



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1856/P1
TK/JK/CH/AG/MS:lmk:rs

Keep

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 **AN ACT to renumber** 18.16 (2), 18.16 (3), 18.16 (4), 18.64 (2), 18.64 (3), 18.64 (4),
2 18.77 (2), 18.77 (3), 18.77 (4) and 25.185 (2); **to renumber and amend** 16.75
3 (3m) (a), 16.75 (3m) (b), 16.75 (3m) (c) 5., 16.855 (10m) (a), 16.87 (2), 84.075 (1)
4 and 200.57 (1); **to amend** 16.75 (3m) (c) 1., 16.75 (3m) (c) 2., 16.75 (3m) (c) 3.,
5 16.75 (3m) (c) 4., 16.855 (10m) (b), 16.855 (10m) (c), 16.855 (14) (a), 18.16 (title),
6 18.16 (5), 18.16 (6), 18.64 (title), 18.64 (5), 18.64 (6), 18.77 (title), 18.77 (5), 18.77
7 (6), 25.185 (title), 25.185 (3), 84.075 (title), 84.075 (2), 84.075 (3), 200.57 (title),
8 229.46 (2) (intro.), 229.46 (3) (intro.), 229.70 (title), 229.70 (2), 229.70 (3)
9 (intro.), 229.70 (4), 229.70 (4m), 229.70 (5) (b) 1., 229.70 (5) (b) 2., 229.70 (5) (b)
10 3., 229.8273 (title), 229.8273 (2), 229.8273 (3), 229.8273 (4), 229.8273 (5) (b) 1.,
11 229.8273 (5) (b) 2., 229.8273 (5) (b) 3., 229.8273 (6), 229.845 (title) and 229.845
12 (2); **to repeal and recreate** 18.16 (1), 18.64 (1), 18.77 (1) and 25.185 (1); and
13 **to create** 16.75 (3m) (a) 2., 16.75 (3m) (b) 2., 16.75 (3m) (c) 5. b., 16.855 (10m)
14 (ac), 16.855 (10m) (am) 2., 16.87 (1) (e), 16.87 (2) (d), 18.16 (2) (b), 18.16 (3) (b),
15 18.16 (4) (b), 18.64 (2) (b), 18.64 (3) (b), 18.64 (4) (b), 18.77 (2) (b), 18.77 (3) (b),

1 18.77 (4) (b), 25.185 (2) (b), 84.075 (1c), 84.075 (1m) (b), 200.57 (1) (b), 200.57
2 (3), 229.46 (1) (bm), 229.70 (1) (bm), 229.8273 (1) (cm), 229.845 (1) (am), 231.29,
3 234.36 and 560.033 of the statutes; **relating to:** awarding state procurements
4 to certified service-disabled veteran-owned small businesses and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

Currently, minority-owned businesses that are certified by the Department of Commerce receive certain preferences in governmental procurement. State agencies must attempt to ensure that 5 percent of the total amount expended for state procurements in each fiscal year is paid to minority-owned businesses. With the exception of non-highway construction work and certain other limited exceptions, state agencies that are subject to requirements to make purchases through competitive bidding or competitive sealed proposals may accept a bid or proposal from a minority-owned business that is no more than 5 percent higher than the apparent low bid or most advantageous proposal. Unless the secretary of administration reports to the Joint Committee on Finance the reasons for not doing so, the Building Commission must ensure that at least 6 percent of the total long-term state public debt, revenue bonding, and short-term borrowing in each fiscal year is underwritten by minority-owned investment firms. The Investment Board must attempt to ensure that 5 percent of the total funds it expends for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of minority-owned financial advisers or minority-owned investment firms. In addition, metropolitan sewerage commissions serving metropolitan sewerage districts that encompass first class cities (Milwaukee) must attempt to ensure that 5 percent of that total funds expended for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of minority-owned financial advisers or minority-owned investment firms.

This bill creates similar preferences of 3 percent of state and metropolitan sewerage commission procurements or at least 3 percent, where applicable, for service-disabled veteran-owned small businesses certified by the Department of Commerce. Under the bill, the current authorization to accept bids or proposals that are no more than 5 percent higher than the apparent low bid or most advantageous proposal is extended to apply to bids or proposals submitted by certified service-disabled veteran-owned small businesses.

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.** 16.75 (3m) (a) of the statutes is renumbered 16.75 (3m) (a) (intro.)
2 and amended to read:

3 16.75 (**3m**) (a) (intro.) In this subsection, ~~“minority;~~

4 1. “Minority business” means a business certified by the department of
5 commerce under s. 560.036 (2).

6 **SECTION 2.** 16.75 (3m) (a) 2. of the statutes is created to read:

7 16.75 (**3m**) (a) 2. “Service-disabled veteran-owned small business” means a
8 business that is certified by the department of commerce under s. 560.033 (3).

9 **SECTION 3.** 16.75 (3m) (b) of the statutes is renumbered 16.75 (3m) (b) 1. and
10 amended to read:

11 16.75 (**3m**) (b) 1. The department and any agency making purchases under s.
12 16.74 shall attempt to ensure that ~~5%~~ 5 percent of the total amount expended under
13 this subchapter in each fiscal year is paid to minority businesses.

14 3. Except as provided under sub. (7), the department may purchase materials,
15 supplies, equipment, and contractual services from any minority business or
16 service-disabled veteran-owned small business submitting a qualified responsible
17 competitive bid that is no more than ~~5%~~ 5 percent higher than the apparent low bid
18 or competitive proposal that is no more than ~~5%~~ 5 percent higher than the most
19 advantageous ~~offer~~ proposal. In administering the preference for minority
20 businesses or service-disabled veteran-owned small businesses established in this
21 paragraph, the department and any agency making purchases under s. 16.74 shall

1 maximize the use of minority businesses or service-disabled veterans-owned small
2 businesses which are incorporated under ch. 180 or which have their principal place
3 of business in this state.

4 **SECTION 4.** 16.75 (3m) (b) 2. of the statutes is created to read:

5 16.75 (3m) (b) 2. The department and any agency making purchases under s.
6 16.74 shall attempt to ensure that 3 percent of the total amount expended under this
7 subchapter in each fiscal year is paid to service-disabled veteran-owned small
8 businesses.

9 **SECTION 5.** 16.75 (3m) (c) 1. of the statutes is amended to read:

10 16.75 (3m) (c) 1. After completing any contract under this subchapter, the
11 contractor shall report to the agency that awarded the contract any amount of the
12 contract that was subcontracted to minority businesses and service-disabled
13 veteran-owned small businesses.

14 **SECTION 6.** 16.75 (3m) (c) 2. of the statutes is amended to read:

15 16.75 (3m) (c) 2. Each agency shall report to the department at least
16 semiannually, or more often if required by the department, the total amount of
17 money it has expended for contracts and orders awarded to minority businesses and
18 service-disabled veteran-owned small businesses and the number of contacts with
19 minority businesses and service-disabled veteran-owned small businesses in
20 connection with proposed purchases.

21 **SECTION 7.** 16.75 (3m) (c) 3. of the statutes is amended to read:

22 16.75 (3m) (c) 3. The department shall maintain and annually publish data on
23 state purchases from minority businesses and service-disabled veteran-owned
24 small businesses, including amounts expended and the percentage of total

1 expenditures awarded to minority businesses and service-disabled veteran-owned
2 small businesses.

3 **SECTION 8.** 16.75 (3m) (c) 4. of the statutes is amended to read:

4 16.75 (3m) (c) 4. The department shall annually prepare and submit a report
5 to the governor and to the chief clerk of each house of the legislature, for distribution
6 to the appropriate standing committees under s. 13.172 (3), on the total amount of
7 money paid to and of indebtedness or other obligations underwritten by minority and
8 service-disabled veteran-owned small businesses, minority and service-disabled
9 veteran-owned financial advisers and minority and service-disabled
10 veteran-owned investment firms under the requirements of this subsection and ss.
11 16.855 (10m), 16.87 (2), 25.185, 84.075 and 565.25 (2) (a) 3. and on this state's
12 progress toward achieving compliance with par. (b) and ss. 16.855 (10m) (~~a~~) (am) and
13 (10n), 16.87 (2), 25.185 and 84.075 (~~1~~) (1m).

14 **SECTION 9.** 16.75 (3m) (c) 5. of the statutes is renumbered 16.75 (3m) (c) 5. a.
15 and amended to read:

16 16.75 (3m) (c) 5. a. In determining whether a purchase, contract or subcontract
17 complies with the goal established under par. (b) 1, or s. 16.855 (10m) (am) 1, 16.87
18 (2) (b), or 25.185 (2) (a), the department shall include only amounts paid to minority
19 businesses, minority financial advisers and minority investment firms certified by
20 the department of commerce under s. 560.036 (2).

21 **SECTION 10.** 16.75 (3m) (c) 5. b. of the statutes is created to read:

22 16.75 (3m) (c) 5. b. In determining whether a purchase, contract, or subcontract
23 complies with the goal established under par. (b) 2. or s. 16.855 (10m) (am) 2., 16.87
24 (2) (d), or 25.185 (2) (b), the department shall include only amounts paid to

1 service-disabled veteran-owned small businesses certified by the department of
2 commerce under s. 560.033 (3).

3 **SECTION 11.** 16.855 (10m) (a) of the statutes is renumbered 16.855 (10m) (am)
4 1. and amended to read:

5 16.855 (10m) (am) 1. In awarding construction contracts the department shall
6 attempt to ensure that ~~5%~~ 5 percent of the total amount expended in each fiscal year
7 is awarded to contractors and subcontractors which are minority businesses, as
8 defined under s. 16.75 (3m) (a) 1.

9 3. The department may award any contract to a minority business or
10 service-disabled veteran-owned small business that submits a qualified responsible
11 bid that is no more than ~~5%~~ 5 percent higher than the apparent low bid.

12 **SECTION 12.** 16.855 (10m) (ac) of the statutes is created to read:

13 16.855 (10m) (ac) In this subsection, “service-disabled veteran-owned small
14 business” means a business certified by the department of commerce under s.
15 560.033 (3).

16 **SECTION 13.** 16.855 (10m) (am) 2. of the statutes is created to read:

17 16.855 (10m) (am) 2. In awarding construction contracts, the department shall
18 attempt to ensure that 3 percent of the total amount expended in each fiscal year is
19 awarded to contractors and subcontractors that are service-disabled veteran-owned
20 small businesses.

21 **SECTION 14.** 16.855 (10m) (b) of the statutes is amended to read:

22 16.855 (10m) (b) Upon completion of any contract, the contractor shall report
23 to the department any amount of the contract that was subcontracted to minority
24 businesses or service-disabled veteran-owned small businesses.

25 **SECTION 15.** 16.855 (10m) (c) of the statutes is amended to read:

1 16.855 (10m) (c) The department shall maintain and annually publish data on
2 contracts awarded to minority businesses and service-disabled veteran-owned
3 small businesses under this subsection and ss. 16.87 and 84.075.

4 **SECTION 16.** 16.855 (14) (a) of the statutes is amended to read:

5 16.855 (14) (a) If a project requires prior approval of the building commission
6 under s. 13.48 (10) (a) and bids are required to be solicited under sub. (2), the
7 department shall take both single bids and separate bids on any division of the work
8 that it designates. If a project does not require prior approval of the building
9 commission under s. 13.48 (10) (a) and bids are required to be solicited under sub.
10 (2), the department may take single bids or separate bids on any division of the work
11 that it designates. If the department awards contracts by the division of work, the
12 department shall award the contracts according to the division of work selected for
13 bidding. Except as provided in sub. (10m) (a) (am), the department shall award all
14 contracts to the lowest qualified responsible bidder or bidders that result in the
15 lowest total construction cost for the project.

16 **SECTION 17.** 16.87 (1) (e) of the statutes is created to read:

17 16.87 (1) (e) "Service-disabled veteran-owned small business" means a
18 business certified by the department of commerce under s. 560.033 (3).

19 **SECTION 18.** 16.87 (2) of the statutes is renumbered 16.87 (2) (a) and amended
20 to read:

21 16.87 (2) (a) A contract for engineering services or architectural services or a
22 contract involving an expenditure of \$10,000 or more for construction work, or
23 \$30,000 or more for limited trades work, to be done for or furnished to the state or
24 a department, board, commission or officer of the state is exempt from the
25 requirements of ss. 16.705 and 16.75.

1 (b) The department shall attempt to ensure that 5% 5 percent of the total
2 amount expended under this section in each fiscal year is paid to minority
3 businesses, as defined in s. 16.75 (3m) (a) 1.

4 **SECTION 19.** 16.87 (2) (d) of the statutes is created to read:

5 16.87 (2) (d) The department shall attempt to ensure that 3 percent of the total
6 amount expended under this section in each fiscal year is paid to service-disabled
7 veteran-owned small businesses.

8 **SECTION 20.** 18.16 (title) of the statutes is amended to read:

9 **18.16 (title) Minority and service-disabled-veteran financial advisers**
10 **and investment firms.**

11 **SECTION 21.** 18.16 (1) of the statutes is repealed and recreated to read:

12 18.16 (1) In this section:

13 (a) "Minority financial adviser" means a financial adviser certified by the
14 department of commerce under s. 560.036 (2).

15 (b) "Minority investment firm" means an investment firm certified by the
16 department of commerce under s. 560.036 (2).

17 (c) "Service-disabled veteran financial adviser" means a financial adviser
18 certified by the department of commerce under s. 560.033 (3).

