

## 2007 DRAFTING REQUEST

### Bill

Received: **05/24/2007**

Received By: **tkuczens**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - IND 266-2680**

By/Representing: **Pam Shannon**

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

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: **YES**

Requester's email: **pam.shannon@legis.wisconsin.gov**

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

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### Topic:

Economic development program improvements

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### Instructions:

See Attached

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May 7, 2007

Pam Shannon - prepare draft making changes to Dept. of Commerce economic development programs

- recommendations from LAB Report 06-9 (Aug. 2006)
- follow-up to Sen. Coules' letter
- ~~recommend~~ follow-up from Commerce

May 24, 2007

working draft for JLAC mtg. on June 5  
see attached.

- start w/ repeal of programs on Table 1
- consolidate reporting requirements identified in Appendix B

## ***State Economic Development (Report 06-9) Recommendations and Options for Legislation***

### Background and Timeline:

The nonpartisan Legislative Audit Bureau (LAB) released its comprehensive review of State Economic Development programs (report 06-9) in August 2006. The following is a timeline of post-release events:

August 8, 2006	LAB releases report
August 29, 2006	Joint Legislative Audit Committee conducts public hearing
February 15, 2007	Follow-up reports received from Department of Commerce, University of Wisconsin System, and Wisconsin Technical College System
April 18, 2007	Audit Committee conducts follow-up hearing
May 22, 2007	Joint Finance Committee adopts motion #300

At the follow-up hearing in April 2007, the Joint Legislative Audit Committee co-chairs suggested the formation of a "working group" comprised of the co-chairs and a small number of additional legislators, to develop draft legislation that would build upon the recommendations presented in the audit report and consider information presented by the Department of Commerce in its February 2007 follow-up report to the Committee. At a minimum, co-chairs Sullivan and Jeskewitz are in agreement that the legislation should eliminate those economic development programs identified by the Legislative Audit Bureau as "inactive." (see Table 1)

### Proposed Process:

- Step 1 (May 24) LAB/LRB/LC staff meet to give LRB drafting instructions for "/p draft"
- Step 2 (June 5) Working group convenes to discuss "/p" draft and additions/modifications
- Step 3 LRB revises "/p" draft
- Step 4 Working group reconvenes to discuss revised "/p" draft
- Step 5 LRB further revises "/p" draft, if necessary
- Step 6 Co-chairs share "/p" draft with Commerce for review
- Step 7 Co-chairs and LAB/LRB/LC staff meet with Department of Commerce to discuss "/p" draft

- Step 8 LRB makes any further revisions needed and converts draft to “/1” companion bills for circulation and introduction in each house
- Step 9 Companion drafts are circulated for co-sponsorship to members of Audit Committee and working group
- Step 10 Co-chairs obtain agreement from leadership to have companion bills referred to Audit Committee
- Step 11 Companion bills are introduced and referred to Audit Committee
- Step 12 Audit Committee holds public hearing and executive session on companion bills

Joint Legislative Audit Committee Members:

Senator Jim Sullivan, Co-chairperson	Representative Suzanne Jeskewitz, Co-chairperson
Senator Julie Lassa	Representative Samantha Kerkman
Senator Russ Decker	Representative Kitty Rhoades
Senator Alan Lasee	Representative David Cullen
Senator Robert Cowles	Representative Joe Parisi

Other Interested Legislators:

Senator Kathleen Vinehout	Representative Jason Fields
	Representative Pat Strachota

Economic Development Items in 2007-09 Biennial Budget:

The Governor proposed the consolidation of nine programs in the Wisconsin Development Fund into one program. On May 22, 2007, the Joint Committee on Finance passed motion #300. The effects of which are described in Table 1. For the economic development programs consolidated by the Governor’s budget proposal or by motion 300, no further action is required in the “/p” draft.

Recommendations in the Audit Report for Legislative Action:

As it considers revisions the “/p” draft, the working group may wish to take legislative action in the following areas as recommended in the audit report:

1. LAB recommends that the Legislature, as it reviews proposals to expand existing development zone programs or to create new programs, consider establishing specific criteria to ensure that zones are designated only in those areas that meet each specific program’s intent. (Page 90)
2. LAB suggests that the Legislature could consider designating a single entity that would be responsible for coordinating all of Wisconsin’s economic development programs, although ss. 560.01 and 560.08, Wis. Stats., already require Commerce to undertake some planning efforts that could serve this purpose. However, as noted, Commerce has limited authority over programs administered by other state agencies. (Page 112)

3. LAB recommends that the Legislature, in future reviews of economic development planning and coordination activities, consider encouraging the establishment of:

- clear and measurable goals to ensure that programs are working toward achieving state policy objectives;
- benchmarks to measure progress toward each goal; and
- models for consistently evaluating and reporting economic development results among state agencies. (Page 113)

4. LAB recommends that the Legislature consider consolidating the reporting requirements for state economic development programs. One option for consolidating reporting requirements is to require that each agency submit an economic development progress report as part of its biennial report to the Legislature. Alternatively, Commerce could coordinate the production of a single biennial economic development report that:

- incorporates information from all state agencies that administer economic development programs and provides detailed information about each program's accomplishments;
- establishes a consistent format for reporting program outcomes and describes actual results compiled from individual projects;
- demonstrates progress in achieving long-term economic development policies and goals; and
- identifies projects and programs that did not meet anticipated goals and makes recommendations for their improvement. (Page 116)

5. LAB recommends that the Legislature consider enacting public disclosure requirements to improve transparency in the use of state funds for economic development projects. (Page 117)

6. LAB recommends that the Legislature consider reducing the number of programs by consolidating statutory requirements and standardizing eligibility criteria for economic development programs that have similar purposes or provide similar services. (Page 115)

Appendix 5

**Inactive or Outdated Economic  
Development Programs**

FY 2001-02 through FY 2004-05

Program Number	Program	Responsible Agency
<b>Repealed Programs</b>		
28	Business Development Initiative Management Assistance Grants and Loans	Commerce
29	Business Development Initiative Technical Assistance Grants	Commerce
60	Snow Emergency Grants and Loans	Commerce
77	Recycling Early Planning Grants	Commerce
78	Recycling Loans	Commerce
79	Recycling Technology Assistance Loans	Commerce
<b>Unfunded Programs</b>		
61	Industrial Building Construction Loan Fund	Commerce
64	Mining Economic Development Grants and Loans	Commerce
89	Technology-Based Economic Development—Information Exchange Clearinghouse	Commerce
90	Technology-Based Economic Development—Manufacturing Assessment Center	Commerce
91	Technology-Based Economic Development—Seed Capital Fund	Commerce
<b>Inactive Programs<sup>1</sup></b>		
3	Sustainable Agriculture Grants	DATCP
16	Value-Added Dairy Initiative Commodity Innovation Grants	DATCP
36	Community-Based Economic Development Revolving Loan Fund Grants	Commerce
58	Gaming Economic Impact Grants and Loans	Commerce
68	Minority Business Incubator Grants	Commerce
72	Minority Finance and Education Training Grants	Commerce
73	Minority Nonprofit Corporation Incubator Grants	Commerce
81	Rural Economic Development Low-Income Loans	Commerce
99	Employee Ownership Program	Commerce
102	Rapid Response Fund	Commerce
103	Revolving Loan Fund Capitalization Program	Commerce
104	Small Business Innovative Research Grant	Commerce

<sup>1</sup> Funding was available to these programs, but they did not provide services in the 2003-05 biennium.

Appendix 15

**Reports Required of the Department of Commerce**

Report Title or Subject	Statutory Requirement	Required Recipient(s)	Frequency
Department of Commerce Biennial Report	15.04(1)(d)	Legislature	October 15 in odd-numbered years
Industrial Revenue Bonds	560.03(15)	Legislature	Annually
Business Trends Survey	560.03(26)	None specified	Annually
Forward Wisconsin	560.07(9)	Legislature	Annually by July 1
Recommended Investments for Economic Development	560.08(2)(m)	State of Wisconsin Investment Board	January 1 in odd-numbered years
Wisconsin Main Street Program	560.081(2)(i)	Legislature	October 15 in odd-numbered years
Small Business Environmental Council	560.11(1)(b)	Department of Natural Resources and United States Environmental Protection Agency	Periodically
Brownfields	560.13(7)	Legislature, Governor, and Department of Administration	Annually
Business Employees' Skills Training	560.155(4)	Legislature	Once by January 1, 2002
Early Stage Seed Investments	560.205(3)(c)	Legislature	Annually by September 15
Certified Capital Companies	560.38	Legislature	March 31 in even numbered years
Business Development Assistance Center	560.42(5)	Legislature	Biennially
Entrepreneur Assistance Programs Inventory	560.52(1)	None specified	Periodically
Entrepreneur Assistance Program Coordination	560.55	Legislature and Governor	October 15 in odd-numbered years
Technology Based Economic Development	560.905(2)	Legislature	Annually
Seed Capital Fund	560.915(4)	Legislature	December 31 in odd-numbered years

Table 1

Proposed Programs to Delete from Statutes

Audit Number	Name	Issue	Source	Stat Cite	Proposed Action
28	Business Development Initiative Management Assistance Grants and Loans	Repealed	LAB report, Appendix 5 DOC follow-up report	560.20 (1999 Wis. Stats.)	None needed
29	Business Development Initiative Technical Assistance Grants	Repealed	LAB report, Appendix 5 DOC follow-up report	560.20 (1999 Wis. Stats.)	None needed
60	Snow Emergency Grants and Loans	Repealed	LAB report, Appendix 5 DOC follow-up report	560.137	None needed
77	Recycling Early Planning Grants	Repealed	LAB report, Appendix 5 DOC follow-up report	560.031, 560.835 (1999 Wis. Stats.)	None needed
78	Recycling Loans	Repealed	LAB report, Appendix 5 DOC follow-up report	560.031 (1999 Wis. Stats.)	None needed
79	Recycling Technology Assistance Loans	Repealed	LAB report, Appendix 5 DOC follow-up report	560.031 (1999 Wis. Stats.)	None needed
61	Industrial Building Construction Loan Fund	Unfunded	LAB report, Appendix 5	560.10	Delete from stats <i>Federal?</i>
64	Mining Economic Development Grants and Loans	Unfunded	LAB report, Appendix 5 DOC follow-up report	560.135	None.
89	Technology-Based Economic Development - Information Exchange Clearinghouse	Unfunded	LAB report, Appendix 5 DOC follow-up report	560.925	Repealed by JFC, motion 300 Delete from stats
90	Technology-Based Economic Development - Manufacturing Assessment Center	Unfunded	LAB report, Appendix 5 DOC follow-up report	560.935	Delete from stats
91	Technology-Based Economic Development - Seed Capital Fund	Unfunded	LAB report, Appendix 5 DOC follow-up report	560.915	Delete from stats
3	Sustainable Agriculture Grants	Inactive	LAB report, Appendix 5 DOC follow-up report	93.47	Delete from stats
16	Value-added Dairy Initiative Commodity Innovation Grants	Inactive	LAB Report, Appendix 5	General Authority (ch. 93)	Delete from stats
36	Community-Based Economic Development Revolving Loan Fund Grants	Inactive	LAB Report, Appendix 5	560.14(3m)	Delete from stats
58	Gaining Economic Impact Grants and Loans	Inactive	LAB Report, Appendix 5	560.137(1)(a)(2)	Delete from stats
68	Minority Business Incubator Grants	Inactive	LAB Report, Appendix 5	560.039	Delete from stats
72	Minority Finance and Education Training Grants	Inactive	LAB Report, Appendix 5	560.837	Delete from stats
73	Minority Nonprofit Corporation Incubator Grants	Inactive	LAB Report, Appendix 5	560.038	Delete from stats
81	Rural Economic Development Low-Income Loans	Inactive	LAB Report, Appendix 5	560.17(5r)	Delete from stats
99	Employee Ownership Program	Inactive	LAB Report, Appendix 5 DOC follow-up report	560.16	None. Consolidated in Gov. budget

