

2007 DRAFTING REQUEST

Bill

Received: **01/11/2007**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Grinde**

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

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

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

Extra Copies: **cts**

Submit via email: **NO**

Pre Topic:

DOA:.....Grinde, BB0335 -

Topic:

Wisconsin Venture Center

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>
/?	tkuczens 01/19/2007	kfollett 01/23/2007		_____			State
/1	tkuczens 01/29/2007	csicilia 01/29/2007	pgreensl 01/23/2007	_____	mbarman 01/23/2007		State
/2	tkuczens 01/30/2007	kfollett 01/30/2007	rschluet 01/29/2007	_____	sbasford 01/29/2007		State
/3	tkuczens 01/31/2007	kfollett 01/31/2007	nmatzke 01/30/2007	_____	mbarman 01/30/2007		State
/4			rschluet 01/31/2007	_____	cduerst 01/31/2007		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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/2	tkuczens 01/30/2007	kfollett 01/30/2007	rschluet 01/29/2007	_____	sbasford 01/29/2007		State
/3		14kjf 1/31	nmatzke 01/30/2007	_____	mbarman 01/30/2007		

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/2		13/gf 1/30	rschluet 01/29/2007	_____	sbasford 01/29/2007		
			nwn 1/30	nwn/rs 1/30			

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/1		1/2 gjs 1/29 07	pgreensl 01/23/2007		mbarman 01/23/2007		

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/?	tkuczens	1/16/07 1/23	1/23 P8	1/23 P8	1/23 P8		

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Wisconsin Venture Center
- Tracking Code: BB0335
- SBO team: ECR
- SBO analyst: Kirsten Grinde
 - Phone: 6-1040
 - Email: Kirsten.Grinde@Wisconsin.gov
- Agency acronym: Commerce
- Agency number: 143

High Priority

The intent of this drafting request is to direct the department to organize and assist in maintaining a nonstock nonprofit corporation for the purpose of raising capital for companies in emerging industries in the state. The corporation would work with technology transfer offices of universities and colleges and directly with entrepreneurs to strategically connect them to sources of capital and management expertise.

The corporation would focus on preparing companies for angel and venture capital investments. In addition, the corporation would provide research and analysis services on potential investment opportunities, as well as space for meetings between investors and portfolio companies.

The corporation would be eligible to receive a grant from the department under a new annual GPR appropriation. From the new appropriation, the department shall make a one-time grant of \$150,000 in fiscal year 2007-08 for start-up capital and reasonable administrative expenses. The department may make grants from the new appropriation of up to \$350,000 in fiscal year 2007-08 and up to \$500,000 in any fiscal year thereafter to the corporation if it meets the same requirements as currently exist under s. 560.27(3)(a) and (b).

The corporation would be required to annually provide a report on its activities to the Governor. The assets and liabilities of the corporation would be separate from the state, political subdivisions of the state and the department. None of those entities guarantees any obligation of or has any obligation to the corporation, nor is liable for any debt or liability of the corporation.

The membership would be the same as under s. 560.27(2).

The corporation is modeled closely on the language in 1999 Act 106 (attached).

4500/1

per
Kirsten
1/12/09

1999 Assembly Bill 833

Date of enactment: April 28, 2000
Date of publication*: May 12, 2000

1999 WISCONSIN ACT 106

AN ACT to create 20.143 (1) (d) and 560.27 of the statutes; relating to: a nonprofit corporation to promote the development of high-technology businesses and making an appropriation.

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

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

	1999-00	2000-01
20.143 Commerce, department of		
(1) ECONOMIC AND COMMUNITY DEVELOPMENT		
(d) High-technology business development corporation	GPR A 0	250,000

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

20.143 (1) (d) *High-technology business development corporation.* The amounts in the schedule for the grants specified in s. 560.27 (1) (b) and (3).

SECTION 3. 560.27 of the statutes is created to read:

560.27 High-technology business development corporation. (1) (a) The department shall organize and assist in maintaining a high-technology business development corporation as a nonstock, nonprofit corporation under ch. 181 for the exclusive purpose of promoting and supporting the creation, development and retention of science-based and technology-based businesses in the state. In furtherance of its purpose, the corporation shall establish and implement programs focused on key elements necessary for the success of high-technology firms, including entrepreneurs, businesses, professional

services, seed and venture capital, universities and state government.

(b) From the appropriation under s. 20.143 (1) (d), the department shall make a one-time grant of \$50,000 in fiscal year 2000-01 to the high-technology business development corporation for start-up capital and reasonable administrative expenses of the corporation.

