



2007 DRAFTING REQUEST

Bill

Received: **09/20/2006**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Griffin**

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: **NO**

Pre Topic:

DOA:.....Griffin, BB0032 -

Topic:

Streamlining the Wisconsin Development Fund

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 09/25/2006	wjackson 10/06/2006		_____			State
/1	csundber 10/27/2006	wjackson 10/27/2006	rschluet 10/12/2006	_____	lparisi 10/12/2006		State
/2	csundber 01/30/2007	kfollett 01/30/2007	nmatzke 10/30/2006	_____	sbasford 10/30/2006		State
/3			nmatzke 01/30/2007	_____	cduerst 01/30/2007		

FE Sent For:

<END>

2007 DRAFTING REQUEST

Bill

Received: **09/20/2006**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Griffin**

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: **NO**

Pre Topic:

DOA:.....Griffin, BB0032 -

Topic:

Streamlining the Wisconsin Development Fund

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 09/25/2006	wjackson 10/06/2006		_____			State
/1	csundber 10/27/2006	wjackson 10/27/2006	rschluet 10/12/2006	_____	lparisi 10/12/2006		State
/2		13/15/06 1/30	nmatzke 10/30/2006 nwn 1/30	_____	sbasford 10/30/2006		

FE Sent For:

<END>

2007 DRAFTING REQUEST

Bill

Received: 09/20/2006

Received By: csundber

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Griffin

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: NO

Pre Topic:

DOA:.....Griffin, BB0032 -

Topic:

Streamlining the Wisconsin Development Fund

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 09/25/2006	wjackson 10/06/2006		_____			State
/1		/2 wj 10/27	rschluet 10/12/2006	_____	lparisi 10/12/2006		

FE Sent For:

nwn nwn/pg
10/27/06 10/30/06
<END>

2007 DRAFTING REQUEST

Bill

Received: 09/20/2006

Received By: csundber

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Griffin

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: NO

Pre Topic:

DOA:.....Griffin, BB0032 -

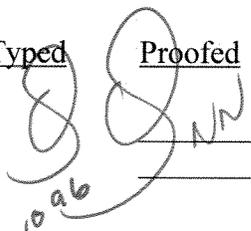
Topic:

Streamlining the Wisconsin Development Fund

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 WLj 10/6					

FE Sent For:

<END>

CORRESPONDENCE MEMORANDUMSTATE OF WISCONSIN
Department of Administration**Date:** September 18, 2006**To:** Steve Miller
Chief, Legislative Reference Bureau**From:** Kirsten Grinde, Team Leader
Jenna Griffin
Andrew Miner
ECR Team, State Budget Office**Subject:** Priority of Department of Commerce 2007-09 Biennial Budget
Statutory Language Proposals

The following table lists the statutory language proposals included by the Department of Commerce in its 2007-09 biennial budget request. If you have not already done so, please convert these to Department of Administration 2007-09 biennial budget drafts. We have indicated our priority ranking for each as well as our understanding of their status. If you have any questions, please contact us at 266-1040 (Kirsten); 266-7329 (Jenna); or 266-1103 (Andrew).

<u>Issue</u>	<u>Status</u>	<u>Analyst</u>	<u>Priority</u>
Streamlining the Wisconsin Development Fund	Submitted to LRB	Jenna	High
State Program Approval for Violations of Hazardous Liquid and Petroleum Storage Laws	Submitted to LRB	Andrew	High
Petroleum Environmental Cleanup Fund Award Program – Alternative Payment Method (Direct Pay to Contractors)	Submitted to LRB	Andrew	Medium
Petroleum Environmental Cleanup Fund Award Program – Payment for Abandoned Tank Removal and Closure	Submitted to LRB	Andrew	Medium

BB0032

BB0033

BB0034

BB0035

CORRESPONDENCE/MEMORANDUM

DATE: September 12, 2006

TO: Legal Section
Legislative Reference Bureau

FROM: Louie Cornelius, Director *LC*
Bureau of Policy and Budget
Department of Commerce

SUBJECT: Budget Bill Request Form

The Department is requesting four bill drafts, including:

- Streamlining the Wisconsin Development Fund. We would like to have the language that was included in last budget bill, 2005 Assembly Bill 100. I do not have the latest draft, but it was LRB—0774. Doug Percy, who was then with the State Budget Office, shared the drafts with us and worked with the LRB on that portion of the bill. I have attached the latest draft that I have for your review and use. Before last session's budget bill, we summarized to DOA what we wanted as follows:

Background: The current statutes define three programs for which WDF funds can be used including: Technology Development, Customized Labor Training and Major Economic Development. The various statutorily defined programs each have their own restrictions and specifications for what factors to consider in awarding funds. Documenting such factors generates much work, and each program now requires separate forms and contracts.