19 (d) "Service-disabled veteran investment firm" means an investment firm
20 certified by the department of commerce under s. 560.033 (3).

21 **SECTION 22.** 18.16 (2) of the statutes is renumbered 18.16 (2) (a).

22 **SECTION 23.** 18.16 (2) (b) of the statutes is created to read:

23 18.16 (2) (b) Except as provided in sub. (7), in contracting public debt by
24 competitive sale, the commission shall ensure that at least 3 percent of the total

1 public indebtedness contracted in each fiscal year is underwritten by
2 service-disabled-veteran investment firms.

3 **SECTION 24.** 18.16 (3) of the statutes is renumbered 18.16 (3) (a).

4 **SECTION 25.** 18.16 (3) (b) of the statutes is created to read:

5 18.16 (3) (b) Except as provided under sub. (7), in contracting public debt by
6 negotiated sale, the commission shall ensure that at least 3 percent of total public
7 indebtedness contracted in each fiscal year is underwritten by service-disabled
8 veteran investment firms.

9 **SECTION 26.** 18.16 (4) of the statutes is renumbered 18.16 (4) (a).

10 **SECTION 27.** 18.16 (4) (b) of the statutes is created to read:

11 18.16 (4) (b) Except as provided under sub. (7), in contracting public debt by
12 competitive sale or negotiated sale, the commission shall ensure that at least 3
13 percent of the total moneys expended in each fiscal year for the services of financial
14 advisers are expended for the services of service-disabled veteran financial advisers.

15 **SECTION 28.** 18.16 (5) of the statutes is amended to read:

16 18.16 (5) Except as provided under s. 18.06 (9) and sub. (7), an individual
17 underwriter or syndicate of underwriters shall ensure that each bid or proposal,
18 submitted by that individual or syndicate in a competitive or negotiated sale of public
19 debt, provides for a portion of sales to minority investment firms and
20 service-disabled veteran investment firms.

21 **SECTION 29.** 18.16 (6) of the statutes is amended to read:

22 18.16 (6) The commission shall annually report to the department of
23 administration the total amount of public indebtedness contracted with the
24 underwriting services of minority investment firms and service-disabled veteran
25 investment firms and the total amount of moneys expended for the services of

1 minority financial advisers and service-disabled veteran financial advisers during
2 the preceding fiscal year.

3 SECTION 30. 18.64 (title) of the statutes is amended to read:

4 18.64 (title) **Minority and service-disabled veteran financial advisers**
5 **and investment firms.**

6 SECTION 31. 18.64 (1) of the statutes is repealed and recreated to read:

7 18.64 (1) In this section:

8 (a) "Minority financial adviser" means a financial adviser certified by the
9 department of commerce under s. 560.036 (2).

10 (b) "Minority investment firm" means an investment firm certified by the
11 department of commerce under s. 560.036 (2).

12 (c) "Service-disabled veteran financial adviser" means a financial adviser
13 certified by the department of commerce under s. 560.033 (3).

14 (d) "Service-disabled veteran investment firm" means an investment firm
15 certified by the department of commerce under s. 560.033 (3).

16 SECTION 32. 18.64 (2) of the statutes is renumbered 18.64 (2) (a).

17 SECTION 33. 18.64 (2) (b) of the statutes is created to read:

18 18.64 (2) (b) Except as provided under sub. (7), in issuing evidences of revenue
19 obligations by competitive sale, the commission shall ensure that at least 3 percent
20 of the total of revenue obligations contracted in each fiscal year is underwritten by
21 service-disabled veteran investment firms.

22 SECTION 34. 18.64 (3) of the statutes is renumbered 18.64 (3) (a).

23 SECTION 35. 18.64 (3) (b) of the statutes is created to read:

24 18.64 (3) (b) Except as provided under sub. (7), in issuing evidences of revenue
25 obligations by negotiated sale, the commission shall ensure that at least 3 percent

1 of the total of revenue obligations contracted in each fiscal year is underwritten by
2 service-disabled veteran investment firms.

3 **SECTION 36.** 18.64 (4) of the statutes is renumbered 18.64 (4) (a).

4 **SECTION 37.** 18.64 (4) (b) of the statutes is created to read:

5 18.64 (4) (b) Except as provided under sub. (7), in issuing evidences of revenue
6 obligations by competitive sale or negotiated sale, the commission shall ensure that
7 at least 3 percent of the total moneys expended in such fiscal year for the services of
8 financial advisers are expended for the services of service-disabled veteran financial
9 advisers.

10 **SECTION 38.** 18.64 (5) of the statutes is amended to read:

11 18.64 (5) Except as provided under sub. (7), an individual underwriter or
12 syndicate of underwriters shall ensure that each bid or proposal, submitted by that
13 individual or syndicate in a competitive or negotiated sale of a revenue obligation,
14 provides for a portion of sales to minority investment firms and service-disabled
15 veteran investment firms.

16 **SECTION 39.** 18.64 (6) of the statutes is amended to read:

17 18.64 (6) The commission shall annually report to the department of
18 administration the total amount of revenue obligations contracted with the
19 underwriting services of minority investment firms and service-disabled veteran
20 investment firms and the total amount of moneys expended for the services of
21 minority financial advisers and service-disabled veteran financial advisers during
22 the preceding fiscal year.

23 **SECTION 40.** 18.77 (title) of the statutes is amended to read:

24 **18.77 (title) Minority and service-disabled veteran financial advisers**
25 **and investment firms.**

1 **SECTION 41.** 18.77 (1) of the statutes is repealed and recreated to read:

2 18.77 (1) In this section:

3 (a) "Minority financial adviser" means a financial adviser certified by the
4 department of commerce under s. 560.036 (2).

5 (b) "Minority investment firm" means an investment firm certified by the
6 department of commerce under s. 560.036 (2).

7 (c) "Service-disabled veteran financial adviser" means a financial adviser
8 certified by the department of commerce under s. 560.033 (3).

9 (d) "Service-disabled veteran investment firm" means an investment firm
10 certified by the department of commerce under s. 560.033 (3).

11 **SECTION 42.** 18.77 (2) of the statutes is renumbered 18.77 (2) (a).

12 **SECTION 43.** 18.77 (2) (b) of the statutes is created to read:

13 18.77 (2) (b) Except as provided under sub. (7), in contracting operating notes
14 by competitive sale, the commission shall ensure that at least 3 percent of total
15 operating note indebtedness contracted in each fiscal year is underwritten by
16 service-disabled veteran investment firms.

17 **SECTION 44.** 18.77 (3) of the statutes is renumbered 18.77 (3) (a).

18 **SECTION 45.** 18.77 (3) (b) of the statutes is created to read:

19 18.77 (3) (b) Except as provided under sub. (7), in contracting operating notes
20 by negotiated sale, the commission shall ensure that at least 3 percent of total
21 operating note indebtedness contracted in each fiscal year is underwritten by
22 service-disabled veteran investment firms.

23 **SECTION 46.** 18.77 (4) of the statutes is renumbered 18.77 (4) (a).

24 **SECTION 47.** 18.77 (4) (b) of the statutes is created to read:

1 18.77 (4) (b) Except as provided under sub. (7), in contracting operating notes
2 by competitive sale or negotiated sale, the commission shall ensure that at least 3
3 percent of the total moneys expended in such fiscal year for the services of financial
4 advisers are expended for the services of service-disabled veteran financial advisers.

5 **SECTION 48.** 18.77 (5) of the statutes is amended to read:

6 18.77 (5) Except as provided under sub. (7), an individual underwriter or
7 syndicate of underwriters shall ensure that each bid or proposal, submitted by that
8 individual or syndicate in a competitive or negotiated sale of an operating note,
9 provides for a portion of sales to minority investment firms and service-disabled
10 veteran investment firms.

11 **SECTION 49.** 18.77 (6) of the statutes is amended to read:

12 18.77 (6) The commission shall annually report to the department of
13 administration the total amount of operating note indebtedness contracted with the
14 underwriting services of minority investment firms and the total amount of moneys
15 expended for the services of minority financial advisers and service-disabled
16 veteran financial advisers during the preceding fiscal year.

17 **SECTION 50.** 25.185 (title) of the statutes is amended to read:

18 **25.185 (title) Minority and service-disabled veteran financial advisers**
19 **and investment firms.**

20 **SECTION 51.** 25.185 (1) of the statutes is repealed and recreated to read:

21 25.185 (1) In this section:

22 (a) "Minority financial adviser" means a financial adviser certified by the
23 department of commerce under s. 560.036 (2).

24 (b) "Minority investment firm" means an investment firm certified by the
25 department of commerce under s. 560.036 (2).

1 (c) "Service-disabled ^{of} veteran financial adviser" means a financial adviser
2 certified by the department of commerce under s. 560.033 (3).

3 (d) "Service-disabled ^{of} veteran investment firm" means an investment firm
4 certified by the department of commerce under s. 560.033 (3).

5 SECTION 52. 25.185 (2) of the statutes is renumbered 25.185 (2) (a).

6 SECTION 53. 25.185 (2) (b) of the statutes is created to read:

7 25.185 (2) (b) The board shall attempt to ensure that 3 percent of the total funds
8 expended for financial and investment analysis and for common stock and
9 convertible bond brokerage commissions in each fiscal year is expended for the
10 services of service-disabled ^{of} veteran financial advisers or service-disabled veteran
11 investment firms.

12 SECTION 54. 25.185 (3) of the statutes is amended to read:

13 25.185 (3) The board shall annually report to the department of administration
14 the total amount of moneys expended under sub. (2) for common stock and
15 convertible bond brokerage commissions, the services of minority and
16 service-disabled veteran financial advisers and the services of minority and
17 service-disabled veteran investment firms during the preceding fiscal year.

18 SECTION 55. 84.075 (title) of the statutes is amended to read:

19 84.075 (title) **Contracting with minority and service-disabled**
20 **veteran-owned ^{small} businesses.**

21 SECTION 56. 84.075 (1) of the statutes is renumbered 84.075 (1m) (a) and
22 amended to read:

23 84.075 (1m) (a) In purchasing services under s. 84.01 (13), in awarding
24 construction contracts under s. 84.06 and in contracting with private contractors and
25 agencies under s. 84.07, the department shall attempt to ensure that ~~5%~~ 5 percent

1 of the total amount expended in each fiscal year is paid to contractors,
2 subcontractors, and vendors which are minority businesses, ~~as defined under s.~~
3 ~~560.036 (1) (e) 1.~~

4 (c) In attempting to meet ~~this goal~~ the goals under this subsection, the
5 department may award any contract to a minority business or service-disabled
6 veteran-owned ^{small} business that submits a qualified responsible bid that is no more
7 than ~~5%~~ 5 percent higher than the low bid.

8 **SECTION 57.** 84.075 (1c) of the statutes is created to read:

9 84.075 (1c) In this section:

10 (a) "Minority business" means a business certified by the department of
11 commerce under s. 560.036 (2).

12 (b) "Service-disabled veteran-owned ^{small} business" means a business certified by
13 the department of commerce under s. 560.033 (3).

14 **SECTION 58.** 84.075 (1m) (b) of the statutes is created to read:

15 84.075 (1m) (b) In purchasing services under s. 84.01 (13), in awarding
16 construction contracts under s. 84.06 and in contracting with private contractors and
17 agencies under s. 84.07, the department shall attempt to ensure that 3 percent of the
18 total amount expended in each fiscal year is paid to contractors, subcontractors, and
19 vendors that are service-disabled veteran-owned ^{small} businesses.

20 **SECTION 59.** 84.075 (2) of the statutes is amended to read:

21 84.075 (2) The contractor shall report to the department any amount of the
22 contract paid to subcontractors and vendors which are minority businesses or
23 service-disabled veteran-owned ^{small} businesses.

24 **SECTION 60.** 84.075 (3) of the statutes is amended to read:

1 84.075 (3) The department shall at least semiannually, or more often if
 2 required by the department of administration, report to the department of
 3 administration the total amount of money it has paid to contractors, subcontractors,
 4 and vendors which are minority businesses or service-disabled veteran-owned ^{small}
 5 businesses under ss. 84.01 (13), 84.06, and 84.07 and the number of contacts with
 6 minority businesses in connection with proposed purchases and contracts. In its
 7 reports, the department shall include only amounts paid to businesses certified by
 8 the department as minority businesses or service-disabled veteran-owned ^{small}
 9 businesses.

10 **SECTION 61.** 200.57 (title) of the statutes is amended to read:

11 **200.57 (title) Minority ~~service-disabled veteran-owned small businesses~~**
 12 **financial advisers and investment firms** ^{and}

13 **SECTION 62.** 200.57 (1) of the statutes is renumbered 200.57 (1) (intro.) and
 14 amended to read:

15 200.57 (1) In this section, ~~“minority:~~

16 (a) “Minority financial adviser” and “minority investment firm” mean a
 17 financial adviser and investment firm, respectively, certified by the department of
 18 commerce under s. 560.036 (2).

19 **SECTION 63.** 200.57 (1) (b) of the statutes is created to read:

20 200.57 (1) (b) “Service-disabled veteran-owned small business” means a
 21 business certified by the department of commerce under s. 560.033 (3)

22 **SECTION 64.** 200.57 (3) of the statutes is created to read:

23 200.57 (3) The commission shall attempt to ensure that 5 percent of the total
 24 funds expended for financial and investment analysis and for common stock and

1 convertible bond brokerage commissions in each fiscal year is expended for the
2 services of service-disabled veteran-owned small businesses.

