

2007 DRAFTING REQUEST

Bill

Received: **01/26/2007**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Judith Robson (608) 266-2253**

By/Representing: **Nadine Gratz**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - bus. dev.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Robson@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Border incentive grants

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 01/29/2007	kfollett 02/16/2007 kfollett 02/16/2007	jfrantze 02/16/2007	_____	mbarman 02/16/2007		
/1			pgreensl 02/19/2007	_____	sbasford 02/19/2007	cduerst 02/20/2007	

FE Sent For:

→ Not Needed

<END>

2007 DRAFTING REQUEST

Bill

Received: **01/26/2007**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Judith Robson (608) 266-2253**

By/Representing: **Nadine Gratz**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - bus. dev.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Robson@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Border incentive grants

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 01/29/2007	kfollett 02/16/2007 kfollett 02/16/2007	jfrantze 02/16/2007	_____	mbarman 02/16/2007		
/1			pgreensl 02/19/2007	_____	sbasford 02/19/2007		

FE Sent For:

2007 DRAFTING REQUEST

Bill

Received: 01/26/2007

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Judith Robson (608) 266-2253**

By/Representing: **Nadine Gratz**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - bus. dev.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Robson@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Border incentive grants

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber	1/16 f 2/16	2/19 P8	2/19 P8/15			

FE Sent For:

<END>

Sundberg, Christopher

From: Barman, Mike on behalf of LRB.Legal
Sent: Friday, January 26, 2007 3:13 PM
To: Sundberg, Christopher
Subject: FW: Message for Christopher Sundberg

From: Gratz, Nadine
Sent: Friday, January 26, 2007 3:12 PM
To: LRB.Legal
Subject: Message for Christopher Sundberg

Senator Robson would like to have 2005 SB 664, relating to border Incentive program, redrafted for introduction this session. No changes are needed. I believe you drafted the bill last session. If I need to contact someone else about getting this draft, please let me know. Thanks.

Nadine Gratz
Office of Senate Majority Leader Judith B. Robson

(u: 1/29/07

PAF

2/19 amb

1704/1

7 8
2005 - 2006 LEGISLATURE

LRB-4166/1
CTS:kjf:ps RMAR

d-note

2005 SENATE BILL 664

2007 BILL

March 9, 2006 - Introduced by Senators ROBSON, WIRCH, BRESKE and JAUCH, cosponsored by Representatives SHERIDAN, BENEDICT, FIELDS, DAVIS, BOYLE, TOWNS, BERCEAU and SHERMAN. Referred to Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform.

Regen

1 AN ACT *to renumber and amend* 560.075 (1); *to amend* 20.143 (1) (gm); and
 2 *to create* 20.143 (1) (cs), 560.075 (1) (a) and 560.141 of the statutes; **relating**
 3 **to:** grants to border counties, to businesses in border counties, and to
 4 municipalities in border counties, granting rule-making authority, and making
 5 appropriations.

Analysis by the Legislative Reference Bureau

This bill creates a Border Incentive Grant Program (program) administered by the Department of Commerce (department), under which the department is authorized to make two types of grants.

First, under the bill, the department may award a grant to a business in a county on the border with another state (border county) if both of the following apply: 1) the business will begin or expand operations in a border county or relocate to a border county from another state; and 2) the business will create at least 100 full-time jobs with an average wage equal to at least 200 percent of the federal poverty line and that result in a significant capital investment in a municipality located in a border county.

The bill provides that a business may use the proceeds of a grant for working capital, except overhead costs; for fixed asset financing; or for labor training costs (eligible costs). In making grants to businesses, the bill directs the department to consider a number of factors, including whether the project is not likely to occur in this state without a grant under the program.

SENATE BILL 664

Second, under the bill, the department may award a grant to a border county, municipality in a border county (border municipality), or entity involved in administering regional economic development funds (regional development administrator) for reimbursing a business for eligible costs of a project that will create at least 25 jobs in a border county or border municipality that is economically distressed. The bill specifies certain criteria for determining whether a border county or border municipality is distressed, including high unemployment levels or a median income below the statewide average.

Under the bill, a border county, border municipality, or regional development administrator that receives a grant may, after a competitive award process, award the proceeds of a grant to a business for a project in a border county or border municipality if the project is likely to occur in another state without grant funding.

