Sundberg, Christopher

From:

Kunkel, Mark

Sent:

Thursday, October 08, 2009 2:40 PM

To:

Sundberg, Christopher; Kreve, Joseph

Subject:

FW: 3617 Changes

Can we sort out who changes what?

From:

Knickelbine, Mark

Sent:

Thursday, October 08, 2009 2:37 PM

To:

Kunkel, Mark

Subject:

FW: 3617 Changes

Mark

A correction to my third instruction below -- Just increase by \$500,000 GPR the appropriation under s. 20.292 (1) (eh) by \$500,000, and ignore the rest of the instruction. Sorry!

Mark

From:

Knickelbine, Mark

Sent:

Thursday, October 08, 2009 1:58 PM

To:

Kunkel, Mark

Subject:

3617 Changes

Mark --

I've reviewed the draft; changes are below. This list starts with new provisions we need added to the bill and then corrections on the /1 draft. Let me know if you have questions. Thanks!

Mark Knickelbine

Clerk of the Committee on Economic Development

Office of State Senator Lassa

State Capitol, Room 323 - South

P.O. Box 7882

Madison, WI 53707-7882

608-266-3123

1-800-925-7491 toll-free

608-267-6797

Additional Proposals for LRB 3617/1

An appropriation of \$100,000 GPR to Commerce to award the Tech Council a grant to establish a program to enable regional economic development entities to engage in cooperative purchasing of economic development research, data, and analysis.

An appropriation of \$2 million GPR to the Wisconsin Development Fund to enable Commerce to provide incentives to companies for converting existing unutilized or underutilized manufacturing facilities to the production of renewable energy or the manufacturing of equipment used in the production of renewable energy.

Lacrease by \$500,000 GPR the appropriation under s. 20.292 (1) (eh) by \$500,000. Increase the minimum award under 38.41(3)(d) to \$1.5 million beginning in the 2010-2011 school year.

Changes to LRB 3617/1

The analysis appears to use old language to describe Section 16. The Educational Approval Board requirement is no longer part of the bill, and the analysis does not mention the Pell Grant eligibility requirement.

I'm not finding the section that enables Commerce to make Development Fund grants to research institutions associated with businesses. Is it here?

In Section 13 remove the reference to the business plan; the moneys should be used to develop the emerging technology center.

In Section 28, replace the requirement that the businesses be associated with the University of Wisconsin and replace it with a requirement that the grant writer assist businesses to apply for federal Small Business Innovation and Research grants.

 $\sqrt{\text{In Section 29 (Rural Outsourcing)}}$, we need to define "rural" with the definition used in 560.17(1)(d).

Sundberg, Christopher

From:

Knickelbine, Mark

Sent:

Thursday, October 08, 2009 3:30 PM

To: Subject: Sundberg, Christopher RE: 3617 Changes

Chris --

Answers below

mik

From:

Sundberg, Christopher

Sent:

Thursday, October 08, 2009 3:07 PM

10: Subject: Knickelbine, Mark FW: 3617 Changes

Some follow-ups:

1. Additional \$100,00 GPR for grant to Tech Council: one-time only, I assume? **Yes** In what fiscal year should the approp. increase occur? 2010

2. Additional \$2M for converting unused or underused facilities: On-going, or temporary? **Temporary** Which fiscal year? **2010**

Any additional criteria/limits that should apply? I guess I didn't specify that these facilities have to be located in Wisconsin.

3. Missing Commerce authority for WDF grants to research institutions associated with business: I'm not sure which piece of the instructions this corresponds to. Was this in your 9/25 email with the subject "Items for Econ Dev Bill"?

They were in a revision instruction to Tracy K. for the WiSys Bill on 9/2. The specific instructions are below:

Definitions

(X) "Research Institution" means an accredited college or university located in Wisconsin or a hospital located in Wisconsin that conducts research.