3 **SECTION 65.** 229.46 (1) (bm) of the statutes is created to read:

4 229.46 (1) (bm) "Service-disabled veteran-owned small business" means a
5 business certified by the department of commerce under s. 560.033 (3).

6 **SECTION 66.** 229.46 (2) (intro.) of the statutes is amended to read:

7 229.46 (2) (intro.) A person who is awarded a contract by a district shall agree,
8 as a condition to receiving the contract, that at least 25% of the employees hired
9 because of the contract will be minority group members, at least 5 percent of the
10 employees hired because of the contract will be employees of a service-disabled
11 veteran-owned small business, and at least 5% of the employees hired because of the
12 contract will be women if any of the following applies:

13 **SECTION 67.** 229.46 (3) (intro.) of the statutes is amended to read:

14 229.46 (3) (intro.) At least 25% of the aggregate dollar value of contracts
15 awarded by the district in the following areas shall be awarded to minority
16 businesses, at least 5 percent of the aggregate dollar value of contracts awarded by
17 the district in the following areas shall be awarded to service-disabled
18 veteran-owned small businesses, and at least 5% of the aggregate dollar value of
19 contracts awarded by the district in the following areas shall be awarded to women's
20 businesses:

21 **SECTION 68.** 229.70 (title) of the statutes is amended to read:

22 **229.70 (title) Minority, service-disabled veteran-owned small business**
23 **contracting goals.**

24 **SECTION 69.** 229.70 (1) (bm) of the statutes is created to read:

1 229.70 (1) (bm) "Service-disabled veteran-owned small business" means a
2 business certified by the department of commerce under s. 560.033 (3).

3 **SECTION 70.** 229.70 (2) of the statutes is amended to read:

4 229.70 (2) The district shall ensure that, for construction work and
5 professional services contracts, a person who is awarded such a contract by a district
6 shall agree, as a condition to receiving the contract, that his or her goal shall be to
7 ensure that at least 25% of the employees hired because of the contract will be
8 minority group members, at least 5 percent of the employees hired because of the
9 contract will be employees of a service-disabled veteran-owned small business, and
10 at least 5% of the employees hired because of the contract will be women if the
11 contract is for the construction of any part of baseball park facilities.

12 **SECTION 71.** 229.70 (3) (intro.) of the statutes is amended to read:

13 229.70 (3) (intro.) It shall be a goal of the district to ensure that at least 25%
14 of the aggregate dollar value of contracts awarded by the district in the following
15 areas shall be awarded to minority businesses, at least 5 percent of the aggregate
16 dollar value of contracts awarded by the district in the following areas shall be
17 awarded to service-disabled veteran-owned small businesses, and at least 5% of the
18 aggregate dollar value of contracts awarded by the district in the following areas
19 shall be awarded to women's businesses:

20 **SECTION 72.** 229.70 (4) of the statutes is amended to read:

21 229.70 (4) It shall be a goal of a district, with regard to each of the contracts
22 described under sub. (3) (a), (b) and (c), to award at least 25% of the dollar value of
23 such contracts to minority businesses, at least 5 percent of the dollar value of such
24 contracts to service-disabled veteran-owned small businesses, and at least 5% of the
25 dollar value of such contracts to women's businesses.

1 **SECTION 73.** 229.70 (4m) of the statutes is amended to read:

2 229.70 (4m) (a) The district shall ensure that, for construction work and
3 professional services contracts, a person who is awarded such a contract by a district
4 shall agree, as a condition to receiving the contract, that if he or she is unable to meet
5 the goal under sub. (2), he or she shall make a good faith effort to contract with the
6 technical college district board of the technical college district in which the facilities
7 are to be constructed or the professional services contract is to be performed, to
8 develop appropriate training programs designed to increase the pool of minority
9 group members, service-disabled veterans, and women who are qualified to perform
10 the construction work or professional services.

11 (b) If the district is unable to meet the goals under subs. (3) and (4), the district
12 shall make a good faith effort to contract with the technical college district board of
13 the technical college district in which the contracts described under sub. (3) (a), (b)
14 and (c) are to be performed, to develop appropriate training programs designed to
15 increase the pool of minority group members, service-disabled veterans, and women
16 who are qualified to perform the contracts described under sub. (3) (a), (b) and (c).

17 **SECTION 74.** 229.70 (5) (b) 1. of the statutes is amended to read:

18 229.70 (5) (b) 1. The supply of eligible minority businesses, service-disabled
19 veteran-owned small businesses, and women's businesses that have the financial
20 capacity, technical capacity and previous experience in the areas in which contracts
21 were awarded.

22 **SECTION 75.** 229.70 (5) (b) 2. of the statutes is amended to read:

23 229.70 (5) (b) 2. The competing demands for the services provided by eligible
24 minority businesses, service-disabled veteran-owned small businesses, and

1 women's businesses, as described in subd. 1., in areas in which contracts were
2 awarded.

3 **SECTION 76.** 229.70 (5) (b) 3. of the statutes is amended to read:

4 229.70 (5) (b) 3. The extent to which the district or contractors advertised for
5 and aggressively solicited bids from eligible minority businesses, service-disabled
6 veteran-owned small businesses, and women's businesses, as described in subd. 1.,
7 and the extent to which eligible minority businesses, service-disabled
8 veteran-owned small businesses, and women's businesses submitted bids.

9 **SECTION 77.** 229.8273 (title) of the statutes is amended to read:

10 **229.8273** (title) **Minority, service-disabled veteran, and women**
11 **contracting.**

12 **SECTION 78.** 229.8273 (1) (cm) of the statutes is created to read:

13 229.8273 (1) (cm) "Service-disabled veteran-owned small business" means a
14 business certified by the department of commerce under s. 560.033 (3).

15 **SECTION 79.** 229.8273 (2) of the statutes is amended to read:

16 229.8273 (2) A district shall ensure that, for construction or renovation work
17 and professional services contracts that relate to the construction or renovation of
18 football stadium facilities that are financed by the proceeds of bonds issued under s.
19 229.824 (8), a person who is awarded such a contract by the district or by a contractor
20 shall agree, as a condition to receiving the contract, that his or her goal shall be to
21 ensure that at least 15% of the employees hired because of the contract will be
22 minority group members, at least 5 percent of the employees hired because of the
23 contract will be employees of a service-disabled veteran-owned small business, and
24 at least 5% of the employees hired because of the contract will be women.

25 **SECTION 80.** 229.8273 (3) of the statutes is amended to read:

1 229.8273 (3) It shall be a goal of the district to ensure that at least 15% of the
2 aggregate dollar value of contracts that relate to the construction or renovation of
3 football stadium facilities that are financed by the proceeds of bonds issued under s.
4 229.824 (8), shall be awarded to minority businesses, at least 5 percent of the
5 aggregate dollar value of contracts awarded by the board shall be awarded to
6 service-disabled veteran-owned small businesses, and at least 5% of the aggregate
7 dollar value of contracts awarded by the board shall be awarded to women's
8 businesses.

9 **SECTION 81.** 229.8273 (4) of the statutes is amended to read:

10 229.8273 (4) (a) The district shall ensure that, for construction or renovation
11 work and professional services contracts described under sub. (2), a person who is
12 awarded such a contract by the district or by a contractor shall agree, as a condition
13 to receiving the contract, that if he or she is unable to meet the goal under sub. (2),
14 he or she shall make a good faith effort to contract with the technical college district
15 board of the technical college district in which the football stadium facilities are to
16 be constructed or renovated, or the professional services contract is to be performed,
17 to develop appropriate training programs designed to increase the pool of minority
18 group members, service-disabled veterans, and women who are qualified to perform
19 the construction work or professional services.

20 (b) If the district is unable to meet the goals under sub. (3), the district shall
21 make a good faith effort to contract with the technical college district board of the
22 technical college district in which the contracts described under sub. (3) are to be
23 performed to develop appropriate training programs designed to increase the pool of
24 minority group members, service-disabled veterans, and women who are qualified
25 to perform the contracts described under sub. (3).

1 **SECTION 82.** 229.8273 (5) (b) 1. of the statutes is amended to read:

2 229.8273 (5) (b) 1. The supply of eligible minority businesses, service-disabled
3 veteran-owned small businesses, and women's businesses that have the financial
4 capacity, technical capacity and previous experience in the areas in which contracts
5 were awarded.

6 **SECTION 83.** 229.8273 (5) (b) 2. of the statutes is amended to read:

7 229.8273 (5) (b) 2. The competing demands for the services provided by eligible
8 minority businesses, service-disabled veteran-owned small businesses, and
9 women's businesses, as described in subd. 1., in areas in which contracts were
10 awarded.

11 **SECTION 84.** 229.8273 (5) (b) 3. of the statutes is amended to read:

12 229.8273 (5) (b) 3. The extent to which the district or contractors advertised for
13 and aggressively solicited bids from eligible minority businesses, service-disabled
14 veteran-owned small businesses, and women's businesses, as described in subd. 1.,
15 and the extent to which eligible minority businesses, service-disabled
16 veteran-owned small businesses, and women's businesses submitted bids.

17 **SECTION 85.** 229.8273 (6) of the statutes is amended to read:

18 229.8273 (6) Annually the legislative audit bureau shall conduct an audit of
19 the district's efforts to achieve the minority participation, service-disabled veteran
20 participation, and women participation hiring and contracting goals contained in
21 this section. The audit bureau shall distribute a copy of each audit report under this
22 subsection to the district, to the cochairs of the joint committee on finance and to the
23 cochairs of the joint audit committee.

24 **SECTION 86.** 229.845 (title) of the statutes is amended to read:

1 **229.845** (title) **Minority, service-disabled veteran-owned small**
2 **business contracting goals.**

3 **SECTION 87.** 229.845 (1) (am) of the statutes is created to read:

4 229.845 (1) (am) "Service-disabled veteran-owned small business" means a
5 business certified by the department of commerce under s. 560.033 (3).

6 **SECTION 88.** 229.845 (2) of the statutes is amended to read:

7 229.845 (2) It shall be a goal of the district, in awarding construction work and
8 professional services contracts related to cultural arts facilities, that at least 15% of
9 the aggregate dollar value of such contracts awarded by the district shall be awarded
10 to minority businesses, at least 5 percent of the aggregate dollar value of such
11 contracts awarded by the district shall be awarded to service-disabled
12 veteran-owned small businesses, and at least 5% of the aggregate dollar value of
13 such contracts awarded by the district shall be awarded to women's businesses,
14 except that if the sponsoring city is a 1st class city, it shall be a goal of the district,
15 in awarding construction work and professional services contracts related to cultural
16 arts facilities, that at least 25% of the aggregate dollar value of such contracts
17 awarded by the district shall be awarded to minority businesses, at least 5 percent
18 of the aggregate dollar value of such contracts awarded by the district shall be
19 awarded to service-disabled veteran-owned small businesses, and at least 5% of the
20 aggregate dollar value of such contracts awarded by the district shall be awarded to
21 women's businesses.

22 **SECTION 89.** 231.29 of the statutes is created to read:

23 **231.29 Service-disabled veteran-owned small business financial**
24 **interests.** (1) In this section, "business," "financial adviser," and "investment firm"

1 mean a business, financial adviser, and investment firm certified by the department
2 of commerce under s. 560.033 (3).

3 (2) The authority shall annually report to the department of administration
4 the total amount purchased from and contracted or subcontracted under contracts
5 made by the authority to businesses, the total amount of bonds issued by the
6 authority with the underwriting services of investment firms, and the total amount
7 of moneys expended by the authority for the services of financial advisers during the
8 preceding state fiscal year. ✓

9 **SECTION 90.** 234.36 of the statutes is created to read:

10 **234.36 Service-disabled veteran-owned small business financial**
11 **interests.** (1) In this section, "business," "financial adviser," and "investment firm"
12 mean a business, financial adviser, and investment firm certified by the department
13 of commerce under s. 560.033 (3).

14 (2) The authority shall annually report to the department of administration
15 the total amount purchased from and contracted or subcontracted under contracts
16 made by the authority to businesses, the total amount of bonds and notes issued by
17 the authority with the underwriting services of investment firms, and the total
18 amount of moneys expended by the authority for the services of financial advisers
19 during the preceding state fiscal year.

20 **SECTION 91.** 560.033 of the statutes is created to read:

21 **560.033 Title.** (1) DEFINITIONS. In this section:

22 (a) "Business" means a sole proprietorship, partnership, limited liability
23 company, joint venture, or corporation.

24 (b) "Financial adviser" means a business that serves as an adviser with regard
25 to the sale of evidences of indebtedness or other obligations.

1 (c) "Investment firm" means a business that serves as a manager, comanager,
2 or in any other underwriting capacity with regard to the sale of evidences of
3 indebtedness or other obligations or as a broker-dealer as defined in s. 551.02 (3).

4 (d) "Service-disabled veteran" means a veteran, as defined in 38 USC 101 (2),
5 with a disability that is service-connected, as defined in 38 USC 101 (16).

6 (e) "Useful business function" means the provision of materials, supplies,
7 equipment, or services to customers, including the state.

8 **(2) SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS DATABASE.** For the
9 purposes of ss. 16.75 (3m), 16.855 (10m), 16.87 (2), 18.16, 18.64, 18.77, 25.185,
10 84.075, 200.57, 229.46, 229.70, 229.8273, 229.845, 231.29, and 234.36, the
11 department shall develop, maintain, and keep current a computer database of
12 businesses certified under this section. ✓

13 **(3) SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS, FINANCIAL ADVISER, AND**
14 **INVESTMENT FIRM CERTIFICATION.** (a) Any business, financial adviser, or investment
15 firm may apply to the department for certification under this section.