Proposal: Rewrite the statutes to define goals rather than programs. The statutes would be amended to eliminate references to certain programs, and would standardize reporting, eligibility and awarding criteria. Possible examples of goals would include: capital financing, worker training, promoting entrepreneurial and/or technology-based companies.

Advantages: This proposal would allow for more flexibility in deploying state development resources, would reduce the administrative burden on the Department and shorten response time on projects. Simplifying the statutes governing WDF funds would allow the Department to be more creative in responding to a given company or to a larger issue.

The statutory language that you developed for the budget bill addressed the objectives noted above.

- State Program Approval for Violations of Hazardous Liquid and Petroleum Storage Laws. I have attached a draft that was written in the 2003 session (LRB—3305). I have also attached a brief description of the problem, including a letter from the Environmental

Protection Agency. Wisconsin law needs to mirror federal law on the enforcement (fines) provisions.

- Petroleum Environmental Cleanup Fund Award (PECFA) Program. We are proposing an alternative payment method, direct pay, which will increase access to the program for claimants who are unable to obtain traditional financing. The proposed initiative will permit the program to pay the contractor who performs the remediation rather than reimbursing the claimant. I have attached a brief memo identifying the problem and our proposed solution.
- Petroleum Environmental Cleanup Fund Award (PECFA) Program. We are also proposing an initiative that will permit the PECFA Program to make direct payment of the costs of removal and closure of abandoned underground petroleum storage tanks, if an owner or responsible party cannot be determined or is unable to pay. I have also attached a brief memo identifying the problem and our proposed solution.

We have discussed these proposed changes with the State Budget Office, specifically Kirsten Grinde. Drafts may be shared with the State Budget Office after we submit the agency budget on September 15, 2006.

Thank you in advance for your cooperation in developing these bill drafts. If you have any questions, please call me at 266-8629.

Bill Request Form

Legislative Reference Bureau
100 N. Hamilton Street
Legal Section 266-3561

You may use this form or talk directly with the LRB attorney who will draft the bill.

Date 9/16/06

Legislator, agency, or other person requesting this draft Dept. of Commerce

Person submitting request (name and phone number) Louie Cornelio : 266-8629

Persons to contact for questions about this draft (names and phone numbers) Louie Cornelio, 6-8629, John Strickert : 261-7710;

Describe the problem, including any helpful examples. How do you want to solve the problem?
See attached
Please use actual budget language.
Mary Geje: 266-2766

Please attach a copy of any correspondence or other material that may help us. If you know of any statute sections that might be affected, list them or provide a marked-up copy.

You may attach a marked-up copy of any LRB draft or provide its number (e.g., 2001 LRB-2345/1 or 1999 AB-67).
See attached

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you? YES NO

If yes: Anyone who asks? YES NO
Any legislator? YES NO

Only the following persons DBA Budget Shop

Do you consider this request urgent? YES NO If yes, please indicate why _____

Should we give this request priority over any pending request of this legislator, agency, or person?
YES NO

Sections Affected Post-Drafting-Check For 05-0774/P4

Friday, September 22, 2006 2:37 pm

Current Wisconsin Statutes updated through 2005 Act 491

SECTION (Sub)(Par) BY	TREATMENT	AFFECTED
✓ 20.143(1)(c)	am.	Act 0025
✓ 20.143(1)(cb)	r.	Act 0025
✓ 20.143(1)(ie)	am.	Act 0025
✓ 560.16(1)(c)(intro.)	am.	Act 0441
560.60(15)	am.rn. 560.60 (15) (intro.) (vetoed)	AB-0100
560.60(15)(intro.)	am.rn.fr. 560.60 (15) (vetoed)	AB-0100
560.60(15)(b)	cr. (vetoed)	AB-0100
✓ 560.605(1)(p)	cr.	Act 0025
✓ 560.61(1)	am.	Act 0254

In: 9/25/06

⁷ ⁸
2005-2006 LEGISLATURE

0304/1
LRB-0774/P4
CTS:wj:me
↑
stays

Griffin
32

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

⁷ ⁹

D-N

SOON

Please
proof
amended
stats.
w/
folio.