560.XY Technology Transfer Grant Program

- 1. The Department may make a grant or loan not exceeding \$100,000 to a research institution under 560.61, 560.138, or (whatever number Forward Innovation Fund got assigned) to fund research and development intended to help Wisconsin businesses create jobs, retain jobs, or improve their competitive position through innovation
- 2. The Department may make an award if the following apply:
- 3. The Department determines that the research and development is likely to result in an economic benefit to a specific Wisconsin business
- 4. The Department considers the availability of matching funds from research institutions, the Wisconsin business, or other sources
- 5. The Department enters into an agreement with the research institution
- 6. The Department determines that the research and development activity will be conducted substantially in

Wisconsin

CS

From:

Kunkel, Mark

Sent: To:

Thursday, October 08, 2009 2:40 PM Sundberg, Christopher; Kreye, Joseph

Subject:

FW: 3617 Changes

Can we sort out who changes what?

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Sent:

Thursday, October 08, 2009 2:37 PM

To:

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Subject:

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Sent:

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To:

Kunkel, Mark

Subject:

3617 Changes

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Mark Knickelbine Clerk of the Committee on Economic Development Office of State Senator Lassa State Capitol, Room 323 - South P.O. Box 7882 Madison, WI 53707-7882 608-266-3123 1-800-925-7491 toll-free 608-267-6797

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Increase by \$500,000 GPR the appropriation under s. 20.292 (1) (eh) by \$500,000. Increase the minimum award under 38.41(3)(d) to \$1.5 million beginning in the 2010-2011 school year.

Kuczenski, Tracy

From:

Knickelbine, Mark

Sent:

Tuesday, October 13, 2009 9:43 AM

To: Subject: Kuczenski, Tracy RE: 3617 Changes

Hi, Tracy --

Answers below.

From:

Kuczenski, Tracy

Sent: **Subject:** Monday, October 12, 2009 2:23 PM

To:

Knickelbine, Mark RE: 3617 Changes

Hi Mark -

A couple of additional questions about this Technology Transfer Grant and Loan program:

The drafting instructions directed me to establish a grant or loan program under which "the Department may make a grant or loan not exceeding \$100,000 to a research institution." This instruction is not entirely clear; I have the following questions:

- 1. Is this a continuing program or just for this biennium? Continuing
- 2. May Commerce make a number of grants and loans under the program to a number of research institutions? Yes
- 3. If the answer to 2. is yes:
- a. May Commerce grant or loan up to \$100,000 to each such research institution? Yes
- b. Or must the total amount awarded in grants or loans to all research institutions in any [Year? Biennium?] not exceed \$100,000?
- 4. If the answer to number 3. a. is yes, is there a limit to how many grants or loans Commerce may award under this program in any one year? No
- 4. In general, is there a limit to how much Commerce may award to research institutions over the life of the program? No. The idea is that Commerce would use its current proceedures for considering Development Fund grants to determine whether to make a grant to a research institution.

Thanks, Tracy

Tracy K. Kuczenski Legislative Attorney Wisconsin Legislative Reference Bureau (608) 266-9867 Tracy.Kuczenski@legis.wisconsin.gov

From:

Knickelbine, Mark

Sent:

Monday, October 12, 2009 9:36 AM

To:

Kuczenski, Tracy

Subject: RE: 3617 Changes

It's ok to include this in the next version of the compile, which will hopefully contain the other stuff I asked for Friday. My next meeting with leadership on this is scheduled for Thursday -- if I could have it by then it would be great.

Mark

From: Sent:

To:

Kuczenski, Tracy Monday, October 12, 2009 9:23 AM Knickelbine, Mark

Subject:

RE: 3617 Changes

No worries, Mark -

Do you want to see this as a stand-alone bill first, or should I incorporate this new material into 3617/2? And what is your time line? ASAP? Later in the week?

Thanks, Tracy

Tracy K. Kuczenski Legislative Attorney Wisconsin Legislative Reference Bureau (608) 266-9867 Tracy.Kuczenski@legis.wisconsin.gov

Kuczenski, Tracy

From:

Knickelbine, Mark

Sent:

Monday, October 12, 2009 9:19 AM

To:

Kuczenski, Tracy

Subject:

RE: 3617 Changes

Tracy --

My apologies -- I have several bills related to technology transfer in drafting and in the meeting I thought you were referring to one of the other ones. This definitely does need to be part of the compile.