16 (b) The department shall certify a business, financial advisor, or investment
17 firm under this section if, after conducting an investigation, the department
18 determines that the business, financial adviser, or investment fulfills all of the
19 following requirements:

20 1. One or more service-disabled veterans owns not less than 51 percent of the
21 business, financial advisor, or investment firm or, in the case of any publicly owned
22 business, financial advisor, or investment firm, one or more service-disabled
23 veterans owns not less than 51 percent of the stock of the business, financial advisor,
24 or investment firm.

SECTION 91

1 2. One or more service-disabled veterans or, in the case of a veteran with
2 permanent and severe disability, the spouse or permanent caregiver of such veteran,
3 controls the management and daily business operations of the business, financial
4 advisor, or investment firm.

5 3. The business, financial advisor, or investment firm has its principal place of
6 business in this state.

7 4. The business, financial advisor, or investment firm is currently performing
8 a useful business function. Acting as a conduit for the transfer of funds to a business
9 that is not certified under this section does not constitute a useful business function,
10 unless doing so is a normal industry practice.

11 5. The business, financial advisor, or investment firm satisfies any applicable
12 criteria or standards established by the department by rule under sub. (4).

13 (c) The department may charge each business, financial advisor, or investment
14 firm applying for certification under this section a fee to cover the department's
15 expenses in making the certification determination.

16 (d) If a business, financial advisor, or investment firm fails to provide the
17 department with sufficient information to enable the department to conduct an
18 investigation or does not qualify for certification under par. (b), the department shall
19 deny the application. A business, financial advisor, or investment firm whose
20 application is denied may, within 30 days after the date of the denial, appeal in
21 writing to the secretary. The secretary shall enter his or her final decision within 30
22 days after receiving the appeal.

23 (e) The department may, at the request of any state agency or on its own
24 initiative, evaluate any business, financial advisor, or investment firm certified
25 under this section to verify that it continues to qualify for certification. The business,

1 financial advisor, or investment firm shall provide the department with any records
2 or information necessary to complete the examination. If a business, financial
3 adviser, or investment fails to comply with a reasonable request for records or
4 information, the department shall decertify the business, financial advisor, or
5 investment firm, and notify the departments of administration and transportation,
6 in writing, that it has decertified the business, financial advisor, or investment firm.

7 (f) If, after an evaluation under par. (e), the department determines that a
8 business, financial advisor, or investment firm no longer qualifies for certification
9 under this section, the department shall notify the business, financial advisor, or
10 investment firm and the departments of administration and transportation, in
11 writing, that it intends to decertify the business, financial advisor, or investment
12 firm. The business, financial advisor, or investment firm may, within 30 days after
13 the notice is sent, appeal in writing to the secretary. The secretary shall enter his
14 or her final decision, in writing, within 30 days after receiving the appeal. If the
15 secretary confirms the decision of the department, the department shall
16 immediately decertify the business, financial advisor, or investment firm. A
17 business, financial advisor, or investment firm decertified under this paragraph may,
18 within 30 days after the secretary's decision, request a contested case hearing under
19 s. 227.42 from the department. If the final administrative or judicial proceeding
20 results in a determination that the business, financial advisor, or investment firm
21 qualifies for certification under this section, the department shall immediately
22 certify the business, financial advisor, or investment firm. The department shall
23 provide the business, financial adviser, or investment firm and the departments of
24 administration and transportation with a copy of the final written decision regarding
25 certification under this paragraph.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P1dn
TKK/ARG/MES:lmk:rs

July 23, 2007

Representative Sherman;

Please review this draft carefully to be sure that it accomplishes your intent. I have several questions for your consideration:

1. Structure of the certification program. I loosely modeled the service-disabled veteran-owned small businesses (SDVOSB) certification program on the minority business certification program found at s. 560.036. Was that your intent?

2. Qualifying businesses. The draft does not include any criteria pertinent to determining whether the business is a "small business," such as the number of employees, dollar value of business, or net worth; instead, the Department of Commerce is directed to establish such parameters by rule. See proposed s. 560.033 (4) (a). Is this acceptable? Did you have something else in mind?

3. SDVOSB Database. Do you want the department to establish a database with demographic and other information about SDVOSB in the state (comparable to the one required for women-owned businesses by s. 560.035 (2))?

4. Rights following decertification. Do you want to grant those businesses that are decertified under proposed s. 560.033 (3) (e) for failure to comply with requests for records or information the right to appeal the decertification?

Please let me know if you have any questions or concerns. I look forward to hearing from you after you have had an opportunity to review this draft.

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-8967
E-mail: tracy.kuczenski@legis.wisconsin.gov

Under current law, DOT must try to award 5 percent of specified contracts to "minority businesses" as defined by statute. This draft requires DOT to try to award another 3 percent of these contracts to service-disabled veteran-owned businesses.

A separate provision of current state law incorporates provisions of federal law establishing a unified disadvantaged business certification program. See s. 84.072.

Although this statute requires DOT to maintain a list of certified disadvantaged businesses, neither this statute nor other statutory provisions spell out the import of being so certified. Because of the way the standards for certification are written under s. 84.072, it is unclear to me whether a service-disabled veteran-owned business may currently be certified as a disadvantaged business under s. 84.072. Would you like me to contact DOT on this issue and determine whether, given the constraints of federal law, state law could provide for certification of service-disabled veteran-owned businesses under s. 84.072?

DOT also maintains a disadvantaged business demonstration and training program under s. 84.076 and a disadvantaged business mobilization assistance program under s. 85.25. I am uncertain to what extent the terms of these programs are dictated by federal law. Because these programs appear to be beyond the scope of the drafting instructions, I have not included any treatment related to these programs in this draft. Would you like service-disabled veteran-owned businesses to be able to participate in these programs? If so, can I contact DOT on the issue of whether federal law imposes limitations on how these programs are operated?

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

Do you want to amend s. 200.49? Also, please review the percentage for service-disabled veteran-owned small businesses in chapters 200 and 229. Is the "5%" level consistent with your intent?

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P1dn
TKK/ARG/MES:lmk:rs

July 23, 2007

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Marc E. Shovers
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Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1856/P1
TK/JR/CH/AG/MS:lpk:rs

P2

JTK
stays
RC

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

inserts out of order
inserts to inserts

an

ReGen vt

lps: Pls chg
request
sheet

1 AN ACT *to renumber* 18.16 (2), 18.16 (3), 18.16 (4), 18.64 (2), 18.64 (3), 18.64 (4),
2 18.77 (2), 18.77 (3), 18.77 (4) and 25.185 (2); *to renumber and amend* 16.75
3 (3m) (a), 16.75 (3m) (b), 16.75 (3m) (c) 5., 16.855 (10m) (a), 16.87 (2), 84.075 (1)
4 and 200.57 (1); *to amend* 16.75 (3m) (c) 1., 16.75 (3m) (c) 2., 16.75 (3m) (c) 3.,
5 16.75 (3m) (c) 4., 16.855 (10m) (b), 16.855 (10m) (c), 16.855 (14) (a), 18.16 (title),
6 18.16 (5), 18.16 (6), 18.64 (title), 18.64 (5), 18.64 (6), 18.77 (title), 18.77 (5), 18.77
7 (6), 25.185 (title), 25.185 (3), 84.075 (title), 84.075 (2), 84.075 (3), 200.57 (title),
8 229.46 (2) (intro.), 229.46 (3) (intro.), 229.70 (title), 229.70 (2), 229.70 (3)
9 (intro.), 229.70 (4), 229.70 (4m), 229.70 (5) (b) 1., 229.70 (5) (b) 2., 229.70 (5) (b)
10 3., 229.8273 (title), 229.8273 (2), 229.8273 (3), 229.8273 (4), 229.8273 (5) (b) 1.,
11 229.8273 (5) (b) 2., 229.8273 (5) (b) 3., 229.8273 (6), 229.845 (title) and 229.845
12 (2); *to repeal and recreate* 18.16 (1), 18.64 (1), 18.77 (1) and 25.185 (1); and
13 *to create* 16.75 (3m) (a) 2., 16.75 (3m) (b) 2., 16.75 (3m) (c) 5. b., 16.855 (10m)
14 (ac), 16.855 (10m) (am) 2., 16.87 (1) (e), 16.87 (2) (c), 18.16 (2) (b), 18.16 (3) (b),
15 18.16 (4) (b), 18.64 (2) (b), 18.64 (3) (b), 18.64 (4) (b), 18.77 (2) (b), 18.77 (3) (b),

1 18.77 (4) (b), 25.185 (2) (b), 84.075 (1c), 84.075 (1m) (b), 200.57 (1) (b), 200.57
 2 (3), 229.46 (1) (bm), 229.70 (1) (bm), 229.8273 (1) (cm), 229.845 (1) (am), 231.29,
 3 234.36 and 560.033 of the statutes; **relating to:** awarding state procurements
 4 to certified service-disabled veteran-owned small businesses and granting
 5 rule-making authority.

Analysis by the Legislative Reference Bureau

Currently, minority-owned businesses that are certified by the Department of Commerce receive certain preferences in governmental procurement. State agencies must attempt to ensure that 5 percent of the total amount expended for state procurements in each fiscal year is paid to minority-owned businesses. With the exception of non-highway construction work and certain other limited exceptions, state agencies that are subject to requirements to make purchases through competitive bidding or competitive sealed proposals may accept a bid or proposal from a minority-owned business that is no more than 5 percent higher than the apparent low bid or most advantageous proposal. Unless the secretary of administration reports to the Joint Committee on Finance the reasons for not doing so, the Building Commission must ensure that at least 6 percent of the total long-term state public debt, revenue bonding, and short-term borrowing in each fiscal year is underwritten by minority-owned investment firms. The Investment Board must attempt to ensure that 5 percent of the total funds it expends for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of minority-owned financial advisers or minority-owned investment firms. In addition, metropolitan sewerage commissions serving metropolitan sewerage districts that encompass first class cities (Milwaukee) must attempt to ensure that 5 percent of that total funds expended for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of minority-owned financial advisers or minority-owned investment firms.

This bill creates similar preferences of 3 percent of state and metropolitan sewerage commission procurements or at least 3 percent, where applicable, for service-disabled veteran-owned small businesses certified by the Department of Commerce. Under the bill, the current authorization to accept bids or proposals that are no more than 5 percent higher than the apparent low bid or most advantageous proposal is extended to apply to bids or proposals submitted by certified service-disabled veteran-owned small businesses.

presently only Milwaukee

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Insert Analysis TKK

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and local

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.** 16.75 (3m) (a) of the statutes is renumbered 16.75 (3m) (a) (intro.)
2 and amended to read:

3 16.75 (3m) (a) (intro.) In this subsection, "~~minority~~:"

4 1. "Minority business" means a business certified by the department of
5 commerce under s. 560.036 (2).

IN 3-6 ch

6 **SECTION 2.** 16.75 (3m) (a) ⁴2. of the statutes is created to read:

7 16.75 (3m) (a) ⁴2. "Service-disabled veteran-owned small business" means a
8 business that is certified by the department of commerce under s. 560.033 (3). ✓

9 **SECTION 3.** 16.75 (3m) (b) of the statutes is renumbered 16.75 (3m) (b) 1. and
10 amended to read:

11 16.75 (3m) (b) 1. The department and any agency making purchases under s.
12 16.74 shall attempt to ensure that ~~5%~~ 5 percent of the total amount expended under
13 this subchapter in each fiscal year is paid to minority businesses.

14 3. Except as provided under sub. (7), the department may purchase materials,
15 supplies, equipment, and contractual services from any minority business or
16 service-disabled veteran-owned small business submitting a qualified responsible
17 competitive bid that is no more than ~~5%~~ 5 percent higher than the apparent low bid
18 or competitive proposal that is no more than ~~5%~~ 5 percent higher than the most
19 advantageous ~~offer~~ proposal. In administering the preference for minority
20 businesses or service-disabled veteran-owned small businesses established in this
21 paragraph, the department and any agency making purchases under s. 16.74 shall

1 maximize the use of minority businesses or service-disabled veterans-owned small
2 businesses which are incorporated under ch. 180 or which have their principal place
3 of business in this state.

4 SECTION 4. 16.75 (3m) (b) 2. of the statutes is created to read:

5 16.75 (3m) (b) 2. The department and any agency making purchases under s.
6 16.74 shall attempt to ensure that 3 percent of the total amount expended under this
7 subchapter in each fiscal year is paid to service-disabled veteran-owned small
8 businesses.

9 SECTION 5. 16.75 (3m) (c) 1. of the statutes is amended to read:

10 16.75 (3m) (c) 1. After completing any contract under this subchapter, the
11 contractor shall report to the agency that awarded the contract any amount of the
12 contract that was subcontracted to minority businesses and service-disabled
13 veteran-owned small businesses.

*any amount of the
contract that was subcontracted*

14 SECTION 6. 16.75 (3m) (c) 2. of the statutes is amended to read: to

15 16.75 (3m) (c) 2. Each agency shall report to the department at least
16 semiannually, or more often if required by the department, the total amount of
17 money it has expended for contracts and orders awarded to minority businesses and
18 service-disabled veteran-owned small businesses and the number of contacts with
19 minority businesses and service-disabled veteran-owned small businesses in
20 connection with proposed purchases.