*Delete program law.  
Keep program or? or cut it all?*

<b>Audit Number</b>	<b>Name</b>	<b>Issue</b>	<b>Source</b>	<b>Stat Cite</b>	<b>Proposed Action</b>
102	Rapid Response Fund	Inactive	LAB Report, Appendix 5	560.147	None. Consolidated in Gov. budget
103	Revolving Loan Fund Capitalization Program	Inactive	LAB report, Appendix 5 DOC follow-up report	560.145	None. Consolidated in Gov. budget
104	Small Business Innovative Research Grant	Inactive	LAB report, Appendix 5 DOC follow-up report	560.607(2)	Delete from stats
27	Technology Development Assistance		DOC follow-up report	560.91	Delete from stats
30	Certified Capital Companies Program		DOC follow-up report	Ch. 560 Subchapter II, 76.635	None. Repealed by JFC, motion 300 Reporting requirements retained
14	Payments to Ethanol Producers		DOC follow-up report	93.75	Delete from stats
114	Sustainable Urban Development Zone		DOC follow-up report	292.77	Delete from stats
144	Beginning Farmer Bond Program		DOC follow-up report	(2001 Wis. Stats.) 234.66	Delete from stats
101	Major Economic Development Grants and Loans		Gov. Budget	560.66	None.
107	Urban Early Planning Grants		Gov. Budget	560.175	Consolidated in Gov. budget
106	Technology Development Grants and Loans		Gov. Budget	560.62(1)(a)	Consolidated in Gov. budget
105	Technology Development Commercialization Loan		Gov. Budget	560.62(1)(b)	None.
98	Customized Labor Training Grants and Loans		Gov. Budget	560.63	Consolidated in Gov. budget
	Wisconsin Procurement Institute Grants		Gov. Budget		Consolidated in Gov. budget
	Technology and pollution control and abatement grants and loans		Gov. Budget		None.
	Recycling rebates		Finance		Consolidated in Gov. budget None. Repealed by JFC, motion 300



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-2783/P1

TKK: f:...

d-note<sup>wly</sup>

in 5/30/07

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

BY 6/1/07 A.M.

- 1 AN ACT <sup>Gen</sup> ...; relating to: clean up of department of commerce economic
- 2 development programs.

**Analysis by the Legislative Reference Bureau**

Pursuant to the recommendations of the Legislative Audit Bureau in Report 06-9, A Review of State Economic Development Programs, this bill eliminates the following unfunded or inactive economic development programs administered by the Department of Commerce: minority nonprofit corporation business incubator grants; minority business incubator grants; industrial building construction loan fund; gaming economic development loans; community-based economic development revolving loan fund grants; low-income rural municipality economic development loan; small business innovative research program grants; minority business development finance and education training grants; and technology-based economic development assistance, seed-capital fund, information exchange clearinghouse, and manufacturing assessment center. In addition, this ~~draft~~ bill eliminates the sustainable agriculture grant program and payments to ethanol producers program administered by the Department of Agriculture, Trade, and Consumer Protection. Finally, this ~~draft~~ bill eliminates the beginning farmer program administered by the Wisconsin Housing and Economic Development Authority.

Under current law, the Department of Commerce (department) ~~is required to~~ <sup>must</sup> submit a biennial report to the legislature on the performance and operations of the department in the preceding biennium. The department ~~must~~ <sup>must</sup> periodically prepare an inventory of existing entrepreneurial assistance programs in Wisconsin. In addition, the department ~~must~~ <sup>must</sup> prepare a report documenting the results of an

(Commerce)

must  
Commerce

bill

Commerce

annual survey of Wisconsin businesses concerning the formation of businesses and obstacles to the formation of businesses in Wisconsin. The department must also prepare employment impact estimates related to Industrial Development Revenue Bonding. ~~The department~~ must also submit a report to the State of Wisconsin Investment Board describing the types of investments in businesses in Wisconsin which will have the greatest likelihood of enhancing economic development in Wisconsin. Finally, ~~the department~~ must submit a report to both the Wisconsin Department of Natural Resources and the Environmental Protection Agency concerning the compliance of the state small business stationary source technical and environmental compliance assistance program with certain federal laws.

In addition, under current law, ~~the department~~ is required to submit reports to the legislature incorporating the following information concerning economic development programs administered by the department: job gains due to funds provided to Forward Wisconsin, Inc.; the effects of the State Main Street Program on business revitalization in commercial areas having historic significance; the effectiveness of the Brownfields Grant Program; the operation and effectiveness of the Business Employees' Skills Training Grant Program; the total amount of tax credits claimed under the Early State Seed Investment Credit and Angel Investment Credit programs; certified capital investments and qualified investments made under and the number of jobs created as a result of the Certified Capital Companies program; a description of the activities of the Business Development Assistance Center; a description of ~~the department's~~ activities and the results of ~~the department's~~ activities coordinating entrepreneurial assistance programs and intermediary assistance programs offered by state agencies; ~~the department's~~ technology-based economic development activities; a report on the disposition and repayment of moneys distributed under the Seed Capital Fund.

The economic development reporting requirements under current law are not uniform: some reports are required annually, others biennially or periodically; some reports are due in January, others in March, September, October, and December. This bill establishes a uniform, annual, comprehensive reporting requirement for economic development programs administered by ~~the department~~. The comprehensive report is due to the legislature by October 1 of each year.

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.** 20.002 (11) (d) 3. of the statutes is amended to read:
- 2           20.002 (11) (d) 3. The industrial building construction loan fund under s.
- 3           560.10, 2005 stats.

History: 1971 c. 125; 1973 c. 90, 333; 1975 c. 39 s. 732 (1); 1975 c. 164, 198; 1977 c. 29, 196, 373, 418, 447; 1979 c. 34; 1981 c. 14, 20, 61, 93, 314; 1983 a. 3, 27, 192; 1985 a. 29, 120; 1985 a. 135 s. 85; 1985 a. 332 s. 253; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31; 1991 a. 39, 51, 269; 1993 a. 16, 437; 1997 a. 237; 1999 a. 9; 2001 a. 16; 2003 a. 35.

1           **SECTION 2.** 20.115 (1) (d) of the statutes is repealed.

2           **SECTION 3.** 20.115 (1) (k) of the statutes is repealed.

3           **SECTION 4.** 20.115 (4) (c) of the statutes is amended to read:

4           20.115 (4) (c) *Agricultural investment aids.* Biennially, the amounts in the  
5           schedule for agricultural research and development grants under s. 93.46 (2) and (3)  
6           and sustainable agriculture grants under s. 93.47.

**History:** 1971 c. 125, 215; 1973 c. 90, 299, 333; 1975 c. 39 ss. 78m, 79, 79m, 79n, 732 (1); 1975 c. 224; 1975 c. 394 ss. 1, 27; 1977 c. 29 ss. 112 to 115v, 1650m (1), (4), 1654 (1); 1977 c. 87, 106, 181, 418; 1979 c. 34, 129, 221, 289, 335; 1981 c. 20, 66, 93, 283, 346, 357; 1983 a. 27, 132, 368; 1983 a. 410 ss. 5, 2202 (2); 1985 a. 7, 8, 29, 138, 153, 313; 1987 a. 27, 281, 354; 1987 a. 399 ss. 34 to 38, 38u; 1987 a. 403 s. 256; 1989 a. 31, 219, 227, 282, 284, 335, 336; 1991 a. 39, 269, 309, 315; 1993 a. 16, 166, 243, 437, 456, 497; 1995 a. 27, 42, 79, 460; 1997 a. 27, 192, 252, 264; 1999 a. 5, 9, 55, 185; 2001 a. 16, 38, 56, 103, 109; 2003 a. 33, 38, 133, 326, 327; 2005 a. 25.

7           **SECTION 5.** 20.115 (4) (r) of the statutes is amended to read:

8           20.115 (4) (r) *Agricultural investment aids, agrichemical management fund.*

9           Biennially, from the agrichemical management fund, the amounts in the schedule  
10           for agricultural research and development grants under s. 93.46 (2) and (3) and  
11           sustainable agriculture grants under s. 93.47.

**History:** 1971 c. 125, 215; 1973 c. 90, 299, 333; 1975 c. 39 ss. 78m, 79, 79m, 79n, 732 (1); 1975 c. 224; 1975 c. 394 ss. 1, 27; 1977 c. 29 ss. 112 to 115v, 1650m (1), (4), 1654 (1); 1977 c. 87, 106, 181, 418; 1979 c. 34, 129, 221, 289, 335; 1981 c. 20, 66, 93, 283, 346, 357; 1983 a. 27, 132, 368; 1983 a. 410 ss. 5, 2202 (2); 1985 a. 7, 8, 29, 138, 153, 313; 1987 a. 27, 281, 354; 1987 a. 399 ss. 34 to 38, 38u; 1987 a. 403 s. 256; 1989 a. 31, 219, 227, 282, 284, 335, 336; 1991 a. 39, 269, 309, 315; 1993 a. 16, 166, 243, 437, 456, 497; 1995 a. 27, 42, 79, 460; 1997 a. 27, 192, 252, 264; 1999 a. 5, 9, 55, 185; 2001 a. 16, 38, 56, 103, 109; 2003 a. 33, 38, 133, 326, 327; 2005 a. 25.

12           **SECTION 6.** 20.143 (1) (fm) of the statutes is amended to read:

13           20.143 (1) (fm) *Minority business projects; grants and loans.* Biennially, the  
14           amounts in the schedule for grants under ss. ~~560.038~~, ~~560.039~~, s. 560.82 and ~~560.837~~,  
15           grants and loans under s. 560.83, the grant under 1993 Wisconsin Act 110, section  
16           3, and the loans under 1997 Wisconsin Act 9, section 3.

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 246, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358.

17           **SECTION 7.** 20.143 (1) (ig) of the statutes is amended to read:

18           20.143 (1) (ig) *Gaming economic development and diversification; repayments.*

19           Biennially, the amounts in the schedule for grants and loans under ss. s. 560.137 (2)  
20           and grants and loans under s. 560.138. All moneys received in repayment of loans

1 under ss. s. 560.137 (2), 2005 stats. and s. 560.138 shall be credited to this  
2 appropriation account.

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358.

3 **SECTION 8. 20.143 (1) (im)** of the statutes is amended to read:

4 **20.143 (1) (im)** *Minority business projects; repayments.* All moneys received in  
5 repayment of grants or loans under s. 560.83 and loans under 1997 Wisconsin Act  
6 9, section 3, to be used for grants and loans under ss. 560.82, and 560.83, and ~~560.837,~~  
7 the grant under 2001 Wisconsin Act 16, section 9110 (7g), and the loans under 1997  
8 Wisconsin Act 9, section 3.

