5) (a) The factors under s. 560.605 (2) (a) ~~to (e)~~ (1) (j) to (n).

7           **SECTION 11.** 560.135 (5) (b) of the statutes is amended to read:

8           560.135 (5) (b) Whether the project will be located in a targeted area, as  
9 determined by the board after considering the factors under s. 560.605 (2m) (a) ~~to (h)~~  
10 (2m) (a), (b), and (f) to (h).

11           **SECTION 12.** 560.14 (1) (ar) of the statutes is amended to read:

12           560.14 (1) (ar) “Brownfields” has the meaning given in s. ~~560.60 (1v)~~ 560.13 (1)  
13 (a).

14           **SECTION 13.** 560.145 of the statutes is repealed.

15           **SECTION 14.** 560.147 of the statutes is repealed.

16           **SECTION 15.** 560.15 (2) (d) of the statutes is repealed.

17           **SECTION 16.** 560.16 of the statutes is repealed.

18           **SECTION 17.** 560.17 (1) (am) of the statutes is amended to read:

19           560.17 (1) (am) “Brownfields” has the meaning given in s. ~~560.60 (1v)~~ 560.13  
20 (1) (a).

21           **SECTION 18.** 560.17 (1) (bm) of the statutes is amended to read:

22           560.17 (1) (bm) “Job” ~~has the meaning given in s. 560.60 (10)~~ means a position  
23 providing full-time equivalent employment. “Job” does not include initial training  
24 before an employment position begins.

25           **SECTION 19.** 560.175 of the statutes is repealed.

1           **SECTION 20.** 560.26 of the statutes is repealed.

2           **SECTION 21.** 560.60 (1m) of the statutes is repealed.

3           **SECTION 22.** 560.60 (1v) of the statutes is repealed.

4           **SECTION 23.** 560.60 (3) of the statutes is repealed.

5           **SECTION 24.** 560.60 (3m) of the statutes is created to read:

6           560.60 (3m) “Eligible activities” means any of the following:

7           (a) Capital financing.

8           (b) Worker training.

9           (c) Entrepreneurial development.

10          (d) Providing assistance to technology-based businesses or to businesses at a  
11 foreign trade show or event.

12          (e) Promoting urban or regional economic development.

13          (f) Establishing revolving loan funds.

14          (g) Providing working capital.

15          (h) Promoting employee ownership through all of the following:

16           1. Conducting feasibility studies to investigate the reorganization or new  
17 incorporation of existing businesses as employee-owned businesses.

18           2. Implementing feasibility studies under subd. 1.

19          **SECTION 25.** 560.60 (4) of the statutes is amended to read:

20          560.60 (4) “Eligible recipient” means a governing body or a person who is  
21 eligible to receive a grant or loan under s. 560.62, ~~a grant or loan under s. 560.63 or~~  
22 ~~a grant or loan under s. 560.65~~ 560.61.

23          **SECTION 26.** 560.60 (8) of the statutes is repealed.

24          **SECTION 27.** 560.60 (10) of the statutes is repealed.

25          **SECTION 28.** 560.60 (11) of the statutes is repealed.

1           **SECTION 29.** 560.60 (13) of the statutes is repealed.

2           **SECTION 30.** 560.60 (15) of the statutes is amended to read:

3           560.60 (15) “Small business” means a business operating for profit, with 250  
4 or fewer than 100 employees, including employees of any subsidiary or affiliated  
5 organization.

6           **SECTION 31.** 560.60 (17) of the statutes is repealed.

7           **SECTION 32.** 560.60 (18m) of the statutes is repealed.

8           **SECTION 33.** 560.605 (1) (intro.) of the statutes is amended to read:

9           560.605 (1) (intro.) The Upon receipt of an application by an eligible recipient,  
10 the board may consider any of the following in determining whether to award a grant  
11 or loan under s. 560.61 upon the receipt and consideration of an application by an  
12 eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all  
13 of the following:

14           **SECTION 34.** 560.605 (1) (a) of the statutes is amended to read:

15           560.605 (1) (a) The Whether the project serves a public purpose.

16           **SECTION 35.** 560.605 (1) (b) of the statutes is amended to read:

17           560.605 (1) (b) The Whether the project will retain or increase employment in  
18 this state.