(2) (a) The high-technology business development corporation shall be governed by a board of directors, consisting of the secretary, or his or her designee, the president of the University of Wisconsin System, or his or her designee, the director of the technical college system board, or his or her designee, the president of the Wisconsin Association of Independent Colleges and Universities, or his or her designee, and at least 11 other members, one or more of whom represents each of the following categories:

* Section 991.11, WISCONSIN STATUTES 1997-98: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

1. Entrepreneurs in the state.
2. High-technology businesses in the state.
3. The state's venture capital industry.
4. The state's investment banking industry.
5. Local governments in the state.
6. The state's business development community.
7. Professionals in the state who are experienced in providing services to persons specified in subds. 1. to 6.

(b) The members who are representatives of the categories under par. (a) 1. to 7. shall serve 5-year terms. Of the initial members who are representatives of the categories under par. (a) 1. to 7., one shall be appointed by the senate majority leader, one shall be appointed by the speaker of the assembly, one shall be appointed by the senate minority leader, one shall be appointed by the assembly minority leader and at least 7 shall be appointed by the governor. The high-technology business development corporation, in its bylaws, shall specify the method for electing new members who are representatives of the categories under par. (a) 1. to 7. and for filling vacancies.

(3) (a) Subject to par. (c), the department may make a grant to the high-technology business development corporation, from the appropriation under s. 20.143 (1) (d), if all of the following apply:

1. The corporation submits an expenditure plan to the department detailing the proposed use of the grant proceeds and the secretary approves the plan.

2. The corporation enters into a written agreement with the department that specifies the conditions for the use of the grant proceeds, including reporting and auditing requirements.

3. The corporation provides matching funds equal to 50% of the grant proceeds.

4. The corporation provides to the department information requested by the department about private funding the corporation has received or will receive for the purposes detailed in the expenditure plan under subd. 1.

5. The corporation agrees in writing to submit to the department the report required by par. (b) by the time required under par. (b).

(b) If the corporation receives a grant under this subsection, the corporation shall submit to the department, within 6 months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

(c) The department may not make grants under this subsection that exceed \$200,000 in total in fiscal year 2000-01, or that exceed \$250,000 in total in any fiscal year thereafter.

(4) Annually, the high-technology business development corporation shall provide a report on its activities to the appropriate standing committees of each house of the legislature in the manner provided under s. 13.172 (3) and to the governor.

(5) The assets transferred to, and the assets and liabilities of, the high-technology business development corporation shall be separate from all other assets and liabilities of the state, of all political subdivisions of the state and of the department. Neither the state, any political subdivision of the state nor the department guarantees any obligation of or has any obligation to the high-technology business development corporation. Neither the state, any political subdivision of the state nor the department is liable for any debt or liability of the high-technology business development corporation.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1484/?

TKK: kjf
d-note

in 1/19/07

DOA:.....Grinde, BB0335 - Wisconsin Venture Center

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

Don + Gen

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

insert
\$ from
p. 2
here

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

This bill requires the department of commerce (department) to organize and assist in maintaining a nonprofit corporation with the purpose of raising capital to promote and support emerging industries in the state.

The department must make a one-time grant of \$150,000 to the corporation for start-up capital and administrative expenses. Thereafter, the department may make grants to the corporation if the corporation submits an expenditure plan that is approved by the secretary of commerce; the corporation provides 50% of the funding for the project from other sources; the corporation provides information requested by the department related to funds received for the project from private sources; and the corporation enters into a written agreement with the department related to the use of the grant proceeds. Every time the corporation receives a grant from the department, it must submit a report to the department with detailed information on how it spent the grant proceeds. Not including the start-up grant, the department may grant no more than \$350,000 to the corporation in fiscal year 2007-08 and no more than \$500,000 in a fiscal year thereafter.

The corporation is to be governed by a board of directors that includes the secretary of commerce or his or her designee; the secretary of financial institutions or his or her designee; the president of the University of Wisconsin System or his or

the Wisconsin Venture Center (WVC)

WVC

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X
X

WVC

WVC

percent

WVC

Whenever WVC

UW

Department of Commerce
(Department)

X her designee; and at least 11 other members who are appointed by the governor and who represent entrepreneurs in the state, high-technology businesses in the state, the state's venture capital industry, the state's investment banking industry, local governments in the state, and professionals who are experienced in providing services to persons in the aforementioned categories. Every year, the corporation must submit a report on its activities to the governor.