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358.

9 **SECTION 9. 20.143 (1) (kj)** of the statutes is amended to read:

10 **20.143 (1) (kj)** *Gaming economic development and diversification; grants and*  
11 *loans.* Biennially, the amounts in the schedule for grants and loans under ss. s.  
12 560.137 and for grants and loans under s. 560.138, for the grants under s. 560.139  
13 (1) (a) and (2), and for the grants under 2001 Wisconsin Act 16, section 9110 (2k),  
14 (11pk), and (11zx). Of the amounts in the schedule, \$500,000 shall be allocated in  
15 each fiscal year for the grants under s. 560.137 (3m). All moneys transferred from  
16 the appropriation account under s. 20.505 (8) (hm) 6j. shall be credited to this  
17 appropriation account. Notwithstanding s. 20.001 (3) (b), the unencumbered  
18 balance on June 30 of each odd-numbered year shall revert to the appropriation  
19 account under s. 20.505 (8) (hm).

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358.

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

1           20.143 (1) (x) *Industrial building construction loan fund*. All moneys received  
 2           in the industrial building construction loan fund, for the purpose of s. 560.10, 2005  
 3           stats.

*History:* 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358.

4           **SECTION 11.** 25.17 (1) (hm) of the statutes is amended to read:

5           25.17 (1) (hm) Industrial building construction loan fund (s. 560.10, 2005  
 6           stats.);

*History:* 1971 c. 41 s. 12; 1971 c. 74; 1971 c. 100 s. 23; 1971 c. 125 s. 522 (1); 1971 c. 164; 1971 c. 214 s. 147; 1971 c. 260 s. 92 (3) to (5); 1973 c. 117, 137, 151; 1973 c. 208 s. 17; 1973 c. 209, 333, 336; 1975 c. 26, 27, 39, 118, 147, 164, 180, 189, 200, 422; 1977 c. 29 ss. 439 to 439f, 1654 (1); 1977 c. 31, 107, 377, 418, 423; 1979 c. 32; 1979 c. 34 ss. 705 to 707b, 2102 (56) (a); 1979 c. 102; 1979 c. 109 s. 16; 1979 c. 221; 1979 c. 318 ss. 1 to 3; 1979 c. 361 s. 113; 1981 c. 20, 86; 1981 c. 96 ss. 18 to 21, 67; 1981 c. 169, 386; 1983 a. 27; 1983 a. 36 ss. 31, 96 (4); 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 142, 189, 192, 368, 410; 1985 a. 25, 29, 53, 120; 1985 a. 332 s. 251 (1); 1987 a. 27, 38, 119, 186, 252, 399; 1989 a. 13, 31, 64, 187, 307, 335, 359, 366; 1991 a. 32, 38, 39, 152, 174, 221, 269, 315; 1993 a. 16, 112, 263, 477; 1995 a. 27 ss. 1394m to 1396, 9116 (5); 1995 a. 56, 213, 227, 274, 403; 1997 a. 27, 35, 191; 1999 a. 9, 11, 63, 65, 83, 167, 196; 2001 a. 7, 13, 16, 92, 104, 109; 2003 a. 33, 35, 48, 91, 111, 299; 2005 a. 1, 22, 25, 74, 153, 172, 335, 441, 478.

7           **SECTION 12.** 25.17 (70) (intro.) of the statutes is amended to read:

8           25.17 (70) (intro.) No later than ~~June 30~~ March 30 of every odd-numbered year,  
 9           after receiving a ~~report~~ from the department of commerce the information required  
 10          under s. 560.08 (2) (m), and in consultation with the department of commerce, submit  
 11          to the governor and to the presiding officer of each house of the legislature a plan for  
 12          making investments in this state. The purpose of the plan is to encourage the board  
 13          to make the maximum amount of investments in this state, subject to s. 25.15 and  
 14          consistent with the statutory purpose of each trust or fund managed by the board.  
 15          The plan shall discuss potential investments to be made during the first to 5th fiscal  
 16          years following submittal, and shall include, but not be limited to, the following:

*History:* 1971 c. 41 s. 12; 1971 c. 74; 1971 c. 100 s. 23; 1971 c. 125 s. 522 (1); 1971 c. 164; 1971 c. 214 s. 147; 1971 c. 260 s. 92 (3) to (5); 1973 c. 117, 137, 151; 1973 c. 208 s. 17; 1973 c. 209, 333, 336; 1975 c. 26, 27, 39, 118, 147, 164, 180, 189, 200, 422; 1977 c. 29 ss. 439 to 439f, 1654 (1); 1977 c. 31, 107, 377, 418, 423; 1979 c. 32; 1979 c. 34 ss. 705 to 707b, 2102 (56) (a); 1979 c. 102; 1979 c. 109 s. 16; 1979 c. 221; 1979 c. 318 ss. 1 to 3; 1979 c. 361 s. 113; 1981 c. 20, 86; 1981 c. 96 ss. 18 to 21, 67; 1981 c. 169, 386; 1983 a. 27; 1983 a. 36 ss. 31, 96 (4); 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 142, 189, 192, 368, 410; 1985 a. 25, 29, 53, 120; 1985 a. 332 s. 251 (1); 1987 a. 27, 38, 119, 186, 252, 399; 1989 a. 13, 31, 64, 187, 307, 335, 359, 366; 1991 a. 32, 38, 39, 152, 174, 221, 269, 315; 1993 a. 16, 112, 263, 477; 1995 a. 27 ss. 1394m to 1396, 9116 (5); 1995 a. 56, 213, 227, 274, 403; 1997 a. 27, 35, 191; 1999 a. 9, 11, 63, 65, 83, 167, 196; 2001 a. 7, 13, 16, 92, 104, 109; 2003 a. 33, 35, 48, 91, 111, 299; 2005 a. 1, 22, 25, 74, 153, 172, 335, 441, 478.

17          **SECTION 13.** 25.17 (70) (a) of the statutes is amended to read:

18          25.17 (70) (a) A report from the department of commerce containing the  
 19          information required under s. 560.08 (2) (m) describing the types of investments in

1 ~~businesses in this state which will have the greatest likelihood of enhancing~~  
 2 ~~economic development in this state.~~

*Insert 6-3*  
**History:** 1971 c. 41 s. 12; 1971 c. 74; 1971 c. 100 s. 23; 1971 c. 125 s. 522 (1); 1971 c. 164; 1971 c. 214 s. 147; 1971 c. 260 s. 92 (3) to (5); 1973 c. 117, 137, 151; 1973 c. 208 s. 17; 1973 c. 209, 333, 336; 1975 c. 26, 27, 39, 118, 147, 164, 180, 189, 200, 422; 1977 c. 29 ss. 439 to 439f, 1654 (1); 1977 c. 31, 107, 377, 418, 423; 1979 c. 32; 1979 c. 34 ss. 705 to 707b, 2102 (56) (a); 1979 c. 102; 1979 c. 109 s. 16; 1979 c. 221; 1979 c. 318 ss. 1 to 3; 1979 c. 361 s. 113; 1981 c. 20, 86; 1981 c. 96 ss. 18 to 21, 67; 1981 c. 169, 386; 1983 a. 27; 1983 a. 36 ss. 31, 96 (4); 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 142, 189, 192, 368, 410; 1985 a. 25, 29, 53, 120; 1985 a. 332 s. 251 (1); 1987 a. 27, 38, 119, 186, 252, 399; 1989 a. 13, 31, 64, 187, 307, 335, 359, 366; 1991 a. 32, 38, 39, 152, 174, 221, 269, 315; 1993 a. 16, 112, 263, 477; 1995 a. 27 ss. 1394m to 1396, 9116 (5); 1995 a. 56, 213, 227, 274, 403; 1997 a. 27, 35, 191; 1999 a. 9, 11, 63, 65, 83, 167, 196; 2001 a. 7, 13, 16, 92, 104, 109; 2003 a. 33, 35, 48, 91, 111, 299; 2005 a. 1, 22, 25, 74, 153, 172, 335, 441, 478.

3 **SECTION 14.** 93.47 of the statutes is repealed.

4 **SECTION 15.** 93.75 of the statutes is repealed.

5 **SECTION 16.** 234.03 (2m) of the statutes is amended to read:

6 **234.03 (2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40,  
 7 **234.50, 234.60, 234.61, 234.626, 234.63, and 234.65, and ~~234.66.~~**

**History:** 1971 c. 287; 1973 c. 208, 333; 1975 c. 221; 1977 c. 418; 1981 c. 349 ss. 12, 32; 1983 a. 27 ss. 1622e to 1622m, 2202 (20); 1983 a. 81; 1983 a. 83 ss. 7, 8, 22; 1983 a. 192; 1985 a. 29 ss. 2242, 3200 (28); 1985 a. 334; 1987 a. 27, 399; 1993 a. 16, 112, 437; 1997 a. 27; 2005 a. 22, 75, 487.

8 **SECTION 17.** 234.265 (2) of the statutes is amended to read:

9 **234.265 (2)** Records or portions of records consisting of personal or financial  
 10 information provided by a person seeking a grant or loan under s. 234.04, 234.08,  
 11 234.49, 234.59, 234.61, 234.63, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905,  
 12 234.907, or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial  
 13 assistance under s. 234.66, 2005 stats., seeking investment of funds under s. 234.03  
 14 (18m), or in which the authority has invested funds under s. 234.03 (18m), unless the  
 15 person consents to disclosure of the information.

**History:** 1971 c. 287; 1983 a. 81, 83, 192; 1985 a. 29, 334; 1987 a. 421; 1989 a. 31, 335, 336, 359; 1991 a. 39, 309; 1993 a. 16, 437; 1995 a. 116, 150; 1997 a. 27, 35; 1999 a. 9; 2005 a. 75, 487.

16 **SECTION 18.** 234.40 (4) of the statutes is amended to read:

17 **234.40 (4)** The limitations established in ss. 234.18, 234.50, 234.60, 234.61,  
 18 234.63, and 234.65, and ~~234.66~~ are not applicable to bonds issued under the  
 19 authority of this section. The authority may not have outstanding at any one time

1 bonds for veterans housing loans in an aggregate principal amount exceeding  
2 \$61,945,000, excluding bonds being issued to refund outstanding bonds.

**History:** 1973 c. 208, 333; 1975 c. 26; 1977 c. 418; 1979 c. 102; 1981 c. 349 s. 32; 1983 a. 27 s. 2202 (20); 1983 a. 81 s. 13; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29 s. 3202 (28); 1985 a. 334; 1993 a. 437; 1997 a. 27; 2005 a. 22, 75, 487.

3 **SECTION 19.** 234.50 (4) of the statutes is amended to read:

4 234.50 (4) The limitations established in ss. 234.18, 234.40, 234.60, 234.61,  
5 234.63, and 234.65, ~~and 234.66~~ are not applicable to bonds issued under the  
6 authority of this section. The authority may not have outstanding at any one time  
7 bonds for housing rehabilitation loans in an aggregate principal amount exceeding  
8 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The  
9 authority shall consult with and coordinate the issuance of bonds with the building  
10 commission prior to the issuance of bonds.

