

State of Wisconsin



2009 Senate Bill 409

Date of enactment: **May 10, 2010**
Date of publication*: **May 24, 2010**

2009 WISCONSIN ACT 265

(Vetoed in Part)

AN ACT *to repeal* 20.143 (1) (cp), 20.285 (1) (eg), 36.25 (54), 560.30 (1), 560.41 (3), 560.42 (1), 560.60 (1s) and 560.685; *to renumber* 560.41 (1); *to renumber and amend* 560.205 (3) (d) and 560.41 (1m); *to amend* 20.143 (1) (c), 20.143 (1) (d), 20.143 (1) (fi), 20.143 (1) (gc) (title), 20.143 (1) (ie), 20.143 (1) (ig), 20.143 (1) (im), 20.143 (1) (io), 20.143 (1) (ir), 20.143 (1) (kj), 38.41 (3) (d), 71.05 (6) (a) 15., 71.07 (3q) (c) 3., **71.07 (5b) (b) 1., 71.07 (5b) (b) 2., 71.21 (4), 71.26 (2) (a) 4., 71.28 (3q) (c) 3., 71.28 (5b) (b) 1., 71.28 (5b) (b) 2., 71.34 (1k) (g), 71.45 (2) (a) 10., 71.47 (3q) (c) 3., 71.47 (5b) (b) 1., 71.47 (5b) (b) 2., 77.92 (4), 560.03 (9), 560.03 (19), 560.2055 (4) (c), 560.27 (3) (c), 560.301 (intro.), 560.304, 560.305 (1) (intro.), 560.305 (3), 560.305 (4), subchapter III (title) of chapter 560 [precedes 560.41], 560.41 (2), 560.42 (2) (a) and (b), (2m) (intro.), (2r), (3) and (4), 560.43 (title), (1) (intro.), (a), (b), (c) and (g) and (2), 560.44 (1) (intro.), 560.44 (2), 560.602 (intro.), 560.605 (1) (intro.), 560.605 (2m) (intro.), 560.605 (2m) (h), 560.605 (7) (intro.), 560.605 (7) (f), 560.61, 560.68 (2), 560.68 (4), 560.68 (5) (intro.), 560.68 (5m), 560.68 (6), 560.68 (7) (intro.) and 560.703 (1) (a); and *to create* 15.155 (2) (c), 20.143 (1) (cp), 20.285 (1) (cd), 20.285 (1) (eb), 20.285 (1) (eg), 20.437 (2) (fr), 36.25 (52), 36.25 (53), 36.25 (54), 49.265 (3) (b) 11., 49.265 (4) (cm), 71.07 (5d) (c) 4., 71.07 (5r), 71.10 (4) (cd), 71.28 (5r), 71.30 (3) (cd), 71.47 (5r), 71.49 (1) (cd), 560.203, 560.205 (3) (d) 1., 560.205 (3) (d) 2., 560.27 (1) (c), 560.276, 560.41 (1c), 560.41 (1g), 560.41 (1r), 560.42 (1m) and 560.42 (5) of the statutes; **relating to:** a postsecondary education tax credit for businesses; grants to certain community action agencies for skills enhancement programs; increasing annual limits on angel investment tax credits; modifying the early stage seed and jobs tax credits; awarding grants to the WiSys Technology Foundation, Inc.; business plan competitions and an emerging technology center in the University of Wisconsin System; rural outsourcing grants; requiring the Department of Commerce to award grants to a high-technology business development corporation and grants for converting manufacturing facilities; increasing funding for certain economic development programs; a pilot program providing microloans for the creation of new businesses; increasing funding for certain technical college training program grants; providing an exemption from emergency rule procedures; granting rule-making authority; and making appropriations.**

Vetoed
In Part

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

SECTION 1g. 15.155 (2) (c) of the statutes is created to read:

- 15.155 (2) (c) The board shall do all of the following:
1. Consult with the department of commerce on strategic economic policy for the state.
 2. Suggest legislation to achieve strategic economic policy objectives.

* Section 991.11, WISCONSIN STATUTES 2007-08 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

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

				2009-10	2010-11
20.143	Commerce, department of				
(1)	ECONOMIC AND COMMUNITY DEVELOPMENT				
(cp)	Rural outsourcing grants	GPR	B	250,000	250,000
20.285	University of Wisconsin System				
(1)	UNIVERSITY EDUCATION, RESEARCH AND PUBLIC SERVICE				
(eb)	Business plan competition	GPR	A	125,000	125,000
(eg)	Emerging technology center	GPR	B	400,000	-0-
20.437	Children and families, department of				
(2)	ECONOMIC SUPPORT				
(fr)	Skills enhancement grants	GPR	A	250,000	250,000

SECTION 2. 20.143 (1) (c) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and assistance.* Biennially, the amounts in the schedule for grants under s. 560.145; for grants and loans under ss. 560.275 (2) and 560.276 and under subch. V of ch. 560; for reimbursements under s. 560.167; for the costs specified in s. 560.607; for loans under s. 560.203 and the loan under 1999 Wisconsin Act 9, section 9110 (4); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 2003 Wisconsin Act 33, section 9109 (1d) and (2q), 2007 Wisconsin Act 20, section 9108 (4u), (6c), (7c), (7f), (8c), (8i), (9i), and (10q), 2009 Wisconsin Act 2, section 9110 (2) and (3), and 2009 Wisconsin Act 28, section 9110 (17q).

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

20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the schedule for rural outsourcing grants under 2009 Wisconsin Act (this act), section 45 (1) and to make expenditures authorized under 2009 Wisconsin Act (this act), section 45 (1) (c).

SECTION 2r. 20.143 (1) (cp) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed.

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

20.143 (1) (d) *High-technology business development corporation.* The amounts in the schedule for the grants specified in s. 560.27 (1) (b) and (c) and (3), and for the grant under 2009 Wisconsin Act (this act), section 45 (2).

SECTION 4. 20.143 (1) (fi) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (fi) *Forward innovation fund; grants and loans.* Biennially, the amounts in the schedule for grants and loans under s. 560.276 and under subch. II of ch. 560.