Your answers are below. Let me know if you need anything else.

mik

From:

Kuczenski, Tracy

Sent:

Friday, October 09, 2009 4:44 PM

To:

Knickelbine, Mark

Subject:

FW: 3617 Changes

Hi Mark -

Mark Kunkel forwarded this message to me because in it you note: I'm not finding the section that enables Commerce to make Development Fund grants to research institutions associated with businesses. Is it here?

I'm assuming that you are referencing the "Technology Transfer Grant Program" that was outlined in your 9/2/09 email to me? If so, that provision is not in LRB-3617.

At the meeting in Sen. Lassa's office with you, Mark Kunkel, Chris Sundberg, Liz Stevens, and myself, you indicated that this provision was not going to be a part of the compile. There are also several outstanding questions about this particular drafting request, and you indicated that you would get back to me when the compile was done. If you would like to create the technology transfer grant program and incorporate it into LRB-3617, I will need an answer to the following questions (the first from my 9/29 email to you):

- 1. On the Technology Transfer Grant Program, was it Sen. Lassa's intent that medical, dental, veterinary, etc, schools be included in the definition of "research institution"? It is not clear from the definition. Yes
- 2. Do you have any particular "Wisconsin businesses" in mind? Must the business be headquartered here? Have a principal place of business here? Have a certain size or volume of operations here? How about we use the definition in 560.60(2)?
- 3. You indicate that the grant moneys are to come from the WI development fund ("WIDF", 560.61), the gaming economic diversification grants and loan program ("GDP", 560.138) and/or the Forward Innovation Fund ("FIF", 560.304). There are at least two appropriations associated with each program (and two have a third, which is for administration). The appropriations by program are as follows:

A. For the WIDF, s. 20.143 (1) (c) (GPR) and s. 20.143 (1) (ie) (PR, repayments);

- B. For the GDP, s. 20.143 (1) (kj) (PR-S) and s. 20.143 (1) (ig) (PR, repayments); and
- C. For the FIF, s. 20.143 (1) (fi) (GPR) and s. 20.143 (1) (io) (PR, repayments).

Do you want Commerce to be able to access moneys form any and all of these separate appropriation accounts to pay the grants under this proposed section? Yes.

Thanks, Tracy

Tracy K. Kuczenski Legislative Attorney Wisconsin Legislative Reference Bureau (608) 266-9867 Tracy.Kuczenski@legis.wisconsin.gov

From:

Kunkel, Mark

Sent:

Friday, October 09, 2009 3:52 PM

To: Subject: Kuczenski, Tracy

FW: 3617 Changes

FYI

From:

Knickelbine, Mark

Sent:

Thursday, October 08, 2009 2:37 PM

To: Subject: Kunkel, Mark FW: 3617 Changes

Mark

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Mark

From:

Knickelbine, Mark

Sent:

Thursday, October 08, 2009 1:58 PM

Subject:

Kunkel, Mark 3617 Changes

Mark --

I've reviewed the draft; changes are below. This list starts with new provisions we need added to the bill and then corrections on the /1 draft. Let me know if you have questions. Thanks!

Mark Knickelbine Clerk of the Committee on Economic Development Office of State Senator Lassa State Capitol, Room 323 - South P.O. Box 7882 Madison, WI 53707-7882 608-266-3123 1-800-925-7491 toll-free 608-267-6797

Additional Proposals for LRB 3617/1

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An appropriation of \$2 million GPR to the Wisconsin Development Fund to enable Commerce to provide incentives to companies for converting existing unutilized or underutilized manufacturing facilities to the production of renewable energy or the manufacturing of equipment used in the production of renewable energy.