Do Not Gen

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

INS
A

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

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

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

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

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

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

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

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

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

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

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

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

1 **SECTION 1.** 20.143 (1) (c) of the statutes is amended to read:

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

plain
s. 560.275 (2)

and

4-

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

NS
4-11

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

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

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

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

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2005
 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.62, 2003 stats., s. 560.63,
 2003 stats., s. 560.66, 2003 stats., subch. V of ch. 560 except s. 560.65, and 1989
 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),
 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),
 1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4),
 to be used for grants and loans under subch. V of ch. 560 except s. 560.65, for loans
 under s. 560.147, for grants under ss. 560.16 and 560.175, for assistance under s.

plain
 50 560.275 (2), 2005 stats.

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

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

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

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

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

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

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

14 SECTION 7. ~~292.11 (7) (d) 1m. b.~~ [#] of the statutes is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (a) Capital financing.

8 (b) Worker training.

9 (c) Entrepreneurial development.

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

12 (e) Promoting urban or regional economic development.

13 (f) Establishing revolving loan funds.

14 (g) Providing working capital.

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

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

18 2. Implementing feasibility studies under subd. 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 560.605 (1) (g) Funds Whether funds from the grant or loan under s. 560.62,
8 ~~560.63, 560.65 or 560.66~~ ^{not} will be used to pay overhead costs, ~~except as provided in s.~~
9 ~~560.65 (1m) (b), or to replace funds from any other~~ another source.

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

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

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

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

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

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

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

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

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

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

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

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

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

INS
9-13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (b) Evaluating applications, monitor,

21 (c) Monitoring project performance and audit,

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

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

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

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

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0304/lins
CTS:.....

1 **Insert A:**

Under current law, the department may make any of the following from the WDF: 1) a grant to a person for capitalizing a revolving loan fund whose purpose is to promote local or regional economic development; 2) a "rapid response" loan to a person for the purchase of equipment or the purchase, renovation, or construction of a building; 3) a grant to a business group to investigate the reorganization or new incorporation of an existing business as an employee-owned business; 4) a grant to a small business for preparing a proposal for a federal program ("small business" is defined as a business operating for profit with 250 or fewer employees); 5) a grant to fund the preliminary stages of the expansion or start-up of a business that is or will be located in an urban area in this state; 6) grants to the Wisconsin Procurement Institute to further the Institute's efforts to secure federal government contracts and create jobs in the state; 7) a grant or loan to a person or small business for expenses related to the commercialization of a technologically innovative product, process, or service.

2 **Insert 9-13:**

3 **SECTION ~~5~~ 560.605 (1) (p)** of the statutes is amended to read:

4 **560.605 (1) (p)** For an ethanol production facility on which construction begins
5 after July 27, 2005, whether a competitive bidding process is used for the
6 construction of the ethanol production facility.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2005 a. 25.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0304/1dn

CTS: /:.....

Wlj

INS
A

Jenna Griffin:

This is a redraft of 2005 LRB-0774/P4. Please review it carefully to ensure it is consistent with your intent.

Note that 2005 ^{Wisconsin} Act 25 changed the funding source for the Technology Commercialization Grant and Loan Program to the Wisconsin Development Fund appropriations, s. 20.143 (1) (c) and (ie). This draft does not affect this program.

Also note that 2005 ^{Wisconsin} Act 25 created ^{s.} 560.605 (1) (p), which required ^{se} the development finance board to determine, in the case of an ethanol production facility on which construction begins after July 27, 2005, that a competitive bidding process is used for the construction of the ethanol production facility. I have assumed that the draft should preserve sub. (1) (p) as a "may consider" factor. Is this correct?

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

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0304/1ins2
CTS:.....

1 **Insert A to LRB-0304/1dn:**

2 Under 2005 Wisconsin Acts 25 and 254, the Wisconsin Development Fund
3 appropriations also fund technology and pollution control and abatement grants and
4 loans under s. 560.65. This draft does not affect either program.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0304/1dn
CTS:wlj:rs

October 11, 2006

Jenna Griffin:

This is a redraft of 2005 LRB-0774/P4. Please review it carefully to ensure it is consistent with your intent.