SECTION 4m. 20.143 (1) (gc) (title) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (gc) (title) *~~Regulatory ombudsman center~~ Office of regulatory assistance.*

SECTION 5. 20.143 (1) (ie) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275 (2), s. 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., ss. 560.145, 560.157, and 560.45, subch. V of ch. 560, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 (2d), 1999 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act 20, section 9108 (5x), not appropriated under par. (gv) to be used for grants and loans under ss. 560.275 (2), s. 560.276, and 560.45, and subch. V of ch. 560, for the loan under 1999 Wisconsin Act 9, section 9110 (4), for the grant under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), for grants under 2009 Wisconsin Act (this act), section 45 (1), for the study under 2009 Wisconsin Act 28, section 9110 (15u), and for reimbursements under s. 560.167.

SECTION 6. 20.143 (1) (ig) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (ig) *Gaming economic development and diversification; repayments.* Biennially, the amounts in the schedule for grants and loans under s. 560.138, for grants under s. 2009 Wisconsin Act (this act), section 45 (1), and under ss. 560.276 and 560.45, and for the study under 2009 Wisconsin Act 28, section 9110 (15u). All moneys received in repayment of loans under ss. 560.137 (2), 2005 stats., and 560.138 shall be credited to this appropriation account.

SECTION 7. 20.143 (1) (im) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (im) *Minority business projects; repayments.* All moneys received on or before June 30, 2009, in repayment of grants or loans under s. 560.82 (1m) (b), 2007 stats., and s. 560.82 (1m) (c), 2007 stats., and loans under 1997 Wisconsin Act 9, section 3, to be used for grants and loans under s. 560.45 and subch. II of ch. 560, for grants under 2009 Wisconsin Act (this act), section 45 (1), and for the study under 2009 Wisconsin Act 28, section 9110 (15u).

SECTION 8. 20.143 (1) (io) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (io) *Grant and loan repayments; forward innovation fund.* All moneys received in repayment of grants or loans under subch. II of ch. 560, grants or loans under s. 560.82 (1m) (b) and (c), 2007 stats., and loans under 1997 Wisconsin Act 9, section 3, to be used for grants and loans under s. 560.276 and under subch. II of ch. 560.

SECTION 9. 20.143 (1) (ir) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (ir) *Rural economic development loan repayments.* All moneys received in repayment of loans under s. 560.17, to be used for grants and loans under ss. 560.17 and 560.45, for grants under 2009 Wisconsin Act (this act), section 45 (1), and for the study under 2009 Wisconsin Act 28, section 9110 (15u).

SECTION 10. 20.143 (1) (kj) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

20.143 (1) (kj) *Gaming economic development and diversification; grants and loans.* Biennially, the amounts in the schedule for grants and loans under s. ss. 560.138 and 560.276, for the grants under s. 560.139 (1) (a), and for the grants under 2001 Wisconsin Act 16, section 9110 (2k), (11pk), and (11zx), and 2009 Wisconsin Act 28, section 9110 (16i). All moneys transferred from the appropriation account under s. 20.505 (8) (hm) 6j. shall be credited to this appropriation account. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall revert to the appropriation account under s. 20.505 (8) (hm).

SECTION 11. 20.285 (1) (cd) of the statutes is created to read:

20.285 (1) (cd) *WiSys Technology Foundation grants.* A sum sufficient not to exceed \$2,000,000 for grants to the WiSys Technology Foundation, Inc., under s. 36.25 (52) (b).

SECTION 12. 20.285 (1) (eb) of the statutes is created to read:

20.285 (1) (eb) *Business plan competition.* The amounts in the schedule to support a business plan competition program under s. 36.25 (53).

SECTION 13. 20.285 (1) (eg) of the statutes is created to read:

20.285 (1) (eg) *Emerging technology center.* Biennially, the amounts in the schedule to develop a business

plan for an emerging technology center under s. 36.25 (54).

SECTION 14. 20.285 (1) (eg) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed.

SECTION 15. 20.437 (2) (fr) of the statutes is created to read:

20.437 (2) (fr) *Skills enhancement grants.* The amounts in the schedule to provide skills enhancement grants under s. 49.265 (4) (cm).

SECTION 16. 36.25 (52) of the statutes is created to read:

36.25 (52) **WiSYS TECHNOLOGY FOUNDATION GRANTS.** (a) In this subsection, “foundation” means the WiSys Technology Foundation, Inc.

(b) From the appropriation under s. 20.285 (1) (cd), the board shall award grants to the foundation for the Wisconsin Small Company Advancement program to provide intellectual property management services to the extension and all institutions and college campuses other than the University of Wisconsin–Madison and the University of Wisconsin–Milwaukee and for the administrative costs of the program. The amount of each grant shall be \$250,000. The foundation may use no more than \$75,000 of the amount appropriated under s. 20.285 (1) (cd) for the administrative costs of the program. The board may not award a grant unless the foundation shows to the satisfaction of the board that the foundation has secured, after January 1, 2010, matching funds for the program from sources other than the state that are equal to the amount of the grant, except that the amounts used for administrative costs of the program are exempt from the matching requirement. In-kind contributions may be applied to meet the matching requirement.

(c) The board shall submit progress reports on the use of grants under par. (b) to the joint committee on finance and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3), at least annually until the program funded by the grants under par. (b) is terminated.

SECTION 17. 36.25 (53) of the statutes is created to read:

36.25 (53) **BUSINESS PLAN COMPETITION.** The board shall use the moneys appropriated under s. 20.285 (1) (eb) to support a business plan competition program existing on the effective date of this subsection [LRB inserts date], at institutions and college campuses other than the University of Wisconsin–Madison that makes entrepreneurial expertise available to students and that has ties to campus-based business plan contests and national organizations that foster student entrepreneurship. The board may use the moneys only if the board receives matching funds for the same purpose from private contributions.

SECTION 18. 36.25 (54) of the statutes is created to read:

36.25 (54) EMERGING TECHNOLOGY CENTER. The board shall use the moneys appropriated under s. 20.285 (1) (eg) to develop an emerging technology center at the University of Wisconsin-La Crosse. The board may use the moneys only if the board receives matching funds for the same purpose from sources other than the state. In-kind contributions may be applied to meet the matching requirement.