Kuczenski, Tracy

From:

Knickelbine, Mark

Sent:

Wednesday, September 02, 2009 12:56 PM

To:

Kuczenski, Tracv

Subject:

Submitted: LRB 09-3123/2 Topic: WISys funding?body=

Tracy --

More changes on the WiSys Bill. Also, pleased be advised that this provision will probably be folded into a larger economic development bill we're working on with leadership:

1. The references to Commerce and UW System as funding sources should be removed.

2. The bill should make an appropriation of \$2 million for the program. Where

The funds would be released to WiSys in \$250k increments as WiSys secures matching funds.

4. The following revisions to Section 560 become part of the bill:

Definitions

(X) "Research Institution" means an accredited college or university located in Wisconsin or a hospital located in Wisconsin that conducts research. What about mad reliable, vet school? Dental reliable?

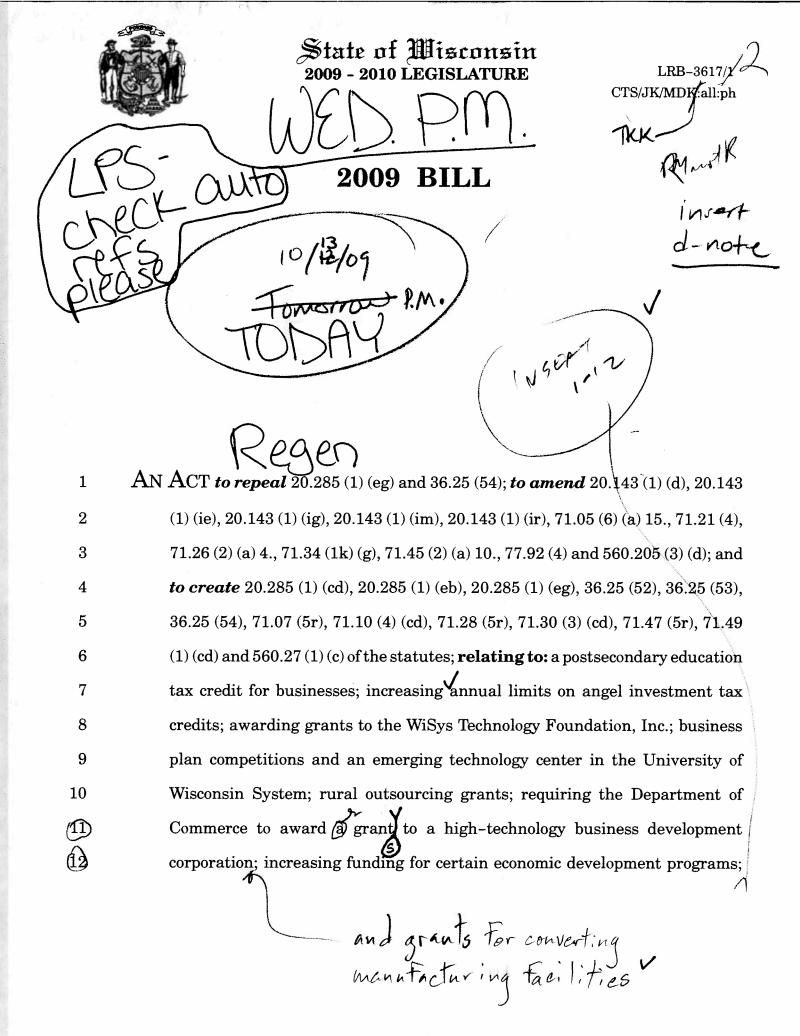
560.XY Technology Transfer Grant Program

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- 2. The Department may make an award if the following apply:
- 3. The Department determines that the research and development is likely to result in an economic benefit to a specific Wisconsin business
- 4. The Department considers the availability of matching funds from research institutions, the Wisconsin business, or other sources
- 5. The Department enters into an agreement with the research institution
- 6. The Department determines that the research and development activity will be conducted substantially in Wisconsin

Please let me know if you have any questions. Thanks!

Mark Knickelbine Clerk of the Committee on Economic Development Office of State Senator Lassa State Capitol, Room 323 - South P.O. Box 7882 Madison, WI 53707-7882 608-266-3123 1-800-925-7491 toll-free 608-267-6797

560.61 = WI berecoment fund 1 (5. 20.143(1)(c)+(ie) 560.138 = Gaming econ. divertication grants (lume (5.20.143(1)(ig) 1(kj))
reports
560.304 = Forward innection First
(5.20.143(1)(fi), (gm), (io)
admin. reports



LRB-3617/1 CTS/JK/MDK:all:ph

BILL

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Tand is eligible for a grant from the Grant le

providing an exemption from emergency rule procedures; granting

rule-making authority; and making appropriations.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college. Sole proprietorships, corporations, and insurers may claim the credit. Partnerships, limited liability companies, and tax-option corporations compute the credit but pass it on to the partners, members, and shareholders in proportion to their ownership interests. The credit is an amount equal to: 1) 25 percent of the tuition paid by a business for an individual to attend school, if the individual is enrolled in a course of instruction approved by the Educational Approval Board, and 2) 30 percent of the tuition paid by a business for an individual to attend school, if the individual is enrolled in a course of instruction that relates to a projected worker shortage in this state. The taxpayer claims the total amount of the tuition paid for the individual for the taxable year in which the individual graduates from the course of instruction. If the credit claimed by a business exceeds the business's tax liability, the state will not issue a refund check, but the business may carry forward any remaining credit to subsequent taxable years.

Under current law, an individual may claim an income tax credit in each taxable year for two years, beginning with the taxable year certified by the Department of Commerce (Commerce), in an amount equal to 12.5 percent of the individual's bona fide angel investment in a new business venture. The total amount of all bona fide angel investment credits that may be claimed in a calendar year beginning after 2007 but before 2011 is \$5,500,000 and the total amount that may be claimed in any calendar year beginning after 2010 is \$18,000,000. Under the bill, the total amount of all bona fide angel investment credits that may be claimed in a calendar year beginning after 2007 but before 2011 is \$7,500,000 and the total amount that may be claimed in a calendar year beginning after 2010 is \$20,000,000.

The bill directs the Board of Regents of the University of Wisconsin (UW) System to award to the WiSys Technology Foundation, Inc. (foundation), grants for the Wisconsin Small Company Advancement program to provide intellectual property management services to UW System two-year and four-year schools, other than the UW-Madison and the UW-Milwaukee. Each grant must be for \$250,000, but the Board of Regents may award a grant only if the foundation shows that it has secured matching funds for the program from sources other than the state. The bill provides for a maximum number of eight grants.

The bill appropriates \$125,000 annually to the Board of Regents of the UW System to support a business plan competition program existing on the effective date of bill at two-year and four-year schools, except for the UW-Madison, that makes entrepreneurial expertise available to students and that has ties to campus-based business plan contests and national organizations that foster student entrepreneurism. The bill also appropriates \$400,000 during the 2009-11 fiscal

biennium to the board to develop (bubiless plan for cleating an emerging technology * center at the UW-La Crosse. The bill prohibits the Board of Regents from spending moneys under either appropriation unless it receives matching funds from private contributions.

of Regertis

 τ The bill authorizes Commerce to award grants in the 2009–11 fiscal biennium to businesses for outsourcing work to rural areas of this state, Grants under the bill are funded by repayments of grants and loans under a number of economic development programs. Under the bill, Commerce must require grantees to obtain funding from sources other than the state in an amount at least equal to the amount of the grant. The total amount of grants awarded under the bill may not exceed \$500,000.

Under current law, Commerce assists in maintaining a high-technology business development corporation, for promoting and supporting the creation, development, and retention of science-based and technology-based businesses in the state.

The bill requires Commerce to award to the corporation an annual grant of \$100,000 for employing a grant writer to assist businesses associated with the UW System, beginning in fiscal year 2010-11. The bill increases a current appropriation of general purpose revenue to Commerce by \$100,000 in fiscal year 2010-11 to fund the grant.

The Wisconsin Development Fund (fund) is a biennial appropriation of general grants

purpose revenues to Commerce. Currently, the fund provides moneys for grants to Center for Advanced Technology and Innovation; for technology commercialization grants and loans; for grants and loans to support capital financing, worker training, entrepreneurial development, and other economic development projects; and for reimbursements under the Wisconsin trade project program.

The bill increases the appropriation by \$\(\frac{1}{2}\),000,000 for the 2009-11 fiscal biennium.

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

The people of the state of Wisconsin, represented in senate and assembly, do THERT ANALY! / Jenact as follows:

SECTION 1 20.005 (3) (schedule) of the statutes: at the appropriate place, insert

the following amounts for the purposes indicated:

A the bill also requires Commerce to award the corporation a one-time grant of \$100,000 in Fiscal year 2010-11 for enabling regional economic development entities to engage in cooperative purchasing.

INS A

INSERT

JASERTA - 6

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strike

1 2009-10 2010-11 $\mathbf{2}$ University of Wisconsin System 20.285 3 (1) University education, research and public 4 SERVICE 5 Business plan competition **GPR** 125,000 (eb) A 125,000400.000 (eg) Emerging technology center GPR 7 **SECTION 2.** 20.143 (1) (d) of the statutes is amended to read: 8 20.143 (1) (d) High-technology business development corporation. (9) amounts in the schedule for the grants specified in s. 560.27 (1) (b) and (c) and (3) 10 **SECTION 3.** 20.143 (1) (ie) of the statutes, as affected by 2009 Wisconsin Act 28, 11 is amended to read: 12 20.143 (1) (ie) Wisconsin development fund, repayments. All moneys received 13 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005 14 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275 15 (2), s. 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., ss. 560.145, 16 560.157, and 560.45, subch. V of ch. 560, 1989 Wisconsin Act 336, section 3015 (1m), 17 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 18 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 19 (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 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

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\bigcirc	Wisconsin Act (this act), section 29, for the study under 2009 Wisconsin Act 28 section 9110 (15u), and for reimbursements under s. 560.167.
3	SECTION 4. 20.143 (1) (ig) of the statutes, as affected by 2009 Wisconsin Act 28
4	is amended to read:

Biennially, the amounts in the schedule for grants and loans under s. 560.138, for grants under 2009 Wisconsin Act (this act), section 29, and under 5 560.45, 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 5. 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 29, and for the study under 2009 Wisconsin Act 28, section 9110 (15u).

Section 6. 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 s. 560.17 and 560.45, for grants under 2009 Wisconsin Act (this act), section 29, and for the study under 2009 Wisconsin Act 28, section 9110 (15u).

SECTION 7. 20.285 (1) (cd) of the statutes is created to read:

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- 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 8.** 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 9.** 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 10. 20.285 (1) (eg) of the statutes, as created by 2009 Wisconsin Act
 (this act), is repealed.
- **SECTION 11.** 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. The amount of each grant shall be \$250,000. The board may not award a grant unless the foundation shows to the satisfaction of the board that the foundation has secured matching funds for the program from sources other than the state that are equal to the amount of the grant.

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(c) The board shall submit progress reports to the legislature, in the manner provided under s. 13.172 (2), at least annually until the program funded by the grants under par. (b) is terminated. **Section 12.** 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 entrepreneurism. The board may use the moneys only if the board receives matching funds for the same purpose from private contributions. **Section 13.** 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 from the plan for creating 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 private contributions. SECTION 14. 36.25 (54) of the statutes, as created by 2009 Wisconsin Act (this act), is repealed. SECTION 15. 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), (2di), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3s), (3t), (\(\beta\)w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a

[NGERT 7-20]

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- 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 16.** 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 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:

 $\mathbf{2}$

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 17.** 71.10 (4) (cd) of the statutes is created to read:
- 18 71.10 (4) (cd) Postsecondary education credit under s. 71.07 (5r).
 - **SECTION 18.** 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.

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state.

1 **SECTION 19.** 71.26 (2) (a) 4. of the statutes, as affected by 2009 Wisconsin Act 2 28, is amended to read: 3 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), 4 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), and (8r) and not passed through by a 5 partnership, limited liability company, or tax-option corporation that has added that 6 amount to the partnership's, limited liability company's, or tax-option corporation's 7 8 income under s. 71.21 (4) or 71.34 (1k) (g). 9 **Section 20.** 71.28 (5r) of the statutes is created to read: 10 71.28 (5r) Postsecondary education credit. (a) Definitions. In this 11 subsection: 12 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). 13 14 3. "Family member" has the meaning given in s. 157.061 (7). 15 4. "Managing employee" means an individual who wholly or partially exercises 16 operational or managerial control over, or who directly or indirectly conducts, the 17 operation of the claimant's business. 18 5. "Paid or incurred" includes any amount paid by the claimant to reimburse an individual for the tuition that the individual paid or incurred. 19 20 6. "Qualified postsecondary institution" means all of the following: 21 a. A University of Wisconsin System institution, a technical college system 22 institution, or a regionally accredited 4-year nonprofit college or university having 23 its regional headquarters and principal place of business in this state. 24 b. A school approved under s. 38.50, if the delivery of education occurs in this

- (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

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- 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 21.** 71.30 (3) (cd) of the statutes is created to read:
- 22 71.30 (3) (cd) Postsecondary education credit under s. 71.28 (5r).
- SECTION 22. 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

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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),
$(3), (3g), (3h), (3n), (3g), (3q), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (\underline{5r}), (5r$
and (8r) and passed through to shareholders.

- **SECTION 23.** 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 24.** 71.47 (5r) of the statutes is created to read:
- 15 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:

equal to the following:

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- 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
 - 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.

claimant may claim as a credit against the tax imposed under s. 71.43 an amount

- 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 maybe 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.

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SECTION 25. 71.49 (1) (cd) of the statutes is created to read:

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

SECTION 26. 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 27. 560.205 (3) (d) of the statutes, as affected by 2009 Wisconsin Act 2, is amended to read:

560.205 (3) (d) *Rules*. 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.

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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 \$7,500,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2011, 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, and \$18,500,000 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.

Section 28. 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

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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 associated with the University of Wisconsin System

Section 29.7 Nonstatutory provisions.

(1) RURAL OUTSOURCING GRANTS. From the appropriations under section 20.143

(1) (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 areas of this state. The department shall require grantees

to obtain funding from sources other than the state in an amount at least equal to statutes

the amount of the grant. The total amount of grants awarded under this subsection

may not exceed \$500,000. The department may promulgate rules necessary to 11

administer 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

15 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.

Section 30. Fiscal changes.

(1) Wisconsin development fund. 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

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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 increase funding for the purposes for which the appropriation is made.

- (2) High-technology business development corporation grant. 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 \$100,000 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.
- (3) Rural outsourcing 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) (im) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$250,000 for the first fiscal year of the fiscal biennium in which this subsection takes effect to provide funding for rural outsourcing 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) (im) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$250,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect to provide funding for rural outsourcing grants.

SECTION 31. 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 takes effect after July 31 this

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- act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.
 - SECTION 32. Effective date.
- 4 (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.

(END)

J-note

2009-2010 DRAFTING INSERT FROM THE

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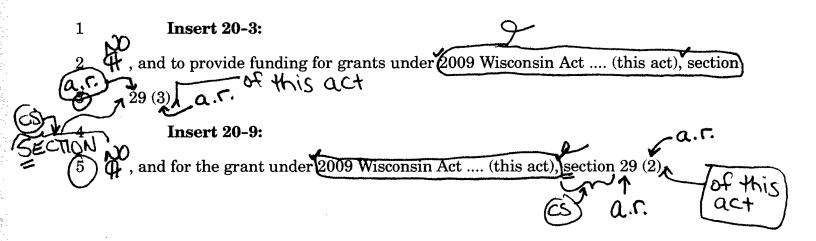
The bill also requires Commerce to award grants from the fund in fiscal year 2010-11 to businesses for converting existing unutilized or underutilized manufacturing facilities to the production of renewable energy or the manufacturing of equipment used in the production of renewable energy. The total amount of grants awarded may not exceed \$2,000,000.