**History:** 1977 c. 418; 1979 c. 361 ss. 112, 113; 1981 c. 21; 1981 c. 349 s. 32; 1983 a. 27 s. 2202 (20); 1983 a. 36 s. 96 (4); 1983 a. 81 s. 13; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29 ss. 2125, 2125m, 3200 (28), 3202 (28); 1985 a. 334; 1997 a. 269; 1993 a. 437; 1997 a. 27; 2005 a. 75, 487.

11 **SECTION 20.** 234.60 (2) of the statutes is amended to read:

12 234.60 (2) The limitations in ss. 234.18, 234.40, 234.50, 234.61, 234.63, and  
13 234.65, ~~and 234.66~~ do not apply to bonds or notes issued under this section.

**History:** 1981 c. 349; 1983 a. 27 s. 2202 (20); 1983 a. 36 s. 96 (4); 1983 a. 81 s. 13; 1983 a. 82; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29 ss. 2128 to 2131, 3202 (28); 1985 a. 78, 334; 1987 a. 27, 69; 1989 a. 31; 1993 a. 437; 1997 a. 27; 2005 a. 22, 75, 487.

14 **SECTION 21.** 234.61 (1) of the statutes is amended to read:

15 234.61 (1) Upon the authorization of the department of health and family  
16 services, the authority may issue bonds or notes and make loans for the financing of  
17 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the  
18 development costs of those housing projects, if the department of health and family  
19 services has approved the residential facilities for financing under s. 46.28 (2). The  
20 limitations in ss. 234.18, 234.40, 234.50, 234.60, 234.63, and 234.65, ~~and 234.66~~ do  
21 not apply to bonds or notes issued under this section. The definition of "nonprofit  
22 corporation" in s. 234.01 (9) does not apply to this section.

**History:** 1983 a. 27; 1983 a. 81 s. 13; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29, 334; 1993 a. 437; 1995 a. 27 s. 9126 (19); 1997 a. 27 s. 3355c; Stats. 1997 s. 234.61; 2005 a. 75, 487.

1 SECTION 22. 234.63 (2) (b) of the statutes is amended to read:

2 234.63 (2) (b) The limits in ~~ss. 234.18 (1)~~ ss. 234.18, 234.40, 234.50, 234.60,  
3 234.61, and 234.65, ~~and 234.66~~ do not apply to bonds issued under par. (a).

NOTE: NOTE: The correct cross-reference is shown in brackets. Corrective legislation is pending. NOTE:

History: 2005 a. 487.

4 SECTION 23. 234.65 (1) (b) of the statutes is amended to read:

5 234.65 (1) (b) The limits in ss. 234.18, 234.40, 234.50, 234.60, and 234.61, and  
6 ~~234.66~~ do not apply to bonds or notes issued under this section.

History: 1983 a. 83, 192; 1985 a. 29 s. 3202 (28); 1985 a. 299, 334; 1987 a. 27, 186; 1989 a. 31, 78, 281; 1991 a. 37; 1993 a. 112, 243, 437; 1995 a. 27 s. 9116 (5); 1995 a. 56, 404; 1997 a. 27; 1999 a. 9, 85; 2001 a. 16; 2005 a. 75.

7 SECTION 24. 234.66 of the statutes is repealed.

8 SECTION 25. 560.01 (2) (a) of the statutes is renumbered 560.01 (2) (a) 1.

9 SECTION 26. 560.01 (2) (a) 2. of the statutes is created to read:

10 560.01 (2) (a) 2. Annually, no later than October 1, the department shall submit  
11 to the chief clerk of each house of the legislature for distribution to the legislature  
12 under s. 13.172 (2) a comprehensive report assessing economic development  
13 programs administered by the department. The report shall include a summary of  
14 each program, quantifiable performance measures directly related to the purpose of  
15 the program, a comparison of expected and actual program outcomes, a summary of  
16 program costs and benefits, and any recommended changes to the program.

17 SECTION 27. 560.03 (15) (intro.) of the statutes is amended to read:

18 560.03 (15) (intro.) ~~Annually, submit~~ Include in the report required under s.  
19 560.01 (2) (a) 2. a summary of the employment impact estimates required under s.  
20 560.034 (2) and a report ~~to the chief clerk of each house of the legislature, for~~  
21 ~~distribution to the legislature under s. 13.172 (2),~~ analyzing the use of industrial

Insert 8-8 ✓

1 revenue bond financing under s. 66.1103 and accurately reporting the benefits of that  
2 use, including the effect on employment in this state including, but not limited to:

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; Stats. 1971 s. 560.03; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362; 1983 a. 27, 83, 86, 90, 91, 192; 1985 a. 182 s. 57; 1985 a. 299; 1987 a. 27, 186; 1987 a. 399 s. 433; 1989 a. 317; 1991 a. 39, 302; 1993 a. 399; 1995 a. 27, 227; 1997 a. 27; 1999 a. 150 s. 672; 2001 a. 104; 2003 a. 255.

3 **SECTION 28.** 560.03 (26) of the statutes is amended to read:

4 560.03 (26) In cooperation with the department of financial institutions and  
5 the board of regents of the University of Wisconsin System, annually conduct and  
6 publish include in the report required under s. 560.01 (2) (a) 2. the results of a study  
7 of Wisconsin businesses to determine new business formation trends and identify  
8 obstacles faced by new Wisconsin businesses and areas where changes in  
9 governmental policy may satisfy the needs of new Wisconsin businesses. As part of  
10 the study, the department of commerce shall conduct a survey of Wisconsin  
11 businesses.

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; Stats. 1971 s. 560.03; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362; 1983 a. 27, 83, 86, 90, 91, 192; 1985 a. 182 s. 57; 1985 a. 299; 1987 a. 27, 186; 1987 a. 399 s. 433; 1989 a. 317; 1991 a. 39, 302; 1993 a. 399; 1995 a. 27, 227; 1997 a. 27; 1999 a. 150 s. 672; 2001 a. 104; 2003 a. 255.

12 **SECTION 29.** 560.038 of the statutes is repealed.

13 **SECTION 30.** 560.039 of the statutes is repealed.

14 **SECTION 31.** 560.07 (9) of the statutes is amended to read:

15 560.07 (9) ~~On or before July 1, 1985, and every July 1 thereafter, submit to the~~  
16 ~~chief clerk of each house of the legislature, for distribution to the appropriate~~  
17 ~~standing committees under s. 13.172 (3), a~~ <sup>strike extra space</sup> Include in the report ~~required under s.~~  
18 560.01 (2) (a) 2. stating information regarding the net jobs gain due to the funds  
19 provided to Forward Wisconsin, Inc., under s. 20.143 (1) (bm).

**History:** 1971 c. 321 ss. 11, 16; Stats. 1971 s. 560.04; 1979 c. 361 ss. 97, 99, 106; Stats. 1979 s. 560.07; 1983 a. 27, 381, 387; 1985 a. 29; 1987 a. 27, 186, 318, 399; 1991 a. 39; 1993 a. 399; 1995 a. 27; 2001 a. 103.

20 **SECTION 32.** 560.08 (2) (m) of the statutes is amended to read:

21 560.08 (2) (m) ~~No later than January 1 of each odd-numbered year, submit to~~  
22 ~~the investment board a~~ Include in the report ~~required under s. 560.01 (2) (a) 2.~~  
23 describing a description of the types of investments in businesses in this state which

1 will have the greatest likelihood of enhancing economic development in this state.  
 2 The department shall submit to the investment board a copy of the information  
 3 required under this paragraph.

4 History: 1971 c. 125; 1979 c. 361 ss. 32, 43, 44, 47, 88, 92; 1985 a. 53; 1989 a. 335; 1993 a. 75; 1995 a. 378.

**SECTION 33.** 560.081 (2) (i) of the statutes is amended to read:

5 560.081 (2) (i) As part of the report required under s. ~~15.04 (1) (d)~~ 560.01 (2)  
 6 (a) 2., include a report on the effects of the state main street program.

7 History: 1987 a. 109; 1993 a. 16; 1995 a. 27; 1999 a. 9.

**SECTION 34.** 560.10 of the statutes is repealed.

8 **SECTION 35.** 560.11 (1) (b) of the statutes is amended to read:

9 560.11 (1) (b) Periodically Include in the report required under s. 560.01 (2) (a)  
 10 2. information to the department of natural resources and to the administrator of the  
 11 ~~federal environmental protection agency~~ concerning the compliance of the state  
 12 small business stationary source technical and environmental compliance  
 13 assistance program with the federal paperwork reduction act, 44 USC 3501 to 3520,  
 14 the federal regulatory flexibility act, 5 USC 601 to 612, and the federal equal access  
 15 to justice act, 5 USC 504. The department shall submit to the department of natural  
 16 resources and <sup>to</sup> the administrator of the federal environmental protection agency a  
 17 copy of the information required under this paragraph.

18 History: 1991 a. 302; 1995 a. 227.

**SECTION 36.** 560.13 (7) of the statutes is amended to read:

19 560.13 (7) ~~On or before December 31, 1998, and annually thereafter,~~ <sup>strike extra space</sup> The  
 20 department shall submit a include in the report required under s. 560.01 (2) (a) 2.  
 21 an evaluation of ~~on~~ the effectiveness of the program under this section to the  
 22 legislature under s. 13.172 (2) and. The department shall provide to the governor

LPS: Please move text in brackets to after striking e 10 - 11

1 and the department of administration a copy of the evaluation required under this  
2 subsection.

3 History: 1997 a. 27; 1999 a. 9; 2001 a. 16.

3 **SECTION 37.** 560.137 (title) of the statutes is amended to read:

4 **560.137 (title) Gaming economic development grants and loans.**

5 History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

5 **SECTION 38.** 560.137 (2) (a) 2. of the statutes is amended to read:

6 560.137 (2) (a) 2. Make a grant ~~or loan~~ that does not exceed \$100,000 to a  
7 qualified business for fixed asset financing.

8 History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

8 **SECTION 39.** 560.137 (2) (bm) (intro.) of the statutes is amended to read:

9 560.137 (2) (bm) (intro.) The department may not make a grant ~~or loan~~ to a  
10 qualified business under this subsection unless the department determines all of the  
11 following:

12 History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

12 **SECTION 40.** 560.137 (2) (bm) 2. of the statutes is amended to read:

13 560.137 (2) (bm) 2. That the qualified business has a legitimate need for the  
14 grant ~~or loan~~ to improve the profitability of the business.

15 History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

15 **SECTION 41.** 560.137 (2) (c) of the statutes is amended to read:

16 560.137 (2) (c) As a condition of approval of a grant ~~or loan~~ under this  
17 subsection, the department shall require that the qualified business provide  
18 matching funds for at least 25% of the cost of the project. The department may waive  
19 the requirement under this paragraph if the department determines that the  
20 qualified business is subject to extreme financial hardship.

21 History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

21 **SECTION 42.** 560.137 (2) (d) of the statutes is amended to read:

1 560.137 (2) (d) The department may not award a grant or loan under this  
2 subsection to a qualified business for any purpose that is related to tourism unless  
3 the department of tourism concurs in the award.

History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

4 SECTION 43. 560.137 (2) (e) of the statutes is amended to read:

5 560.137 (2) (e) 1. The department shall deposit into the appropriation account  
6 under s. 20.143 (1) (ig) all moneys received in repayment of loans made under this  
7 subsection s. 560.137 (2), 2005 stats.