Note that 2005 Wisconsin Act 25 changed the funding source for the Technology Commercialization Grant and Loan Program to the Wisconsin Development Fund appropriations, s. 20.143 (1) (c) and (ie). Under 2005 Wisconsin Acts 25 and 254, the Wisconsin Development Fund appropriations also fund technology and pollution control and abatement grants and loans under s. 560.65. This draft does not affect either program.

Also note that 2005 Wisconsin Act 25 created s. 560.605 (1) (p), which requires the development finance board to determine, in the case of an ethanol production facility on which construction begins after July 27, 2005, that a competitive bidding process is used for the construction of the ethanol production facility. I have assumed that the draft should preserve sub. (1) (p) as a "may consider" factor. Is this correct?

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

- 1 **SECTION 51.** 560.605 (2m) (c) of the statutes is repealed.
- 2 **SECTION 52.** 560.605 (2m) (d) of the statutes is repealed.
- 3 **SECTION 53.** 560.605 (2m) (e) of the statutes is repealed.
- 4 **SECTION 54.** 560.605 (4) of the statutes is repealed.
- 5 **SECTION 55.** 560.605 (5) of the statutes is repealed.
- 6 **SECTION 56.** 560.605 (5m) of the statutes is repealed.
- 7 **SECTION 57.** 560.605 (6) of the statutes is repealed.
- 8 **SECTION 58.** 560.607 (1) of the statutes is amended to read:
- 9 560.607 (1) Evaluations of proposed technical research projects under s.
- 10 560.62.
- 11 **SECTION 59.** 560.61 (intro.) of the statutes is repealed.
- 12 **SECTION 60.** 560.61 (1) of the statutes is renumbered 560.61 and amended to
- 13 read:
- 14 **560.61** Make At the request of the board, the department may make a grant
- 15 or loan to an eligible recipient ~~for a project that meets the criteria for funding under~~
- 16 s. 560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is
- 17 appropriate, from the appropriations under s. 20.143 (1) (c) and (ie) for eligible
- 18 activities.
- 19 **SECTION 61.** 560.61 (3) of the statutes is repealed.
- 20 **SECTION 62.** 560.62 of the statutes is repealed.
- 21 **SECTION 63.** 560.63 of the statutes is repealed.
- 22 **SECTION 64.** 560.65 of the statutes is repealed.
- 23 **SECTION 65.** 560.66 of the statutes is repealed.
- 24 **SECTION 66.** 560.68 (1m) of the statutes is created to read:

Chris --- this was done incorrectly. The attached is the correct way -- needs to be redrafted.

let me know if you want the insert checked in.

CMTT



DOA:.....Griffin, BB0032 - Streamlining the Wisconsin Development Fund
FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

D-note ✓

Do Not Gen

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

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

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

Under current law, the department may make any of the following from the WDF: 1) a grant to a person for capitalizing a revolving loan fund whose purpose is to promote local or regional economic development; 2) a "rapid response" loan to a person for the purchase of equipment or the purchase, renovation, or construction of a building; 3) a grant to a business group to investigate the reorganization or new incorporation of an existing business as an employee-owned business; 4) a grant to a small business for preparing a proposal for a federal program ("small business" is defined as a business operating for profit with 250 or fewer employees); 5) a grant to fund the preliminary stages of the expansion or start-up of a business that is or will be located in an urban area in this state; 6) grants to the Wisconsin Procurement Institute to further the Institute's efforts to secure federal government contracts and create jobs in the state; 7) a grant or loan to a person or small business for expenses related to the commercialization of a technologically innovative product, process, or service.

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

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

This bill eliminates the technology development, customized labor training, major economic development, and technology and pollution control and abatement programs, as well as the programs for revolving loan fund capitalization, rapid response loans, employee ownership assistance, urban area early planning, and the Wisconsin Procurement Institute. The bill authorizes the department, at the request of the board, to make a grant or loan of WDF funds to an eligible recipient for eligible activities. The bill defines "eligible recipient" as a governing body or person who is eligible to receive a grant or loan. Under the bill, "eligible activities" means any of the following: capital financing; worker training; entrepreneurial development; providing assistance to technology-based businesses or to businesses at a foreign

trade show or event; promoting urban or regional economic development; establishing revolving loan funds; providing working capital; and promoting employee ownership through conducting studies to investigate the reorganization of existing businesses as employee-owned businesses and implementing such studies.