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21 SECTION 7. 16.75 (3m) (c) 3. of the statutes is amended to read:

22 16.75 (3m) (c) 3. The department shall maintain and annually publish data on
23 state purchases from minority businesses and service-disabled veteran-owned
24 small businesses, including amounts expended and the percentage of total

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on state purchases from

*amounts expended
and the percentage
of total expenditures
awarded to*

1 expenditures awarded to minority businesses and service-disabled veteran-owned
2 small businesses.

3 SECTION 8. 16.75 (3m) (c) 4. of the statutes is amended to read:

4 16.75 (3m) (c) 4. The department shall annually prepare and submit a report
5 to the governor and to the chief clerk of each house of the legislature, for distribution
6 to the appropriate standing committees under s. 13.172 (3), on the total amount of
7 money paid to and of indebtedness or other obligations underwritten by minority ~~and~~
8 service-disabled veteran-owned small businesses, minority ^{financial advisors} ~~and~~ service-disabled
9 veteran-owned financial advisers and ^{investment firms} minority ~~and~~ service-disabled
10 veteran-owned investment firms under the requirements of this subsection and ss.
11 16.855 (10m), 16.87 (2), 25.185, 84.075 and 565.25 (2) (a) 3. and on this state's
12 progress toward achieving compliance with par. (b) and ss. 16.855 (10m) (a) (am) and
13 (10n), 16.87 (2), 25.185 and 84.075 ~~(1)~~ (1m).

14 SECTION 9. 16.75 (3m) (c) 5. of the statutes is renumbered 16.75 (3m) (c) 5. a.
15 and amended to read:

16 16.75 (3m) (c) 5. a. In determining whether a purchase, contract or subcontract
17 complies with the goal established under par. (b) 1, or s. 16.855 (10m) (am) 1, 16.87
18 (2) (b), or 25.185 (2) (a), the department shall include only amounts paid to minority
19 businesses, minority financial advisers and minority investment firms certified by
20 the department of commerce under s. 560.036 (2).

21 SECTION 10. 16.75 (3m) (c) 5. b. of the statutes is created to read:

22 16.75 (3m) (c) 5. b. In determining whether a purchase, contract, or subcontract
23 complies with the goal established under par. (b) 2. or s. 16.855 (10m) (am) 2., 16.87
24 (2) (d), or 25.185 (2) (b), the department shall include only amounts paid to

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1 service-disabled veteran-owned small businesses certified by the department of
2 commerce under s. 560.033 (3).

3 **SECTION 11.** 16.855 (10m) (a) of the statutes is renumbered 16.855 (10m) (am)
4 1. and amended to read:

5 16.855 (10m) (am) 1. In awarding construction contracts the department shall
6 attempt to ensure that ~~5%~~ 5 percent of the total amount expended in each fiscal year
7 is awarded to contractors and subcontractors which are minority businesses, as
8 defined under s. 16.75 (3m) (a) 1.

9 3. The department may award any contract to a minority business or
10 service-disabled veteran-owned small business that submits a qualified responsible
11 bid that is no more than ~~5%~~ 5 percent higher than the apparent low bid.

12 **SECTION 12.** 16.855 (10m) (ac) of the statutes is created to read:

13 16.855 (10m) (ac) In this subsection, "service-disabled veteran-owned small
14 business" means a business certified by the department of commerce under s.
15 560.033 (3).

16 **SECTION 13.** 16.855 (10m) (am) 2. of the statutes is created to read:

17 16.855 (10m) (am) 2. In awarding construction contracts, the department shall
18 attempt to ensure that ~~8~~ ⁵ percent of the total amount expended in each fiscal year is
19 awarded to contractors and subcontractors that are service-disabled veteran-owned
20 small businesses.

21 **SECTION 14.** 16.855 (10m) (b) of the statutes is amended to read:

22 16.855 (10m) (b) Upon completion of any contract, the contractor shall report
23 to the department any amount of the contract that was subcontracted to minority
24 businesses or service-disabled veteran-owned small businesses.

25 **SECTION 15.** 16.855 (10m) (c) of the statutes is amended to read:

1 16.855 (10m) (c) The department shall maintain and annually publish data on
2 contracts awarded to minority businesses and service-disabled veteran-owned
3 small businesses under this subsection and ss. 16.87 and 84.075.

4 **SECTION 16.** 16.855 (14) (a) of the statutes is amended to read:

5 16.855 (14) (a) If a project requires prior approval of the building commission
6 under s. 13.48 (10) (a) and bids are required to be solicited under sub. (2), the
7 department shall take both single bids and separate bids on any division of the work
8 that it designates. If a project does not require prior approval of the building
9 commission under s. 13.48 (10) (a) and bids are required to be solicited under sub.
10 (2), the department may take single bids or separate bids on any division of the work
11 that it designates. If the department awards contracts by the division of work, the
12 department shall award the contracts according to the division of work selected for
13 bidding. Except as provided in sub. (10m) ~~(a)~~ (am), the department shall award all
14 contracts to the lowest qualified responsible bidder or bidders that result in the
15 lowest total construction cost for the project.

16 **SECTION 17.** 16.87 (1) (e) of the statutes is created to read:

17 16.87 (1) (e) "Service-disabled veteran-owned small business" means a
18 business certified by the department of commerce under s. 560.033 (3).

19 **SECTION 18.** 16.87 (2) of the statutes is renumbered 16.87 (2) (a) and amended
20 to read:

21 16.87 (2) (a) A contract for engineering services or architectural services or a
22 contract involving an expenditure of \$10,000 or more for construction work, or
23 \$30,000 or more for limited trades work, to be done for or furnished to the state or
24 a department, board, commission[^] or officer of the state is exempt from the
25 requirements of ss. 16.705 and 16.75.

1 (b) The department shall attempt to ensure that 5% 5 percent of the total
2 amount expended under this section in each fiscal year is paid to minority
3 businesses, as defined in s. 16.75 (3m) (a) 1.

4 **SECTION 19.** 16.87 (2) (c) of the statutes is created to read:

5 16.87 (2) (c) The department shall attempt to ensure that 3 percent of the total
6 amount expended under this section in each fiscal year is paid to service-disabled
7 veteran-owned small businesses.

8 **SECTION 20.** 18.16 (title) of the statutes is amended to read:

9 **18.16 (title) Minority ~~and service-disabled veteran~~ financial advisers**
10 **and investment firms.** service-disabled veteran financial advisers and investment firms
owned

11 **SECTION 21.** 18.16 (1) of the statutes is repealed and recreated to read:

12 18.16 (1) In this section:

13 (a) "Minority financial adviser" means a financial adviser certified by the
14 department of commerce under s. 560.036 (2).

15 (b) "Minority investment firm" means an investment firm certified by the
16 department of commerce under s. 560.036 (2).

17 (c) "Service-disabled veteran ^{owned} financial adviser" means a financial adviser
18 certified by the department of commerce under s. 560.033 (3).

19 (d) "Service-disabled veteran ^{owned} investment firm" means an investment firm
20 certified by the department of commerce under s. 560.033 (3).

21 **SECTION 22.** 18.16 (2) of the statutes is renumbered 18.16 (2) (a).

22 **SECTION 23.** 18.16 (2) (b) of the statutes is created to read:

23 18.16 (2) (b) Except as provided in sub. (7), in contracting public debt by
24 competitive sale, the commission shall ensure that at least 3 percent of the total
6

1 public indebtedness contracted in each fiscal year is underwritten by
2 service-disabled ^{-owned} veteran investment firms.

3 SECTION 24. 18.16 (3) of the statutes is renumbered 18.16 (3) (a).

4 SECTION 25. 18.16 (3) (b) of the statutes is created to read:

5 18.16 (3) (b) Except as provided under sub. (7), in contracting public debt by
6 negotiated sale, the commission shall ensure that at least ³ percent of total public
7 indebtedness contracted in each fiscal year is underwritten by service-disabled
8 veteran ^{-owned} investment firms.

9 SECTION 26. 18.16 (4) of the statutes is renumbered 18.16 (4) (a).

10 SECTION 27. 18.16 (4) (b) of the statutes is created to read:

11 18.16 (4) (b) Except as provided under sub. (7), in contracting public debt by
12 competitive sale or negotiated sale, the commission shall ensure that at least ³
13 percent of the total moneys expended in each fiscal year for the services of financial
14 advisers are expended for the services of service-disabled veteran ^{-owned} financial advisers.

15 SECTION 28. 18.16 (5) of the statutes is amended to read:

16 18.16 (5) Except as provided under s. 18.06 (9) and sub. (7), an individual
17 underwriter or syndicate of underwriters shall ensure that each bid or proposal,
18 submitted by that individual or syndicate in a competitive or negotiated sale of public
19 debt, provides for a portion of sales to minority investment firms and
20 service-disabled veteran ^{-owned} investment firms.

21 SECTION 29. 18.16 (6) of the statutes is amended to read:

22 18.16 (6) The commission shall annually report to the department of
23 administration the total amount of public indebtedness contracted with the
24 underwriting services of minority investment firms and service-disabled veteran ^{-owned}
25 investment firms and the total amount of moneys expended for the services of

owned

1 minority financial advisers and service-disabled veteran financial advisers during
2 the preceding fiscal year.

3 SECTION 30. 18.64 (title) of the statutes is amended to read:

4 18.64 (title) ~~Minority and service-disabled veteran financial advisers~~
5 ~~and investment firms.~~ *service-disabled veteran financial advisers and investment firms*

6 SECTION 31. 18.64 (1) of the statutes is repealed and recreated to read:

7 18.64 (1) In this section:

8 (a) "Minority financial adviser" means a financial adviser certified by the
9 department of commerce under s. 560.036 (2).

10 (b) "Minority investment firm" means an investment firm certified by the
11 department of commerce under s. 560.036 (2).

12 (c) "Service-disabled veteran ^{*owned*} financial adviser" means a financial adviser
13 certified by the department of commerce under s. 560.033 (3).

14 (d) "Service-disabled veteran ^{*owned*} investment firm" means an investment firm
15 certified by the department of commerce under s. 560.033 (3).

16 SECTION 32. 18.64 (2) of the statutes is renumbered 18.64 (2) (a).

17 SECTION 33. 18.64 (2) (b) of the statutes is created to read:

18 18.64 (2) (b) Except as provided under sub. (7), in issuing evidences of revenue
19 obligations by competitive sale, the commission shall ensure that at least ^{*3*} percent

20 of the total of revenue obligations contracted in each fiscal year is underwritten by
21 service-disabled veteran ^{*owned*} investment firms.

22 SECTION 34. 18.64 (3) of the statutes is renumbered 18.64 (3) (a).

23 SECTION 35. 18.64 (3) (b) of the statutes is created to read:

24 18.64 (3) (b) Except as provided under sub. (7), in issuing evidences of revenue
25 obligations by negotiated sale, the commission shall ensure that at least ^{*3*} percent

3

3

1 of the total of revenue obligations contracted in each fiscal year is underwritten by
2 service-disabled veteran ^{-owned} investment firms.

3 SECTION 36. 18.64 (4) of the statutes is renumbered 18.64 (4) (a).

4 SECTION 37. 18.64 (4) (b) of the statutes is created to read:

5 18.64 (4) (b) Except as provided under sub. (7), in issuing evidences of revenue
6 obligations by competitive sale or negotiated sale, the commission shall ensure that
7 at least ³ percent of the total moneys expended in such fiscal year for the services of
8 financial advisers are expended for the services of service-disabled veteran ^{-owned} financial
9 advisers.

10 SECTION 38. 18.64 (5) of the statutes is amended to read:

11 18.64 (5) Except as provided under sub. (7), an individual underwriter or
12 syndicate of underwriters shall ensure that each bid or proposal, submitted by that
13 individual or syndicate in a competitive or negotiated sale of a revenue obligation,
14 provides for a portion of sales to minority investment firms and service-disabled
15 veteran ^{-owned} investment firms.

16 SECTION 39. 18.64 (6) of the statutes is amended to read:

17 18.64 (6) The commission shall annually report to the department of
18 administration the total amount of revenue obligations contracted with the
19 underwriting services of minority investment firms and service-disabled veteran ^{-owned}
20 investment firms and the total amount of moneys expended for the services of
21 minority financial advisers and service-disabled veteran ^{-owned} financial advisers during
22 the preceding fiscal year.

23 SECTION 40. 18.77 (title) of the statutes is amended to read:

24 18.77 (title) Minority and service-disabled veteran financial advisers
25 and investment firms.

service disabled veteran ^{-owned} financial advisers and
investment firms (A)

1 **SECTION 41.** 18.77 (1) of the statutes is repealed and recreated to read:

2 18.77 (1) In this section:

3 (a) "Minority financial adviser" means a financial adviser certified by the
4 department of commerce under s. 560.036 (2).

5 (b) "Minority investment firm" means an investment firm certified by the
6 department of commerce under s. 560.036 (2).

7 (c) "Service-disabled veteran^{-owned} financial adviser" means a financial adviser
8 certified by the department of commerce under s. 560.033 (3).

9 (d) "Service-disabled veteran^{-owned} investment firm" means an investment firm
10 certified by the department of commerce under s. 560.033 (3).

11 **SECTION 42.** 18.77 (2) of the statutes is renumbered 18.77 (2) (a).