8 2. The department may forgive all or any part of a loan made under this  
9 subsection s. 560.137 (2), 2005 stats.

History: 1999 a. 9; 2001 a. 16; 2005 a. 25.

10 SECTION 44. 560.14 (3m) of the statutes is repealed.

11 SECTION 45. 560.155 (4) of the statutes is amended to read:

12 560.155 (4) ~~No later than January 31, 2002, the~~ The department shall include  
13 in the report required under s. 560.01 (2) (a) 2. submit to the legislature under s.  
14 13.172 (2) a report on an evaluation of the operation and effectiveness of the grant  
15 program under this section.

History: 1999 a. 177.

16 SECTION 46. 560.17 (5r) of the statutes is repealed.

17 SECTION 47. 560.17 (6m) (a) of the statutes is renumbered 560.17 (6m) and  
18 amended to read:

19 560.17 (6m) Except as provided in par. (b), in ~~in order to~~ <sup>g</sup> <sub>↓</sub> <sup>Tc</sup> <sub>↓</sub> receive a grant or loan  
20 under this section a person or business shall contribute cash, from a source other  
21 than the state, in an amount that equals at least 25% of the total cost of the project.

History: 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9, 2001 a. 16; 2001 a. 109 ss. 475, 484; 2005 a. 441.

22 SECTION 48. 560.17 (6m) (b) of the statutes is repealed.

23 SECTION 49. 560.17 (7) (a) of the statutes is amended to read:

LPS: Please move text in brackets to after "shall" @ 12-12.

1           560.17 (7) (a) Except as provided in par. (am), the department shall designate  
 2 staff to evaluate applications for grants or loans and assist the board under this  
 3 section. The board shall act on an application for a grant or loan at its next regularly  
 4 scheduled meeting after the department determines that the application is complete,  
 5 ~~except that the board shall act on an application for a loan under sub. (5r) and advise~~  
 6 ~~the applicant of its decision within 45 days after the department determines that the~~  
 7 ~~application is complete.~~ ✓

8 **History:** 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2001 a. 16; 2001 a. 109 ss. 475, 484; 2005 a. 441.

8           **SECTION 50.** 560.205 (3) (c) (intro.) of the statutes is amended to read:

9           560.205 (3) (c) *Annual report.* (intro.) ~~Annually, no later than September 15,~~  
 10 ~~the~~ The department shall submit a <sup>strike extra space</sup> include in the report required under s. 560.01 (2)  
 11 (a) 2. to the chief clerk of each house of the legislature for distribution to the  
 12 legislature under s. 13.172 (2), listing all of the following information:

13 **History:** 2003 a. 255; 2005 a. 49, 97.

13           **SECTION 51.** 560.38 of the statutes is amended to read:

14           **560.38 Department evaluation of program certified capital**  
 15 **investments.** ~~Beginning on March 31, 2000, and on March 31 of each~~  
 16 ~~even-numbered year thereafter, the department shall submit a report to the~~  
 17 ~~legislature under s. 13.172 (2) regarding the program under this subchapter. The~~  
 18 ~~department shall include in the report~~ required under s. 560.01 (2) (a) 2. shall include  
 19 all of the following:

20           (1) The total amount of certified capital investments made during the previous  
 21 2 calendar years year, as well as the total amount of certified capital investments  
 22 made since July 1, 1999.

23           (2) Statistical information on the qualified investments made by certified  
 24 capital companies during the previous 2 calendar years year.

LPS: Move text in brackets to after striking @ 13-12.

1           (3) The department's assessment of the number of jobs created in this state  
2 during the previous 2 calendar years year as a result of the certified capital company  
3 program under this subchapter.

4 History: 1997 a. 215.

4           **SECTION 52.** 560.42 (5) of the statutes is amended to read:

5           560.42 (5) REPORT. ~~Beginning in 2003 and biennially thereafter, the~~ Annually,  
6 the center shall prepare a report describing its activities under this section since the  
7 period covered in the previous report. The department shall submit the report with  
8 ~~the report required under s. 560.55.~~ The report may include recommendations for  
9 the legislature, governor, public records board, and regulatory agencies on  
10 simplifying the process of applying for permits, of reviewing and making  
11 determinations on permit applications, and of issuing permits, and shall include  
12 information on the number of requests for assistance, the types of assistance  
13 provided, and the center's success in resolving conflicts in permit application and  
14 review processes. The department shall include the information required under this  
15 subsection in the report required under s. 560.01 (2) (a) 2.

16 History: 1983 a. 91; 1985 a. 182 s. 57; 1987 a. 186; 1991 a. 39; 1993 a. 102; 1995 a. 27; 1997 a. 27; 2001 a. 16.

16           **SECTION 53.** 560.52 (1) (intro.) of the statutes is amended to read:

17           560.52 (1) INVENTORY. (intro.) The department shall prepare ~~and periodically,~~  
18 revise, and include in the report required under s. 560.01 (2) (a) 2. an inventory of  
19 existing entrepreneurial assistance programs offered in this state. In preparing the  
20 inventory, the department may do any of the following:

21 History: 1987 a. 320.

21           **SECTION 54.** 560.55 of the statutes is amended to read:

22           **560.55 Report.** ~~Beginning on October 15, 2003, and no later than October 15~~  
23 ~~of each odd-numbered year thereafter, the~~ The department shall submit to include  
24 in the governor and to the chief clerk of each house of the legislature, for distribution

1 to the legislature under s. 13.172 (2), a report <sup>strike extra space</sup> required under s. 560.01 (2) (a) 2. a  
 2 describing description of the department's activities and the result of the  
 3 department's activities under s. 560.54 since the period covered in the previous  
 4 report submitted under this section. The department shall ~~combine this report with~~  
 5 ~~the report required under s. 560.42 (5) and may combine this report with other~~  
 6 ~~reports published by the department, including the report under s. 15.04 (1) (d)~~  
 7 provide to the governor a copy of the information required under this section. The  
 8 report may include recommendations for legislative proposals to change the  
 9 entrepreneurial assistance programs and intermediary assistance programs.

History: 1987 a. 320; 2001 a. 16.

10 **SECTION 55.** 560.607 (2) of the statutes is repealed.

11 **SECTION 56.** 560.80 (3m) of the statutes is repealed.

12 **SECTION 57.** 560.80 (5) of the statutes is amended to read:

13 560.80 (5) "Eligible recipient" means a person who is eligible to receive a grant  
 14 under s. 560.82 (5) (a) ~~or 560.837~~ or a grant or loan under s. 560.83 (5) (a) or (b).

History: 1989 a. 31, 335; 1995 a. 27; 1997 a. 27, 79; 1999 a. 9; 2001 a. 16; 2003 a. 33.

15 **SECTION 58.** 560.80 (5m) of the statutes is repealed.

16 **SECTION 59.** 560.80 (11) of the statutes is amended to read:

17 560.80 (11) "Project" means a development project, an early planning project,  
 18 <sup>strike extra space</sup> a finance project, ~~an education and training project~~ or a revolving fund project.

History: 1989 a. 31, 335; 1995 a. 27; 1997 a. 27, 79; 1999 a. 9; 2001 a. 16; 2003 a. 33.

19 **SECTION 60.** 560.81 (4) of the statutes is repealed.

20 **SECTION 61.** 560.837 of the statutes is repealed.

21 **SECTION 62.** 560.84 (1) (f) of the statutes is amended to read:

22 560.84 (1) (f) That the project meets all criteria set forth in s. 560.82, or 560.83,  
 23 ~~or 560.837,~~ whichever is appropriate.

History: 1989 a. 31, 335; 1993 a. 16; 1995 a. 27; 1997 a. 27; 2003 a. 33.

1 SECTION 63. 560.84 (1) (j) of the statutes is amended to read:

2 560.84 (1) (j) If a development project, ~~finance project, or education and~~  
3 ~~training project,~~ that funds from the grant or loan will not be used to refinance  
4 existing debt.

History: 1989 a. 31, 335; 1993 a. 16; 1995 a. 27; 1997 a. 27; 2003 a. 33.

5 SECTION 64. 560.85 (3) (b) of the statutes is amended to read:

6 560.85 (3) (b) Develop procedures, with the approval of the board, to evaluate  
7 applications, monitor project performance, and audit grants and loans awarded for  
8 development projects under s. 560.83, projects under s. 560.835, 2001 stats., and  
9 finance projects and education and training projects under s. 560.837, 2005 stats.

History: 1989 a. 31, 335; 1993 a. 16, 75; 1997 a. 27; 2003 a. 33.

10 SECTION 65. 560.905 (2) of the statutes is amended to read:

11 560.905 (2) The standing committees of the senate and assembly with  
12 jurisdiction over science and technology shall advise the department concerning the  
13 administration of this subchapter. The department shall consider the advice of the  
14 committees in carrying out the functions under this subchapter. Annually, the ~~The~~  
15 department shall ~~submit a~~ <sup>single extra space</sup> include in the report required under s. 560.01 (2) (a) 2.  
16 information regarding the department's activities to the chief clerk of each house  
17 of the legislature for distribution under s. 13.172 (3) under this subchapter and shall  
18 request that the information required under this subsection be distributed to the  
19 standing committees with jurisdiction over science and technology.

History: 1989 a. 31.

20 SECTION 66. 560.91 of the statutes is repealed.

21 SECTION 67. 560.915 (2) and (3) of the statutes are repealed.

22 SECTION 68. 560.915 (4) (a) of the statutes is amended to read:

23 ~~560.915 (4) (a)~~ The department shall do all of the following:  
*renumbered 560.915 (4)(a) (intra.) and*

Please fix comp.

LPS: Please move the clause in brackets to after "development" 017-5

(B) (intro.)

- 1
- 2
- 3
- 4
- 5

560.915(4) (a) Prepare a biennial Until the year in or after which the earlier of the following occurs include in the report required under s. 560.01 (2) (a) 2, information on the disposition and repayment of moneys spent under sub. (2) s. 560.915 (2), 2005 stats., and request that the information required under this paragraph be distributed to the standing committees with jurisdiction over economic development.

History: 1989 a. 31; 1993 a. 243.

SECTION 69. 560.915 (4) (b) (intro.) of the statutes is repealed.

SECTION 70. 560.915 (4) (b) 1. of the statutes is renumbered 560.915 (4) (a) 1.

and amended to read:

560.915 (4) (a) 1. All financial assistance provided by the department under sub. (2) (b) s. 560.915 (2) (b), 2005 stats., has been repaid.

History: 1989 a. 31; 1993 a. 243.

SECTION 71. 560.915 (4) (b) 2. of the statutes is renumbered 560.915 (4) (a) 2.

and amended to read:

560.915 (4) (a) 2. The secretary certifies in the report that the department will not provide money to any fund under sub. (2) (b) s. 560.915 (2) (b), 2005 stats.

History: 1989 a. 31; 1993 a. 243.

SECTION 72. 560.915 (4) (c) of the statutes is amended to read:

560.915 (4) (c) Deposit all money received in repayment of financial assistance under sub. (2) (b) s. 560.915 (2) (b), 2005 stats., in the general fund.

History: 1989 a. 31; 1993 a. 243.

SECTION 73. 560.925 of the statutes is repealed.