Annually,
WVC
==2

Under current law, the ~~department~~ provides funding for the promotion of science-based and technology-based businesses through a nonstock, nonprofit high-technology business development corporation. In addition, from the Wisconsin development fund, the department may award grants or loans to businesses and associations of businesses and higher educational institutions for technology research and for purposes related to the development of new, or the improvement of existing, industrial products or processes. Also under current law, an appropriation to the department provides funding to Forward Wisconsin, Inc., which is a private corporation, for its economic development promotion activities. Also under current law, the department may designate up to 8 technology development zones within which certain new or expanding high-technology businesses may be certified by the department to receive tax credits.

move to p. 1

eight

move

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) (fi) of the statutes is created to read:

2 20.143 (1) (fi) Wisconsin venture center. The amounts in the schedule for the
3 grants specified in s. 560.20 (1) (b) and (3).

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

4 SECTION 2. 560.20 of the statutes is created to read:

5 560.20 Wisconsin venture center. (1) (a) The department shall organize
6 and assist in maintaining an emerging industries development corporation as a
7 nonstock, nonprofit corporation under ch. 181 for the purpose of facilitating the
8 raising of capital to promote and support emerging industries in the state. In
9 furtherance of its purpose, the corporation shall do all of the following:

1 1. Establish and implement programs to prepare emerging industries
2 entrepreneurs for angel and venture capital investments.

3 2. Strategically match emerging industries entrepreneurs with sources capital
4 or management expertise or both.

5 3. Work with technology transfer offices of universities and colleges to facilitate
6 a match between emerging industries entrepreneurs and sources of capital or
7 management expertise or both.

8 4. Provide research and analysis services regarding emerging industries in this
9 state to prospective angel investors and venture capitalists.

10 5. Provide a venue for bringing together prospective angel investors and
11 venture capitalists with emerging industries entrepreneurs.

12 (b) From the appropriation under s. 20.143 (1) (fi), the department shall make
13 a one-time grant of \$150,000 in fiscal year 2007-08 to the emerging industries
14 development corporation for start-up capital and reasonable administrative
15 expenses of the corporation.

16 (2) (a) The emerging industries development corporation shall be governed by
17 a board of directors, consisting of the secretary or his or her designee, the secretary
18 of the department of financial institutions or his or her designee, the president of the
19 University of Wisconsin System or his or her designee, the director of the technical
20 college system board or his or her designee, the president of the Wisconsin
21 Association of Independent Colleges and Universities or his or her designee, and at
22 least 11 other members, one or more of whom represents each of the following
23 categories:

- 24 1. Entrepreneurs in the state.
- 25 2. High-technology businesses in the state.

1 3. The state's venture capital industry.

2 4. The state's investment banking industry.

3 5. Local governments in the state.

4 6. The state's business development community.

5 7. Professionals in the state who are experienced in providing services to
6 persons specified in subds. 1. to 6.

7 (b) The members who are representatives of the categories under par. (a) 1. to
8 7. shall serve 5-year terms. Of the initial members who are representatives of the
9 categories under par. (a) 1. to 7., one shall be appointed by the senate majority leader,
10 one shall be appointed by the speaker of the assembly, one shall be appointed by the
11 senate minority leader, one shall be appointed by the assembly minority leader and
12 at least 7 shall be appointed by the governor. The emerging industries development
13 corporation, in its bylaws, shall specify the method for electing new members who
14 are representatives of the categories under par. (a) 1. to 7. and for filling vacancies.

15 (3) (a) Subject to par. (c), the department may make a grant to the emerging
16 industries development corporation, from the appropriation under s. 20.143 (1) (fi),
17 if all of the following apply:

18 1. The corporation submits an expenditure plan to the department detailing
19 the proposed use of the grant proceeds and the secretary approves the plan.

20 2. The corporation enters into a written agreement with the department that
21 specifies the conditions for the use of the grant proceeds, including reporting and
22 auditing requirements.

23 3. The corporation provides matching funds equal to 50 percent of the grant proceeds.

1 4. The corporation provides to the department information requested by the
2 department about private funding the corporation has received or will receive for the
3 purposes detailed in the expenditure plan under subd. 1.

4 5. The corporation agrees in writing to submit to the department the report
5 required by par. (b) by the time the report is required under par. (b).

6 (b) If the corporation receives a grant under this subsection, the corporation
7 shall submit to the department, within 6 months after spending the full amount of
8 the grant, a report detailing how the grant proceeds were used.

9 (c) The department may not make grants under this subsection that exceed
10 \$350,000 in total in fiscal year 2007-08, or that exceed \$500,000 in total in any fiscal
11 year thereafter.