12 **SECTION 43.** 18.77 (2) (b) of the statutes is created to read:

13 18.77 (2) (b) Except as provided under sub. (7), in contracting operating notes
14 by competitive sale, the commission shall ensure that at least ~~3~~⁶ percent of total
15 operating note indebtedness contracted in each fiscal year is underwritten by
16 service-disabled veteran^{-owned} investment firms.

17 **SECTION 44.** 18.77 (3) of the statutes is renumbered 18.77 (3) (a).

18 **SECTION 45.** 18.77 (3) (b) of the statutes is created to read:

19 18.77 (3) (b) Except as provided under sub. (7), in contracting operating notes
20 by negotiated sale, the commission shall ensure that at least ~~3~~⁶ percent of total
21 operating note indebtedness contracted in each fiscal year is underwritten by
22 service-disabled veteran^{-owned} investment firms.

23 **SECTION 46.** 18.77 (4) of the statutes is renumbered 18.77 (4) (a).

24 **SECTION 47.** 18.77 (4) (b) of the statutes is created to read:

1 18.77 (4) (b) Except as provided under sub. (7), in contracting operating notes
 2 by competitive sale or negotiated sale, the commission shall ensure that at least 3
 3 percent of the total moneys expended in such fiscal year for the services of financial
 4 advisers are expended for the services of service-disabled veteran ^{owned} financial advisers.

5 SECTION 48. 18.77 (5) of the statutes is amended to read:

6 18.77 (5) Except as provided under sub. (7), an individual underwriter or
 7 syndicate of underwriters shall ensure that each bid or proposal, submitted by that
 8 individual or syndicate in a competitive or negotiated sale of an operating note,
 9 provides for a portion of sales to minority investment firms and service-disabled
 10 veteran ^{-owned} investment firms.

11 SECTION 49. 18.77 (6) of the statutes is amended to read:

12 18.77 (6) The commission shall annually report to the department of
 13 administration the total amount of operating note indebtedness contracted with the
 14 underwriting services of minority investment firms and the total amount of moneys
 15 expended for the services of minority financial advisers and service-disabled
 16 veteran ^{-owned} financial advisers during the preceding fiscal year.

17 SECTION 50. 25.185 (title) of the statutes is amended to read:

18 25.185 (title) ~~Minority and service-disabled veteran financial advisers~~ ^{owned - (B)}
 19 ~~and investment firms.~~ service-disabled veteran financial advisers
and investment firms - (B)

20 SECTION 51. 25.185 (1) of the statutes is repealed and recreated to read:

21 25.185 (1) In this section:

22 (a) "Minority financial adviser" means a financial adviser certified by the
 23 department of commerce under s. 560.036 (2).

24 (b) "Minority investment firm" means an investment firm certified by the
 25 department of commerce under s. 560.036 (2).

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1 (c) "Service-disabled veteran ^{-owned} financial adviser" means a financial adviser
2 certified by the department of commerce under s. 560.033 (3).

3 (d) "Service-disabled veteran ^{-owned} investment firm" means an investment firm
4 certified by the department of commerce under s. 560.033 (3).

5 SECTION 52. 25.185 (2) of the statutes is renumbered 25.185 (2) (a).

6 SECTION 53. 25.185 (2) (b) of the statutes is created to read:

7 25.185 (2) (b) The board shall attempt to ensure that ⁵ 3 percent of the total funds
8 expended for financial and investment analysis and for common stock and
9 convertible bond brokerage commissions in each fiscal year is expended for the
10 services of service-disabled veteran financial advisers or service-disabled veteran ^{-owned}
11 investment firms.

12 SECTION 54. 25.185 (3) of the statutes is amended to read:

13 25.185 (3) The board shall annually report to the department of administration
14 the total amount of moneys expended under sub. (2) for common stock and
15 convertible bond brokerage commissions, the services of minority and
16 service-disabled veteran ^{-owned} financial advisers, and the services of minority and
17 service-disabled veteran ^{-owned} investment firms during the preceding fiscal year.

18 SECTION 55. 84.075 (title) of the statutes is amended to read:

19 84.075 (title) Contracting with minority ^{businesses} and service-disabled
20 veteran-owned small businesses.

21 SECTION 56. 84.075 (1) of the statutes is renumbered 84.075 (1m) (a) and
22 amended to read:

23 84.075 (1m) (a) In purchasing services under s. 84.01 (13), in awarding
24 construction contracts under s. 84.06 and in contracting with private contractors and
25 agencies under s. 84.07, the department shall attempt to ensure that 5% 5 percent

1 of the total amount expended in each fiscal year is paid to contractors,
2 subcontractors, and vendors which are minority businesses, ~~as defined under s.~~
3 ~~560.036 (1) (e) 1.~~

4 (c) In attempting to meet ~~this goal~~ the goals under this subsection, the
5 department may award any contract to a minority business or service-disabled
6 veteran-owned small business that submits a qualified responsible bid that is no
7 more than ~~5%~~ 5 percent higher than the low bid.

8 **SECTION 57.** 84.075 (1c) of the statutes is created to read:

9 84.075 (1c) In this section:

10 (a) "Minority business" means a business certified by the department of
11 commerce under s. 560.036 (2).

12 (b) "Service-disabled veteran-owned small business" means a business
13 certified by the department of commerce under s. 560.033 (3).

14 **SECTION 58.** 84.075 (1m) (b) of the statutes is created to read:

15 84.075 (1m) (b) In purchasing services under s. 84.01 (13), in awarding
16 construction contracts under s. 84.06 and in contracting with private contractors and
17 agencies under s. 84.07, the department shall attempt to ensure that 3 percent of the
18 total amount expended in each fiscal year is paid to contractors, subcontractors, and
19 vendors that are service-disabled veteran-owned small businesses.

20 **SECTION 59.** 84.075 (2) of the statutes is amended to read:

21 84.075 (2) The contractor shall report to the department any amount of the
22 contract paid to subcontractors and vendors which are minority businesses or
23 service-disabled veteran-owned small businesses.

24 **SECTION 60.** 84.075 (3) of the statutes is amended to read:

1 84.075 (3) The department shall at least semiannually, or more often if
 2 required by the department of administration, report to the department of
 3 administration the total amount of money it has paid to contractors, subcontractors,
 4 and vendors which are minority businesses or service-disabled veteran-owned
 5 small businesses under ss. 84.01 (13), 84.06, and 84.07 and the number of contacts
 6 with minority businesses in connection with proposed purchases and contracts. In
 7 its reports, the department shall include only amounts paid to businesses certified
 8 by the department as minority businesses or service-disabled veteran-owned small
 9 businesses.

10 **SECTION 61.** 200.57 (title) of the statutes is amended to read:

11 **200.57 (title) Minority financial advisers and investment firms and**
 12 **service-disabled veteran-owned small businesses.**

13 **SECTION 62.** 200.57 (1) of the statutes is renumbered 200.57 (1) (intro.) and
 14 amended to read:

15 200.57 (1) In this section, "minority:"

16 (a) "Minority financial adviser" and "minority investment firm" mean a
 17 financial adviser and investment firm, respectively, certified by the department of
 18 commerce under s. 560.036 (2).

19 **SECTION 63.** 200.57 (1) (b) of the statutes is created to read:

20 200.57 (1) (b) "Service-disabled veteran-owned small business" means a
 21 business certified by the department of commerce under s. 560.033 (3)

22 **SECTION 64.** 200.57 (3) of the statutes is created to read:

23 200.57 (3) The commission shall attempt to ensure that 5 percent of the total
 24 funds expended for financial and investment analysis and for common stock and

Handwritten notes in a cloud shape:
 "financial adviser" and
 "service-disabled veteran-owned investment firm" mean a
 financial adviser and investment firm respectively.

1 convertible bond brokerage commissions in each fiscal year is expended for the
2 services of service-disabled veteran-owned small businesses.

financial advisers or
service-disabled
veteran-owned
investment firms

3 SECTION 65. 229.46 (1) (bm) of the statutes is created to read:

4 229.46 (1) (bm) "Service-disabled veteran-owned small business" means a
5 business certified by the department of commerce under s. 560.033 (3).

6 SECTION 66. 229.46 (2) (intro.) of the statutes is amended to read:

7 229.46 (2) (intro.) A person who is awarded a contract by a district shall agree,
8 as a condition to receiving the contract, that at least 25% of the employees hired
9 because of the contract will be minority group members, at least 5 percent of the
10 employees hired because of the contract will be employees of a service-disabled
11 veteran-owned small business, and at least 5% of the employees hired because of the
12 contract will be women if any of the following applies:

13 SECTION 67. 229.46 (3) (intro.) of the statutes is amended to read:

14 229.46 (3) (intro.) At least 25% of the aggregate dollar value of contracts
15 awarded by the district in the following areas shall be awarded to minority
16 businesses, at least 5 percent of the aggregate dollar value of contracts awarded by
17 the district in the following areas shall be awarded to service-disabled
18 veteran-owned small businesses, and at least 5% of the aggregate dollar value of
19 contracts awarded by the district in the following areas shall be awarded to women's
20 businesses:

21 SECTION 68. 229.70 (title) of the statutes is amended to read:

22

229.70 (title) Minority, ^{contracting goals} service-disabled veteran-owned small business

23

contracting goals.

24

SECTION 69. 229.70 (1) (bm) of the statutes is created to read:

1 229.70 (1) (bm) "Service-disabled veteran-owned small business" means a
2 business certified by the department of commerce under s. 560.033 (3).

3 **SECTION 70.** 229.70 (2) of the statutes is amended to read:

4 229.70 (2) The district shall ensure that, for construction work and
5 professional services contracts, a person who is awarded such a contract by a district
6 shall agree, as a condition to receiving the contract, that his or her goal shall be to
7 ensure that at least 25% of the employees hired because of the contract will be
8 minority group members, at least 5 percent of the employees hired because of the
9 contract will be employees of a service-disabled veteran-owned small business, and
10 at least 5% of the employees hired because of the contract will be women if the
11 contract is for the construction of any part of baseball park facilities.

12 **SECTION 71.** 229.70 (3) (intro.) of the statutes is amended to read:

13 229.70 (3) (intro.) It shall be a goal of the district to ensure that at least 25%
14 of the aggregate dollar value of contracts awarded by the district in the following
15 areas shall be awarded to minority businesses, at least 5 percent of the aggregate
16 dollar value of contracts awarded by the district in the following areas shall be
17 awarded to service-disabled veteran-owned small businesses, and at least 5% of the
18 aggregate dollar value of contracts awarded by the district in the following areas
19 shall be awarded to women's businesses:

20 **SECTION 72.** 229.70 (4) of the statutes is amended to read:

21 229.70 (4) It shall be a goal of a district, with regard to each of the contracts
22 described under sub. (3) (a), (b) and (c), to award at least 25% of the dollar value of
23 such contracts to minority businesses, at least 5 percent of the dollar value of such
24 contracts to service-disabled veteran-owned small businesses, and at least 5% of the
25 dollar value of such contracts to women's businesses.

1 **SECTION 73.** 229.70 (4m) of the statutes is amended to read:

2 229.70 (4m) (a) The district shall ensure that, for construction work and
3 professional services contracts, a person who is awarded such a contract by a district
4 shall agree, as a condition to receiving the contract, that if he or she is unable to meet
5 the goal under sub. (2), he or she shall make a good faith effort to contract with the
6 technical college district board of the technical college district in which the facilities
7 are to be constructed or the professional services contract is to be performed, to
8 develop appropriate training programs designed to increase the pool of minority
9 group members, service-disabled veterans, and women who are qualified to perform
10 the construction work or professional services.

11 (b) If the district is unable to meet the goals under subs. (3) and (4), the district
12 shall make a good faith effort to contract with the technical college district board of
13 the technical college district in which the contracts described under sub. (3) (a), (b)
14 and (c) are to be performed, to develop appropriate training programs designed to
15 increase the pool of minority group members, service-disabled veterans, and women
16 who are qualified to perform the contracts described under sub. (3) (a), (b) and (c).

17 **SECTION 74.** 229.70 (5) (b) 1. of the statutes is amended to read:

18 229.70 (5) (b) 1. The supply of eligible minority businesses, service-disabled
19 veteran-owned small businesses, and women's businesses that have the financial
20 capacity, technical capacity and previous experience in the areas in which contracts
21 were awarded.

22 **SECTION 75.** 229.70 (5) (b) 2. of the statutes is amended to read:

23 229.70 (5) (b) 2. The competing demands for the services provided by eligible
24 minority businesses, service-disabled veteran-owned small businesses, and

1 women's businesses, as described in subd. 1., in areas in which contracts were
2 awarded.

3 **SECTION 76.** 229.70 (5) (b) 3. of the statutes is amended to read:

4 229.70 (5) (b) 3. The extent to which the district or contractors advertised for
5 and aggressively solicited bids from eligible minority businesses, service-disabled
6 veteran-owned small businesses, and women's businesses, as described in subd. 1.,
7 and the extent to which eligible minority businesses, service-disabled
8 veteran-owned small businesses, and women's businesses submitted bids.

9 **SECTION 77.** 229.8273 (title) of the statutes is amended to read:

10 **229.8273** (title) **Minority, service-disabled veteran, and women**
11 **contracting.**

12 **SECTION 78.** 229.8273 (1) (cm) of the statutes is created to read:

13 229.8273 (1) (cm) "Service-disabled veteran-owned small business" means a
14 business certified by the department of commerce under s. 560.033 (3).