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

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

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

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

1 **SECTION 1.** 20.143 (1) (c) of the statutes is amended to read:
2 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*
3 *assistance.* Biennially, the amounts in the schedule for grants under ~~ss. 560.145,~~
4 ~~560.16, 560.175, and 560.26~~ s. 560.24, subject to s. 560.24 (3); for grants and loans
5 under ~~ss. s. 560.275 (2), 560.62, 560.63, and 560.66; for loans under s. 560.147 and~~
6 subch. V of ch. 560; for reimbursements under s. 560.167; for providing assistance
7 under s. 560.06; for the costs specified in s. 560.607; for the loan under 1999
8 Wisconsin Act 9, section 9110 (4); for the grants under 1995 Wisconsin Act 27, section

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

10 **SECTION 2.** 20.143 (1) (ie) of the statutes is amended to read:

11 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
12 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2005
13 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275 (2), 2005 stats., s.
14 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., subch. V of ch. 560
15 ~~except s. 560.65,~~ and 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act
16 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin
17 Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin
18 Act 9, section 9110 (4), to be used for grants and loans under s. 560.275 (2) and subch.
19 V of ch. 560 ~~except s. 560.65, for loans under s. 560.147, for grants under ss. 560.16~~
20 ~~and 560.175, for assistance under s. 560.06 (2), for the loan under 1999 Wisconsin Act~~
21 ~~9, section 9110 (4), for the grant under 2001 Wisconsin Act 16, section 9110 (7g), for~~
22 ~~the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), and for~~
23 ~~reimbursements under s. 560.167.~~

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

25 84.185 (1) (ce) "Job" has the meaning specified in s. ~~560.60 (10)~~ 560.17 (1) (bm).

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

2 84.185 (1) (cm) “Political subdivision” ~~has the meaning specified in s. 560.60~~
3 ~~(13)~~ means a county, city, town, or village.

4 **SECTION 5.** 234.01 (4n) (a) 3m. e. of the statutes is amended to read:

5 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined
6 by the authority after considering the factors set out in s. ~~560.605 (2m) (a) to (h)~~
7 560.605 (2m) (c), 2005 stats., s. 560.605 (2m) (d), 2005 stats., s. 560.605 (2m) (e), 2005
8 stats., and s. 560.605 (2m) (a), (b), and (f) to (h).

9 **SECTION 6.** 292.11 (7) (d) 1m. b. of the statutes is amended to read:

10 292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the
11 area consists of 2 or more properties affected by a contiguous region of groundwater
12 contamination or contains 2 or more properties that are brownfields, as defined in
13 s. ~~560.60 (1v)~~ 560.13 (1) (a).

14 **SECTION 7.** 292.255 of the statutes is amended to read:

15 **292.255 Report on brownfield efforts.** The department of natural
16 resources, the department of administration, and the department of commerce shall
17 submit a report evaluating the effectiveness of this state’s efforts to remedy the
18 contamination of, and to redevelop, brownfields, as defined in s. ~~560.60 (1v)~~ 560.13
19 (1) (a).

20 **SECTION 8.** 560.045 (1) of the statutes is amended to read:

21 560.045 (1) To the extent allowed under federal law or regulation, the
22 department shall give priority in the awarding of grants under housing programs to
23 grants for projects related to the redevelopment of brownfields, as defined in s.
24 ~~560.60 (1v)~~ 560.13 (1) (a).

25 **SECTION 9.** 560.135 (5) (a) of the statutes is amended to read:

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

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

3 560.135 (5) (b) Whether the project will be located in a targeted area, as
4 determined by the board after considering the factors under s. 560.605 ~~(2m) (a) to (h)~~
5 (2m) (a), (b), and (f) to (h).

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

7 560.14 (1) (ar) "Brownfields" has the meaning given in s. 560.60 ~~(1v)~~ 560.13 (1)
8 (a).

9 **SECTION 12.** 560.145 of the statutes is repealed.

10 **SECTION 13.** 560.147 of the statutes is repealed.

11 **SECTION 14.** 560.15 (2) (d) of the statutes is repealed.

12 **SECTION 15.** 560.16 of the statutes is repealed.

13 **SECTION 16.** 560.17 (1) (am) of the statutes is amended to read:

14 560.17 (1) (am) "Brownfields" has the meaning given in s. 560.60 ~~(1v)~~ 560.13
15 (1) (a).

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

17 560.17 (1) (bm) "Job" ~~has the meaning given in s. 560.60 (10)~~ means a position
18 providing full-time equivalent employment. "Job" does not include initial training
19 before an employment position begins.

20 **SECTION 18.** 560.175 of the statutes is repealed.

21 **SECTION 19.** 560.26 of the statutes is repealed.

22 **SECTION 20.** 560.60 (1m) of the statutes is repealed.

23 **SECTION 21.** 560.60 (1v) of the statutes is repealed.

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

25 **SECTION 23.** 560.60 (3m) of the statutes is created to read:

1 560.60 (3m) “Eligible activities” means any of the following:

2 (a) Capital financing.

3 (b) Worker training.

4 (c) Entrepreneurial development.

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

7 (e) Promoting urban or regional economic development.

8 (f) Establishing revolving loan funds.

9 (g) Providing working capital.

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

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

13 2. Implementing feasibility studies under subd. 1.

14 **SECTION 24.** 560.60 (4) of the statutes is amended to read:

15 560.60 (4) “Eligible recipient” means a governing body or a person who is
16 eligible to receive a grant or loan under s. 560.62, ~~a grant or loan under s. 560.63 or~~
17 ~~a grant or loan under s. 560.65~~ 560.61.

18 **SECTION 25.** 560.60 (8) of the statutes is repealed.

19 **SECTION 26.** 560.60 (10) of the statutes is repealed.

20 **SECTION 27.** 560.60 (11) of the statutes is repealed.

21 **SECTION 28.** 560.60 (13) of the statutes is repealed.

22 **SECTION 29.** 560.60 (15) of the statutes is amended to read:

23 560.60 (15) “Small business” means a business ~~operating for profit, with 250~~
24 ~~or fewer than 100~~ employees, including employees of any subsidiary or affiliated
25 organization.

1 **SECTION 30.** 560.60 (17) of the statutes is repealed.

2 **SECTION 31.** 560.60 (18m) of the statutes is repealed.

3 **SECTION 32.** 560.605 (1) (intro.) of the statutes is amended to read:

4 560.605 (1) (intro.) The Upon receipt of an application by an eligible recipient,
5 the board may consider any of the following in determining whether to award a grant
6 or loan under s. 560.61 upon the receipt and consideration of an application by an
7 eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all
8 of the following:

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

10 560.605 (1) (a) The Whether the project serves a public purpose.

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

12 560.605 (1) (b) The Whether the project will retain or increase employment in
13 this state.

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

15 560.605 (1) (c) The Whether the project is not likely to might not occur without
16 the grant or loan.

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

18 560.605 (1) (d) Financing Whether financing is unavailable available from any
19 other another source on reasonably equivalent terms.

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

21 560.605 (1) (e) Except as provided in s. 560.68 (6), the eligible recipient
22 receiving the grant or loan will contribute, from The extent to which the project will
23 be financed with funds not provided by this state, not less than 25% of the cost of the
24 project.

25 **SECTION 38.** 560.605 (1) (f) of the statutes is repealed.

1 **SECTION 39.** 560.605 (1) (g) of the statutes is amended to read:

2 560.605 (1) (g) ~~Funds~~ Whether funds from the grant or loan under s. 560.62,
3 560.63, 560.65 or 560.66 will not be used to pay overhead costs, except as provided
4 in s. 560.65 (1m) (b), or to replace funds from ~~any other~~ another source.

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

6 560.605 (1) (h) ~~The~~ Whether the project will not displace any workers in this
7 state.

8 **SECTION 41.** 560.605 (1) (i) of the statutes is repealed.

9 **SECTION 42.** 560.605 (1) (p) of the statutes is amended to read:

10 560.605 (1) (p) For an ethanol production facility on which construction begins
11 after July 27, 2005, whether a competitive bidding process is used for the
12 construction of the ethanol production facility.

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

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

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

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

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

19 560.605 (1) (m) The financial soundness of the ~~business~~ eligible recipient.

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

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

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

23 560.605 (2m) (intro.) When considering whether a project under s. 560.62,
24 560.63 or 560.66 will be located in a targeted area, the board shall may consider all
25 any of the following:

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

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

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

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

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

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

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

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

9 560.607 (1) Evaluations of proposed technical research projects under s.

10 560.62.

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

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

14 **560.61** Make At the request of the board, the department may make a grant
15 or loan to an eligible recipient ~~for a project that meets the criteria for funding under~~
16 s. ~~560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is~~
17 appropriate, from the appropriations under s. 20.143 (1) (c) and (ie) for eligible
18 activities.

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

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

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

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

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

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

CNS
10-10

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

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

5 560.68 (2m) The department shall determine conditions applicable to a grant
6 or loan under s. 560.61.

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

8 560.68 (3) The department may charge a grant or loan recipient an origination
9 fee of up to not more than 2% of the grant or loan amount if the grant or loan equals
10 or exceeds \$200,000 and is awarded under s. 560.63 or 560.66. The department shall
11 deposit all origination fees collected under this subsection in the appropriation
12 account under s. 20.143 (1) (gm).

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

15 560.68 (5) (intro.) The department, with the approval of the board, shall
16 develop procedures to evaluate related to grants and loans under s. 560.61 for all of
17 the following:

18 (b) Evaluating applications, monitor,

19 (c) Monitoring project performance and audit,

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

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

22 560.68 (5) (a) Submitting applications for grants and loans.

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

24 560.68 (6) ~~If appropriate, the~~ The board may shall require that ~~more, as a~~
25 condition of a grant or loan, that a recipient contribute to a project an amount that

1 is not less than 25% of the cost of any project or category of projects be paid from funds
2 not provided by this state amount of the grant or loan.

3 **SECTION 72.** 560.68 (7) (a) of the statutes is amended to read:

4 560.68 (7) (a) Publish and disseminate information about the projects under
5 ss. 560.62 to 560.66 that may be funded by a grant or loan under s. 560.61 and the
6 about procedures for applying for grants and loans under s. 560.61.

7 **SECTION 9308. Initial applicability; Commerce.**

8 (1) WISCONSIN DEVELOPMENT FUND RESTRUCTURING. The treatment of sections
9 20.143 (1) (c) and (ie), 84.185 (1) (ce) and (cm), 243.01 (4n) (a) 3m. e., 292.11 (7) (d)
10 1m. b., 292.255, 560.045 (1), 560.135 (5) (a) and (b), 560.14 (1) (ar), 560.145, 560.147,
11 560.15 (2) (d), 560.16, 560.17 (1) (am) and (bm), 560.175, 560.26, 560.60 (1m), (1v),
12 (3), (3m), (4), (8), (10), (11), (13), (15), (17), and (18m), 560.605 (1) (intro.), (a), (b), (c),
13 (d), (e), (f), (g), (h), (i), and (p), (2) (intro.), (a), (b), (c), (d), (e), and (f), (2m) (intro.), (c),
14 (d), and (e), (4), (5), (5m), and (6), 560.607 (1), 560.61 (intro.), (1), and (3), 560.62,
15 560.63, 560.65, 560.66, and 560.68 (1m), (2m), (3), (6), and (7) (a) of the statutes, the
16 renumbering and amendment of section 560.68 (5) of the statutes, and the creation
17 of section 560.68 (5) (a) of the statutes first apply to applications for grants and loans
18 received on the effective date of this subsection.

19 (END)

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0304/2ins
CTS:wj:rs

↑ INSERT 10-10:

SECTION ~~#~~ 560.61 (intro.) and (1) of the statutes are consolidated, renumbered 560.61 and amended to read:

560.61 Wisconsin development fund. At the request of the board, the department shall do all of the following: ~~(1) Make~~ may make a grant or loan to an eligible recipient for a project that meets the criteria for funding under s. 560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is appropriate, from the appropriations under s. 20.143 (1) (c) and (ie) for eligible activities.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39; 1993 a. 16, 75; 1995 a. 27, 417; 1997 a. 27; 1999 a. 9; 2005 a. 254.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0304/2dn

CTS:/:....

WLj

Jenna Griffin:

I have prepared this redraft to fix a technical error in the previous version. There are no substantive changes.

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-0304/2dn
CTS:wlj:nwn

October 27, 2006

Jenna Griffin:

I have prepared this redraft to fix a technical error in the previous version. There are no substantive changes.

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