19           **SECTION 36.** 560.605 (1) (c) of the statutes is amended to read:

20           560.605 (1) (c) The Whether the project is not likely to might not occur without  
21 the grant or loan.

22           **SECTION 37.** 560.605 (1) (d) of the statutes is amended to read:

23           560.605 (1) (d) Financing Whether financing is unavailable available from any  
24 other another source on reasonably equivalent terms.

25           **SECTION 38.** 560.605 (1) (e) of the statutes is amended to read:

1           560.605 (1) (e) ~~Except as provided in s. 560.68 (6), the eligible recipient~~  
2           receiving the grant or loan will contribute, from The extent to which the project will  
3           be financed with funds not provided by this state, ~~not less than 25%~~ of the cost of the  
4           project.

5           **SECTION 39.** 560.605 (1) (f) of the statutes is repealed.

6           **SECTION 40.** 560.605 (1) (g) of the statutes is amended to read:

7           560.605 (1) (g) ~~Funds~~ Whether funds from the grant or loan under s. 560.62,  
8           560.63, 560.65 or 560.66 will be used to pay overhead costs, ~~except as provided in s.~~  
9           560.65 (1m) (b), or to replace funds from ~~any other~~ another source.

10          **SECTION 41.** 560.605 (1) (h) of the statutes is amended to read:

11          560.605 (1) (h) ~~The~~ Whether the project will ~~not~~ displace any workers in this  
12          state.

13          **SECTION 42.** 560.605 (1) (i) of the statutes is repealed.

14          **SECTION 43.** 560.605 (2) (intro.) of the statutes is repealed. *drafts with the -0774  
following LRB numbers: and  
This section has been  
affected by LRB  
-15940*

15          **SECTION 44.** 560.605 (2) (a) of the statutes is renumbered 560.605 (1) (j).

16          **SECTION 45.** 560.605 (2) (b) of the statutes is renumbered 560.605 (1) (k).

17          **SECTION 46.** 560.605 (2) (c) of the statutes is renumbered 560.605 (1) (L).

18          **SECTION 47.** 560.605 (2) (d) of the statutes is renumbered 560.605 (1) (m) and  
19          amended to read:

20          560.605 (1) (m) The financial soundness of the business eligible recipient.

21          **SECTION 48.** 560.605 (2) (e) of the statutes is renumbered 560.605 (1) (n).

22          **SECTION 49.** 560.605 (2) (f) of the statutes is renumbered 560.605 (1) (o).

23          **SECTION 50.** 560.605 (2m) (intro.) of the statutes is amended to read:

1           560.605 (2m) (intro.) When considering whether a project ~~under s. 560.62,~~  
2           ~~560.63 or 560.66~~ will be located in a targeted area, the board shall may consider all  
3           any of the following:

4           **SECTION 51.** 560.605 (2m) (c) of the statutes is repealed.

5           **SECTION 52.** 560.605 (2m) (d) of the statutes is repealed.

6           **SECTION 53.** 560.605 (2m) (e) of the statutes is repealed.

7           **SECTION 54.** 560.605 (4) of the statutes is repealed.

8           **SECTION 55.** 560.605 (5) of the statutes is repealed.

9           **SECTION 56.** 560.605 (5m) of the statutes is repealed.

10          **SECTION 57.** 560.605 (6) of the statutes is repealed.

11          **SECTION 58.** 560.607 (1) of the statutes is amended to read:

12          560.607 (1) Evaluations of proposed technical research projects ~~under s.~~  
13          ~~560.62.~~

14          **SECTION 59.** 560.61 (intro.) of the statutes is repealed.

15          **SECTION 60.** 560.61 (1) of the statutes is renumbered 560.61 and amended to  
16          read:

17          **560.61** ~~Make~~ At the request of the board, the department may make a grant  
18          or loan to an eligible recipient ~~for a project that meets the criteria for funding under~~  
19          ~~s. 560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is~~  
20          ~~appropriate,~~ from the appropriations under s. 20.143 (1) (c), ~~(eb)~~ and (ie) for eligible  
21          activities.

22          **SECTION 61.** 560.61 (3) of the statutes is repealed.

23          **SECTION 62.** 560.62 of the statutes is repealed.