15 **SECTION 79.** 229.8273 (2) of the statutes is amended to read:

16 229.8273 (2) A district shall ensure that, for construction or renovation work
17 and professional services contracts that relate to the construction or renovation of
18 football stadium facilities that are financed by the proceeds of bonds issued under s.
19 229.824 (8), a person who is awarded such a contract by the district or by a contractor
20 shall agree, as a condition to receiving the contract, that his or her goal shall be to
21 ensure that at least 15% of the employees hired because of the contract will be
22 minority group members, at least 5 percent of the employees hired because of the
23 contract will be employees of a service-disabled veteran-owned small business, and
24 at least 5% of the employees hired because of the contract will be women.

25 **SECTION 80.** 229.8273 (3) of the statutes is amended to read:

1 229.8273 (3) It shall be a goal of the district to ensure that at least 15% of the
2 aggregate dollar value of contracts that relate to the construction or renovation of
3 football stadium facilities that are financed by the proceeds of bonds issued under s.
4 229.824 (8), shall be awarded to minority businesses, at least 5 percent of the
5 aggregate dollar value of contracts awarded by the board shall be awarded to
6 service-disabled veteran-owned small businesses, and at least 5% of the aggregate
7 dollar value of contracts awarded by the board shall be awarded to women's
8 businesses.

9 **SECTION 81.** 229.8273 (4) of the statutes is amended to read:

10 229.8273 (4) (a) The district shall ensure that, for construction or renovation
11 work and professional services contracts described under sub. (2), a person who is
12 awarded such a contract by the district or by a contractor shall agree, as a condition
13 to receiving the contract, that if he or she is unable to meet the goal under sub. (2),
14 he or she shall make a good faith effort to contract with the technical college district
15 board of the technical college district in which the football stadium facilities are to
16 be constructed or renovated, or the professional services contract is to be performed,
17 to develop appropriate training programs designed to increase the pool of minority
18 group members, service-disabled veterans, and women who are qualified to perform
19 the construction work or professional services.

20 (b) If the district is unable to meet the goals under sub. (3), the district shall
21 make a good faith effort to contract with the technical college district board of the
22 technical college district in which the contracts described under sub. (3) are to be
23 performed to develop appropriate training programs designed to increase the pool of
24 minority group members, service-disabled veterans, and women who are qualified
25 to perform the contracts described under sub. (3).

1 **SECTION 82.** 229.8273 (5) (b) 1. of the statutes is amended to read:

2 229.8273 (5) (b) 1. The supply of eligible minority businesses, service-disabled
3 veteran-owned small businesses, and women's businesses that have the financial
4 capacity, technical capacity and previous experience in the areas in which contracts
5 were awarded.

6 **SECTION 83.** 229.8273 (5) (b) 2. of the statutes is amended to read:

7 229.8273 (5) (b) 2. The competing demands for the services provided by eligible
8 minority businesses, service-disabled veteran-owned small businesses, and
9 women's businesses, as described in subd. 1., in areas in which contracts were
10 awarded.

11 **SECTION 84.** 229.8273 (5) (b) 3. of the statutes is amended to read:

12 229.8273 (5) (b) 3. The extent to which the district or contractors advertised for
13 and aggressively solicited bids from eligible minority businesses, service-disabled
14 veteran-owned small businesses, and women's businesses, as described in subd. 1.,
15 and the extent to which eligible minority businesses, service-disabled
16 veteran-owned small businesses, and women's businesses submitted bids.

17 **SECTION 85.** 229.8273 (6) of the statutes is amended to read:

18 229.8273 (6) Annually the legislative audit bureau shall conduct an audit of
19 the district's efforts to achieve the minority participation, service-disabled veteran
20 participation, and women participation hiring and contracting goals contained in
21 this section. The audit bureau shall distribute a copy of each audit report under this
22 subsection to the district, to the cochairs of the joint committee on finance and to the
23 cochairs of the joint audit committee.

24 **SECTION 86.** 229.845 (title) of the statutes is amended to read:

contracting goals

1

229.845 (title) Minority, service-disabled veteran-owned small

2

business contracting goals.

3

SECTION 87. 229.845 (1) (am) of the statutes is created to read:

4

229.845 (1) (am) "Service-disabled veteran-owned small business" means a

5

business certified by the department of commerce under s. 560.033 (3).

6

SECTION 88. 229.845 (2) of the statutes is amended to read:

7

229.845 (2) It shall be a goal of the district, in awarding construction work and

8

professional services contracts related to cultural arts facilities, that at least 15% of

9

the aggregate dollar value of such contracts awarded by the district shall be awarded

10

to minority businesses, at least 5 percent of the aggregate dollar value of such

11

contracts awarded by the district shall be awarded to service-disabled

12

veteran-owned small businesses, and at least 5% of the aggregate dollar value of

13

such contracts awarded by the district shall be awarded to women's businesses,

14

except that if the sponsoring city is a 1st class city, it shall be a goal of the district,

15

in awarding construction work and professional services contracts related to cultural

16

arts facilities, that at least 25% of the aggregate dollar value of such contracts

17

awarded by the district shall be awarded to minority businesses, at least 5 percent

18

of the aggregate dollar value of such contracts awarded by the district shall be

19

awarded to service-disabled veteran-owned small businesses, and at least 5% of the

20

aggregate dollar value of such contracts awarded by the district shall be awarded to

21

women's businesses.

22

SECTION 89. 231.29 of the statutes is created to read:

23

231.29 Service-disabled veteran-owned small business financial

24

interests. (1) In this section, "business," "financial adviser," and "investment firm"

1 mean a business, financial adviser, and investment firm certified by the department
2 of commerce under s. 560.033 (3).

3 (2) The authority shall annually report to the department of administration
4 the total amount purchased from and contracted or subcontracted under contracts
5 made by the authority to businesses, the total amount of bonds issued by the
6 authority with the underwriting services of investment firms, and the total amount
7 of moneys expended by the authority for the services of financial advisers during the
8 preceding state fiscal year.

9 SECTION 90. 234.36 of the statutes is created to read:

10 **234.36 Service-disabled veteran-owned small business financial**
11 **interests.** (1) In this section, "business," "financial adviser," and "investment firm"
12 mean a business, financial adviser, and investment firm certified by the department
13 of commerce under s. 560.033 (3).

14 (2) The authority shall annually report to the department of administration
15 the total amount purchased from and contracted or subcontracted under contracts
16 made by the authority to businesses, the total amount of bonds and notes issued by
17 the authority with the underwriting services of investment firms, and the total
18 amount of moneys expended by the authority for the services of financial advisers
19 during the preceding state fiscal year.

20 SECTION 91. 560.033 of the statutes is created to read:

21 **560.033** **Title** (1) **DEFINITIONS.** In this section: *Service-disabled veteran-owned small businesses* ③

22 (a) "Business" means a sole proprietorship, partnership, limited liability
23 company, joint venture, or corporation.

24 (b) "Financial adviser" means a business that serves as an adviser with regard
25 to the sale of evidences of indebtedness or other obligations.

1 (c) "Investment firm" means a business that serves as a manager, comanager,
2 or in any other underwriting capacity with regard to the sale of evidences of
3 indebtedness or other obligations or as a broker-dealer as defined in s. 551.02 (3).

4 (d) "Service-disabled veteran" means a veteran, as defined in 38 USC 101 (2),
5 with a disability that is service-connected, as defined in 38 USC 101 (16).

6 (e) "Useful business function" means the provision of materials, supplies,
7 equipment, or services to customers, including the state.

8 (2) SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS DATABASE. For the
9 purposes of ss. 16.75 (3m), 16.855 (10m), 16.87 (2), 18.16, 18.64, 18.77, 25.185,
10 84.075, 200.57, 229.46, 229.70, 229.8273, 229.845, 231.29, and 234.36, the
11 department shall develop, maintain, and keep current a computer database of
12 businesses certified under this section.

13 (3) SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS, FINANCIAL ADVISER, AND
14 INVESTMENT FIRM CERTIFICATION. (a) Any business, financial adviser, or investment
15 firm *that meets the criteria established under sub. (4)* may apply to the department for certification under this section.

16 (b) The department shall certify a business, financial advisor, or investment
17 firm under this section if, after conducting an investigation, the department
18 determines that the business, financial adviser, or investment fulfills all of the
19 following requirements:

20 1. One or more service-disabled veterans owns not less than 51 percent of the
21 business, financial advisor, or investment firm or, in the case of any publicly owned
22 business, financial advisor, or investment firm, one or more service-disabled
23 veterans owns not less than 51 percent of the stock of the business, financial advisor,
24 or investment firm.

SECTION 91

1 2. One or more service-disabled veterans or, in the case of a veteran with
2 permanent and severe disability, the spouse or permanent caregiver of such veteran,
3 controls the management and daily business operations of the business, financial
4 advisor, or investment firm.

5 3. The business, financial advisor, or investment firm has its principal place of
6 business in this state.

7 4. The business, financial advisor, or investment firm is currently performing
8 a useful business function. Acting as a conduit for the transfer of funds to a business
9 that is not certified under this section does not constitute a useful business function,
10 unless doing so is a normal industry practice.

11 5. The business, financial advisor, or investment firm ~~satisfies any applicable~~
12 ~~criteria or standards~~ established by the department by rule under sub. (4).
is a small business, small financial advisor, or small investment firm as

13 (c) The department may charge each business, financial advisor, or investment
14 firm applying for certification under this section a fee to cover the department's
15 expenses in making the certification determination.

16 (d) If a business, financial advisor, or investment firm fails to provide the
17 department with sufficient information to enable the department to conduct an
18 investigation or does not qualify for certification under par. (b), the department shall
19 deny the application. A business, financial advisor, or investment firm whose
20 application is denied may, within 30 days after the date of the denial, appeal in
21 writing to the secretary. The secretary shall enter his or her final decision within 30
22 days after receiving the appeal.

23 (e) The department may, at the request of any state agency or on its own
24 initiative, evaluate any business, financial advisor, or investment firm certified
25 under this section to verify that it continues to qualify for certification. The business,

1 financial advisor, or investment firm shall provide the department with any records
2 or information necessary to complete the examination. If a business, financial
3 adviser, or investment fails to comply with a reasonable request for records or
4 information, the department shall decertify the business, financial advisor, or
5 investment firm, and notify the departments of administration and transportation,
6 in writing, that it has decertified the business, financial advisor, or investment firm.

7 (f) If, after an evaluation under par. (e), the department determines that a
8 business, financial advisor, or investment firm no longer qualifies for certification
9 under this section, the department shall notify the business, financial advisor, or
10 investment firm and the departments of administration and transportation, in
11 writing, that it intends to decertify the business, financial advisor, or investment
12 firm. The business, financial advisor, or investment firm may, within 30 days after
13 the notice is sent, appeal in writing to the secretary. The secretary shall enter his
14 or her final decision, in writing, within 30 days after receiving the appeal. If the
15 secretary confirms the decision of the department, the department shall
16 immediately decertify the business, financial advisor, or investment firm. A
17 business, financial advisor, or investment firm decertified under this paragraph may,
18 within 30 days after the secretary's decision, request a contested case hearing under
19 s. 227.42 from the department. If the final administrative or judicial proceeding
20 results in a determination that the business, financial advisor, or investment firm
21 qualifies for certification under this section, the department shall immediately
22 certify the business, financial advisor, or investment firm. The department shall
23 provide the business, financial adviser, or investment firm and the departments of
24 administration and transportation with a copy of the final written decision regarding
25 certification under this paragraph.

SECTION 91

CS
EFFECTIVE DATE

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12

(4) DEPARTMENT RULE MAKING. The department shall promulgate rules that establish all of the following:

as a small business, small financial advisor or small investment firm

1. (a) Standards and criteria a business, financial advisor, or investment firm must satisfy to achieve certification under this section. The department shall ensure that any standards and criteria established under this paragraph vary from industry to industry to the extent necessary to reflect the differing characteristics of industries applying for certification under this section.

2. (b) Procedures to implement sub. (3).

Insert 28-9

SECTION 92. Initial applicability.

(1) This act first applies with respect to contracts entered into and orders placed on the effective date of this subsection.

(END)

Insert 28-12

dn

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P1ins
TK/JK/CH/AG/MS:lmk:rs

NO → INS MES ANL-A

Current law contracting provisions that apply to special purpose districts (local exposition districts, professional baseball park districts, professional football stadium districts, and cultural arts districts) also contain provisions that relate to minority and women hiring and contracting. ✓ Generally, persons awarded contracts for local exposition districts must agree that at least 25 percent of the employees hired because of the contracts will be minority group members; at least 5 percent of the employees hired will be women; at least 25 percent of the aggregate dollar value of certain contracts will be awarded to minority businesses; and at least 5 percent of the aggregate dollar value of certain contracts will be awarded to women's business. ✓ In the case of the other special districts, the minority and women contracting provisions are goals, which generally include the same participation percentages, except that the participation percentages for minority group members is 15 percent for football stadium districts and cultural arts districts. ✓

INS MES ANL-B

Under the bill, the participation percentage requirements or goals for service-disabled veteran-owned small businesses ranges from 3 percent to 6 percent, which is based on the current-law provisions for minority or women-owned businesses. ✓

1 **Insert analysis TKK**

2 (Commerce) The bill defines a service-disabled veteran as a person who served
3 in the active military, naval, or air service; who was discharged or released under
4 conditions other than dishonorable; and who has a disability incurred or aggravated
5 in the line of duty. The bill directs Commerce to establish by rule criteria and
6 standards that a business, financial advisor, or investment firm must satisfy to be
7 certified as a small business, small financial advisor, or small investment firm. ✓

8 Under the bill, Commerce must certify a business, financial advisor, or
9 investment firm that meets all of the following requirements:

10 1. One or more service-disabled veterans owns not less than 51 percent of the
11 business, financial advisor, or investment firm or, if the small business, financial
12 advisor, or investment firm is publicly owned, 51 percent of the stock.