SECTION 19. 36.25 (54) of the statutes, as created by 2009 Wisconsin Act ... (this act), is repealed.

SECTION 20. 38.41 (3) (d) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

38.41 (3) (d) Beginning in the 2008-09 school year, the board shall award at least \$1,000,000 annually under sub. (1) for training in advanced manufacturing skills, ~~with priority given to welding and beginning in the 2010-11 school year, the board shall award at least \$2,000,000 annually under sub. (1) for such training.~~

SECTION 21. 49.265 (3) (b) 11. of the statutes is created to read:

49.265 (3) (b) 11. Provide, to individuals who work at least 20 hours per week and whose earned income is at or below 150 percent of the poverty line, a program of skills enhancement that shall include access to transportation, child care, career counseling, job placement assistance, and financial support for education and training.

SECTION 22. 49.265 (4) (cm) of the statutes is created to read:

49.265 (4) (cm) From the appropriation under s. 20.437 (2) (fr), the department of children and families shall distribute grants to community action agencies to provide the skills enhancement services specified under sub. (3) (b) 11.

SECTION 23. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), ~~(5r)~~, and (8r) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

SECTION 23d. 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000, ~~not including the amount of any credits reallocated under s. 560.205 (3) (d).~~

SECTION 23g. 71.07 (5b) (b) 1. of the statutes is amended to read:

71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject to the limitations provided under this subsection and s. 560.205, and except as provided in subd. 2., a claimant may claim as a credit against the tax imposed under ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), ~~except that, for taxable years beginning after December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the business and the business has received no more than \$2,000,000 in investments that have qualified for credits under this subsection or s. 71.28 (5b) or 71.47 (5b).~~

SECTION 23h. 71.07 (5b) (b) 2. of the statutes is amended to read:

71.07 (5b) (b) 2. In the case of a partnership, limited liability company, or tax-option corporation, the computation of the ~~25~~ or 40 percent limitation under subd. 1. shall be determined at the entity level rather than the claimant level and may be allocated among the claimants who make investments in the manner set forth in the entity's organizational documents. The entity shall provide to the department of revenue and to the department of commerce the names and tax identification numbers of the claimants, the amounts of the credits allocated to the claimants, and the computation of the allocations.

SECTION 24. 71.07 (5d) (c) 4. of the statutes is created to read:

71.07 (5d) (c) 4. A claimant may claim the credit under this subsection for an investment that was made in a business that was located outside of this state if the investment was made no more than 60 days before the business relocated to this state and the business was certified as a qualified new business venture no later than 180 days after relocating to this state.

SECTION 25. 71.07 (5r) of the statutes is created to read:

71.07 (5r) POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a sole proprietor, a partner, a member of a limited liability company, or a shareholder of a tax-option corporation who files a claim under this subsection.

2. "Course of instruction" has the meaning given in s. 38.50 (1) (c).

3. "Family member" has the meaning given in s. 157.061 (7).

4. "Managing employee" means an individual who wholly or partially exercises operational or managerial

Vetoed
In Part

Vetoed
In Part

control over, or who directly or indirectly conducts, the operation of the claimant's business.

5. "Paid or incurred" includes any amount paid by the claimant to reimburse an individual for the tuition that the individual paid or incurred.

6. "Qualified postsecondary institution" means all of the following:

a. A University of Wisconsin System institution, a technical college system institution, or a regionally accredited 4-year nonprofit college or university having its regional headquarters and principal place of business in this state.

b. A school approved under s. 38.50, if the delivery of education occurs in this state.

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 an amount equal to the following:

1. Twenty-five percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a course of instruction and eligible for a grant from the Federal Pell Grant Program.

2. Thirty percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a course of instruction that relates to a projected worker shortage in this state, as determined by the local workforce development boards established under 29 USC 2832, and if the individual was eligible for a grant from the Federal Pell Grant Program.

(c) *Limitations.* 1. No credit may be allowed under par. (b) unless the claimant certifies to the department of revenue that the claimant will not be reimbursed for any amount of tuition for which the claimant claims a credit under par. (b).

2. A claimant may not claim the credit under par. (b) for any tuition amounts that the individual described under par. (b) excluded under s. 71.05 (6) (b) 28. or under section 127 of the Internal Revenue Code.

3. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for a family member of the claimant or for a family member of a managing employee unless all of the following apply:

a. The family member was employed an average of at least 20 hours per week as an employee of the claimant, or the claimant's business, during the one-year period prior to commencing participation in the education program in connection with which the claimant claims a credit under par. (b).

b. The family member is enrolled in a course of instruction that is substantially related to the claimant's business.

3m. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for an individual who is not a resident of this state.

4. The claimant shall claim the credit for the taxable year in which the individual graduates from a course of instruction in an amount equal to the total amount the claimant paid or incurred under par. (b) for all taxable years in which the claimant paid or incurred such amounts related to that individual.

5. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of tuition under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 26. 71.10 (4) (cd) of the statutes is created to read:

71.10 (4) (cd) Postsecondary education credit under s. 71.07 (5r).

SECTION 27. 71.21 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and passed through to partners shall be added to the partnership's income.

SECTION 28. 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

SECTION 28d. 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of any credits reallocated under s. 560.205 (3) (d).

**Vetoed
In Part**

SECTION 28g. 71.28 (5b) (b) 1. of the statutes is amended to read:

71.28 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject to the limitations provided under this subsection and s. 560.205, and except as provided in subd. 2., a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), except that, for taxable years beginning after December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the business and the business has received no more than \$2,000,000 in investments that have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

SECTION 28h. 71.28 (5b) (b) 2. of the statutes is amended to read:

71.28 (5b) (b) 2. In the case of a partnership, limited liability company, or tax-option corporation, the computation of the 25 or 40 percent limitation under subd. 1. shall be determined at the entity level rather than the claimant level and may be allocated among the claimants who make investments in the manner set forth in the entity's organizational documents. The entity shall provide to the department of revenue and to the department of commerce the names and tax identification numbers of the claimants, the amounts of the credits allocated to the claimants, and the computation of the allocations.

SECTION 29. 71.28 (5r) of the statutes is created to read:

71.28 (5r) POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a corporation that files a claim under this subsection.
2. "Course of instruction" has the meaning given in s. 38.50 (1) (c).
3. "Family member" has the meaning given in s. 157.061 (7).
4. "Managing employee" means an individual who wholly or partially exercises operational or managerial control over, or who directly or indirectly conducts, the operation of the claimant's business.
5. "Paid or incurred" includes any amount paid by the claimant to reimburse an individual for the tuition that the individual paid or incurred.
6. "Qualified postsecondary institution" means all of the following:
 - a. A University of Wisconsin System institution, a technical college system institution, or a regionally accredited 4-year nonprofit college or university having

its regional headquarters and principal place of business in this state.

b. A school approved under s. 38.50, if the delivery of education occurs in this state.

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.23 an amount equal to the following:

1. Twenty-five percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a course of instruction and eligible for a grant from the Federal Pell Grant Program.

2. Thirty percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a course of instruction that relates to a projected worker shortage in this state, as determined by the local workforce development boards established under 29 USC 2832, and if the individual was eligible for a grant from the Federal Pell Grant Program.

(c) *Limitations.* 1. No credit may be allowed under par. (b) unless the claimant certifies to the department of revenue that the claimant will not be reimbursed for any amount of tuition for which the claimant claims a credit under par. (b).

2. A claimant may not claim the credit under par. (b) for any tuition amounts that the individual described under par. (b) excluded under section 127 of the Internal Revenue Code.

3. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for a family member of a managing employee unless all of the following apply:

a. The family member was employed an average of at least 20 hours per week as an employee of the claimant, or the claimant's business, during the one-year period prior to commencing participation in the education program in connection with which the claimant claims a credit under par. (b).

b. The family member is enrolled in a course of instruction that is substantially related to the claimant's business.

3m. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for an individual who is not a resident of this state.

4. The claimant shall claim the credit for the taxable year in which the individual graduates from a course of instruction in an amount equal to the total amount the claimant paid or incurred under par. (b) for all taxable years in which the claimant paid or incurred such amounts related to that individual.

5. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of tuition under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* Subsection (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.

SECTION 30. 71.30 (3) (cd) of the statutes is created to read:

71.30 (3) (cd) Postsecondary education credit under s. 71.28 (5r).

SECTION 31. 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

71.34 (1k) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and passed through to shareholders.

SECTION 32. 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

SECTION 32d. 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

71.47 (3q) (c) 3. The maximum amount of credits that may be awarded under this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of any credits reallocated under s. 560.205 (3) (d).

SECTION 32g. 71.47 (5b) (b) 1. of the statutes is amended to read:

71.47 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject to the limitations provided under this subsection and s. 560.205, and except as provided in subd. 2., a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), except that, for

taxable years beginning after December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of the claimant's investment paid to a fund manager that the fund manager invests in a business certified under s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the business and the business has received no more than \$2,000,000 in investments that have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

SECTION 32h. 71.47 (5b) (b) 2. of the statutes is amended to read:

71.47 (5b) (b) 2. In the case of a partnership, limited liability company, or tax-option corporation, the computation of the 25 or 40 percent limitation under subd. 1. shall be determined at the entity level rather than the claimant level and may be allocated among the claimants who make investments in the manner set forth in the entity's organizational documents. The entity shall provide to the department of revenue and to the department of commerce the names and tax identification numbers of the claimants, the amounts of the credits allocated to the claimants, and the computation of the allocations.

SECTION 33. 71.47 (5r) of the statutes is created to read:

71.47 (5r) POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a corporation that files a claim under this subsection.
2. "Course of instruction" has the meaning given in s. 38.50 (1) (c).
3. "Family member" has the meaning given in s. 157.061 (7).
4. "Managing employee" means an individual who wholly or partially exercises operational or managerial control over, or who directly or indirectly conducts, the operation of the claimant's business.
5. "Paid or incurred" includes any amount paid by the claimant to reimburse an individual for the tuition that the individual paid or incurred.

6. "Qualified postsecondary institution" means all of the following:

- a. A University of Wisconsin System institution, a technical college system institution, or a regionally accredited 4-year nonprofit college or university having its regional headquarters and principal place of business in this state.
- b. A school approved under s. 38.50, if the delivery of education occurs in this state.

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.43 an amount equal to the following:

1. Twenty-five percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institu-

Vetoed
In Part

Vetoed
In Part

tion, if the individual was enrolled in a course of instruction and eligible for a grant from the Federal Pell Grant Program.

2. Thirty percent of the tuition that the claimant paid or incurred for an individual to participate in an education program of a qualified postsecondary institution, if the individual was enrolled in a course of instruction that relates to a projected worker shortage in this state, as determined by the local workforce development boards established under 29 USC 2832, and if the individual was eligible for a grant from the Federal Pell Grant Program.

(c) *Limitations.* 1. No credit may be allowed under par. (b) unless the claimant certifies to the department of revenue that the claimant will not be reimbursed for any amount of tuition for which the claimant claims a credit under par. (b).

2. A claimant may not claim the credit under par. (b) for any tuition amounts that the individual described under par. (b) excluded under section 127 of the Internal Revenue Code.

3. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for a family member of a managing employee unless all of the following apply:

a. The family member was employed an average of at least 20 hours per week as an employee of the claimant, or the claimant's business, during the one-year period prior to commencing participation in the education program in connection with which the claimant claims a credit under par. (b).

b. The family member is enrolled in a course of instruction that is substantially related to the claimant's business.

3m. A claimant may not claim the credit under par. (b) for any tuition amounts that the claimant paid or incurred for an individual who is not a resident of this state.

4. The claimant shall claim the credit for the taxable year in which the individual graduates from a course of instruction in an amount equal to the total amount the claimant paid or incurred under par. (b) for all taxable years in which the claimant paid or incurred such amounts related to that individual.

5. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of tuition under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 34. 71.49 (1) (cd) of the statutes is created to read:

71.49 (1) (cd) Postsecondary education credit under s. 71.47 (5r).

SECTION 35. 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r); and plus or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions from farming. "Net business income," with respect to a natural person, estate, or trust, means profit from a trade or business for federal income tax purposes and includes net income derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

SECTION 35g. 560.03 (9) of the statutes is amended to read:

560.03 (9) Establish and operate a small business ombudsman clearinghouse for business and industry to facilitate the flow of information from other state and federal agencies, to assist state agencies in establishing methods to encourage the participation of small businesses in rule making under s. 227.114 (4) and to serve as ombudsman for small business stationary sources, as defined in s. 285.79 (1), in connection with the implementation of the federal clean air act, 42 USC 7401 to 7671q. The department shall assign one full-time employee of the small business ombudsman clearinghouse to provide assistance to businesses as specified under s. 560.42 (1m).

SECTION 35r. 560.03 (19) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

560.03 (19) Establish ~~a regulatory ombudsman center~~ an office of regulatory assistance in the department to provide services as set forth in subch. III.

SECTION 36. 560.203 of the statutes is created to read:

560.203 Targeted microloans. The department shall create a pilot program for making microloans from the appropriation under s. 20.143 (1) (c) at nominal interest rates for the creation of new businesses. The department shall designate 2 areas of the state, one urban and one rural, that are affected by high unemployment. Only residents of the areas designated by the department are eligible for loans under this section, and the amount of a loan under this section may not exceed \$25,000. The department shall, through a competitive process, select a Wisconsin nonprofit finance corporation to administer the pilot program. The department shall partner with federal, state, regional, and local economic development entities to provide business training for applicants and borrowers under this section. The department may not make a loan under this section after July 31, 2013.

SECTION 37. 560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act 2, is renumbered 560.205 (3) (d) (intro.) and amended to read:

560.205 (3) (d) *Rules.* (intro.) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section. The rules shall further define “bona fide angel investment” for purposes of s. 71.07 (5d) (a) 1. The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for investments in businesses certified under sub. (1) at \$3,000,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, \$5,500,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2011, ~~\$6,500,000 for calendar year 2010,~~ and \$18,000,000 ~~\$20,000,000~~ per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional \$250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid to fund managers certified under sub. (2) at \$3,500,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2011, ~~\$8,000,000 for calendar year 2010,~~ and \$18,500,000 ~~\$20,500,000~~ per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional \$250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also provide that, for calendar years beginning after December 31, 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638 unless the person’s investment is kept in a certified business, or with a certified fund manager, for no less than 3 years. The rules

shall permit the department to reallocate credits under this section that are unused in any calendar year to a person eligible for tax benefits, as defined under s. 560.2055 (1) (d), if all of the following apply:

SECTION 38. 560.205 (3) (d) 1. of the statutes is created to read:

560.205 (3) (d) 1. The department notifies the joint committee on finance in writing of its proposed reallocation.

SECTION 39. 560.205 (3) (d) 2. of the statutes is created to read:

560.205 (3) (d) 2. One of the following is true:

a. The cochairpersons of the joint committee on finance fail to notify the department, within 14 working days after the date of the department’s notification under subd. 1., that the committee has scheduled a meeting for the purpose of reviewing the proposed reallocation.

b. The cochairpersons of the joint committee on finance notify the department that the committee has approved the proposed reallocation.

SECTION 40. 560.2055 (4) (c) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.2055 (4) (c) The Subject to a reallocation by the department pursuant to rules promulgated under s. 560.205 (3) (d), the department may allocate up to \$5,000,000 in tax benefits under this section in any calendar year.

SECTION 41. 560.27 (1) (c) of the statutes is created to read:

560.27 (1) (c) Annually, beginning in fiscal year 2010–11, the department shall award a grant of \$100,000 from the appropriation under s. 20.143 (1) (d) to the high-technology business development corporation. The department shall enter into an agreement with the high-technology business development corporation requiring the grant proceeds to be used for employing a grant writer to assist businesses to apply for federal small business innovation research grants. The department shall submit annually to the legislature under s. 13.172 (2) a report detailing the number of grant applications assisted by the grant writer, the number of applications assisted by the grant writer that won grants and the total amount of the grants, and the number of any jobs created as a result of the grant writer’s activities.

SECTION 42. 560.27 (3) (c) of the statutes is amended to read:

560.27 (3) (c) The department may not make grants under this subsection that exceed \$200,000 in total in fiscal year 2000–01, or that exceed ~~\$250,000~~ \$750,000 in total in any fiscal year thereafter.

SECTION 43. 560.276 of the statutes is created to read:

560.276 Technology transfer grant and loan program. (1) DEFINITIONS. In this section:

(a) “Business” has the meaning given in s. 560.60 (2).

(b) “Research institution” means any of the following if located in this state:

1. An accredited college or university.
2. An accredited school of medicine, dentistry, veterinary medicine, medicine and public health, public health, or health professionals.
3. An accredited center for health sciences.
4. A hospital in which research is conducted. In this subdivision, "hospital" has the meaning given in s. 50.33 (2).

(2) **GRANTS AND LOANS.** From the appropriations under s. 20.143 (1) (c), (fi), (ie), (ig), (io), and (kj), the department may award a grant or loan to a research institution to provide money for research and development activities related to the creation or retention of jobs by a business, or to improving the competitive position of a business by improving the innovativeness of the business. The department may award a grant or loan under this section if the research institution applies for a grant or loan on a form prepared by the department and all of the following are satisfied:

(a) The department determines that the research and development activities are likely to result in an economic benefit to one or more specific businesses.

(b) The department determines that the research and development activities will be conducted substantially in this state.

(c) The department considers the availability of matching funds from the research institution, the business, and other sources.

(d) The department enters into a written agreement with the research institution that specifies the conditions for use of the grant or loan proceeds, including reporting and auditing requirements.

(3) **LIMITS.** No grant or loan awarded to a research institution under this section may exceed \$100,000.

SECTION 43b. 560.30 (1) of the statutes, as created by 2009 Wisconsin Act 28, is repealed.

SECTION 43bb. 560.301 (intro.) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.301 Rules, policies, and standards for awarding grants and making loans. (intro.) The department, ~~in consultation with the board,~~ shall promulgate rules that establish procedures, policies, and standards for implementing this subchapter and awarding grants and making loans under this subchapter. The rules shall include all of the following:

SECTION 43bd. 560.304 of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.304 Forward innovation fund. The department may award a grant or make a loan to an eligible recipient from the appropriations under s. 20.143 (1) (fi), (gm), and (io). ~~The department shall consult with the board prior to awarding a grant or making a loan under this section.~~

SECTION 43c. 560.305 (1) (intro.) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.305 (1) (intro.) The department, ~~in cooperation with the board,~~ shall encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by actively encouraging small businesses to apply for grants and loans. The department shall do all of the following:

SECTION 43cb. 560.305 (3) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.305 (3) The ~~board~~ department shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

SECTION 43d. 560.305 (4) of the statutes, as created by 2009 Wisconsin Act 28, is amended to read:

560.305 (4) The ~~board~~ department shall require, as a condition of a grant or loan, that a recipient contribute to a project an amount that is not less than 25 percent of the amount of the grant or loan.

SECTION 43db. Subchapter III (title) of chapter 560 [precedes 560.41] of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

CHAPTER 560

SUBCHAPTER III

OFFICE OF REGULATORY OMBUDSMAN CENTER ASSISTANCE

SECTION 43dc. 560.41 (1) of the statutes is renumbered 560.41 (1n).

SECTION 43ce. 560.41 (1c) of the statutes is created to read:

560.41 (1c) "Agency" has the meaning given in s. 16.70 (1e).

SECTION 43eb. 560.41 (1g) of the statutes is created to read:

560.41 (1g) "Authority" has the meaning given in s. 16.70 (2).

SECTION 43ed. 560.41 (1m) of the statutes, as affected by 2009 Wisconsin Act 28, is renumbered 560.41 (1w) and amended to read:

560.41 (1w) "Center Office" means the ~~regulatory ombudsman center~~ office of regulatory assistance in the department.

SECTION 43f. 560.41 (1r) of the statutes is created to read:

560.41 (1r) "Municipality" has the meaning given in s. 16.70 (8).

SECTION 43fb. 560.41 (2) of the statutes is amended to read:

560.41 (2) "Permit" means any approval of ~~a regulatory~~ an agency required as a condition of operating a business in this state.

SECTION 43g. 560.41 (3) of the statutes is repealed.

SECTION 43gb. 560.42 (1) of the statutes is repealed.

SECTION 43h. 560.42 (1m) of the statutes is created to read:

560.42 (1m) ASSISTANCE TO BUSINESSES. The office shall do all of the following:

(a) Provide assistance with obtaining and maintaining permits and any licenses and approvals necessary for a business to operate in this state. To fulfill the requirements of this paragraph, the office shall do all of the following on behalf of businesses:

1. Explain requirements for obtaining permits.
2. Track the progress of applications for permits.
3. Help businesses comply with laws and rules applicable to businesses, including providing plain-language explanations of laws and rules.

(b) Serve as a liaison between businesses and agencies, authorities, municipalities, and local economic development organizations.

SECTION 43hb. 560.42 (2) (a) and (b), (2m) (intro.), (2r), (3) and (4) of the statutes are amended to read:

560.42 (2) (a) The center office shall assist any person requesting information on which permits are required for a particular business activity or on the application process, including criteria applied in making a determination on a permit application and the time period within which a determination will be made. This assistance may include any of the following:

1. Arranging a meeting between the person and the staff of the appropriate regulatory agency to enable the person to obtain information from the agency.
2. Obtaining information and permit applications from the regulatory agency and providing the information and appropriate permit applications to the person.

(b) If a person receives assistance under this subsection and applies for a permit and if the person requests, the center office shall monitor the status of the permit application and periodically report the status to the person.

(2m) ADVOCACY. (intro.) The center office shall provide advocacy services before regulatory agencies on behalf of permit applicants. These services shall include all of the following:

(2r) MEDIATION AND DISPUTE RESOLUTION SERVICES. The center office may provide mediation or other dispute resolution services to facilitate the resolution of a dispute between a regulatory an agency and a person applying for a permit. The provision of mediation or other dispute resolution services under this subsection does not affect any right that the person may have to a contested hearing under ch. 227.

(3) ASSISTANCE BY CENTER OFFICE. (a) The center office may charge for services provided under this subchapter. Any amount charged for services may not exceed the actual cost of the service provided, unless a

specific charge for the service, or method of calculating the charge, is provided by law. All amounts received under this paragraph shall be deposited in the appropriation account under s. 20.143 (1) (gc).

(b) The center office may refer to the appropriate regulatory agency, without giving further assistance, any person seeking information or assistance on a permit under chs. 186, 215, 217, 220 to 224, 440 to 480 and 600 to 646.

(c) Advice, assistance, mediation or other dispute resolution services or information rendered by the center office under this subchapter does not relieve any person from the obligation to secure a required permit or satisfy a regulatory requirement.

(d) The center office shall not be liable for any consequences resulting from the failure of a regulatory an agency to issue, or the failure of a person to seek, a permit.

(4) PROMOTION OF ASSISTANCE. (a) The center office shall maintain and publicize the availability of a toll-free telephone line available to in-state and out-of-state callers to the center office.

(b) The center office shall seek to explain, promote and publicize its services to the public and shall provide information on its services for inclusion in any public informational material on permits provided by regulatory agencies.

(c) The center office shall, in its efforts under pars. (a) and (b), clearly represent that its services are advisory, informational and facilitative only.

SECTION 43i. 560.42 (5) of the statutes is created to read:

560.42 (5) STAFFING AND REPORT. The office shall be staffed by at least 2 full-time employees of the department. The office shall annually submit to the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3) a report on the work of the office.

SECTION 43ib. 560.43 (title), (1) (intro.), (a), (b), (c) and (g) and (2) of the statutes are amended to read:

560.43 (title) Responsibilities of regulatory agencies. (1) INTERAGENCY COOPERATION. (intro.) Each regulatory agency shall:

(a) Designate a staff person to coordinate regulatory agency cooperation with center office staff, provide information to center office staff on the permit process and direct center office staff to appropriate staff within the regulatory agency.

(b) Cooperate with center office staff and respond promptly to requests for assistance in expediting and requests for information on the permit process under s. 560.42.

(c) Include material provided by the center office under s. 560.42 (4) in any public informational material on permits that it provides.

(g) Provide to the ~~center office~~ written notification of a change to a permit, along with a copy of the new or revised permit, before the effective date of the change.

(2) PREAPPLICATION MEETINGS. Each ~~regulatory~~ agency shall provide an opportunity for a preapplication meeting with its staff to any person interested in applying for a permit upon request by the person or the ~~center office~~, and shall comply with the following requirements:

(a) The ~~regulatory~~ agency shall conduct preapplication meetings in an informal manner.

(b) In any preapplication meeting, the ~~regulatory~~ agency shall identify all permits required by the ~~regulating~~ agency for a business activity, describe the steps and identify the time period for each step in the permit process and identify potential problems in the process.

(d) The ~~regulatory~~ agency shall invite participation by ~~center office~~ staff in preapplication meetings when appropriate.

(e) The ~~regulatory~~ agency shall publicize the availability of preapplication meetings to persons contacting them about permits.

SECTION 43j. 560.44 (1) (intro.) of the statutes is amended to read:

560.44 (1) OMBUDSMAN. (intro.) The ~~center office~~ shall act as an ombudsman for brownfields redevelopment projects. As ombudsman, the ~~center office~~ shall do all of the following:

SECTION 43jd. 560.44 (2) of the statutes is amended to read:

560.44 (2) ADMINISTRATION OF BROWNFIELDS PROGRAMS. The ~~center office~~ shall assist in administering the grant program under s. 560.13 and in administering grants and loans under s. 560.138 that are made for brownfields remediation projects.

SECTION 43k. 560.60 (1s) of the statutes, as affected by 2009 Wisconsin Act 28, is repealed.

SECTION 43L. 560.602 (intro.) of the statutes is amended to read:

560.602 Policies and standards for awarding grants and loans. (intro.) The department, ~~with the approval of the board~~, shall promulgate rules to establish policies and standards for awarding grants and loans under this subchapter. The rules shall include all of the following:

SECTION 43n. 560.605 (1) (intro.) of the statutes is amended to read:

560.605 (1) (intro.) Upon receipt of an application by an eligible recipient, the ~~board department~~ may consider any of the following in determining whether to award a grant or loan under s. 560.61:

SECTION 43o. 560.605 (2m) (intro.) of the statutes is amended to read:

560.605 (2m) (intro.) When considering whether a project will be located in a targeted area, the ~~board department~~ may consider any of the following:

SECTION 43p. 560.605 (2m) (h) of the statutes is amended to read:

560.605 (2m) (h) Any other factor the ~~board department~~ considers to be an appropriate indicator of a targeted area.

SECTION 43q. 560.605 (7) (intro.) of the statutes is amended to read:

560.605 (7) (intro.) The ~~board department~~ shall award not less than 35 percent of the total amount of grants and loans made under this subchapter to businesses in distressed areas. In this paragraph, "distressed area" means an area to which any of the following apply:

SECTION 43r. 560.605 (7) (f) of the statutes is amended to read:

560.605 (7) (f) As determined by the ~~board department~~, the area is affected by another factor that indicates the area is a distressed area.

SECTION 43s. 560.61 of the statutes is amended to read:

560.61 Wisconsin development fund. ~~At the request of the board, the~~ The department may make a grant or loan to an eligible recipient from the appropriations under s. 20.143 (1) (c) and (ie).

SECTION 43t. 560.68 (2) of the statutes is amended to read:

560.68 (2) The department, ~~in cooperation with the board~~, shall actively encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by assisting small businesses in preparing grant and loan applications.

SECTION 43u. 560.68 (4) of the statutes is amended to read:

560.68 (4) The ~~board department~~ shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

SECTION 43v. 560.68 (5) (intro.) of the statutes is amended to read:

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

SECTION 43w. 560.68 (5m) of the statutes is amended to read:

560.68 (5m) The department, ~~with the approval of the board~~, shall establish and implement procedures for monitoring the use of grants and loans awarded under this subchapter, including procedures for verification of economic growth, job creation and the number and percentage of newly created jobs for which state residents are hired.

SECTION 43x. 560.68 (6) of the statutes is amended to read:

560.68 (6) The ~~board~~ department shall require, as a condition of a grant or loan, that a recipient contribute to a project an amount that is not less than 25% of the amount of the grant or loan.

SECTION 43y. 560.68 (7) (intro.) of the statutes is amended to read:

560.68 (7) (intro.) The department, ~~in cooperation with the board,~~ shall encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by actively encouraging small businesses to apply for grants and loans. The department shall do all of the following:

SECTION 43z. 560.685 of the statutes is repealed.

SECTION 44. 560.703 (1) (a) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

560.703 (1) (a) Except as provided in par. (b), and subject to a reallocation by the department pursuant to rules promulgated under s. 560.205 (3) (d), the total tax benefits available to be allocated by the department under ss. 560.701 to 560.706 may not exceed the sum of the tax benefits remaining to be allocated under ss. 560.71 to 560.785, 560.797, 560.798, 560.7995, and 560.96 on March 6, 2009.

SECTION 45. Nonstatutory provisions.

(1) RURAL OUTSOURCING GRANTS.

(a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir) of the statutes, as affected by this act, the department of commerce may award grants during the 2009–11 fiscal biennium to businesses for outsourcing work to rural municipalities, as defined under section 560.17 (1) (d) of the statutes. The department may award a grant from the appropriation under section 20.143 (1) (cp) of the statutes, as created by this act, only to the extent the unencumbered balances of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes, as affected by this act, are insufficient to award the grant. The department shall require grantees to obtain funding from sources other than the state in an amount at least equal to the amount of the grant. In determining whether a grantee has obtained sufficient funding from sources other than the state, the department shall credit the grantee's capital expenditures, family supporting wages, rent or other facility costs, electricity costs, equipment leases, and software expenditures. The total amount of grants awarded under this subsection may not exceed \$500,000.

(b) Not more than 45 days after the effective date of this paragraph, the department of commerce shall promulgate, as emergency rules under section 227.24 of the statutes, rules necessary to administer this subsection. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emer-

gency rule is necessary for the preservation of public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(c) Notwithstanding paragraph (a) if, by the first day of the 12th month beginning after the effective date of the rules promulgated under paragraph (b), the department of commerce has not received applications for grants under this subsection totaling \$500,000, the department may spend an amount equal to the difference between the unencumbered balance of the appropriation account under section 20.143 (1) (cp) of the statutes, as created by this act, and the total amount of grants under this subsection for which it has received applications or \$250,000, whichever is less, from the appropriation under section 20.143 (1) (cp) of the statutes, as created by this act, for any purpose specified under section 20.143 (1) (c) of the statutes, as affected by this act.

(2) HIGH-TECHNOLOGY BUSINESS DEVELOPMENT CORPORATION GRANT. In fiscal year 2010–11, the department of commerce shall award to the high-technology business development corporation under section 560.27 of the statutes a grant of \$100,000 from the appropriation account under section 20.143 (1) (d) of the statutes, for procuring an economic modeling database for the use of regional economic development entities.

(3) MANUFACTURING FACILITY CONVERSION GRANTS. In fiscal year 2010–11, the department of commerce shall award grants from the appropriation account under section 20.143 (1) (c) of the statutes to provide incentives to companies for converting existing manufacturing facilities to the production of renewable energy or the manufacturing of equipment used in the production of renewable energy. The total amount of grants awarded under this subsection may not exceed \$2,000,000. The department of commerce may promulgate rules necessary to implement this subsection as emergency rules under section 227.24 of the statutes. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(4) GRANT TO PLEASANT PRAIRIE TECHNOLOGY INCUBATOR CENTER. Notwithstanding 2009 Wisconsin Act 28, section 9110 (17q), the department of commerce shall award the grant required under 2009 Wisconsin Act 28, section 9110 (17q), no later than than 30 days after the effective date of this subsection.

(5) TARGETED MICROLOANS; RULES. The department of commerce may promulgate emergency rules under section 227.24 of the statutes for the establishment and administration of section 560.203 of the statutes, as created by this act, for the period before the effective date

of any permanent rules promulgated under section 560.203 of the statutes, as created by this act, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(6) RECONCILIATION; LOANS TO MANUFACTURING BUSINESSES. If 2009 Wisconsin Act ... (Assembly Bill 904) is not enacted and if 2009 Wisconsin Act ... (Senate Bill 651) is not enacted, SECTIONS 46 (1) (d) and 48m (3) of this act are void.

SECTION 46. Fiscal changes.

(1) WISCONSIN DEVELOPMENT FUND.

(a) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$500,000 for the first fiscal year of the fiscal biennium in which this subsection takes effect to increase funding for the purposes for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$500,000 for the second fiscal year of the fiscal biennium in which this paragraph takes effect to increase funding for the purposes for which the appropriation is made.

(b) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$500,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide funding for loans under section 560.203 of the statutes, as created by this act.

(c) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$2,000,000 for the second fiscal year of the fiscal biennium in which this paragraph takes effect to provide funding for grants under SECTION 45 (3) of this act.

(d) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2010, the dollar amount is increased by an amount equal to the difference between \$2,000,000 and the total amount of grants awarded under SECTION 45 (3) of this act as of June 30, 2011, to provide funding for loans to manufacturing businesses for imple-

menting energy efficiency measures in their facilities, for retooling to manufacture products that support the green economy, for expanding or establishing domestic clean energy manufacturing, or for creating jobs or retaining workers engaged in the preceding activities.

(2) HIGH-TECHNOLOGY BUSINESS DEVELOPMENT CORPORATION GRANTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (d) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$200,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide funding for the grant under section 560.27 (1) (c) of the statutes, as created by this act, and for the grant under SECTION 45 (2) of this act.

(4) TRAINING PROGRAM GRANTS. In the schedule under section 20.005 (3) of the statutes for the appropriation to the technical college system board under section 20.292 (1) (eh) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$1,000,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to increase funding for the purpose for which the appropriation is made.

(5) OFFICE OF REGULATORY ASSISTANCE POSITION. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$75,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to increase the authorized FTE positions in the department by 1.0 GPR position for the purpose of performing the responsibilities assigned to the office of regulatory assistance under this act.

(6) SMALL BUSINESS OMBUDSMAN AND OFFICE OF REGULATORY ASSISTANCE FUNDING. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of commerce under section 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$75,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide supplemental funding so that a previously-authorized 1.0 FTE GPR small business ombudsman position is funded for a full year for the purpose of performing the responsibilities assigned to the office of regulatory assistance under this act.

(7) REQUIRED GENERAL FUND BALANCE. Section 20.003 (4) of the statutes does not apply to the action of the legislature in enacting this act.

SECTION 47. Initial applicability.

(1) POSTSECONDARY EDUCATION TAX CREDITS. The treatment of sections 71.05 (6) (a) 15., 71.07 (5r), 71.10 (4) (cd), 71.21 (4), 71.26 (2) (a) 4., 71.28 (5r), 71.30 (3) (cd), 71.34 (1k) (g), 71.45 (2) (a) 10., 71.47 (5r), 71.49 (1) (cd), and 77.92 (4) of the statutes first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection

2009 Senate Bill 409

2009 Wisconsin Act 265

takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

SECTION 48m. Effective dates. This act takes effect on the day after publication, except as follows:

(1) EMERGING TECHNOLOGY CENTER. The repeal of sections 20.285 (1) (eg) and 36.25 (54) of the statutes

takes effect on June 30, 2011.

(2m) RURAL OUTSOURCING GRANTS. The repeal of section 20.143 (1) (cp) of the statutes takes effect on June 30, 2011.

(3) LOANS TO MANUFACTURING BUSINESSES. SECTION 46 (1) (d) of this act takes effect on the 2nd day after publication of 2011–13 biennial budget act.