24          **SECTION 63.** 560.63 of the statutes is repealed.

25          **SECTION 64.** 560.65 of the statutes is repealed.

1           **SECTION 65.** 560.66 of the statutes is repealed.

2           **SECTION 66.** 560.68 (1m) of the statutes is created to read:

3           **560.68 (1m)** The department shall establish criteria for the award of grants  
4 and loans under s. 560.61, including the types of projects that are eligible for funding  
5 and the types of eligible projects that will receive priority.

6           **SECTION 67.** 560.68 (2m) of the statutes is created to read:

7           **560.68 (2m)** The department shall determine conditions applicable to a grant  
8 or loan under s. 560.61.

9           **SECTION 68.** 560.68 (3) of the statutes is amended to read:

10           **560.68 (3)** The department may charge a grant or loan recipient an origination  
11 fee of ~~up to~~ not more than 2% of the grant or loan amount if the grant or loan equals  
12 or exceeds \$200,000 and is awarded under s. 560.63 or 560.66. The department shall  
13 deposit all origination fees collected under this subsection in the appropriation  
14 account under s. 20.143 (1) (gm).

15           **SECTION 69.** 560.68 (5) of the statutes is renumbered 560.68 (5) (intro.) and  
16 amended to read:

17           **560.68 (5) (intro.)** The department, with the approval of the board, shall  
18 develop procedures ~~to evaluate~~ related to grants and loans under s. 560.61 for all of  
19 the following:

20           (b) Evaluating applications, monitor.

21           (c) Monitoring project performance and audit.

22           (d) Auditing the grants and loans awarded under this subchapter.

23           **SECTION 70.** 560.68 (5) (a) of the statutes is created to read:

24           **560.68 (5) (a)** Submitting applications for grants and loans.

25           **SECTION 71.** 560.68 (6) of the statutes is amended to read:



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

LRB-0774/P4dn

CTS: :

WJ

This draft reconciles LRB-0774, LRB-1594 (s. 560.605 (1) (i)), and LRB-1614 (s. 20.143 (1) (c)). All of these drafts should continue to appear in the compile.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

**DRAFTER'S NOTE**  
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LRB-0774/P4dn  
CTS:wlj:jf

January 26, 2005

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Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: [christopher.sundberg@legis.state.wi.us](mailto:christopher.sundberg@legis.state.wi.us)



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2005 - 2006 LEGISLATURE

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DOA:.....Percy, BB0087 - Streamlining the Wisconsin Development Fund  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*  
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Under current law, the department may make a grant from the WDF to a person for capitalizing a revolving loan fund whose purpose is to promote local or regional economic development. The department may also make a "rapid response" loan from the WDF to a person for the purchase of equipment or the purchase, renovation, or construction of a building. The department may make a grant from the WDF to a business group to investigate the reorganization or new incorporation of an existing business as an employee-owned business. The department may make a grant from the WDF to a small business for preparing a proposal for a federal program. "Small business" is defined as a business operating for profit with 250 or fewer employees. Further, the department may make a grant to fund the preliminary stages of the expansion or start-up of a business that is or will be located in an urban area in this state. In addition, the department may make grants to the Wisconsin Procurement Institute to further the Institute's efforts to secure federal government contracts and

create jobs in the state. Under current law, there are specific conditions and limitations that apply to the department's authority to make a grant or loan for each of the purposes described above.

Current law also authorizes the department, at the request of the Development Finance Board (board), to make grants and loans from the WDF under the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs. Under the technology development program, the board may award a grant or loan to a business or consortium for technical research intended to result in the development of, the initial commercialization of, or the improvement of an industrial product or process. Under the customized labor training program, the board may award a grant or loan to a business for labor training. Under the major economic development program, the board may award a grant or loan to a major economic development project that is not eligible for technology development or customized labor training grants or loans. "Major economic development project" is defined as a project that is necessary to retain or create a significant number of jobs in a political subdivision, will lead to significant capital investment in the state, or will make a significant contribution to the state's economy. Under the technology and pollution control and abatement program, the board may award a grant or loan to a new or expanding business, a municipality or other public entity, or a nonprofit organization for research into, and development of, products and processes involving certain types of pollution or waste and the marketing of such products and processes.

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This bill eliminates the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs, as well as the programs for revolving loan fund capitalization, rapid response loans, employee ownership assistance, urban area early planning, and the Wisconsin Procurement Institute. The bill authorizes the department, at the request of the board, to make a grant or loan of WDF funds to an eligible recipient for eligible activities. The bill defines "eligible recipient" as a governing body or person who is

eligible to receive a grant or loan. Under the bill, “eligible activities” means any of the following: capital financing; worker training; entrepreneurial development; providing assistance to technology-based businesses or to businesses at a foreign trade show or event; promoting urban or regional economic development; establishing revolving loan funds; providing working capital; and promoting employee ownership through conducting studies to investigate the reorganization of existing businesses as employee-owned businesses and implementing such studies.

Under the bill, the board is required to consider a number of factors in deciding whether to award a WDF grant or loan, including whether the project serves a public purpose and whether the project might not occur without a WDF grant or loan. Under the bill, the board is not required to make any factual determinations in order to award a grant or loan. The bill eliminates certain factors from the board’s consideration of whether a project will be located in a targeted area. The bill also eliminates priority requirements that currently apply to the technology development, customized labor training, and major economic development programs; the board is no longer required to: (1) give priority to grants or loans to recipients who use techniques that reduce or eliminate the use of ozone-depleting substances; (2) give more favorable terms on grants and loans awarded to projects that will be located in targeted areas; (3) give priority to grants or loans to recipients who will give hiring priority to recipients of aid to families with dependent children; or (4) give priority to grants and loans for projects related to brownfields redevelopment.

The bill requires the department to establish procedures and conditions for WDF grants and loans, including a matching requirement of at least 25 percent. The bill also changes the definition of “small business,” for purposes of WDF grants for preparing the federal program proposals, to mean a business with fewer than 100 employees.

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

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***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 is amended to read:  
2           20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*  
3 *assistance.* Biennially, the amounts in the schedule for grants under ~~ss. 560.145,~~  
4 ~~560.16, 560.175, and 560.26~~ s. 560.24, subject to s. 560.24 (3); for grants and loans  
5 under ~~ss. 560.62, 560.63, and 560.66;~~ for loans under s. 560.147; s. 560.61 subch. V  
6 of ch. 560; for reimbursements under s. 560.167; for providing assistance under s.

1 560.06; for the costs specified in s. 560.607; for the loan under 1999 Wisconsin Act  
2 9, section 9110 (4); for the grants under 1995 Wisconsin Act 27, section 9116 (7gg),  
3 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 1999  
4 Wisconsin Act 9, section 9110 (5), and 2003 Wisconsin Act 33, section 9109 (1d) and  
5 (2q); and for providing up to \$100,000 annually for the continued development of a  
6 manufacturing and advanced technology training center in Racine. Of the amounts  
7 in the schedule, \$50,000 shall be allocated in each of fiscal years 1997–98 and  
8 1998–99 for providing the assistance under s. 560.06 (1). ~~Notwithstanding s.~~  
9 ~~560.607, of the amounts in the schedule, \$125,000 shall be allocated in each of 4~~  
10 ~~consecutive fiscal years, beginning with fiscal year 1998–99, for grants and loans~~  
11 ~~under s. 560.62 (1) (a).~~

\*\*\*NOTE: This is reconciled s. 20.43 (1) (c). This SECTION has been affected by drafts  
with the following LRB numbers: -0774 and -1614.

12 **SECTION 2.** 20.143 (1) (cb) of the statutes is repealed.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

13 **SECTION 3.** 20.143 (1) (ie) of the statutes is amended to read:

14 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received  
15 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2003  
16 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.62, 2003 stats., s. 560.63,  
17 2003 stats., s. 560.66, 2003 stats., subch. V of ch. 560 ~~except s. 560.65, and~~ 1989  
18 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),  
19 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),  
20 1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4),  
21 to be used for grants and loans under subch. V of ch. 560 ~~except s. 560.65, for loans~~  
22 ~~under s. 560.147, for grants under ss. 560.16 and 560.175, for assistance under s.~~

1 560.06 (2), for the loan under 1999 Wisconsin Act 9, section 9110 (4), for the grant  
2 under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin  
3 Act 33, section 9109 (1d) and (2q), and for reimbursements under s. 560.167.