12 (4) Annually, the emerging industries development corporation shall provide
13 a report on its activities to the governor.

14 (5) The assets transferred to, and the assets and liabilities of, the
15 high-technology business development corporation shall be separate from all other
16 assets and liabilities of the state, of all political subdivisions of the state, and of the
17 department. Neither the state, any political subdivision of the state, nor the
18 department guarantees any obligation of or has any obligation to the
19 high-technology business development corporation. Neither the state, any political
20 subdivision of the state, nor the department is liable for any debt or liability of the
21 high-technology business development corporation.

22
23 (END)

D-Note

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

LRB-1484/?dn

TKK...kjf

Date

ATTN: Kirsten Grinde

Please review the attached draft carefully to ensure that it is consistent with your intent.

X
The drafting instructions did not explicitly require the new emerging industries development corporation ("corporation") to submit an annual report to the appropriate standing committees of each house of the legislature. Such a requirement is included, however, for the high-technology business corporation established in Section 560.27, on which the corporation is closely modeled. As drafted, the corporation is only required to submit such a report to the governor. See proposed section 560.20 (4). Did the department wish to require the corporation to report to the legislature as well?

Please let me know if you would like me to make any changes to the attached draft.

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

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

LRB-1484/1dn
TKK:kjf:pg

January 23, 2007

ATTN: Kirsten Grinde

Please review the attached draft carefully to ensure that it is consistent with your intent.

The drafting instructions did not explicitly require the new emerging industries development corporation ("corporation") to submit an annual report to the appropriate standing committees of each house of the legislature. Such a requirement is included, however, for the high-technology business corporation established in section 560.27, on which the corporation is closely modeled. As drafted, the corporation is only required to submit such a report to the governor. See proposed section 560.20 (4). Did the department wish to require the corporation to report to the legislature as well?

Please let me know if you would like me to make any changes to the attached draft.

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

Kuczenski, Tracy

From: Grinde, Kirsten - DOA
Sent: Monday, January 29, 2007 10:06 AM
To: Kuczenski, Tracy
Subject: Changes to LRB 1484/1

Tracy,

Please make the following changes to LRB 1484/1:

- 1) On page 3, lines 12 to 15, provide for a one-time unmatched grant of \$700,000 in fiscal year 2007-08 and add an ongoing unmatched grant of \$500,000 beginning in fiscal year 2008-09 for operations of the corporation. The appropriated amounts will be higher than these amounts, so there will still be a portion of the appropriation that will require matching as described starting on page 4, line 15. ✓
- 2) On page 3, lines 16 to 23, remove the director of the technical college system board and the president of the Wisconsin Association of Independent Colleges and Universities. In addition, limit the number of representatives to no more than 12. ✓
- 3) On page 4, lines 7 to 14, modify the appointing provision to indicate that the Governor will make all appointments of representatives.

Please let me know if you have any questions.

Thanks,

Kirsten

Per Kirsten 1-29-07 telephone:

- 1. ongoing unmatched: FY 2008-09 and every fiscal year thereafter*
- 2. No more than 12 additional representatives*

→ eliminate par. 560.20(2)(c) re. cap.

Kuczenski, Tracy

From: Grinde, Kirsten - DOA
Sent: Monday, January 29, 2007 11:50 AM
To: Kuczenski, Tracy
Subject: FW: Changes to LRB 1484/1

Tracy,

The clarification on the membership in item #2 below has come through. Please also remove the president of the UW System. The limit of 12 applies to the representatives, not the entire board.

Therefore the board should consist of the two secretaries and no more than 12 other members representing the groups in the current draft.

Thanks for your help on this.

Kirsten

From: Grinde, Kirsten - DOA
Sent: Monday, January 29, 2007 10:06 AM
To: Kuczenski, Tracy - LEGIS
Subject: Changes to LRB 1484/1

Tracy,

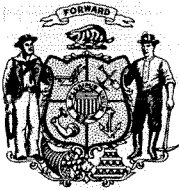
Please make the following changes to LRB 1484/1:

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- 2) On page 3, lines 16 to 23, remove the director of the technical college system board and the president of the Wisconsin Association of Independent Colleges and Universities. In addition, limit the number of representatives to no more than 12.
- 3) On page 4, lines 7 to 14, modify the appointing provision to indicate that the Governor will make all appointments of representatives.

Please let me know if you have any questions.