13 2. One or more service-disabled veterans or, in the case of a veteran with
14 permanent and severed disability, the spouse or permanent caregiver of the veteran,
15 controls the management and daily business operations of the business, financial
16 advisor, or investment firm.

17 3. The business, financial advisor, or investment firm has its principal place
18 of business in this state.

19 4. The business, financial advisor, or investment firm is performing a useful
20 business function. Useful business function is defined under the bill as the provision
21 of materials, supplies, equipment, or services to customers, including the state.



1 5. The business, financial advisor, or investment firm satisfies the criteria
2 established by Commerce for a small business, small financial advisor, or small
3 investment firm.

4 Commerce may decertify any business, financial advisor, or investment firm
5 that Commerce determines no longer qualifies for certification. The bill establishes
6 an appeal process for businesses, financial advisors, or investment firms decertified
7 by Commerce. ✓

8 **Insert 28-9**

9 (b) If the department promulgates administrative rules under par. (a), the
10 department shall publish a notice in the Wisconsin Administrative Register that
11 states the effective date of the administrative rules. ✓

12 **Insert 28-12**

13 **SECTION 1. Effective date.** ✓

14 (1) Except as provided in subsection (2) this act takes effect on the date stated
15 in the Wisconsin Administrative Register by the department of commerce under
16 section 560.033 (3) (b) of the statutes, as created by this act, as the implementation
17 date for the Service-disabled veteran-owned small-business certification program.

18 (2) The creation of section 560.033 of the statutes takes effect on the day
19 following publication. ✓

20 **Insert d-note**

21 4. Effective date. As drafted, s. 560.033 takes effect on the day following
22 publication, and all other sections created or affected by the bill take effect after
23 Commerce has promulgated administrative rules and published a notice of such in
24 the Wisconsin Administrative Register. Please let me know if you would like to
establish a different effective date.

INS
MES
ANL-B

LPS: Pischy comp

effective date of the administrative rules promulgated under section 560.033

follows:
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2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P1insch
TK/JK/CH/AG/MS:lmk:RS

1 Ins 3-6 ch

2 **SECTION 1.** 16.75 (3m) (a) 2. and 3. of the statutes are created to read:

3 16.75 (3m) (a) 2. "Service-disabled veteran-owned financial advisor" means
4 a financial advisor certified by the department of commerce under s. 560.033 (3). ✓

5 3. "Service-disabled veteran-owned investment firm" means an investment
6 firm certified by the department of commerce under s. 560.033 (3). ✓

7

8 Ins 4-21 ch

9 **SECTION 2.** 16.75 (3m) (c) 2. of the statutes is renumbered 16.75 (3m) (c) 2.
10 (intro.) and amended to read:

11 16.75 (3m) (c) 2. Each agency shall report to the department at least
12 semiannually, or more often if required by the department, the all of the following: ✓

13 a. The total amount of money it has expended for contracts and orders awarded
14 to minority businesses and the.

15 c. The number of contacts with minority businesses in connection with
16 proposed purchases. ✓

History: 1975 c. 224; 1977 c. 418, 419; 1979 c. 34, 221, 314, 340, 355; 1979 c. 361 s. 112; 1981 c. 121 s. 20; 1983 a. 27 ss. 91, 93 to 99; 1983 a. 333 ss. 3g, 3r to 4b, 6; 1983 a. 368, 390; 1985 a. 29 ss. 122m to 124, 3200 (1); 1985 a. 180; 1987 a. 27, 119, 142, 147, 186, 399, 403; 1989 a. 31, 335, 345, 359; 1991 a. 39, 170; 1993 a. 16, 414; 1995 a. 27 ss. 368 to 382, 9116 (5); 1995 a. 225, 227, 244, 289, 432; 1997 a. 3; 1999 a. 9, 44, 197; 2001 a. 16, 38; 2003 a. 33; 2005 a. 22, 25, 74, 141, 335; s. 13.93 (2) (c).

17 **SECTION 3.** 16.75 (3m) (c) 2. b. and d. of the statutes are created to read:

18 16.75 (3m) (c) 2. b. The total amount of money it has expended for contracts and
19 orders awarded to service-disabled veteran-owned small businesses. ✓

20 d. The number of contacts with service-disabled veteran-owned small
21 businesses in connection with proposed purchases. ✓

22

1 Ins 5-14 ch

2 SECTION ~~4~~ 16.75 (3m) (c) 4. of the statutes is amended to read:

3 16.75 (3m) (c) 4. The department shall annually prepare and submit a report
 4 to the governor and to the chief clerk of each house of the legislature, for distribution
 5 to the appropriate standing committees under s. 13.172 (3), on the total amount of
 6 money paid to and of indebtedness or other obligations underwritten by minority
 7 businesses, minority financial advisers and, minority investment firms,
 8 service-disabled veteran-owned small businesses, service-disabled veteran-owned
 9 financial advisors, and service-disabled veteran-owned investment firms ✓
 10 requirements of this subsection and ss. 16.855 (10m), 16.87 (2), 25.185, 84.075 and
 11 565.25 (2) (a) 3. and on this state's progress toward achieving compliance with par.
 12 (b) and ss. 16.855 (10m) ~~(a)~~ ^{am} and (10n), 16.87 (2), 25.185, ✓ and 84.075 ~~(a)~~ ^(1m).

History: 1975 c. 224; 1977 c. 418, 419; 1979 c. 34, 221, 314, 340, 355; 1979 c. 361 s. 112; 1981 c. 121 s. 20; 1983 a. 27 ss. 91, 93 to 99; 1983 a. 333 ss. 3g, 3r to 4b, 6; 1983 a. 368, 390; 1985 a. 29 ss. 122m to 124, 3200 (1); 1985 a. 180; 1987 a. 27, 119, 142, 147, 186, 399, 403; 1989 a. 31, 335, 345, 359; 1991 a. 39, 170; 1993 a. 16, 414; 1995 a. 27 ss. 368 to 382, 9116 (5); 1995 a. 225, 227, 244, 289, 432; 1997 a. 3; 1999 a. 9, 44, 197; 2001 a. 16, 38; 2003 a. 33; 2005 a. 22, 25, 74, 141, 335; s. 13.93 (2) (c).

13

14 Ins 13-17 ch

15 SECTION ~~5~~ 23.41 (6) of the statutes is amended to read:

16 23.41 (6) The department shall attempt to ensure that at least 5% of the total
 17 amount expended under this section in each fiscal year is paid to minority
 18 businesses, as defined in s. 16.75 (3m) (a) 1.

History: 1989 a. 31, 359; 1991 a. 39; 1995 a. 227; 1997 a. 27; 2001 a. 16; 2005 a. 410.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P1dn
TKK/ARG/MES:lk:rs

MES

July 23, 2007

(date)

noted in
Marc Shover's
drafters
note

certified by the
Department of
Commerce
(Commerce)

For that reason and with limited
exceptions, service-disabled veteran-
owned small businesses receive
the same preferences in governmental
procurement as minority businesses
certified by Commerce.

Representative Sherman

Please review this draft carefully to be sure that it accomplishes your intent.
I have several questions for your consideration:

1. Structure of the certification program. I loosely modeled the service-disabled veteran-owned small businesses (SDVOSB) certification program on the minority business certification program found at s. 560.036. Was that your intent?

2. Qualifying businesses. The draft does not include any criteria pertinent to determining whether the business is a "small business," such as the number of employees, dollar value of business, or net worth; instead, ~~the Department of Commerce~~ is directed to establish such parameters by rule. See proposed s. 560.033 (4) (a). Is this acceptable? Did you have something else in mind?

3. SDVOSB Database. Do you want the department to establish a database with demographic and other information about SDVOSB in the state (comparable to the one required for women-owned businesses by s. 560.035 (2))?

4. Rights following decertification. Do you want to grant those businesses that are decertified under proposed s. 560.033 (3) (e) for failure to comply with requests for records or information the right to appeal the decertification?

Please let me know if you have any questions or concerns. I look forward to hearing from you after you have had an opportunity to review this draft.

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-8967
E-mail: tracy.kuczenski@legis.wisconsin.gov

Under current law, DOT must try to award 5 percent of specified contracts to "minority businesses" as defined by statute. This draft requires DOT to try to award another 3 percent of these contracts to service-disabled veteran-owned businesses.

A separate provision of current state law incorporates provisions of federal law establishing a unified disadvantaged business certification program. See s. 84.072.

Insert d-note

Although this statute requires DOT to maintain a list of certified disadvantaged businesses, neither this statute nor other statutory provisions spell out the import of being so certified. Because of the way the standards for certification are written under s. 84.072, it is unclear to me whether a service-disabled veteran-owned business may currently be certified as a disadvantaged business under s. 84.072. Would you like me to contact DOT on this issue and determine whether, given the constraints of federal law, state law could provide for certification of service-disabled veteran-owned businesses under s. 84.072?

DOT also maintains a disadvantaged business demonstration and training program under s. 84.076 and a disadvantaged business mobilization assistance program under s. 85.25. I am uncertain to what extent the terms of these programs are dictated by federal law. Because these programs appear to be beyond the scope of the drafting instructions, I have not included any treatment related to these programs in this draft. Would you like service-disabled veteran-owned businesses to be able to participate in these programs? If so, can I contact DOT on the issue of whether federal law imposes limitations on how these programs are operated?

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

Do you want to amend s. 200.49? Also, please review the percentage for service-disabled veteran-owned small businesses in chapters 200 and 229. Is the "5%" level consistent with your intent? *I chose this level because it is consistent with the levels set for women's businesses, see for example, ss. 229.46(2) (intro) and 229.70(2), (3) and (4), 229.8273(2) and (3) and 229.845(2) under current law*

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

(3) (intro), 229.70(2), (3) and (4), 229.8273(2) and (3) and 229.845(2)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/P2dn
TKK/ARG/MES:lxk:nwn

August 7, 2007

Representative Sherman:

Please review this draft carefully to be sure that it accomplishes your intent. I have several questions for your consideration:

1. Structure of the certification program. I loosely modeled the service-disabled veteran-owned small businesses (SDVOSB) certification program on the minority business certification program found at s. 560.036. For that reason, and with limited exceptions noted in Marc Shovers' drafters note, service-disabled veteran-owned small businesses certified by the Department of Commerce (Commerce) receive the same preferences in governmental procurement as minority businesses certified by Commerce. Was that your intent?

2. Qualifying small businesses. The draft does not include any criteria pertinent to determining whether the business is a "small business," such as the number of employees, dollar value of business, or net worth; instead, Commerce is directed to establish such parameters by rule. See proposed s. 560.033 (4) (a). Is this acceptable? Did you have something else in mind?

3. SDVOSB Database. Do you want the department to establish a database with demographic and other information about SDVOSB in the state (comparable to the one required for women-owned businesses by s. 560.035 (2))?

4. Rights following decertification. Do you want to grant those businesses that are decertified under proposed s. 560.033 (3) (e) for failure to comply with requests for records or information the right to appeal the decertification?

5. Effective date. As drafted, s. 560.033 takes effect on the day following publication, and all other sections created or affected by the bill take effect after Commerce has promulgated administrative rules and published a notice of such in the Wisconsin Administrative Register. Please let me know if you would like to establish a different effective date.

Please let me know if you have any questions or concerns. I look forward to hearing from you after you have had an opportunity to review this draft.

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-8967
E-mail: tracy.kuczenski@legis.wisconsin.gov

Under current law, DOT must try to award 5 percent of specified contracts to "minority businesses" as defined by statute. This draft requires DOT to try to award another 3 percent of these contracts to service-disabled veteran-owned businesses.

A separate provision of current state law incorporates provisions of federal law establishing a unified disadvantaged business certification program. See s. 84.072. Although this statute requires DOT to maintain a list of certified disadvantaged businesses, neither this statute nor other statutory provisions spell out the import of being so certified. Because of the way the standards for certification are written under s. 84.072, it is unclear to me whether a service-disabled veteran-owned business may currently be certified as a disadvantaged business under s. 84.072. Would you like me to contact DOT on this issue and determine whether, given the constraints of federal law, state law could provide for certification of service-disabled veteran-owned businesses under s. 84.072?

DOT also maintains a disadvantaged business demonstration and training program under s. 84.076 and a disadvantaged business mobilization assistance program under s. 85.25. I am uncertain to what extent the terms of these programs are dictated by federal law. Because these programs appear to be beyond the scope of the drafting instructions, I have not included any treatment related to these programs in this draft. Would you like service-disabled veteran-owned businesses to be able to participate in these programs? If so, can I contact DOT on the issue of whether federal law imposes limitations on how these programs are operated?

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

Do you want to amend s. 200.49? Also, please review the percentage for service-disabled veteran-owned small businesses in chapters 200 and 229. Is the "5%" level consistent with your intent? I chose this level because it is consistent with the levels set for women's businesses under current law. See, for example, ss. 229.46 (2) (intro.) and (3) (intro.), 229.70 (2), (3), and (4), 229.8273 (2) and (3), and 229.845 (2).

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov