



2005 SENATE BILL 644

February 28, 2006 – Introduced by Senators HANSEN and COGGS, cosponsored by Representatives SHERIDAN, MOLEPSKE, BERCEAU, STASKUNAS, ZEPNICK and ALBERS. Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

1 **AN ACT to create** 15.157 (14), 20.143 (1) (f), 560.277 and 560.278 of the statutes;
2 **relating to:** creating a Manufacturing Competitiveness Grant and Loan
3 Program and a Manufacturing Competitiveness Council, providing an
4 exemption from emergency rule procedures, granting rule-making authority,
5 and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a Manufacturing Competitiveness Grant and Loan Program (program) administered by the Department of Commerce (department). The bill provides \$1,500,000 of general purpose revenue to fund grants and loans under the program.

Under the bill, the department may award a grant or loan to the Board of Regents of the University of Wisconsin System, the Technical College System Board, and certain tax-exempt entities that assist manufacturers. The bill specifies that a trade association or chamber of commerce is not eligible to receive a grant or loan under the program. Grants and loans must be used to fund projects that do any of the following: 1) promote existing programs to manufacturers in this state; 2) fund demonstration projects to help manufacturers improve their competitive position and document quantifiable results; 3) fund supply-chain development projects in conjunction with manufacturers in this state; 4) develop firm-specific data to help manufacturers understand their competitive position and to inform state policy; or 5) conduct other projects approved by the department, except, with respect to a grant,

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providing funding for costs of existing organizations or studies that are already in progress.

The bill also creates a 27-member Manufacturing Competitiveness Council (council) attached to the department. Under the bill, the council advises the department in awarding grants and loans under the program and helps the department, the Department of Workforce Development, the technical college system, and the University of Wisconsin System in assisting manufacturers in this state.

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.** 15.157 (14) of the statutes is created to read:

2 15.157 (14) MANUFACTURING COMPETITIVENESS COUNCIL. (a) *Members.* There is
3 created a manufacturing competitiveness council, attached to the department of
4 commerce under s. 15.03, consisting of all of the following:

5 1. The secretary of commerce or his or her designee.

6 2. The secretary of workforce development or his or her designee.

7 3. The president of the Board of Regents of the University of Wisconsin System
8 or his or her designee.

9 4. One person representing a statewide chamber of commerce or similar
10 organization.

11 5. Two persons, each representing one of 2 entities whose primary purpose is
12 to assist manufacturers in improving productivity and competing more effectively.

13 6. Two persons representing the technical college system, at least one of whom
14 is a member of the faculty at a campus in the the system, appointed by the director
15 of the technical college system board.

16 7. One person representing private colleges and universities.

17 8. Five persons representing small manufacturers.

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1 9. Four persons representing large manufacturers.

2 10. Five persons representing organized labor, including one person
3 representing a training organization.

4 11. One member appointed by the senate majority leader.

5 12. One member appointed by the senate minority leader.

6 13. One member appointed by the speaker of the assembly.

7 14. One member appointed by the assembly minority leader.

8 (b) *Terms.* The members appointed under par. (a) 4. to 14. shall be appointed
9 for 3-year terms.

10 (c) From the members appointed under par. (a), the governor may designate
11 chairpersons.

12 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
13 the following amounts for the purposes indicated:

	2005-06	2006-07
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15 **20.143 Commerce, department of**

16 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

17 (f) Manufacturing Competitiveness

Grant and Loan Program	GPR	C	1,500,000	-0-
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19 **SECTION 3.** 20.143 (1) (f) of the statutes is created to read:

20 20.143 (1) (f) *Manufacturing Competitiveness Grant and Loan Program.* As a
21 continuing appropriation, the amounts in the schedule for grants and loans under
22 s. 560.277.

23 **SECTION 4.** 560.277 of the statutes is created to read:

SENATE BILL 644**SECTION 4****1 560.277 Manufacturing Competitiveness Grant and Loan Program. (1)**

2 DEFINITIONS. (a) “Council” means the manufacturing competitiveness council under
3 s. 560.278.

4 (b) “Eligible organization” means the Board of Regents of the University of
5 Wisconsin System; the technical college system board; an entity, other than a trade
6 association or chamber of commerce, the primary purpose of which is to assist
7 manufacturers in improving productivity and competing more effectively; and any
8 entity that satisfies all of the following conditions:

9 1. The entity is described under section 501 (c) (3) of the Internal Revenue Code
10 and is exempt from taxation under section 501 (a) of the Internal Revenue Code.