Thanks,

Kirsten



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1484/1

TKK:kjf:pg

in 1/29/07

insert

DOA:.....Grinde, BB0335 - Wisconsin Venture Center

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

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Do NOT Gen Cat

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the Department of Commerce (department) provides funding for the promotion of science-based and technology-based businesses through a nonstock, nonprofit high-technology business development corporation. In addition, from the Wisconsin development fund, the department may award grants or loans to businesses and associations of businesses and higher educational institutions for technology research and for purposes related to the development of new, or the improvement of existing, industrial products or processes. Also under current law, an appropriation to the department provides funding to Forward Wisconsin, Inc., which is a private corporation, for its economic development promotion activities. Also under current law, the department may designate up to eight technology development zones within which certain new or expanding high-technology businesses may be certified by the department to receive tax credits.

This bill requires the department to organize and assist in maintaining the Wisconsin Venture Center (WVC), a nonprofit corporation with the purpose of raising capital to promote and support emerging industries in the state.

The department must make a one-time grant of \$150,000 to WVC for start-up capital and administrative expenses. Thereafter, the department may make grants

for which WVC need not provide matching funds

700,000

of up to \$500,000

annual

for which WVC need not provide matching funds. The department may make additional grants to WVC

to WVC if the WVC: submits an expenditure plan that is approved by the secretary of commerce; provides 50 percent of the funding for the project from other sources; provides information requested by the department related to funds received for the project from private sources; and enters into a written agreement with the department related to the use of the grant proceeds. Whenever WVC receives a grant from the department, it must submit a report to the department with detailed information on how it spent the grant proceeds. Not including the start-up grant, the department may grant no more than \$350,000 to WVC in fiscal year 2007-08 and no more than \$500,000 in a fiscal year thereafter.

WVC is to be governed by a board of directors that includes: the secretary of commerce or his or her designee; the secretary of financial institutions or his or her designee; the president of the UW System or his or her designee; and at least 11 other members who are appointed by the governor and who represent entrepreneurs in the state, high-technology businesses in the state, the state's venture capital industry, the state's investment banking industry, local governments in the state, and professionals who are experienced in providing services to persons in the aforementioned categories. Annually, WVC must submit a report on its activities to the governor.

no more than 12

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) (fi) of the statutes is created to read:
2 20.143 (1) (fi) *Wisconsin Venture Center.* The amounts in the schedule for the
3 grants specified in s. 560.20 (1) (b) and (3).

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

4 **SECTION 2.** 560.20 of the statutes is created to read:
5 **560.20 Wisconsin Venture Center.** (1) (a) The department shall organize
6 and assist in maintaining an emerging industries development corporation as a
7 nonstock, nonprofit corporation under ch. 181 for the purpose of facilitating the
8 raising of capital to promote and support emerging industries in the state. In
9 furtherance of its purpose, the corporation shall do all of the following:

1 1. Establish and implement programs to prepare entrepreneurs of emerging
2 industries for angel and venture capital investments.

3 2. Strategically match entrepreneurs of emerging industries with sources of
4 capital or management expertise or both.

5 3. Work with technology transfer offices of universities and colleges to facilitate
6 a match between entrepreneurs of emerging industries and sources of capital or
7 management expertise or both.

8 4. Provide research and analysis services regarding emerging industries in this
9 state to prospective angel investors and venture capitalists.

10 5. Provide a venue for bringing together prospective angel investors and
11 venture capitalists with entrepreneurs of emerging industries.

Insert 3-12

12 (b) From the appropriation under s. 20.143 (1) (fi), the department shall make
13 a one-time grant of \$^{700,000}~~150,000~~ in fiscal year 2007-08 to the emerging industries
14 development corporation for start-up capital and reasonable administrative
15 expenses of the corporation.

16 (2) (a) The emerging industries development corporation shall be governed by
17 a board of directors, consisting of the secretary or his or her designee, the secretary
18 of the department of financial institutions or his or her designee, the president of the
19 University of Wisconsin System or his or her designee, the director of the technical
20 college system board or his or her designee, the president of the Wisconsin
21 Association of Independent Colleges and Universities or his or her designee, and at

22 least 11 other members, one or more of whom represents each of the following
23 categories:

- 24 1. Entrepreneurs in the state.
- 25 2. High-technology businesses in the state.

no more than 12

1 3. The state's venture capital industry.

2 4. The state's investment banking industry.

3 5. Local governments in the state.

4 6. The state's business development community.

5 7. Professionals in the state who are experienced in providing services to
6 persons specified in subds. 1. to 6.

7 (b) The members who are representatives of the categories under par. (a) 1. to
8 7. shall serve 5-year terms. Of the initial members who are representatives of the

9 categories under par. (a) 1. to 7., one shall be appointed by the senate majority leader,

10 one shall be appointed by the speaker of the assembly, one shall be appointed by the

11 senate minority leader, one shall be appointed by the assembly minority leader and

12 at least 7 shall be appointed by the governor. The emerging industries development

13 corporation, in its bylaws, shall specify the method for electing new members who

14 are representatives of the categories under par. (a) 1. to 7. and for filling vacancies.

15 (3) (a) Subject to par. (c), the department may make a grant to the emerging
16 industries development corporation, from the appropriation under s. 20.143 (1) (fi),

17 if all of the following apply:

18 1. The corporation submits an expenditure plan to the department detailing
19 the proposed use of the grant proceeds and the secretary approves the plan.

20 2. The corporation enters into a written agreement with the department that
21 specifies the conditions for the use of the grant proceeds, including reporting and
22 auditing requirements.

23 3. The corporation provides matching funds equal to 50 percent of the grant
24 proceeds.

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1484/lins
TKK:kjf:pg

Insert 3-12

SECTION 1. 560.20 (1) (b) of the statutes is created to read:

560.20 (1) (b) From the appropriation under s. 20.143 (1) (fi), the department shall make the following: *grants*

1. In fiscal year 2007-08, a one-time grant of \$700,000 to the emerging industries development corporation. No matching funds are required for the grant under this subdivision, provided the grant is used by the corporation for start-up capital and reasonable administrative expenses. ✓

2. In fiscal year 2008-09 and each fiscal year thereafter, a grant of \$500,000 to the emerging industries development corporation. No matching funds are required for the grants under this subdivision, provided the grants are used by the corporation for operating expenses. ✓

Kuczenski, Tracy

From: Grinde, Kirsten - DOA
Sent: Monday, January 29, 2007 7:12 PM
To: Kuczenski, Tracy
Subject: Change to LRB 1484/2

Tracy,

Please make the following change to LRB 1484/2:

On the bottom of page 3 to top of page 4, add a category called "research institutions" to the list of potential board members.

Thanks,

Kirsten



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1484/2

TKK:kjf:tg

1/30/07

DOA:.....Grinde, BB0335 - Wisconsin Venture Center

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

Don + Gen

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the Department of Commerce (department) provides funding for the promotion of science-based and technology-based businesses through a nonstock, nonprofit high-technology business development corporation. In addition, from the Wisconsin development fund, the department may award grants or loans to businesses and associations of businesses and higher educational institutions for technology research and for purposes related to the development of new, or the improvement of existing, industrial products or processes. Also under current law, an appropriation to the department provides funding to Forward Wisconsin, Inc., which is a private corporation, for its economic development promotion activities. Also under current law, the department may designate up to eight technology development zones within which certain new or expanding high-technology businesses may be certified by the department to receive tax credits.

This bill requires the department to organize and assist in maintaining the Wisconsin Venture Center (WVC), a nonprofit corporation with the purpose of raising capital to promote and support emerging industries in the state.

The department must make a one-time grant of \$700,000 to WVC for start-up capital and administrative expenses for which WVC need not provide matching

funds. Thereafter, the department may make annual grants of up to \$500,000 to WVC for which WVC need not provide matching funds. The department may make additional grants to WVC if the WVC: submits an expenditure plan that is approved by the secretary of commerce; provides 50 percent of the funding for the project from other sources; provides information requested by the department related to funds received for the project from private sources; and enters into a written agreement with the department related to the use of the grant proceeds. Whenever WVC receives a grant from the department, it must submit a report to the department with detailed information on how it spent the grant proceeds.

WVC is to be governed by a board of directors that includes: the secretary of commerce or his or her designee; the secretary of financial institutions or his or her designee; and no more than 12 other members who are appointed by the governor and who represent entrepreneurs in the state, high-technology businesses in the state, the state's venture capital industry, the state's investment banking industry, local governments in the state, and professionals who are experienced in providing services to persons in the aforementioned categories. Annually, WVC must submit a report on its activities to the governor.

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) (fi) of the statutes is created to read:
2 20.143 (1) (fi) *Wisconsin Venture Center.* The amounts in the schedule for the
3 grants specified in s. 560.20 (1) (b) and (3).