SECTION 74. 560.935 of the statutes is repealed.

(END)

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

LRB-2783/P1dn

TKK./:....

Wlj

To Senator Sullivan and Representative Jeskewitz, Joint Legislative Audit Committee  
cochairs:

This is a very preliminary draft proposing revisions to and consolidations and deletions of certain state economic development programs administered primarily by the Department of Commerce.

Please carefully consider the comprehensive economic development reporting requirement at ~~Section 26~~ of the draft. *in proposed s. 560.01 (2)(a) 2.*

I have one question for you regarding this draft:

*this draft amends*

Section 25.17 (70) (intro.), stats., contains a cross-reference to s. 560.08 (2) (m), which is amended at ~~Section 32~~ of this draft. I amended s. 25.17 (70) (intro.), stats., at ~~Section 12~~ of the draft.

*In this draft* \* Under current law, s. 25.17 (7) requires the State of Wisconsin Investment Board (Board), in consultation with the department of commerce, to submit to the governor and the legislature a plan for making investments in this state. The plan is to be submitted no later than June 30 of every odd-numbered year, or six months after the Board has received the information required of Commerce under s. 560.08 (2) (m).

Section 25.17 (70), as amended, still requires the Board to submit the plan to the governor and the legislature six months after it receives the information required of Commerce under s. 560.08 (2) (m), but the frequency of the plan preparation is now once every year. Okay?

I look forward to working with you on this draft.

Tracy K. Kuczenski  
Legislative Attorney  
Phone: (608) 266-9867  
E-mail: tracy.kuczenski@legis.wisconsin.gov

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

LRB-2783/P1ins  
TKK:.....

*insert analysis*

**INSERT ANALYSIS**

Under current law, Commerce must do all of the following:

1. Submit a biennial report to the legislature on the performance and operations of Commerce in the preceding biennium.
2. Periodically prepare an inventory of existing entrepreneurial assistance programs in Wisconsin.
3. Prepare a report documenting the results of an annual survey of Wisconsin businesses concerning the formation of businesses and obstacles to the formation of businesses in Wisconsin.
4. Prepare employment impact estimates related to industrial development revenue bonding.
5. Submit a report to the State of Wisconsin Investment Board describing the types of investments in businesses in Wisconsin that will have the greatest likelihood of enhancing economic development in Wisconsin.
6. Submit a report to both the Department of Natural Resources and the federal Environmental Protection Agency concerning the compliance of the state small business stationary source technical and environmental compliance assistance program with certain federal laws.

*LPS:  
Please  
fix  
spacing  
for  
analysis*

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

LRB-2783/P1ins  
TKK:.....

1           Insert 5-4

2           ~~SECTION 1.~~ 20.505 (8) (hm) 2m. of the statutes is repealed.

3           Insert 6-3

4           ~~SECTION 2.~~ 93.46 (2) (e) of the statutes is repealed.

5           Insert 8-8

6           ~~SECTION 3.~~ 560.01 (2) (a) (title) of the statutes is amended to read:

7           560.01 (2) (a) (title) *State economic policy and comprehensive economic*  
8           *development report.*

**History:** 1971 c. 321; 1977 c. 29; 1979 c. 361; 1983 a. 27; 1993 a. 399; 1995 a. 27; 2001 a. 103.

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

LRB-2783/P1dn  
TKK:wlj:jf

June 1, 2007

To Senator Sullivan and Representative Jeskewitz, Joint Legislative Audit Committee Cochairs:

This is a very preliminary draft proposing revisions to and consolidations and deletions of certain state economic development programs administered primarily by the Department of Commerce.

Please carefully consider the comprehensive economic development reporting requirement in proposed s. 560.01 (2) (a) 2. of the draft.

I have one question for you regarding this draft:

Section 25.17 (70) (intro.), stats., contains a cross-reference to s. 560.08 (2) (m), which this draft amends. In this draft I amended s. 25.17 (70) (intro.), stats., at Section 13 of the draft.

Under current law, s. 25.17 (70) requires the State of Wisconsin Investment Board (board), in consultation with the Department of Commerce, to submit to the governor and the legislature a plan for making investments in this state. The plan is to be submitted no later than June 30 of every odd-numbered year, or six months after the board has received the information required of Commerce under s. 560.08 (2) (m).

Section 25.17 (70), as amended, still requires the board to submit the plan to the governor and the legislature six months after it receives the information required of Commerce under s. 560.08 (2) (m), but the frequency of the plan preparation is now once every year. Okay?

I look forward to working with you on this draft.

Tracy K. Kuczenski  
Legislative Attorney  
Phone: (608) 266-9867  
E-mail: [tracy.kuczenski@legis.wisconsin.gov](mailto:tracy.kuczenski@legis.wisconsin.gov)

**Barman, Mike**

---

**From:** Hanaman, Cathlene  
**Sent:** Friday, June 01, 2007 2:38 PM  
**To:** Christina Duerst; Lori Northrop; Mike Barman; Sarah Basford

For some reason TTK had two versions of -2783/p1dn (one was in a b folder). E-mail at submittal chose the wrong one in the wrong folder. I deleted the incorrect one. Could you send a new -2783 with d-note?

Revised from June mtg. (Distributed to working group by  
LAB on 7/26/07)

**Legislative Options for the  
Joint Legislative Audit Committee Workgroup on Economic Development**

- I. Consolidate or eliminate three programs administered by the Department of Commerce that are funded with Indian gaming revenue and duplicate other programs:
- 1) Economic Diversification Early Planning Grants (program 55, from report 06-9) – From fiscal year (FY) 2001-02 through FY 2004-05, it provided 11 grants totaling \$77,500 to individuals and businesses to develop business plans for projects that will remediate contaminated property or diversify the local economy. The program's purpose duplicates other planning programs for individuals and businesses, including: Commerce's Economic Impact Early Planning Grants (program 57), Rural Early Planning Grants (program 84), and Urban Early Planning Grants (program 107).
  - 2) Economic Diversification Grants and Loans (program 56) – From FY 2001-02 through FY 2004-05, it provided 34 grants and loans totaling \$4.9 million to businesses to remediate contaminated property or to diversify the local economy. Eligible activities include purchasing land, constructing buildings, remodeling facilities, or purchasing equipment. This program's purpose duplicates several other programs, including: Commerce's Brownfields Grant Program (program 25); Community Development Block Grant (CDBG) Blight Elimination and Brownfields Redevelopment (program 40); CDBG Economic Development Grants and Loans (program 42); Rural Economic Development Grants and Loans (program 85); Wisconsin Development Fund - Major Economic Development Program (program 101); and the Brownfield Site Assessment Grant Program (program 112), which is administered by the Department of Natural Resources (DNR).
  - 3) Economic Impact Early Planning Grants (program 57) – From FY 2001-02 through FY 2004-05, it provided 12 grants totaling \$35,100 to individuals and businesses negatively affected by casino gaming to develop business plans. The program's purpose duplicates other planning programs for individuals and businesses, including: Commerce's Economic Diversification Early Planning Grants (program 55), Rural Early Planning Grants (program 84), and Urban Early Planning Grants (program 107).

Options

- A. Eliminate all three programs, which would result in savings of \$5.1 million program revenue (PR) for the 2007-09 biennium (based on Senate Substitute Amendment I to 2007 Senate Bill 40, the 2007-09 biennial budget bill). *JE. Finance*

*Reorganized  
Indian gaming  
fund.*

*↓  
This funds  
lots of other  
programs in addition to econ develop.*

*b/c of level of duplication, feasible to eliminate all*

B. Consolidate the three gaming revenue-funded programs into a single program that provides economic diversification grants and loans, and fund the new program using all Indian gaming revenue currently designated for economic development programs, which is \$5.1 million PR for the 2007-09 biennium.



C. Eliminate the two smaller programs—Economic Diversification Early Planning Grants (program 55) and Economic Impact Early Planning Grants (program 57)—and allocate \$4.9 million PR over the 2007-09 biennium for the remaining program—Economic Diversification Grants and Loans (program 56).

D. Make no change.

II. The Legislature could consider consolidating four brownfields remediation programs, which are administered by Commerce and DNR:

- 1) The Brownfields Grant Program (program 25) is administered by Commerce. From FY 2001-02 through FY 2004-05, it provided 47 grants totaling \$19.4 million to businesses, local governments, and organizations to remediate contaminated industrial and commercial properties.
- 2) CDBG Blight Elimination and Brownfields Redevelopment (program 40) is administered by Commerce. From FY 2001-02 through FY 2004-05, it provided ten grants totaling \$3.2 million to local governments to assess and remediate contamination on commercial and industrial sites.
- 3) Brownfield Site Assessment Grant Program (program 112) is administered by DNR. From FY 2001-02 through FY 2004-05, it provided 196 grants totaling \$6.8 million to local governments to assess and remediate contaminated industrial and commercial properties.
- 4) Dry Cleaner Environmental Response Fund Program (program 113) is administered by DNR. From FY 2001-02 through FY 2004-05, it provided 82 grants totaling \$3.9 million to investigate and remediate contamination from dry cleaning solvents at current and former dry cleaning facilities and to prepare these sites for future redevelopment.

*\$33mil. over last biennium*

Options

A. Consolidate all four programs into one program administered by Commerce. Set funding levels at amounts designated by Senate Substitute Amendment 1 to 2007 Senate Bill 40.

B. Consolidate all four programs into one program administered by DNR. Set funding levels at amounts designated by Senate Substitute Amendment 1 to 2007 Senate Bill 40.

s. 560.045  
s. 560.13

Pav

hold off  
for now  
(1/2 of Roesler's  
concerns)

C. Consolidate within Commerce the two programs it administers— Brownfields Grant Program (program 25) and CDBG Blight Elimination and Brownfields Redevelopment (program 40); and consolidate within DNR the two programs it administers—Brownfield Site Assessment Grant Program (program 112) and Dry Cleaner Environmental Response Fund Program (program 113). Set funding levels at amounts designated by Senate Substitute Amendment 1 to 2007 Senate Bill 40.

? Not clear how to consolidate:  
• CDBG \$ is federal  
• Brownfields grant \$ is  
• EPR / env fund

D. Make no change.

III. The Legislature could consider consolidating several grant and loan programs for minority business development, which are administered by Commerce:

- 1) Minority Business Development Grants and Loans (program 66) – From FY 2001-02 through FY 2004-05, it provided 25 loans totaling \$1.3 million to minority-owned businesses to assist with start-up and expansion costs. Funds may be used for operating expenses or to purchase land, pay construction costs, acquire existing businesses, or purchase equipment.
- 2) Minority Business Revolving Loan Fund Grants (program 69) – From FY 2001-02 through FY 2004-05, it provided one grant for \$100,000 to a local economic development corporation. Funds may be used to establish, expand, or continue a revolving loan fund that benefits minority-owned businesses or minority group members.
- 3) Minority Early Planning Grants (program 70) – From FY 2001-02 through FY 2004-05, it provided 98 grants totaling \$298,400 to minority-owned businesses to develop business plans.
- 4) Minority Entrepreneurial Training Grants (program 71) – From FY 2001-02 through FY 2004-05, it provided 221 grants totaling \$179,100 for tuition reimbursement to prospective minority business owners. Reimbursement may be for up to 75 percent of the cost of attending entrepreneurial training classes provided by UW Small Business Development Centers.

Options

A. Consolidate all four programs into one program administered by Commerce and set funding levels at amounts designated by Senate Substitute Amendment 1 to 2007 Senate Bill 40.



B. Make no change.

*general*

IV. The Legislature could consider consolidating or eliminating three similar programs that Commerce has created under the authority granted in s. 560.155, Wis. Stats., for the establishment of employee training grants. Businesses may use the grants to train new or existing employees. Eligible training costs are tuition and materials directly related to the employee's work requirements, but not wages. The three programs include:

*Comm has established three former programs under its 560.155 authority*

- Minority Business Employees Skills Training (program 67). From FY 2001-02 through FY 2004-05, it provided three grants totaling \$15,000.
- Rural Business Employees Skills Training (program 83). From FY 2001-02 through FY 2004-05, it provided 27 grants totaling \$131,500.
- Business Employees Skills Training (program 97). From FY 2001-02 through FY 2004-05, it provided 48 grants totaling \$199,500.

*separate programs b/c operated & administered separately.*

These programs duplicate the Workforce Advancement Training Grants program administered by the Wisconsin Technical College System, which was created by 2005 Wisconsin Act 25 and can also be used by businesses to train employees. A total of \$2.0 million in general purpose revenue (GPR) was appropriated for this program for the 2005-07 biennium. Senate Substitute Amendment 1 to 2007 Senate Bill 40 proposes funding of \$2.0 million GPR in FY 2007-08 and \$3.0 million GPR in FY 2008-09.

*the \$ dwarfs these smaller training grants*

Options

*(3)HS?*

- Direct Commerce to consolidate the three programs into a single program and make no changes to program funding. *these are all under s. 560.155 - broad authority. How to consolidate?*
- Eliminate Commerce's authority to award employee training grants under s. 560.155, Wis. Stats., in recognition of the creation of the much larger Workforce Advancement Training Grants program, and make no reductions to the appropriations that support these programs. This would allow Commerce to use these funds for other existing economic development programs.
- Eliminate Commerce's authority to award employee training grants under s. 560.155, Wis. Stats., in recognition of the creation of the much larger Workforce Advancement Training Grants program, and reduce the appropriations that support these programs by the average amount spent for these programs over the prior two biennia. This would result in reductions of approximately \$4,500 PR and \$3,500 GPR to the Minority Development Fund appropriations [s. 20.143(1)(im) and s. 20.143(1)(fm), respectively].

*160 Technical college District, not a Tech college in every county, but branches; satellite access.*

In addition, it would result in reductions of approximately \$55,000 GPR and \$11,000 PR to the rural economic development program appropriations [s. 20.143(1)(er) and s. 20.143(1)(ir), respectively], as well as reductions of approximately \$67,000 GPR and \$33,000 PR to the Wisconsin Development Fund [s. 20.143(1)(c) and s. 20.143(1)(ie), respectively].

D. Make no change.

V. Finally, the Legislature could consider consolidating seven development zone programs administered by Commerce. Every part of Wisconsin is included in at least one type of development zone, and tax credits awarded to businesses under these programs are based on similar requirements. All zone programs award tax credits for job creation. With the exception of the Enterprise Zone Program, all programs also provide credits for environmental remediation expenses, and four of the programs—Airport Development Zone Program, Agricultural Development Zone Program, Development Opportunity Zone Program, and Technology Zone Program—provide tax credits for capital investments.

- 1) Airport Development Zone Program (created by 2005 Wisconsin Act 487) – offers tax credits to businesses that locate or expand within designated zones. The program is in development, but it will award credits based on the number of full-time jobs created, capital investments, and environmental remediation expenses. Commerce must consider areas that are economically disadvantaged. 560.7995
- 2) Agricultural Development Zone Program (program 47) – offers tax credits to agricultural businesses that locate or expand in one of four designated zones. Credits are awarded based on the number of full-time jobs created or retained, capital investments, and environmental remediation expenses. The 18 counties not designated as technology zones are designated as agricultural development zones. A total of \$839,800 in tax credits were awarded from 2001 to 2004. ? s. 560.798(2)(a)  
permits only  
one  
ADZ?
- 3) Community Development Zone Program (program 48) – offers tax credits to businesses that locate or expand in a designated zone. Credits are awarded based on the number of full-time jobs created or retained and environmental remediation expenses. Twenty-two zones have been designated in areas that are economically disadvantaged. A total of \$7.3 million in tax credits were awarded from 2001 to 2004. 560.70-.785  
L
- 4) Development Opportunity Zone Program (program 49) – offers tax credits to businesses that locate or expand in a legislatively designated zone. Credits are awarded based on the number of full-time jobs created or retained, capital investments, and environmental remediation expenses. Six zones have been 560.795

NOTE:  
definition  
under s. 560.790  
do not apply to:  
ss. 560.792  
560.798  
.799  
.7995  
560.96

ED

ED

misleading  
nomenclature;  
should be  
JIA "D.Z.P."

designated by statute. A total of \$4.7 million in tax credits were awarded from 2001 to 2004.

ED

see 560.785

- 5) Enterprise Zones Program (created by 2005 Wisconsin Act 361) – offers tax credits to businesses that locate or expand in a designated zone. The program is in development, but it will award credits based on job creation, wages paid, and employee training costs. Commerce must consider areas that are economically disadvantaged. *Is not perceive as "greatest economic need"?*

560.799  
diff def. of tax benefits

ED

see 560.785

- 6) Enterprise Development Zone Program (program 50) – offers tax credits to businesses that locate or expand in a designated zone. Credits are awarded based on the number of full-time jobs created or retained and environmental remediation expenses. As of June 30, 2005, 62 zones had been designated in areas that are economically disadvantaged. A total of \$41.2 million in tax credits were awarded from 2001 to 2004.

560.797  
def. under  
560.70

- 7) Technology Zone Program (program 51) – offers tax credits to technology-based businesses that locate or expand in one of eight designated zones. Credits are awarded based on the number of full-time jobs created or retained, capital investments, environmental remediation expenses, property taxes paid, and new employee wages. The 54 counties not designated as agricultural development zones are designated as technology zones. A total of \$2.3 million in tax credits were awarded from 2001 to 2004.

560.96

Options

paired

- A. Consolidate all seven programs into a single development zone program that awards tax credits for full-time jobs created, employees retained, and capital investment. Encourage the allocation of tax credits to businesses that locate or expand in economically distressed areas.
- B. Consolidate all seven programs into a single development zone program that awards tax credits for full-time jobs created, employees retained, and capital investment. Require that at least two-thirds of the tax credits be awarded to businesses locating or expanding in economically distressed areas.

paired w/D

- C. Consolidate five of the seven programs with the most similar goals and eligible activities—Agricultural Development Zone Program (program 47), Community Development Zone Program (program 48), Development Opportunity Zone Program (program 49), Enterprise Development Zone Program (program 50), and Technology Zone Program (program 51). Allow Airport Development Zones and Enterprise Zones to remain as separate programs. Encourage the allocation of tax credits to businesses that locate or expand in economically distressed areas.

?

D. Consolidate five of the seven programs with the most similar goals and eligible activities—Agricultural Development Zone Program (program 47), Community Development Zone Program (program 48), Development Opportunity Zone Program (program 49), Enterprise Development Zone Program (program 50), and Technology Zone Program (program 51). Allow Airport Development Zones and Enterprise Zones to remain as separate programs. Require that at least two-thirds of the remaining tax credits be awarded to businesses locating or expanding in economically distressed areas.

E. Make no change.

↳ add reporting & accountability measures

arbitrary but  
meant to  
recognize that  
legislative intent  
was to target  
economically  
distressed

### Improving Accountability for Grant and Loan Programs

To enhance accountability for the expenditure of public funds, the Legislature could place specific requirements on agencies that award economic development grants and loans, which include the departments of Agriculture, Trade and Consumer Protection; Commerce; Natural Resources; Tourism; Transportation; the Wisconsin Housing and Economic Development Authority; the Wisconsin Technical College System; and some University of Wisconsin institutions.

The Legislature could require that agencies develop clear, measurable goals tied to the grant and loan funds they award. This could, for example, include requiring agencies to:

- establish specific programmatic goals for each of the grant and loan programs they administer and ensure that each goal is directly related to specific legislative policy objectives;
- establish at least one quantifiable benchmark for each program goal;
- specify in contracts with grant and loan recipients the type of information on actual performance that recipients will be required to report, such as the number of jobs created and employees trained, as well as specify the frequency and format for reporting the required information;
- compare information on the projected or anticipated results of each goal with actual outcomes; and
- for a sample of grants and loans, independently verify the information contained in recipients' reports on an annual basis.

↳ COMM

### Options

A. Require Commerce to implement each of the five points noted above for each of the grant and loan programs it administers.

B. Require all departments administering economic development programs—Agriculture, Trade and Consumer Protection; Commerce; Natural

Resources; Tourism; Transportation; the Wisconsin Housing and Economic Development Authority; the University of Wisconsin System; and the Wisconsin Technical College System—to implement each of the five points noted above for each of the grant and loan programs they administer.

- C. Require all departments administering economic development programs to implement each of the five points noted above for each of the grant and loan programs they administer, and require Commerce to coordinate establishment of these accountability measures among the agencies to ensure they are adequate and effective.

D. Make no change.

*CT to combine with D B*

*Coord. to est. of programmatic goals & accountability measures under*

### Increasing Transparency

Currently, state agencies provide limited information to the public about projects receiving state economic development assistance. Other states, including Minnesota and Illinois, have implemented measures to inform taxpayers about how state funds are used to assist businesses, local governments, and other organizations.

To improve the transparency in the use of state funds for economic development projects, the Legislature could, for example, require Commerce to include in its annual legislative report on economic development programs information on:

- the number of grants made;
- the number of loans made;
- the amount of each grant and loan;
- the recipient of each award; and
- the total amount of grants and loans received by each recipient.

To be most useful, this information could be combined with data on program performance and compiled into a report published on the Internet. However, it is likely that the development and maintenance of an Internet-based reporting system would require additional resources.

### Options

- A. Require Commerce to include in its annual legislative report on economic development programs information on each of the five points noted above for each of the grant and loan programs it administers.

- B. Require all departments administering economic development programs—Agriculture, Trade and Consumer Protection; Commerce; Natural Resources; Tourism; Transportation; the Wisconsin Housing and Economic Development Authority; the University of Wisconsin System; and the Wisconsin Technical College System—to prepare annual legislative reports that include information on each of the five points noted above for each of the grant and loan programs they administer.
- C. Require all departments administering economic development programs to prepare annual legislative reports that include information on each of the five points noted above for each of the grant and loan programs they administer, as well as data on the goals established and the actual outcomes achieved.
- D. Require Commerce, in collaboration with other agencies administering economic development programs, to establish an Internet-based reporting system that provides easily accessible public information on the number of grants made; the number of loans made; the amount of each grant and loan; the recipient of each award; and the total amount of grants and loans received by each recipient.
- E. Require Commerce, in collaboration with other agencies administering economic development programs, to establish an Internet-based reporting system that provides easily accessible public information on the number of grants made; the number of loans made; the amount of each grant and loan; the recipient of each award; and the total amount of grants and loans received by each recipient. In addition, require Commerce and other agencies administering economic development programs to include in each report data on the goals established and the actual outcomes achieved.
- F. Make no change.

annual

to the legislature

[ A - P ]  
combined

point of entry?