The bill specifies that a business that receives the first type of grant or the proceeds of the second type of grant must agree to contribute at least 25 percent of the cost of the project, spend the grant or grant proceeds in this state, and repay the full amount of a grant or grant proceeds if within five years the business ceases operations in the location of the project. Also under the bill, in the first 18 months of a biennium, the amount of a grant or grant proceeds received by a business, border county, border municipality, or regional development administrator may not exceed 50 percent of the amounts appropriated for grants in the biennium.

The bill appropriates \$2,500,000 in general purpose revenues for grants under the program in fiscal year 2006-07.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

	7 8	8 9
	2005-06	2006-07

3
4 **20.143 Commerce, department of**

5 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

6 (cs) Border incentive grant program GPR B -0- 2,500,000

7 SECTION 2. 20.143 (1) (cs) of the statutes is created to read:

8 20.143 (1) (cs) *Border incentive grant program*. Biennially, the amounts in the
9 schedule for border incentive grants under s. 560.141.

10 SECTION 3. 20.143 (1) (gm) of the statutes is amended to read:

SENATE BILL 664

1 20.143 (1) (gm) *Wisconsin development fund and border incentive grant*
2 *program, administration of grants and loans.* All moneys received from origination
3 fees under s. 560.68 (3) for administering the programs under subch. V of ch. 560 and
4 for the costs of underwriting grants and loans awarded under subch. V of ch. 560, and
5 all moneys received from origination fees under s. 560.141 (4) (b).

6 SECTION 4. 560.075 (1) of the statutes, as created by 2005 Wisconsin Act 25, is
7 renumbered 560.075 (1) (intro.) and amended to read:

8 560.075 (1) ^(intro.) In this section, "tax:

9 (b) "Tax benefits" means the credits under ss. 71.07 (2dd), (2de), (2di), (2dj),
10 (2dL), (2dm), (2dr), (2ds), (2dx), (3g), and (3t), 71.28 (1dd), (1de), (1di), (1dj), (1dL),
11 (1dm), (1ds), (1dx), (3g), and (3t), and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm),
12 (1ds), (1dx), (3g), and (3t). and 76.636

13 SECTION 5. 560.075 (1) (a) of the statutes is created to read:

14 560.075 (1) (a) "Grant" includes an award of grant proceeds under s. 560.141
15 (3) (b).

16 SECTION 6. 560.141 of the statutes is created to read:

17 **560.141 Border incentive grant program. (1) DEFINITIONS.** In this section:

18 (a) "Border county" means a county that is located on the geographic border
19 between this state and another state.

20 (b) "Border municipality" means a city, village, or town located in a border
21 county.

22 (c) "Business" means a private business that is operated for profit.

23 (d) "Eligible costs" means any of the following:

24 1. Working capital, except overhead costs.

25 2. Fixed asset financing.

SENATE BILL 664

1 3. Labor training costs.

2 (e) "Poverty line" has the meaning given in s. 49.001 (5).

3 (f) "Regional development administrator" means an entity that is involved in
4 administering regional economic development funds and that represents a
5 geographic area that includes a border county or border municipality.

6 (2) GRANTS TO BUSINESSES. (a) From the appropriation under s. 20.143 (1) (cs),
7 the department may award a grant to a business in a border county for reimbursing
8 eligible costs of a project, if the business will create not less than 100 full-time jobs
9 and any of the following apply:

10 1. The jobs have an average wage of not less than 200 percent of the poverty
11 line.

12 2. The jobs result in a significant capital investment in a border municipality.

13 (b) A business is eligible for a grant under this subsection if the business will
14 begin or expand operations in a border county or relocate to a border county from
15 another state.

16 (c) In determining whether to award a grant under this subsection, the
17 department shall consider all of the following:

18 1. Whether the project is not likely to occur in this state without a grant under
19 this subsection.

20 2. Whether the project serves a public purpose.

21 3. Whether the project will lead to a significant capital investment or will
22 contribute to the economic growth and well-being of the community where the
23 project is located.

24 4. Whether the project will create new jobs.

25 5. Whether the project will displace workers in this state.

SENATE BILL 664

1 6. Whether the business is financially sound.

2 7. Whether the business intends to provide benefits to its employees.

3 8. The anticipated wages the business will offer to its employees.

4 **(3)** GRANTS TO BORDER COUNTIES, BORDER MUNICIPALITIES, AND REGIONAL
5 DEVELOPMENT ADMINISTRATORS. (a) From the appropriation under s. 20.143 (1) (cs),
6 the department may award a grant to a border county, border municipality, or
7 regional development administrator for reimbursing a business for eligible costs of
8 a project that will create not less than 25 jobs, if the project is located in a distressed
9 border county or in a distressed border municipality. For purposes of this paragraph,
10 a border county or border municipality is distressed if any of the following apply:

11 1. The county or municipality has high levels of unemployment.