11 2. The primary purpose of the entity is to assist manufacturers located in this
12 state.

13 3. The entity’s primary office is located in this state.

14 4. The entity is not a trade association or chamber of commerce.

15 (c) “Eligible project” means any of the following:

16 1. Promoting existing programs to manufacturers in this state.

17 2. Funding demonstration projects to help manufacturers improve their
18 competitive position and document quantifiable results.

19 3. Funding supply-chain development projects in conjunction with
20 manufacturers in this state.

21 4. Developing firm-specific data to help manufacturers understand their
22 competitive position and to inform state policy.

23 5. Conducting other projects approved by the department, except, with respect
24 to a grant, providing funding for costs of existing organizations or studies that are
25 already in progress.

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1 **(2) GRANTS AND LOANS AUTHORIZED.** The department may, after consulting with
2 the council, award a grant or loan to an eligible organization for the purpose of
3 funding an eligible project.

4 **(3) APPLICATION.** (a) *Initial application.* To obtain a grant or loan under sub.
5 (2), an eligible organization shall apply to the department in the form and manner
6 prescribed by the department by rule. Each application for an initial grant or loan
7 under sub. (2) shall include all of the following information:

- 8 1. The project budget.
- 9 2. A description of the project, including a quantifiable goal of the project.
- 10 3. A proposed method for measuring progress toward the goals of the project.
- 11 4. The name and business address of each manufacturer to which assistance
12 will be provided.
- 13 5. Any other relevant information required by the department by rule.

14 (b) *Subsequent applications.* If an eligible organization receives a grant or loan
15 under sub. (2), the organization may apply for another grant or loan under sub. (2),
16 but only if the organization has received at least 75 percent of the previously
17 authorized grant or loan. An application under this paragraph shall be submitted
18 in the form and manner prescribed by the department by rule and shall include all
19 of the information described in par. (a) 1. to 5.

20 **(4) REPORTING REQUIREMENTS.** An eligible organization that receives a grant or
21 loan under sub. (2) shall file an annual report with the board in the form and manner
22 prescribed by the department by rule.

23 **(5) RULES.** The department shall promulgate rules for the administration of
24 this section.

25 **SECTION 5.** 560.278 of the statutes is created to read:

SENATE BILL 644**SECTION 5**

1 **560.278 Manufacturing competitiveness council.** The manufacturing
2 competitiveness council shall do all of the following:

3 (1) Help the department, the department of workforce development, the
4 technical college system, and the University of Wisconsin System in assisting
5 manufacturers in this state.

6 (2) Advise the department in awarding grants and loans under s. 560.277.

7 **SECTION 6. Nonstatutory provisions.**

8 (1) RULES.

9 (a) *Emergency rules.* Using the procedure under section 227.24 of the statutes,
10 the department of commerce may promulgate rules required under section 560.277
11 of the statutes, as created by this act, for the period before the effective date of the
12 rules submitted under paragraph (b), but not to exceed the period authorized under
13 section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a),
14 (2) (b), and (3) of the statutes, the department is not required to provide evidence that
15 promulgating a rule under this paragraph as an emergency rule is necessary for the
16 preservation of the public peace, health, safety, or welfare and is not required to
17 provide a finding of emergency for a rule promulgated under this paragraph.

18 (b) *Permanent rules.* The department of commerce shall submit in proposed
19 form the rules required under section 560.277 of the statutes, as created by this act,
20 to the legislative council staff under section 227.15 (1) of the statutes no later than
21 the first day of the 4th month beginning after the effective date of this paragraph.

22 (c) *Economic impact report.* Notwithstanding section 227.137 (2) of the
23 statutes, the secretary of administration may not require the department of
24 commerce to prepare an economic impact report for the rules required under section
25 560.277 of the statutes, as created by this act.

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1 (2) ONE-TIME FUNDING. Notwithstanding section 16.42 (1) (e) of the statutes, in
2 submitting information under section 16.42 of the statutes for purposes of the
3 2007-09 biennial budget bill, the department of commerce may not include a request
4 for continuation of funding for the appropriation under section 20.143 (1) (f) of the
5 statutes, as created by this act.

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(END)