AFF

## Kuczenski, Tracy

---

**From:** Roessler, Carol  
**Sent:** Monday, August 06, 2007 10:22 AM  
**To:** Sen.Sullivan; Rep.Jeskewitz; Sen.Cowles; Sen.Lassa; Sen.Vinehout; Sen.Roessler; Rep.Strachota; Rep.Fields; Rep.Parisi; Matthews, Pam; Rosser, Lewis; Mueller, Janice; Chrisman, James; Stuber, Paul; Shannon, Pam; Kuczenski, Tracy; Sundberg, Christopher; Matthias, Mary; Grosz, Scott; Handrick, Diane; Summerfield, Craig; Frings, Roger; Smith, Ryan; Wilson, Danielle; Groves Batiza, Monica; Kleinschmidt, Linda; Buschman, Sara; Urban, Pamela; Riley, Neci; Vander Meer2, John; Whitmore, Lori; Asbjornson, Karen  
**Subject:** Re: Recommendation for Change to Option II on Econ. Development Workgroup draft

Dear Economic Development Workgroup members:

I regret I was not at the last workgroup meeting. The Co-chairs of this workgroup recommended that I send my suggestion for a minor change on Option II to the full workgroup for comment and discussion. Option II has to do with brownfield program consolidation.

In reviewing the actions of the workgroup meeting I'm bringing a concern to your attention I have with choosing option C for point number II. Option C would consolidate two Department of Commerce and two Department of Natural Resources (DNR) brownfield remediation programs within each of their respective departments. I understand that this consolidation might not impact the funding or staffing level; however in the case of the two DNR programs under consideration for consolidation, they have two very different funding sources and reason for their program creation.

The Brownfield Site Assessment Grant Program (SAG) is funded by revenues deposited into the Environmental Fund from a number of sources (e.g., tipping fees, vehicle registration, hazardous waste fees, etc.), whereas the Dry Cleaner Environmental Response Fund Program (DERF) program is funded solely by drycleaners fees that are paid into the program to be used for drycleaner business cleanups as well as department staff funding.

The SAG program is a competitive grant bidding program where cleanup proposals are reviewed, ranked, and awarded based on criteria. The DERF program is a reimbursement program for eligible drycleaner sites.

I have strong concerns with combining the SAG and DERF programs given DERF was created by and for an industry to finance their own (drycleaner) cleanups. Also, SAG and DERF were never intended to be economic development programs because neither program is required to look at economic factors as a condition of giving out the funds, unlike the brownfield grant programs at Commerce. In fact, SAG was created because the Commerce brownfield grants weren't addressing these environmental programs. Unlike some of the other programs under our review for consolidation, the DERF program has a program revenue funding source and by moving it, we might put at jeopardy the integrity of this fund. Thus, it's the drycleaners' money and it's a reimbursement program for eligible sites. Projects eligible for DERF don't have to be a brownfields, whereas they do for SAG.

In addition, I believe the drycleaners would be very concerned that their program would be combined with another program especially during budget deliberations given they are advocating and supporting an increase in their drycleaner fees in the biennial budget given the increasing need for drycleaner cleanups. The drycleaners could have a valid concern that their potential increase in fees could go to other programs or staff not directly linked to drycleaner cleanups, which was the intention of the legislature when this fee was originally approved.

Thus, **I recommend that we only consolidate the Commerce brownfield programs mentioned under Item II, not the DNR brownfields programs.** I look forward to your review of my concerns and hope you will agree. I welcome any comments or concerns with my request. Thank you!

Sincerely,

CAROL ROESSLER  
State Senator  
18th Senate District

**Kuczenski, Tracy**

---

**From:** Asbjornson, Karen  
**Sent:** Friday, July 27, 2007 11:09 AM  
**To:** Stuiber, Paul; Kuczenski, Tracy  
**Cc:** Mueller, Janice  
**Subject:** Re: Number II Econ Dev Proposal

Hi Paul and Tracy,

Senator Roessler and I had a discussion last night after the meeting and I didn't see any major concerns in consolidating the Brownfield Site Assessment Grant (SAG) Program and the Dry Cleaner Environmental Response Fund Program (DERF)...but, I was looking at it big picture and how if it is kept under DNR that would be best, but I wasn't looking at the programs on the micro level and how they are funded and staffed.

Thus, I have some lingering questions on what Number II Option C actually means...  
...Did we decide yesterday to just consolidate the staff and funding for the SAG and DERF programs under the Bureau of Remediation and Redevelopment? Or...  
...Does this consolidation get rid of any of the staff at DNR? (please note the three DERF staff are funding by the drycleaner fee)  
...Does this consolidation combine funding for the two programs? (Carol has concerns that we can't take drycleaner fees and lump them into another funding source)

I've included part of a LFB paper (see below) done by Kendra Bonderud on the Dry Cleaner Fund.

Karen Asbjornson  
Office of Senator Roessler  
1-888-736-8720/608-266-5300  
Karen.Asbjornson@legis.wi.gov

**Appropriations**

In 2006-07, DNR is provided with \$207,200 with 3.0 positions from the segregated dry cleaner environmental response fund for administration of the financial assistance and remediation components of the program. This includes \$143,700 with 2.0 positions in the Bureau for Remediation and Redevelopment to administer cleanup requirements and \$71,100 with 1.0 position in the Bureau of Community Financial Assistance to administer financial assistance requirements. DNR is appropriated \$2,600,000 in 2005-06 and \$1,050,000 in 2006-07 in a biennial appropriation for financial assistance awards under the program. In 2006-07, DOR is provided with \$57,400 with 1.0 position to collect the revenues under the program.

<http://www.legis.state.wi.us/lfb/Informationalpapers/63.pdf>

8/16/2007

## Kuczenski, Tracy

---

**From:** Stuiber, Paul  
**Sent:** Wednesday, August 22, 2007 10:18 AM  
**To:** Kuczenski, Tracy  
**Subject:** FW: Economic Distress

Tracy,

I thought this information might help you with the definition of economic distress.

Paul Stuiber  
*Deputy State Auditor for Program Evaluation*  
Legislative Audit Bureau  
22 E. Mifflin Street, Suite 500  
Madison, WI 53703-4225  
(608) 266-2818

---

**From:** Schill, Allison  
**Sent:** Wednesday, August 22, 2007 8:57 AM  
**To:** Stuiber, Paul  
**Subject:** Economic Distress

Economic distress is discussed starting on the bottom of p. 59 of the report. The three common measures we used are bulleted on p. 60. We defined economic distress in a county as:

- an unemployment rate greater than or equal to the 2003 statewide average of 5.6 percent;
- a poverty rate greater than or equal to the 2003 statewide average of 9.0 percent; and
- per capita personal income less than or equal to the 2003 statewide average of \$30,685.

The related workpaper is O-3 Analysis of Economic Distress (for grant & loan programs).

### Economic Distress for Development Zone Programs

In Appendix 1, programs 48 (Community Development Zone), and 50 (Enterprise Development Zone) Commerce considers economic distress factors when designating a zone. In the program description column of Appendix 1, economic distress for these programs is described as (1) high unemployment; (2) low household income; and (3) a high number of recently laid off employees.

The newly created Enterprise Zones program must also consider factors of economic distress when establishing zones. Chapter 560.799(3)(b) states:

*"...the department shall consider all of the following: Indicators of the area's economic need, which may include data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, the existence of resources available to the area; the effect of designation on other initiatives and programs to promote economic and community development in the area, including job creation and job training and creating high-paying jobs."*

I don't have an electronic copy of the last Zones table that went with that letter, so I couldn't add a column to it. If you'd like to send a copy to me I can do that, too.

21.07 (20j)

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

LRB-2783/P2dn  
TKK:bjk:pg

September 4, 2007

To Senator Sullivan and Representative Jeskewitz, Joint Legislative Audit Committee Cochairs:

This draft is offered in response to the Committee's instructions at the July 26, 2007 meeting of the Joint Legislative Audit Committee Working Group on Economic Development. The draft does all of the following:

I. Efficiency. Makes a number of changes to economic development programs administered by the department of commerce (Commerce), including eliminating and consolidating programs.

II. Accountability. Requires Commerce and all other departments and independent agencies that administer economic development grant and loan programs to establish programmatic goals for these programs, require more detailed reporting from recipients of grants and loans, and independently verify the reported data.

III. Transparency. Requires Commerce and all other departments and independent agencies that administer economic development grant and loan programs to annually report to the legislature and make available to the public on the Internet the number, dollar amount, and recipient of economic development grants and loans.

Please review the draft carefully to ensure that I have accomplished your intent. I have the following questions:

1. *Employee Skills Training*. The committee directed me to direct Commerce to consolidate three employee skills training programs created by Commerce under the authority granted in s. 560.155: minority business employees skills training, rural business employees skills training, and business employees skills training. These are not separate programs under the statutes. In order to accomplish this consolidation, I withdrew authority from Commerce to consider other factors in the awarding of grants under this section. Okay?

2. *Brownfields*.

a. The committee directed me to consolidate the two brownfields programs administered by the Department of Natural Resources into one program. On August 6, Senator Roessler submitted an e-mail that raised some concerns about the implications of consolidating two programs with two different funding sources.

Because there is an open question about the viability of making this change, these two DNR brownfields programs were not consolidated in this draft.

b. The committee directed me to consolidate two Commerce-administered brownfields programs: the community development block grant administration under s. 560.045 and the brownfields grant program under s. 560.13. These two programs also have different funding sources and serve different purposes with different eligibility criteria. For that reason, I was reluctant to integrate the language from these two sections.

I repealed s. 560.045 and folded all of the language from that section into a separate, stand-alone subsection under s. 560.13. However, I am not sure what this consolidation accomplishes.

3. *Development and enterprise zones.* The committee directed me to follow "Option E" (Make no change) outlined in the Audit Bureau's Legislative Options document. However, the committee also instructed me to require that 2/3 of the remaining tax credits be awarded to businesses locating or expanding in economically distressed areas and to define "economically distressed". I have several questions about this instruction:

a. I proceeded under the assumption that the committee wanted the 2/3 requirement to apply only to those development and enterprise zones programs that require the department to consider economic distress under current law: 1) the development zone program; 2) the enterprise development zone program; 3) the enterprise zone program; and 4) the airport development zone program. Is that a correct assumption?

b. Are you comfortable with the definition of "economically distressed"?

4. *Consolidation of minority business grant and loan programs.*

The committee directed me to consolidate three minority business grant and loan programs: minority business early planning grants, minority business development grants and loans, and minority business revolving fund grants and loans. To accomplish this consolidation, the bill repeals s. 560.81 and rennumbers of ss. 560.82 and 560.83 into one single new section, s. 560.836. Technically, the programs are consolidated. Substantively, however, no changes are made to the eligibility or application requirements of these separate grant and loan programs or to the purposes for which the grant and loan moneys received under these programs may be spent.

Does this "consolidation" accomplish the intent of either the committee or the Audit Bureau? If not, how would you like me to proceed to change the eligibility or application requirements or purposes for which the grant and loan moneys may be spent?

I look forward to working with you on this draft.

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