12 2. The median income for a family of 4 in the county or municipality is below
13 the statewide average.

14 3. Any 2 of the following are true:

15 a. The percentage of residents of the county or municipality who are living in
16 poverty is higher than the statewide average.

17 b. Property values in the county or municipality have declined significantly in
18 the 3-year period immediately preceding the application for a grant under this
19 section.

20 c. A significant number of workers in the county or municipality have been
21 permanently laid off by their employers or public notice has been given of a plant
22 closing or a substantial reduction in force that will result in a significant number of
23 workers in the county or municipality being permanently laid off.

SENATE BILL 664

1 (b) A recipient of a grant under this subsection may distribute the proceeds of
2 the grant only after a competitive award process and only to a business for a project
3 to which all of the following apply:

4 1. The project will occur in a distressed border county or border municipality.

5 2. Without funding from the recipient of a grant under this subsection, the
6 project is likely to occur in another state that borders this state.

7 (c) In distributing the proceeds of a grant under this subsection, a recipient of
8 a grant shall consider the factors specified in sub. (2) (c) 2. to 8.

9 (4) LIMITATIONS. (a) A business may not receive a grant under sub. (2) or an
10 award under sub. (3) (b) unless the business enters into an agreement with the
11 department under which the business agrees to do all of the following:

12 1. Contribute matching funds of not less than 25 percent of the total cost of the
13 project and identify the source of the matching funds.

14 2. Spend the proceeds of a grant under sub. (2) or an award under sub. (3) (b)
15 in this state.

16 (b) The amount of grants and grant proceeds awarded to a business, border
17 county, border municipality, or regional development administrator in the first 18
18 months of a biennium may not exceed 50 percent of the amounts in the schedule for
19 that biennium for the appropriation under s. 20.143 (1) (cs).

20 (5) ADMINISTRATION. (a) The department shall promulgate rules establishing
21 all of the following:

22 1. Standards and procedures for grant applications.

23 2. Standards and procedures for reporting, auditing, and monitoring of
24 expenditures of grants under this section and awards under sub. (3) (b).

SENATE BILL 664

1 (b) The department may promulgate rules establishing additional eligibility
2 criteria.

3 (c) The department shall annually submit to the chief clerk of each house of the
4 legislature for distribution to the appropriate standing committees under s. 13.172
5 (2), and to the governor, a report that identifies the recipients of grants and grant
6 proceeds under this section, and specifies the jobs created as a result and the average
7 wage of such jobs.

8 (d) The department may collect from a grant recipient an origination fee of up
9 to 2 percent of the amount of a grant if the grant exceeds \$200,000.

10

(END)



action #s: eff date
to x + #s: eff date A

Sec. #. Effective date.

(1) This act takes effect on the day after publication of the 2007-09 biennial budget act.

O-Note

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

LRB-1704/1dn

CTS:...

kjF

Date

Senator Robson:

For this draft, I have included an appropriation but have specified "\$-0[✓]-[✓]" for expenditure in fiscal years 2007-08 and 2008-09. When you know the dollar amounts that you need to include in the proposal, contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

The biennial budget act establishes the appropriation schedule for the biennium. As such, that schedule may not be changed until the budget is enacted. Accordingly, this draft includes an effective date provision providing that the draft takes effect on the day after the budget takes effect.

Christopher T. Sundberg

Legislative Attorney

Phone: (608) 266-9739

E-mail:

christopher.sundberg@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1704/1dn
CTS:kjf:pg

February 19, 2007

Senator Robson:

For this draft, I have included an appropriation but have specified "\$-0-" for expenditure in fiscal years 2007-08 and 2008-09. When you know the dollar amounts that you need to include in the proposal, contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

The biennial budget act establishes the appropriation schedule for the biennium. As such, that schedule may not be changed until the budget is enacted. Accordingly, this draft includes an effective date provision providing that the draft takes effect on the day after the budget takes effect.

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

Duerst, Christina

From: Gratz, Nadine
Sent: Tuesday, February 20, 2007 10:25 AM
To: LRB.Legal
Subject: Draft Review: LRB 07-1704/1 Topic: Border incentive grants

Please Jacket LRB 07-1704/1 for the SENATE.