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

4 **SECTION 2.** 560.20 of the statutes is created to read:

5 **560.20 Wisconsin Venture Center.** (1) (a) The department shall organize
6 and assist in maintaining an emerging industries development corporation as a
7 nonstock, nonprofit corporation under ch. 181 for the purpose of facilitating the
8 raising of capital to promote and support emerging industries in the state. In
9 furtherance of its purpose, the corporation shall do all of the following:

10 1. Establish and implement programs to prepare entrepreneurs of emerging
11 industries for angel and venture capital investments.

the state's
business
development
community,

research
institutions
in the
state,

1 2. Strategically match entrepreneurs of emerging industries with sources of
2 capital or management expertise or both.

3 3. Work with technology transfer offices of universities and colleges to facilitate
4 a match between entrepreneurs of emerging industries and sources of capital or
5 management expertise or both.

6 4. Provide research and analysis services regarding emerging industries in this
7 state to prospective angel investors and venture capitalists.

8 5. Provide a venue for bringing together prospective angel investors and
9 venture capitalists with entrepreneurs of emerging industries.

10 (b) From the appropriation under s. 20.143 (1) (fi), the department shall make
11 the following grants:

12 1. In fiscal year 2007-08, a one-time grant of \$700,000 to the emerging
13 industries development corporation. No matching funds are required for the grant
14 under this subdivision, provided the grant is used by the corporation for start-up
15 capital and reasonable administrative expenses.

16 2. In fiscal year 2008-09 and each fiscal year thereafter, a grant of \$500,000
17 to the emerging industries development corporation. No matching funds are
18 required for the grants under this subdivision, provided the grants are used by the
19 corporation for operating expenses.

20 (2) (a) The emerging industries development corporation shall be governed by
21 a board of directors, consisting of the secretary or his or her designee, the secretary
22 of the department of financial institutions or his or her designee, and no more than
23 12 other members, one or more of whom represents each of the following categories:

24 1. Entrepreneurs in the state.

25 2. High-technology businesses in the state.

3. *Research institutions in the state.*

- ① ~~43.~~ The state's venture capital industry.
- ② ~~54.~~ The state's investment banking industry.
- ③ ~~65.~~ Local governments in the state.
- ④ ~~76.~~ The state's business development community.
- ⑤ ~~87.~~ Professionals in the state who are experienced in providing services to
- ⑥ persons specified in subds. 1. to ~~6.~~⁷.

7 (b) The members who are representatives of the categories under par. (a) 1. to

⑧ ~~7.~~⁸ shall serve 5-year terms. The initial members who are representatives of the

⑨ categories under par. (a) 1. to ~~7.~~⁸ shall be appointed by the governor. The emerging

10 industries development corporation, in its bylaws, shall specify the method for

11 electing new members who are representatives of the categories under par. (a) 1. to

⑫ ~~7.~~⁸ and for filling vacancies.

13 (3) (a) The department may make a grant to the emerging industries

14 development corporation, from the appropriation under s. 20.143 (1) (fi), if all of the

15 following apply:

16 1. The corporation submits an expenditure plan to the department detailing

17 the proposed use of the grant proceeds and the secretary approves the plan.

18 2. The corporation enters into a written agreement with the department that

19 specifies the conditions for the use of the grant proceeds, including reporting and

20 auditing requirements.

21 3. The corporation provides matching funds equal to 50 percent of the grant

22 proceeds.

23 4. The corporation provides to the department information requested by the

24 department about private funding the corporation has received or will receive for the

25 purposes detailed in the expenditure plan under subd. 1.

Kuczenski, Tracy

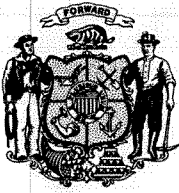
From: Grinde, Kirsten - DOA
Sent: Tuesday, January 30, 2007 5:21 PM
To: Kuczenski, Tracy
Subject: LRB 1484 change

Tracy,

Please strike local government representatives from the groups that may be represented on the board (page 4, line 6 of 1484/3)

Thank you for all your time and effort on this draft.

Kirsten



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1484/3
TKK:kjf:rw
4
5

1/31/07

DOA:.....Grinde, BB0335 - Wisconsin Venture Center

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the Department of Commerce (department) provides funding for the promotion of science-based and technology-based businesses through a nonstock, nonprofit high-technology business development corporation. In addition, from the Wisconsin development fund, the department may award grants or loans to businesses and associations of businesses and higher educational institutions for technology research and for purposes related to the development of new, or the improvement of existing, industrial products or processes. Also under current law, an appropriation to the department provides funding to Forward Wisconsin, Inc., which is a private corporation, for its economic development promotion activities. Also under current law, the department may designate up to eight technology development zones within which certain new or expanding high-technology businesses may be certified by the department to receive tax credits.