4 **SECTION 4.** 84.185 (1) (ce) of the statutes is amended to read:

5 84.185 (1) (ce) “Job” has the meaning specified in s. ~~560.60 (10)~~ 560.17 (1) (bm).

6 **SECTION 5.** 84.185 (1) (cm) of the statutes is amended to read:

7 84.185 (1) (cm) “Political subdivision” ~~has the meaning specified in s. 560.60~~  
8 ~~(13)~~ means a county, city, town, or village.

9 **SECTION 6.** 234.01 (4n) (a) 3m. e. of the statutes is amended to read:

10 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined  
11 by the authority after considering the factors set out in s. ~~560.605 (2m) (a) to (h)~~  
12 560.605 (2m) (c), 2003 stats., s. 560.605 (2m) (d), 2003 stats., s. 560.605 (2m) (e), 2003  
13 stats., and s. 560.605 (2m) (a), (b), and (f) to (h).

14 **SECTION 7.** 292.11 (7) (d) 1m. b. of the statutes is amended to read:

15 292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the  
16 area consists of 2 or more properties affected by a contiguous region of groundwater  
17 contamination or contains 2 or more properties that are brownfields, as defined in  
18 s. ~~560.60 (1v)~~ 560.13 (1) (a).

19 **SECTION 8.** 292.255 of the statutes is amended to read:

20 **292.255 Report on brownfield efforts.** The department of natural  
21 resources, the department of administration, and the department of commerce shall  
22 submit a report evaluating the effectiveness of this state’s efforts to remedy the  
23 contamination of, and to redevelop, brownfields, as defined in s. ~~560.60 (1v)~~ 560.13  
24 (1) (a).

25 **SECTION 9.** 560.045 (1) of the statutes is amended to read:

1           560.045 (1) To the extent allowed under federal law or regulation, the  
2 department shall give priority in the awarding of grants under housing programs to  
3 grants for projects related to the redevelopment of brownfields, as defined in s.  
4 ~~560.60 (1v)~~ 560.13 (1) (a).

5           **SECTION 10.** 560.135 (5) (a) of the statutes is amended to read:

6           560.135 (5) (a) The factors under s. 560.605 (2) ~~(a) to (e)~~ (1) (j) to (n).

7           **SECTION 11.** 560.135 (5) (b) of the statutes is amended to read:

8           560.135 (5) (b) Whether the project will be located in a targeted area, as  
9 determined by the board after considering the factors under s. 560.605 ~~(2m) (a) to (h)~~  
10 (2m) (a), (b), and (f) to (h).

11           **SECTION 12.** 560.14 (1) (ar) of the statutes is amended to read:

12           560.14 (1) (ar) “Brownfields” has the meaning given in s. ~~560.60 (1v)~~ 560.13 (1)  
13 (a).

14           **SECTION 13.** 560.145 of the statutes is repealed.

15           **SECTION 14.** 560.147 of the statutes is repealed.

16           **SECTION 15.** 560.15 (2) (d) of the statutes is repealed.

17           **SECTION 16.** 560.16 of the statutes is repealed.

18           **SECTION 17.** 560.17 (1) (am) of the statutes is amended to read:

19           560.17 (1) (am) “Brownfields” has the meaning given in s. ~~560.60 (1v)~~ 560.13  
20 (1) (a).

21           **SECTION 18.** 560.17 (1) (bm) of the statutes is amended to read:

22           560.17 (1) (bm) “Job” ~~has the meaning given in s. 560.60 (10)~~ means a position  
23 providing full-time equivalent employment. “Job” does not include initial training  
24 before an employment position begins.

25           **SECTION 19.** 560.175 of the statutes is repealed.

1           **SECTION 20.** 560.26 of the statutes is repealed.

2           **SECTION 21.** 560.60 (1m) of the statutes is repealed.

3           **SECTION 22.** 560.60 (1v) of the statutes is repealed.

4           **SECTION 23.** 560.60 (3) of the statutes is repealed.

5           **SECTION 24.** 560.60 (3m) of the statutes is created to read:

6           560.60 (3m) “Eligible activities” means any of the following:

7           (a) Capital financing.

8           (b) Worker training.

9           (c) Entrepreneurial development.

10          (d) Providing assistance to technology-based businesses or to businesses at a  
11 foreign trade show or event.

12          (e) Promoting urban or regional economic development.

13          (f) Establishing revolving loan funds.

14          (g) Providing working capital.

15          (h) Promoting employee ownership through all of the following:

16           1. Conducting feasibility studies to investigate the reorganization or new  
17 incorporation of existing businesses as employee-owned businesses.

18           2. Implementing feasibility studies under subd. 1.

19          **SECTION 25.** 560.60 (4) of the statutes is amended to read:

20          560.60 (4) “Eligible recipient” means a governing body or a person who is  
21 eligible to receive a grant or loan under s. 560.62, ~~a grant or loan under s. 560.63 or~~  
22 ~~a grant or loan under s. 560.65~~ 560.61.

23          **SECTION 26.** 560.60 (8) of the statutes is repealed.

24          **SECTION 27.** 560.60 (10) of the statutes is repealed.

25          **SECTION 28.** 560.60 (11) of the statutes is repealed.

1           **SECTION 29.** 560.60 (13) of the statutes is repealed.

2           **SECTION 30.** 560.60 (15) of the statutes is amended to read:

3           560.60 (15) “Small business” means a business operating for profit, with 250  
4 or fewer than 100 employees, including employees of any subsidiary or affiliated  
5 organization.

6           **SECTION 31.** 560.60 (17) of the statutes is repealed.

7           **SECTION 32.** 560.60 (18m) of the statutes is repealed.

8           **SECTION 33.** 560.605 (1) (intro.) of the statutes is amended to read:

9           560.605 (1) (intro.) The Upon receipt of an application by an eligible recipient,  
10 the board may consider any of the following in determining whether to award a grant  
11 or loan under s. 560.61 upon the receipt and consideration of an application by an  
12 eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all  
13 of the following:

14           **SECTION 34.** 560.605 (1) (a) of the statutes is amended to read:

15           560.605 (1) (a) The Whether the project serves a public purpose.

16           **SECTION 35.** 560.605 (1) (b) of the statutes is amended to read:

17           560.605 (1) (b) The Whether the project will retain or increase employment in  
18 this state.

19           **SECTION 36.** 560.605 (1) (c) of the statutes is amended to read:

20           560.605 (1) (c) The Whether the project is not likely to might not occur without  
21 the grant or loan.

22           **SECTION 37.** 560.605 (1) (d) of the statutes is amended to read:

23           560.605 (1) (d) Financing Whether financing is unavailable available from any  
24 other another source on reasonably equivalent terms.

25           **SECTION 38.** 560.605 (1) (e) of the statutes is amended to read:

1           560.605 (1) (e) ~~Except as provided in s. 560.68 (6), the eligible recipient~~  
2 ~~receiving the grant or loan will contribute, from~~ The extent to which the project will  
3 be financed with funds not provided by this state, ~~not less than 25% of the cost of the~~  
4 project.

5           **SECTION 39.** 560.605 (1) (f) of the statutes is repealed.

6           **SECTION 40.** 560.605 (1) (g) of the statutes is amended to read:

7           560.605 (1) (g) ~~Funds~~ Whether funds from the grant or loan ~~under s. 560.62,~~  
8 ~~560.63, 560.65 or 560.66~~ will be used to pay overhead costs, ~~except as provided in s.~~  
9 ~~560.65 (1m) (b),~~ or to replace funds from ~~any other~~ another source.

10          **SECTION 41.** 560.605 (1) (h) of the statutes is amended to read:

11          560.605 (1) (h) ~~The~~ Whether the project will ~~not~~ displace ~~any~~ workers in this  
12 state.

13          **SECTION 42.** 560.605 (1) (i) of the statutes is repealed.

          \*\*\*NOTE: This is reconciled s. 560.605 (1) (i). This SECTION has been affected by  
drafts with the following LRB numbers: -0774 and -1594.

14          **SECTION 43.** 560.605 (2) (intro.) of the statutes is repealed.

15          **SECTION 44.** 560.605 (2) (a) of the statutes is renumbered 560.605 (1) (j).

16          **SECTION 45.** 560.605 (2) (b) of the statutes is renumbered 560.605 (1) (k).

17          **SECTION 46.** 560.605 (2) (c) of the statutes is renumbered 560.605 (1) (L).

18          **SECTION 47.** 560.605 (2) (d) of the statutes is renumbered 560.605 (1) (m) and  
19 amended to read:

20          560.605 (1) (m) The financial soundness of the ~~business~~ eligible recipient.

21          **SECTION 48.** 560.605 (2) (e) of the statutes is renumbered 560.605 (1) (n).

22          **SECTION 49.** 560.605 (2) (f) of the statutes is renumbered 560.605 (1) (o).

23          **SECTION 50.** 560.605 (2m) (intro.) of the statutes is amended to read:

1           560.605 (2m) (intro.) When considering whether a project ~~under s. 560.62,~~  
2           ~~560.63 or 560.66~~ will be located in a targeted area, the board shall may consider all  
3           any of the following:

4           **SECTION 51.** 560.605 (2m) (c) of the statutes is repealed.

5           **SECTION 52.** 560.605 (2m) (d) of the statutes is repealed.

6           **SECTION 53.** 560.605 (2m) (e) of the statutes is repealed.

7           **SECTION 54.** 560.605 (4) of the statutes is repealed.

8           **SECTION 55.** 560.605 (5) of the statutes is repealed.

9           **SECTION 56.** 560.605 (5m) of the statutes is repealed.

10          **SECTION 57.** 560.605 (6) of the statutes is repealed.

11          **SECTION 58.** 560.607 (1) of the statutes is amended to read:

12          560.607 (1) Evaluations of proposed technical research projects ~~under s.~~  
13          ~~560.62.~~

14          **SECTION 59.** 560.61 (intro.) of the statutes is repealed.

15          **SECTION 60.** 560.61 (1) of the statutes is renumbered 560.61 and amended to  
16          read:

17          **560.61** Make At the request of the board, the department may make a grant  
18          or loan to an eligible recipient ~~for a project that meets the criteria for funding under~~  
19          ~~s. 560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is~~  
20          ~~appropriate,~~ from the appropriations under s. 20.143 (1) (c), ~~(cb)~~ and (ie) for eligible  
21          activities.

22          **SECTION 61.** 560.61 (3) of the statutes is repealed.

23          **SECTION 62.** 560.62 of the statutes is repealed.

24          **SECTION 63.** 560.63 of the statutes is repealed.

25          **SECTION 64.** 560.65 of the statutes is repealed.

1           **SECTION 65.** 560.66 of the statutes is repealed.

2           **SECTION 66.** 560.68 (1m) of the statutes is created to read:

3           560.68 (1m) The department shall establish criteria for the award of grants  
4 and loans under s. 560.61, including the types of projects that are eligible for funding  
5 and the types of eligible projects that will receive priority.

6           **SECTION 67.** 560.68 (2m) of the statutes is created to read:

7           560.68 (2m) The department shall determine conditions applicable to a grant  
8 or loan under s. 560.61.

9           **SECTION 68.** 560.68 (3) of the statutes is amended to read:

10          560.68 (3) The department may charge a grant or loan recipient an origination  
11 fee of ~~up to~~ not more than 2% of the grant or loan amount if the grant or loan equals  
12 or exceeds \$200,000 and is awarded under s. 560.63 or 560.66. The department shall  
13 deposit all origination fees collected under this subsection in the appropriation  
14 account under s. 20.143 (1) (gm).

15          **SECTION 69.** 560.68 (5) of the statutes is renumbered 560.68 (5) (intro.) and  
16 amended to read:

17          560.68 (5) (intro.) The department, with the approval of the board, shall  
18 develop procedures ~~to evaluate~~ related to grants and loans under s. 560.61 for all of  
19 the following:

20           (b) Evaluating applications, monitor.

21           (c) Monitoring project performance and audit.

22           (d) Auditing the grants and loans awarded under this subchapter.

23          **SECTION 70.** 560.68 (5) (a) of the statutes is created to read:

24          560.68 (5) (a) Submitting applications for grants and loans.

25          **SECTION 71.** 560.68 (6) of the statutes is amended to read:

