



**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 SENATE BILL 409**

1     **AN ACT** *to repeal* 20.143 (1) (cp), 20.285 (1) (eg), 36.25 (54), 560.30 (1), 560.41 (3),  
2           560.42 (1), 560.60 (1s) and 560.685; *to renumber* 560.41 (1); *to renumber and*  
3           ***amend*** 560.205 (3) (d) and 560.41 (1m); *to amend* 20.143 (1) (c), 20.143 (1) (d),  
4           20.143 (1) (fi), 20.143 (1) (gc) (title), 20.143 (1) (ie), 20.143 (1) (ig), 20.143 (1) (im),  
5           20.143 (1) (io), 20.143 (1) (ir), 20.143 (1) (kj), 38.41 (3) (d), 71.05 (6) (a) 15., 71.07  
6           (3q) (c) 3., 71.07 (5b) (b) 1., 71.07 (5b) (b) 2., 71.21 (4), 71.26 (2) (a) 4., 71.28 (3q)  
7           (c) 3., 71.28 (5b) (b) 1., 71.28 (5b) (b) 2., 71.34 (1k) (g), 71.45 (2) (a) 10., 71.47 (3q)  
8           (c) 3., 71.47 (5b) (b) 1., 71.47 (5b) (b) 2., 77.92 (4), 560.03 (9), 560.03 (19),  
9           560.2055 (4) (c), 560.27 (3) (c), 560.301 (intro.), 560.304, 560.305 (1) (intro.),  
10          560.305 (3), 560.305 (4), subchapter III (title) of chapter 560 [precedes 560.41],  
11          560.41 (2), 560.42 (2) (a) and (b), (2m) (intro.), (2r), (3) and (4), 560.43 (title), (1)  
12          (intro.), (a), (b), (c) and (g) and (2), 560.44 (1) (intro.), 560.44 (2), 560.602 (intro.),  
13          560.605 (1) (intro.), 560.605 (2m) (intro.), 560.605 (2m) (h), 560.605 (7) (intro.),

1           560.605 (7) (f), 560.61, 560.68 (2), 560.68 (4), 560.68 (5) (intro.), 560.68 (5m),  
2           560.68 (6), 560.68 (7) (intro.) and 560.703 (1) (a); and **to create** 15.155 (2) (c),  
3           20.143 (1) (cp), 20.285 (1) (cd), 20.285 (1) (eb), 20.285 (1) (eg), 20.437 (2) (fr),  
4           36.25 (52), 36.25 (53), 36.25 (54), 49.265 (3) (b) 11., 49.265 (4) (cm), 71.07 (5d)  
5           (c) 4., 71.07 (5r), 71.10 (4) (cd), 71.28 (5r), 71.30 (3) (cd), 71.47 (5r), 71.49 (1) (cd),  
6           560.203, 560.205 (3) (d) 1., 560.205 (3) (d) 2., 560.27 (1) (c), 560.276, 560.41 (1c),  
7           560.41 (1g), 560.41 (1r), 560.42 (1m) and 560.42 (5) of the statutes; **relating to:**  
8           a postsecondary education tax credit for businesses; grants to certain  
9           community action agencies for skills enhancement programs; increasing  
10          annual limits on angel investment tax credits; modifying the early stage seed  
11          and jobs tax credits; awarding grants to the WiSys Technology Foundation, Inc.;  
12          business plan competitions and an emerging technology center in the  
13          University of Wisconsin System; rural outsourcing grants; requiring the  
14          Department of Commerce to award grants to a high–technology business  
15          development corporation and grants for converting manufacturing facilities;  
16          increasing funding for certain economic development programs; a pilot  
17          program providing microloans for the creation of new businesses; increasing  
18          funding for certain technical college training program grants; providing an  
19          exemption from emergency rule procedures; granting rule–making authority;  
20          and making appropriations.

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

21          **SECTION 1g.** 15.155 (2) (c) of the statutes is created to read:  
22          15.155 (2) (c) The board shall do all of the following:

1           1. Consult with the department of commerce on strategic economic policy for  
2 the state.

3           2. Suggest legislation to achieve strategic economic policy objectives.

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

				<b>2009–10</b>	<b>2010–11</b>
6					
7	<b>20.143</b>	<b>Commerce, department of</b>			
8	(1)	ECONOMIC AND COMMUNITY DEVELOPMENT			
9	(cp)	Rural outsourcing grants	GPR    B	250,000	250,000”.

10           **20.285**   **University of Wisconsin System**

11           (1)   UNIVERSITY EDUCATION, RESEARCH AND PUBLIC  
12           SERVICE

13	(eb)	Business plan competition	GPR    A	125,000	125,000
14	(eg)	Emerging technology center	GPR    B	400,000	–0–

15           **20.437**   **Children and families, department of**

16           (2)   ECONOMIC SUPPORT

17	(fr)	Skills enhancement grants	GPR    A	250,000	250,000
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18           **SECTION 2.** 20.143 (1) (c) of the statutes, as affected by 2009 Wisconsin Act 28,  
19 is amended to read:

20           20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*  
21 *assistance.* Biennially, the amounts in the schedule for grants under s. 560.145; for  
22 grants and loans under s. ss. 560.275 (2) and 560.276 and under subch. V of ch. 560;  
23 for reimbursements under s. 560.167; for the costs specified in s. 560.607; for loans

1 under s. 560.203 and the loan under 1999 Wisconsin Act 9, section 9110 (4); and for  
2 the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119,  
3 section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 2003 Wisconsin Act 33, section  
4 9109 (1d) and (2q), 2007 Wisconsin Act 20, section 9108 (4u), (6c), (7c), (7f), (8c), (8i),  
5 (9i), and (10q), 2009 Wisconsin Act 2, section 9110 (2) and (3), and 2009 Wisconsin  
6 Act 28, section 9110 (17q).

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

8 20.143 (1) (cp) *Rural outsourcing grants.* Biennially, the amounts in the  
9 schedule for rural outsourcing grants under 2009 Wisconsin Act .... (this act), section  
10 45 (1) and to make expenditures authorized under 2009 Wisconsin Act .... (this act),  
11 section 45 (1) (c).

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

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

15 20.143 (1) (d) *High-technology business development corporation.* The  
16 amounts in the schedule for the grants specified in s. 560.27 (1) (b) and (c) and (3),  
17 and for the grant under 2009 Wisconsin Act .... (this act), section 45 (2).

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

20 20.143 (1) (fi) *Forward innovation fund; grants and loans.* Biennially, the  
21 amounts in the schedule for grants and loans under s. 560.276 and under subch. II  
22 of ch. 560.

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

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

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

5           20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received  
6           in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005  
7           stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275  
8           (2), s. 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., ss. 560.145,  
9           560.157, and 560.45, subch. V of ch. 560, 1989 Wisconsin Act 336, section 3015 (1m),  
10          1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015  
11          (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2  
12          (2d), 1999 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act 20, section 9108  
13          (5x), not appropriated under par. (gv) to be used for grants and loans under ~~s.~~ ss.  
14          560.275 (2), ~~s. 560.276, and~~ 560.45, and subch. V of ch. 560, for the loan under 1999  
15          Wisconsin Act 9, section 9110 (4), for the grant under 2001 Wisconsin Act 16, section  
16          9110 (7g), for the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), for  
17          grants under 2009 Wisconsin Act .... (this act), section 45 (1), for the study under 2009  
18          Wisconsin Act 28, section 9110 (15u), and for reimbursements under s. 560.167.

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

21          20.143 (1) (ig) *Gaming economic development and diversification; repayments.*  
22          Biennially, the amounts in the schedule for grants and loans under s. 560.138, for  
23          grants under ~~s.~~ 2009 Wisconsin Act .... (this act), section 45 (1), and under ss. 560.276  
24          and 560.45, and for the study under 2009 Wisconsin Act 28, section 9110 (15u). All

1 moneys received in repayment of loans under ss. 560.137 (2), 2005 stats., and 560.138  
2 shall be credited to this appropriation account.

3 **SECTION 7.** 20.143 (1) (im) of the statutes, as affected by 2009 Wisconsin Act  
4 28, is amended to read:

5 20.143 (1) (im) *Minority business projects; repayments.* All moneys received on  
6 or before June 30, 2009, in repayment of grants or loans under s. 560.82 (1m) (b), 2007  
7 stats., and s. 560.82 (1m) (c), 2007 stats., and loans under 1997 Wisconsin Act 9,  
8 section 3, to be used for grants and loans under s. 560.45 and subch. II of ch. 560, for  
9 grants under 2009 Wisconsin Act .... (this act), section 45 (1), and for the study under  
10 2009 Wisconsin Act 28, section 9110 (15u).

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

13 20.143 (1) (io) *Grant and loan repayments; forward innovation fund.* All  
14 moneys received in repayment of grants or loans under subch. II of ch. 560, grants  
15 or loans under s. 560.82 (1m) (b) and (c), 2007 stats., and loans under 1997 Wisconsin  
16 Act 9, section 3, to be used for grants and loans under s. 560.276 and under subch.  
17 II of ch. 560.

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

20 20.143 (1) (ir) *Rural economic development loan repayments.* All moneys  
21 received in repayment of loans under s. 560.17, to be used for grants and loans under  
22 ss. 560.17 and 560.45, for grants under 2009 Wisconsin Act .... (this act), section 45  
23 (1), and for the study under 2009 Wisconsin Act 28, section 9110 (15u).

24 **SECTION 10.** 20.143 (1) (kj) of the statutes, as affected by 2009 Wisconsin Act  
25 28, is amended to read:

1           20.143 (1) (kj) *Gaming economic development and diversification; grants and*  
2 *loans.* Biennially, the amounts in the schedule for grants and loans under ~~s. ss.~~  
3 560.138 and 560.276, for the grants under s. 560.139 (1) (a), and for the grants under  
4 2001 Wisconsin Act 16, section 9110 (2k), (11pk), and (11zx), and 2009 Wisconsin Act  
5 28, section 9110 (16i). All moneys transferred from the appropriation account under  
6 s. 20.505 (8) (hm) 6j. shall be credited to this appropriation account.  
7 Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each  
8 odd-numbered year shall revert to the appropriation account under s. 20.505 (8)  
9 (hm).

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

11           20.285 (1) (cd) *WiSys Technology Foundation grants.* A sum sufficient not to  
12 exceed \$2,000,000 for grants to the WiSys Technology Foundation, Inc., under s.  
13 36.25 (52) (b).

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

15           20.285 (1) (eb) *Business plan competition.* The amounts in the schedule to  
16 support a business plan competition program under s. 36.25 (53).

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

18           20.285 (1) (eg) *Emerging technology center.* Biennially, the amounts in the  
19 schedule to develop a business plan for an emerging technology center under s. 36.25  
20 (54).

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

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

24           20.437 (2) (fr) *Skills enhancement grants.* The amounts in the schedule to  
25 provide skills enhancement grants under s. 49.265 (4) (cm).

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

2           **36.25 (52) WiSYS TECHNOLOGY FOUNDATION GRANTS.** (a) In this subsection,  
3 “foundation” means the WiSys Technology Foundation, Inc.

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

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

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

22           **36.25 (53) BUSINESS PLAN COMPETITION.** The board shall use the moneys  
23 appropriated under s. 20.285 (1) (eb) to support a business plan competition program  
24 existing on the effective date of this subsection .... [LRB inserts date], at institutions  
25 and college campuses other than the University of Wisconsin–Madison that makes



1 entrepreneurial expertise available to students and that has ties to campus-based  
2 business plan contests and national organizations that foster student  
3 entrepreneurship. The board may use the moneys only if the board receives matching  
4 funds for the same purpose from private contributions.

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

6 **36.25 (54) EMERGING TECHNOLOGY CENTER.** The board shall use the moneys  
7 appropriated under s. 20.285 (1) (eg) to develop an emerging technology center at the  
8 University of Wisconsin–La Crosse. The board may use the moneys only if the board  
9 receives matching funds for the same purpose from sources other than the state.  
10 In-kind contributions may be applied to meet the matching requirement.

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

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

15 **38.41 (3) (d)** Beginning in the 2008–09 school year, the board shall award at  
16 least \$1,000,000 annually under sub. (1) for training in advanced manufacturing  
17 skills, ~~with priority given to welding and beginning in the 2010–11 school year, the~~  
18 board shall award at least \$2,000,000 annually under sub. (1) for such training.

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

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

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

1           49.265 (4) (cm) From the appropriation under s. 20.437 (2) (fr), the department  
2 of children and families shall distribute grants to community action agencies to  
3 provide the skills enhancement services specified under sub. (3) (b) 11.

4           **SECTION 23.** 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act  
5 28, is amended to read:

6           71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),  
8 (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a  
9 partnership, limited liability company, or tax-option corporation that has added that  
10 amount to the partnership's, company's, or tax-option corporation's income under s.  
11 71.21 (4) or 71.34 (1k) (g).

12           **SECTION 23d.** 71.07 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
13 28, is amended to read:

14           71.07 (3q) (c) 3. The maximum amount of credits that may be awarded under  
15 this subsection and ss. 71.28 (3q) and 71.47 (3q) for the period beginning on January  
16 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
17 any credits reallocated under s. 560.205 (3) (d).

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

19           71.07 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
20 to the limitations provided under this subsection and s. 560.205, and except as  
21 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
22 ss. 71.02 and 71.08, up to the amount of those taxes, 25 percent of the claimant's  
23 investment paid to a fund manager that the fund manager invests in a business  
24 certified under s. 560.205 (1), except that, for taxable years beginning after  
25 December 31, 2009, and before January 1, 2014, a claimant may claim 40 percent of

1 the claimant's investment paid to a fund manager that the fund manager invests in  
2 a business certified under s. 560.205 (1), if the fund manager has invested no more  
3 than \$500,000 in the business and the business has received no more than  
4 \$2,000,000 in investments that have qualified for credits under this subsection or s.  
5 71.28 (5b) or 71.47 (5b).

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

7 71.07 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
8 tax-option corporation, the computation of the 25 or 40 percent limitation under  
9 subd. 1. shall be determined at the entity level rather than the claimant level and  
10 may be allocated among the claimants who make investments in the manner set  
11 forth in the entity's organizational documents. The entity shall provide to the  
12 department of revenue and to the department of commerce the names and tax  
13 identification numbers of the claimants, the amounts of the credits allocated to the  
14 claimants, and the computation of the allocations.

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

16 71.07 **(5d)** (c) 4. A claimant may claim the credit under this subsection for an  
17 investment that was made in a business that was located outside of this state if the  
18 investment was made no more than 60 days before the business relocated to this  
19 state and the business was certified as a qualified new business venture no later than  
20 180 days after relocating to this state.

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

22 71.07 **(5r)** POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this  
23 subsection:

1           1. “Claimant” means a sole proprietor, a partner, a member of a limited liability  
2 company, or a shareholder of a tax–option corporation who files a claim under this  
3 subsection.

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

5           3. “Family member” has the meaning given in s. 157.061 (7).

6           4. “Managing employee” means an individual who wholly or partially exercises  
7 operational or managerial control over, or who directly or indirectly conducts, the  
8 operation of the claimant’s business.

9           5. “Paid or incurred” includes any amount paid by the claimant to reimburse  
10 an individual for the tuition that the individual paid or incurred.

11          6. “Qualified postsecondary institution” means all of the following:

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

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

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

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

24           2. Thirty percent of the tuition that the claimant paid or incurred for an  
25 individual to participate in an education program of a qualified postsecondary

1 institution, if the individual was enrolled in a course of instruction that relates to a  
2 projected worker shortage in this state, as determined by the local workforce  
3 development boards established under 29 USC 2832, and if the individual was  
4 eligible for a grant from the Federal Pell Grant Program.

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

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

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

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

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

20 3m. A claimant may not claim the credit under par. (b) for any tuition amounts  
21 that the claimant paid or incurred for an individual who is not a resident of this state.

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

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

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

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

12           71.10 (4) (cd) Postsecondary education credit under s. 71.07 (5r).

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

15           71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
16 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (3w),  
17 (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and passed through to partners shall  
18 be added to the partnership’s income.

19           **SECTION 28.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act  
20 28, is amended to read:

21           71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
22 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3t),  
23 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a  
24 partnership, limited liability company, or tax–option corporation that has added that

1 amount to the partnership's, limited liability company's, or tax-option corporation's  
2 income under s. 71.21 (4) or 71.34 (1k) (g).

3 **SECTION 28d.** 71.28 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
4 28, is amended to read:

5 71.28 (3q) (c) 3. The maximum amount of credits that may be awarded under  
6 this subsection and ss. 71.07 (3q) and 71.47 (3q) for the period beginning on January  
7 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
8 any credits reallocated under s. 560.205 (3) (d).

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

10 71.28 (5b) (b) 1. For taxable years beginning after December 31, 2004, subject  
11 to the limitations provided under this subsection and s. 560.205, and except as  
12 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
13 s. 71.23, up to the amount of those taxes, 25 percent of the claimant's investment paid  
14 to a fund manager that the fund manager invests in a business certified under s.  
15 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
16 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
17 paid to a fund manager that the fund manager invests in a business certified under  
18 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the  
19 business and the business has received no more than \$2,000,000 in investments that  
20 have qualified for credits under this subsection or s. 71.07 (5b) or 71.47 (5b).

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

22 71.28 (5b) (b) 2. In the case of a partnership, limited liability company, or  
23 tax-option corporation, the computation of the 25 or 40 percent limitation under  
24 subd. 1. shall be determined at the entity level rather than the claimant level and  
25 may be allocated among the claimants who make investments in the manner set

1       forth in the entity’s organizational documents. The entity shall provide to the  
2       department of revenue and to the department of commerce the names and tax  
3       identification numbers of the claimants, the amounts of the credits allocated to the  
4       claimants, and the computation of the allocations.

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

6               **71.28 (5r)** POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this  
7       subsection:

8               1. “Claimant” means a corporation that files a claim under this subsection.

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

10              3. “Family member” has the meaning given in s. 157.061 (7).

11              4. “Managing employee” means an individual who wholly or partially exercises  
12       operational or managerial control over, or who directly or indirectly conducts, the  
13       operation of the claimant’s business.

14              5. “Paid or incurred” includes any amount paid by the claimant to reimburse  
15       an individual for the tuition that the individual paid or incurred.

16              6. “Qualified postsecondary institution” means all of the following:

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

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

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



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

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

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

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

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

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

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

1           3m. A claimant may not claim the credit under par. (b) for any tuition amounts  
2 that the claimant paid or incurred for an individual who is not a resident of this state.

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

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

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

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

18           71.30 (3) (cd) Postsecondary education credit under s. 71.28 (5r).

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

21           71.34 (1k) (g) An addition shall be made for credits computed by a tax–option  
22 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
23 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),  
24 and (8r) and passed through to shareholders.

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

3           71.45 **(2)** (a) 10. By adding to federal taxable income the amount of credit  
4 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3w), (5e), (5f),  
5 (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a partnership,  
6 limited liability company, or tax-option corporation that has added that amount to  
7 the partnership's, limited liability company's, or tax-option corporation's income  
8 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47  
9 (1), (3), (3t), (4), (4m), and (5).

10           **SECTION 32d.** 71.47 (3q) (c) 3. of the statutes, as created by 2009 Wisconsin Act  
11 28, is amended to read:

12           71.47 **(3q)** (c) 3. The maximum amount of credits that may be awarded under  
13 this subsection and ss. 71.07 (3q) and 71.28 (3q) for the period beginning on January  
14 1, 2010, and ending on June 30, 2013, is \$14,500,000, not including the amount of  
15 any credits reallocated under s. 560.205 (3) (d).

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

17           71.47 **(5b)** (b) 1. For taxable years beginning after December 31, 2004, subject  
18 to the limitations provided under this subsection and s. 560.205, and except as  
19 provided in subd. 2., a claimant may claim as a credit against the tax imposed under  
20 s. 71.43, up to the amount of those taxes, 25 percent of the claimant's investment paid  
21 to a fund manager that the fund manager invests in a business certified under s.  
22 560.205 (1), except that, for taxable years beginning after December 31, 2009, and  
23 before January 1, 2014, a claimant may claim 40 percent of the claimant's investment  
24 paid to a fund manager that the fund manager invests in a business certified under  
25 s. 560.205 (1), if the fund manager has invested no more than \$500,000 in the

1 business and the business has received no more than \$2,000,000 in investments that  
2 have qualified for credits under this subsection or s. 71.07 (5b) or 71.28 (5b).

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

4 71.47 **(5b)** (b) 2. In the case of a partnership, limited liability company, or  
5 tax-option corporation, the computation of the 25 or 40 percent limitation under  
6 subd. 1. shall be determined at the entity level rather than the claimant level and  
7 may be allocated among the claimants who make investments in the manner set  
8 forth in the entity's organizational documents. The entity shall provide to the  
9 department of revenue and to the department of commerce the names and tax  
10 identification numbers of the claimants, the amounts of the credits allocated to the  
11 claimants, and the computation of the allocations.

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

13 71.47 **(5r)** POSTSECONDARY EDUCATION CREDIT. (a) *Definitions.* In this  
14 subsection:

15 1. "Claimant" means a corporation that files a claim under this subsection.

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

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

18 4. "Managing employee" means an individual who wholly or partially exercises  
19 operational or managerial control over, or who directly or indirectly conducts, the  
20 operation of the claimant's business.

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

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

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

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

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

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

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

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

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

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

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

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

10          3m. A claimant may not claim the credit under par. (b) for any tuition amounts  
11 that the claimant paid or incurred for an individual who is not a resident of this state.

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

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

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

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

2           71.49 (1) (cd) Postsecondary education credit under s. 71.47 (5r).

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

5           77.92 (4) “Net business income,” with respect to a partnership, means taxable  
6 income as calculated under section 703 of the Internal Revenue Code; plus the items  
7 of income and gain under section 702 of the Internal Revenue Code, including taxable  
8 state and municipal bond interest and excluding nontaxable interest income or  
9 dividend income from federal government obligations; minus the items of loss and  
10 deduction under section 702 of the Internal Revenue Code, except items that are not  
11 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
12 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
13 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s),  
14 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r); and plus or minus, as  
15 appropriate, transitional adjustments, depreciation differences, and basis  
16 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,  
17 loss, and deductions from farming. “Net business income,” with respect to a natural  
18 person, estate, or trust, means profit from a trade or business for federal income tax  
19 purposes and includes net income derived as an employee as defined in section 3121  
20 (d) (3) of the Internal Revenue Code.

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

22           560.03 (9) Establish and operate a small business ombudsman clearinghouse  
23 for business and industry to facilitate the flow of information from other state and  
24 federal agencies, to assist state agencies in establishing methods to encourage the  
25 participation of small businesses in rule making under s. 227.114 (4) and to serve as

1 ombudsman for small business stationary sources, as defined in s. 285.79 (1), in  
2 connection with the implementation of the federal clean air act, 42 USC 7401 to  
3 7671q. The department shall assign one full-time employee of the small business  
4 ombudsman clearinghouse to provide assistance to businesses as specified under s.  
5 560.42 (1m).

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

8 560.03 (19) Establish ~~a regulatory ombudsman center~~ an office of regulatory  
9 assistance in the department to provide services as set forth in subch. III.

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

11 **560.203 Targeted microloans.** The department shall create a pilot program  
12 for making microloans from the appropriation under s. 20.143 (1) (c) at nominal  
13 interest rates for the creation of new businesses. The department shall designate 2  
14 areas of the state, one urban and one rural, that are affected by high unemployment.  
15 Only residents of the areas designated by the department are eligible for loans under  
16 this section, and the amount of a loan under this section may not exceed \$25,000.  
17 The department shall, through a competitive process, select a Wisconsin nonprofit  
18 finance corporation to administer the pilot program. The department shall partner  
19 with federal, state, regional, and local economic development entities to provide  
20 business training for applicants and borrowers under this section. The department  
21 may not make a loan under this section after July 31, 2013.

22 **SECTION 37.** 560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act  
23 2, is renumbered 560.205 (3) (d) (intro.) and amended to read:

24 560.205 (3) (d) *Rules.* (intro.) The department of commerce, in consultation  
25 with the department of revenue, shall promulgate rules to administer this section.



1 The rules shall further define “bona fide angel investment” for purposes of s. 71.07  
2 (5d) (a) 1. The rules shall limit the aggregate amount of tax credits under s. 71.07  
3 (5d) that may be claimed for investments in businesses certified under sub. (1) at  
4 \$3,000,000 per calendar year for calendar years beginning after December 31, 2004,  
5 and before January 1, 2008, \$5,500,000 per calendar year for calendar years  
6 beginning after December 31, 2007, and before January 1, ~~2011~~ 2010, \$6,500,000 for  
7 calendar year 2010, and ~~\$18,000,000~~ \$20,000,000 per calendar year for calendar  
8 years beginning after December 31, 2010, plus, for taxable years beginning after  
9 December 31, 2010, an additional \$250,000 for tax credits that may be claimed for  
10 investments in nanotechnology businesses certified under sub. (1). The rules shall  
11 also limit the aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b),  
12 71.47 (5b), and 76.638 that may be claimed for investments paid to fund managers  
13 certified under sub. (2) at \$3,500,000 per calendar year for calendar years beginning  
14 after December 31, 2004, and before January 1, 2008, \$6,000,000 per calendar year  
15 for calendar years beginning after December 31, 2007, and before January 1, ~~2011~~  
16 2010, \$8,000,000 for calendar year 2010, and ~~\$18,500,000~~ \$20,500,000 per calendar  
17 year for calendar years beginning after December 31, 2010, plus, for taxable years  
18 beginning after December 31, 2010, an additional \$250,000 for tax credits that may  
19 be claimed for investments in nanotechnology businesses certified under sub. (1).  
20 The rules shall also provide that, for calendar years beginning after December 31,  
21 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47  
22 (5b), or 76.638 unless the person’s investment is kept in a certified business, or with  
23 a certified fund manager, for no less than 3 years. The rules shall permit the  
24 department to reallocate credits under this section that are unused in any calendar

1 year to a person eligible for tax benefits, as defined under s. 560.2055 (1) (d), if all  
2 of the following apply:

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

4 560.205 (3) (d) 1. The department notifies the joint committee on finance in  
5 writing of its proposed reallocation.

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

7 560.205 (3) (d) 2. One of the following is true:

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

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

14 **SECTION 40.** 560.2055 (4) (c) of the statutes, as created by 2009 Wisconsin Act  
15 28, is amended to read:

16 560.2055 (4) (c) ~~The~~ Subject to a reallocation by the department pursuant to  
17 rules promulgated under s. 560.205 (3) (d), the department may allocate up to  
18 \$5,000,000 in tax benefits under this section in any calendar year.

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

20 560.27 (1) (c) Annually, beginning in fiscal year 2010–11, the department shall  
21 award a grant of \$100,000 from the appropriation under s. 20.143 (1) (d) to the  
22 high–technology business development corporation. The department shall enter  
23 into an agreement with the high–technology business development corporation  
24 requiring the grant proceeds to be used for employing a grant writer to assist  
25 businesses to apply for federal small business innovation research grants. The

1 department shall submit annually to the legislature under s. 13.172 (2) a report  
2 detailing the number of grant applications assisted by the grant writer, the number  
3 of applications assisted by the grant writer that won grants and the total amount of  
4 the grants, and the number of any jobs created as a result of the grant writer's  
5 activities.

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

7 560.27 (3) (c) The department may not make grants under this subsection that  
8 exceed \$200,000 in total in fiscal year 2000–01, or that exceed ~~\$250,000~~ \$750,000 in  
9 total in any fiscal year thereafter.

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

11 **560.276 Technology transfer grant and loan program. (1) DEFINITIONS.**

12 In this section:

13 (a) "Business" has the meaning given in s. 560.60 (2).

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

15 1. An accredited college or university.

16 2. An accredited school of medicine, dentistry, veterinary medicine, medicine  
17 and public health, public health, or health professionals.

18 3. An accredited center for health sciences.

19 4. A hospital in which research is conducted. In this subdivision, "hospital" has  
20 the meaning given in s. 50.33 (2).

21 **(2) GRANTS AND LOANS.** From the appropriations under s. 20.143 (1) (c), (fi), (ie),  
22 (ig), (io), and (kj), the department may award a grant or loan to a research institution  
23 to provide money for research and development activities related to the creation or  
24 retention of jobs by a business, or to improving the competitive position of a business  
25 by improving the innovativeness of the business. The department may award a

1 grant or loan under this section if the research institution applies for a grant or loan  
2 on a form prepared by the department and all of the following are satisfied:

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

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

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

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

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

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

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

18 **560.301 Rules, policies, and standards for awarding grants and**  
19 **making loans.** (intro.) The department, ~~in consultation with the board,~~ shall  
20 promulgate rules that establish procedures, policies, and standards for  
21 implementing this subchapter and awarding grants and making loans under this  
22 subchapter. The rules shall include all of the following:

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

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

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

7           560.305 (1) (intro.) The department, ~~in cooperation with the board,~~ shall  
8           encourage small businesses to apply for grants and loans under this subchapter by  
9           ensuring that there are no undue impediments to their participation and by actively  
10          encouraging small businesses to apply for grants and loans. The department shall  
11          do all of the following:

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

14          560.305 (3) The ~~board~~ department shall develop a policy relating to obtaining  
15          reimbursement of grants and loans provided under this subchapter. The policy may  
16          provide that reimbursement shall be obtained through full repayment of the  
17          principal amount of the grant or loan plus interest, through receipt of a share of  
18          future profits from or an interest in a product or process, or through any other  
19          appropriate means.

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

22          560.305 (4) The ~~board~~ department shall require, as a condition of a grant or  
23          loan, that a recipient contribute to a project an amount that is not less than 25  
24          percent of the amount of the grant or loan.



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

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

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

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

13           560.42 **(2)** (a) The ~~center~~ office shall assist any person requesting information  
14 on which permits are required for a particular business activity or on the application  
15 process, including criteria applied in making a determination on a permit  
16 application and the time period within which a determination will be made. This  
17 assistance may include any of the following:

18           1. Arranging a meeting between the person and the staff of the appropriate  
19 regulatory agency to enable the person to obtain information from the agency.

20           2. Obtaining information and permit applications from the regulatory agency  
21 and providing the information and appropriate permit applications to the person.

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

1           **(2m)** ADVOCACY. (intro.) The ~~center~~ office shall provide advocacy services  
2 before regulatory agencies on behalf of permit applicants. These services shall  
3 include all of the following:

4           **(2r)** MEDIATION AND DISPUTE RESOLUTION SERVICES. The ~~center~~ office may provide  
5 mediation or other dispute resolution services to facilitate the resolution of a dispute  
6 between ~~a regulatory~~ an agency and a person applying for a permit. The provision  
7 of mediation or other dispute resolution services under this subsection does not affect  
8 any right that the person may have to a contested hearing under ch. 227.

9           **(3)** ASSISTANCE BY ~~CENTER~~ OFFICE. (a) The ~~center~~ office may charge for services  
10 provided under this subchapter. Any amount charged for services may not exceed  
11 the actual cost of the service provided, unless a specific charge for the service, or  
12 method of calculating the charge, is provided by law. All amounts received under this  
13 paragraph shall be deposited in the appropriation account under s. 20.143 (1) (gc).

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

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

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

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



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

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

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

7 560.42 (5) STAFFING AND REPORT. The office shall be staffed by at least 2  
8 full-time employees of the department. The office shall annually submit to the chief  
9 clerk of each house of the legislature for distribution to the appropriate standing  
10 committees under s. 13.172 (3) a report on the work of the office.

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

13 **560.43 (title) Responsibilities of regulatory agencies. (1)** INTERAGENCY  
14 COOPERATION. (intro.) Each ~~regulatory~~ agency shall:

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

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

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

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

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

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

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

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

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

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

16           560.44 **(1)** OMBUDSMAN. (intro.) The center office shall act as an ombudsman  
17 for brownfields redevelopment projects. As ombudsman, the center office shall do all  
18 of the following:

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

20           560.44 **(2)** ADMINISTRATION OF BROWNFIELDS PROGRAMS. The center office shall  
21 assist in administering the grant program under s. 560.13 and in administering  
22 grants and loans under s. 560.138 that are made for brownfields remediation  
23 projects.

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

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

2           **560.602 Policies and standards for awarding grants and loans.** (intro.)

3           The department, ~~with the approval of the board,~~ shall promulgate rules to establish  
4           policies and standards for awarding grants and loans under this subchapter. The  
5           rules shall include all of the following:

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

7           560.605 (1) (intro.) Upon receipt of an application by an eligible recipient, the  
8           ~~board~~ department may consider any of the following in determining whether to  
9           award a grant or loan under s. 560.61:

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

11          560.605 (2m) (intro.) When considering whether a project will be located in a  
12          targeted area, the ~~board~~ department may consider any of the following:

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

14          560.605 (2m) (h) Any other factor the ~~board~~ department considers to be an  
15          appropriate indicator of a targeted area.

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

17          560.605 (7) (intro.) The ~~board~~ department shall award not less than 35 percent  
18          of the total amount of grants and loans made under this subchapter to businesses in  
19          distressed areas. In this paragraph, “distressed area” means an area to which any  
20          of the following apply:

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

22          560.605 (7) (f) As determined by the ~~board~~ department, the area is affected by  
23          another factor that indicates the area is a distressed area.

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

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

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

5           **560.68 (2)** The department, ~~in cooperation with the board,~~ shall actively  
6 encourage small businesses to apply for grants and loans under this subchapter by  
7 ensuring that there are no undue impediments to their participation and by assisting  
8 small businesses in preparing grant and loan applications.

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

10           **560.68 (4)** The ~~board~~ department shall develop a policy relating to obtaining  
11 reimbursement of grants and loans provided under this subchapter. The policy may  
12 provide that reimbursement shall be obtained through full repayment of the  
13 principal amount of the grant or loan plus interest, through receipt of a share of  
14 future profits from or an interest in a product or process, or through any other  
15 appropriate means.

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

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

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

20           **560.68 (5m)** The department, ~~with the approval of the board,~~ shall establish  
21 and implement procedures for monitoring the use of grants and loans awarded under  
22 this subchapter, including procedures for verification of economic growth, job  
23 creation and the number and percentage of newly created jobs for which state  
24 residents are hired.

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

1           560.68 (6) The ~~board~~ department shall require, as a condition of a grant or loan,  
2           that a recipient contribute to a project an amount that is not less than 25% of the  
3           amount of the grant or loan.

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

5           560.68 (7) (intro.) The department, ~~in cooperation with the board,~~ shall  
6           encourage small businesses to apply for grants and loans under this subchapter by  
7           ensuring that there are no undue impediments to their participation and by actively  
8           encouraging small businesses to apply for grants and loans. The department shall  
9           do all of the following:

10          **SECTION 43z.** 560.685 of the statutes is repealed.

11          **SECTION 44.** 560.703 (1) (a) of the statutes, as created by 2009 Wisconsin Act  
12          2, is amended to read:

13          560.703 (1) (a) Except as provided in par. (b), and subject to a reallocation by  
14          the department pursuant to rules promulgated under s. 560.205 (3) (d), the total tax  
15          benefits available to be allocated by the department under ss. 560.701 to 560.706  
16          may not exceed the sum of the tax benefits remaining to be allocated under ss. 560.71  
17          to 560.785, 560.797, 560.798, 560.7995, and 560.96 on March 6, 2009.

18          **SECTION 45. Nonstatutory provisions.**

19          (1) RURAL OUTSOURCING GRANTS.

20          (a) From the appropriations under section 20.143 (1) (cp), (ie), (ig), (im), and (ir)  
21          of the statutes, as affected by this act, the department of commerce may award grants  
22          during the 2009–11 fiscal biennium to businesses for outsourcing work to rural  
23          municipalities, as defined under section 560.17 (1) (d) of the statutes. The  
24          department may award a grant from the appropriation under section 20.143 (1) (cp)  
25          of the statutes, as created by this act, only to the extent the unencumbered balances

1 of the appropriations under section 20.143 (1) (ie), (ig), (im), and (ir) of the statutes,  
2 as affected by this act, are insufficient to award the grant. The department shall  
3 require grantees to obtain funding from sources other than the state in an amount  
4 at least equal to the amount of the grant. In determining whether a grantee has  
5 obtained sufficient funding from sources other than the state, the department shall  
6 credit the grantee's capital expenditures, family supporting wages, rent or other  
7 facility costs, electricity costs, equipment leases, and software expenditures. The  
8 total amount of grants awarded under this subsection may not exceed \$500,000.

9 (b) Not more than 45 days after the effective date of this paragraph, the  
10 department of commerce shall promulgate, as emergency rules under section 227.24  
11 of the statutes, rules necessary to administer this subsection. Notwithstanding  
12 section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
13 evidence that promulgating a rule under this subsection as an emergency rule is  
14 necessary for the preservation of public peace, health, safety, or welfare and is not  
15 required to provide a finding of emergency for a rule promulgated under this  
16 subsection.

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

1 as created by this act, for any purpose specified under section 20.143 (1) (c) of the  
2 statutes, as affected by this act.

3 (2) HIGH-TECHNOLOGY BUSINESS DEVELOPMENT CORPORATION GRANT. In fiscal year  
4 2010–11, the department of commerce shall award to the high–technology business  
5 development corporation under section 560.27 of the statutes a grant of \$100,000  
6 from the appropriation account under section 20.143 (1) (d) of the statutes, for  
7 procuring an economic modeling database for the use of regional economic  
8 development entities.

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

22 (4) GRANT TO PLEASANT PRAIRIE TECHNOLOGY INCUBATOR CENTER.  
23 Notwithstanding 2009 Wisconsin Act 28, section 9110 (17q), the department of  
24 commerce shall award the grant required under 2009 Wisconsin Act 28, section 9110  
25 (17q), no later than than 30 days after the effective date of this subsection.

1           (5) TARGETED MICROLOANS; RULES. The department of commerce may  
2 promulgate emergency rules under section 227.24 of the statutes for the  
3 establishment and administration of section 560.203 of the statutes, as created by  
4 this act, for the period before the effective date of any permanent rules promulgated  
5 under section 560.203 of the statutes, as created by this act, but not to exceed the  
6 period authorized under section 227.24 (1) (c) and (2) of the statutes.  
7 Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department  
8 is not required to provide evidence that promulgating a rule under this subsection  
9 as an emergency rule is necessary for the preservation of the public peace, health,  
10 safety, or welfare and is not required to provide a finding of emergency for a rule  
11 promulgated under this subsection.

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

15           **SECTION 46. Fiscal changes.**

16           (1) WISCONSIN DEVELOPMENT FUND.

17           (a) In the schedule under section 20.005 (3) of the statutes for the appropriation  
18 to the department of commerce under section 20.143 (1) (c) of the statutes, as affected  
19 by the acts of 2009, the dollar amount is increased by \$500,000 for the first fiscal year  
20 of the fiscal biennium in which this subsection takes effect to increase funding for the  
21 purposes for which the appropriation is made. In the schedule under section 20.005  
22 (3) of the statutes for the appropriation to the department of commerce under section  
23 20.143 (1) (c) of the statutes, as affected by the acts of 2009, the dollar amount is  
24 increased by \$500,000 for the second fiscal year of the fiscal biennium in which this



1 paragraph takes effect to increase funding for the purposes for which the  
2 appropriation is made.

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

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

13 (d) In the schedule under section 20.005 (3) of the statutes for the appropriation  
14 to the department of commerce under section 20.143 (1) (c) of the statutes, as affected  
15 by the acts of 2010, the dollar amount is increased by an amount equal to the  
16 difference between \$2,000,000 and the total amount of grants awarded under  
17 SECTION 45 (3) of this act as of June 30, 2011, to provide funding for loans to  
18 manufacturing businesses for implementing energy efficiency measures in their  
19 facilities, for retooling to manufacture products that support the green economy, for  
20 expanding or establishing domestic clean energy manufacturing, or for creating jobs  
21 or retaining workers engaged in the preceding activities.

22 (2) HIGH-TECHNOLOGY BUSINESS DEVELOPMENT CORPORATION GRANTS. In the  
23 schedule under section 20.005 (3) of the statutes for the appropriation to the  
24 department of commerce under section 20.143 (1) (d) of the statutes, as affected by  
25 the acts of 2009, the dollar amount is increased by \$200,000 for the second fiscal year

1 of the fiscal biennium in which this subsection takes effect to provide funding for the  
2 grant under section 560.27 (1) (c) of the statutes, as created by this act, and for the  
3 grant under SECTION 45 (2) of this act.

4 (4) TRAINING PROGRAM GRANTS. In the schedule under section 20.005 (3) of the  
5 statutes for the appropriation to the technical college system board under section  
6 20.292 (1) (eh) of the statutes, as affected by the acts of 2009, the dollar amount is  
7 increased by \$1,000,000 for the second fiscal year of the fiscal biennium in which this  
8 subsection takes effect to increase funding for the purpose for which the  
9 appropriation is made.

10 (5) OFFICE OF REGULATORY ASSISTANCE POSITION. In the schedule under section  
11 20.005 (3) of the statutes for the appropriation to the department of commerce under  
12 section 20.143 (1) (a) of the statutes, as affected by the acts of 2009, the dollar amount  
13 is increased by \$75,000 for the second fiscal year of the fiscal biennium in which this  
14 subsection takes effect to increase the authorized FTE positions in the department  
15 by 1.0 GPR position for the purpose of performing the responsibilities assigned to the  
16 office of regulatory assistance under this act.

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