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The department must make a one-time grant of \$700,000 to WVC for start-up capital and administrative expenses for which WVC need not provide matching

x
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x
 WVC is to be governed by a board of directors that includes: the secretary of commerce or his or her designee; the secretary of financial institutions or his or her designee; and no more than 12 other members who are appointed by the governor and who represent entrepreneurs in the state, high-technology businesses in the state, research institutions in the state, the state's venture capital industry, the state's investment banking industry, local governments in the state, the state's business development community, and professionals who are experienced in providing services to persons in the aforementioned categories. Annually, WVC must submit a report on its activities to the governor.

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) (fi) of the statutes is created to read:
 2 20.143 (1) (fi) *Wisconsin Venture Center.* The amounts in the schedule for the
 3 grants specified in s. 560.20 (1) (b) and (3).

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

4 **SECTION 2.** 560.20 of the statutes is created to read:
 5 **560.20 Wisconsin Venture Center.** (1) (a) The department shall organize
 6 and assist in maintaining an emerging industries development corporation as a
 7 nonstock, nonprofit corporation under ch. 181 for the purpose of facilitating the
 8 raising of capital to promote and support emerging industries in the state. In
 9 furtherance of its purpose, the corporation shall do all of the following:

1 1. Establish and implement programs to prepare entrepreneurs of emerging
2 industries for angel and venture capital investments.

3 2. Strategically match entrepreneurs of emerging industries with sources of
4 capital or management expertise or both.

5 3. Work with technology transfer offices of universities and colleges to facilitate
6 a match between entrepreneurs of emerging industries and sources of capital or
7 management expertise or both.

8 4. Provide research and analysis services regarding emerging industries in this
9 state to prospective angel investors and venture capitalists.

10 5. Provide a venue for bringing together prospective angel investors and
11 venture capitalists with entrepreneurs of emerging industries.

12 (b) From the appropriation under s. 20.143 (1) (fi), the department shall make
13 the following grants:

14 1. In fiscal year 2007-08, a one-time grant of \$700,000 to the emerging
15 industries development corporation. No matching funds are required for the grant
16 under this subdivision, provided the grant is used by the corporation for start-up
17 capital and reasonable administrative expenses.

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19 to the emerging industries development corporation. No matching funds are
20 required for the grants under this subdivision, provided the grants are used by the
21 corporation for operating expenses.

22 (2) (a) The emerging industries development corporation shall be governed by
23 a board of directors, consisting of the secretary or his or her designee, the secretary
24 of the department of financial institutions or his or her designee, and no more than
25 12 other members, one or more of whom represents each of the following categories:

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2. High-technology businesses in the state.
3. Research institutions in the state.
4. The state's venture capital industry.
5. The state's investment banking industry.

6. Local governments in the state.

7. The state's business development community.

8. Professionals in the state who are experienced in providing services to persons specified in subs. 1. to ⁶7.

(b) The members who are representatives of the categories under par. (a) 1. to ⁷8. shall serve 5-year terms. The initial members who are representatives of the categories under par. (a) 1. to ⁷8. shall be appointed by the governor. The emerging industries development corporation, in its bylaws, shall specify the method for electing new members who are representatives of the categories under par. (a) 1. to ⁷8. and for filling vacancies.

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3. The corporation provides matching funds equal to 50 percent of the grant proceeds.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1484/4

TKK:kjf:rs

DOA:.....Grinde, BB0335 - Wisconsin Venture Center

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

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- 1 1. Entrepreneurs in the state.
- 2 2. High-technology businesses in the state.
- 3 3. Research institutions in the state.
- 4 4. The state's venture capital industry.
- 5 5. The state's investment banking industry.
- 6 6. The state's business development community.
- 7 7. Professionals in the state who are experienced in providing services to
- 8 persons specified in subds. 1. to 6.

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10 7. shall serve 5-year terms. The initial members who are representatives of the
11 categories under par. (a) 1. to 7. shall be appointed by the governor. The emerging
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14 7. and for filling vacancies.

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16 development corporation, from the appropriation under s. 20.143 (1) (fi), if all of the
17 following apply:

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19 the proposed use of the grant proceeds and the secretary approves the plan.

20 2. The corporation enters into a written agreement with the department that
21 specifies the conditions for the use of the grant proceeds, including reporting and
22 auditing requirements.

23 3. The corporation provides matching funds equal to 50 percent of the grant
24 proceeds.