Insert 19-17:

(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, to establish a program to enable regional economic development entities to engage in cooperative purchasing of economic development research, data, and analysis.

(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) to provide incentives to companies for converting existing unutilized or underutilized 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.

(end ins 19-17)



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INSERT 1-12:

increasing funding for certain technical college training program grants;



INSERT MDK 3-A:

Beginning in the 2010-11 school year, the bill requires the Technical College System Board (system board) to award at least \$1,500,000 annually to technical college district boards for advanced manufacturing skills training, with priority given to welding. Under current law, the system board must award at least \$1,000,000 annually for such training, with the same priority.

INSERT 7-20:

SECTION 1. 38.41 (3) (d) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

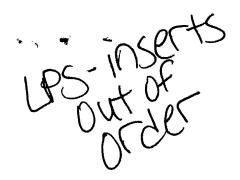
38.41 (3) (d) Beginning in the 2008-09 school year, the board shall award at least \$1,000,000 annually under sub. (1) for training in advanced manufacturing skills, with priority given and beginning in the 2010-11 school year, the board shall award at least \$1,500,000 annually under sub. (1) for such training. In making grants under this paragraph, the board shall give priority to welding.

History: 2005 a. 25; 2007 a. 20; 2009 a. 2, 28.

INSERT 20-18:

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 \$500,000 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.

2009-2010 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU



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This bill also establishes a technology transfer grant and loan program in Commerce. Under the program, Commerce may award a grant or loan of up to \$100,000 to a research institution to pay for research and development activities that will result in the creation or retention of jobs in this state or that will improve the competitive position of a business in this state by improving the innovativeness of the business. The bill defines a "research institution" as any of the following located in this state: an accredited college; university; school of medicine, dentistry, veterinary medicine, medicine and public health, public health, or health professionals; a center for health sciences; or a hospital in which research is conducted. Grants and loans under the program are funded from existing economic development programs, including the Forward Innovation Fund and the Development Fund.

INSERT 4-7

SECTION 1. 20.143 (1) (c) of the statutes, as affected by 2009 Wisconsin Acts 2 and 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 s. 560.275 (2) and 5.560.276 and under subch. V of ch. 560; for reimbursements under s. 560.167; for the costs specified in s. 560.607; for 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).

History: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358; 2007 a. 20, 125, 225; 2009 a. 2, 16, 28; s. 13.92 (2) (i).



INSERT 4-10

$\langle \gamma \rangle$	SECTION 2. 20.143 (1) (fi) of the statutes, as affected by 2009 Wisconsin Act 28,
	SECTION 2. 20.145 (1) (II) of the statutes, as affected by 2009 Wisconsin Act 26,
2	is amended to read:
3	20.143 (1) (fi) Forward innovation fund; grants and loans. Biennially, the
4	amounts in the schedule for grants and loans under s. 560.276 and under subch. II
5	of ch. 560.
a. 31, 18 987, 98	ry: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 15, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 8, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 92c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358; 2007 a. 20, 125, 225; 2009 a. 2, 16, 28; s. 13.92 (2) (i). INSERT 5-19
(7)	SECTION 3. 20.143 (1) (io) of the statutes, as affected by 2009 Wisconsin Act 28,
8	is amended to read:
9	20.143 (1) (io) Grant and loan repayments; forward innovation fund. All
10	moneys received in repayment of grants or loans under subch. II of ch. 560, grants
11	or loans under s. $560.82(1\text{m})(b)$ and (c) , 2007stats. , and loans under 1997Wisconsin
12	Act 9, section 3, to be used for grants and loans under s. 560.276 and under subch.
13	II of ch. 560.
a. 31, 1 987, 98	bry: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 s. 37, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 8, 990 to 993, 1080b, 1085b, 1086b, 1086b, 1086b, 1086b, 1086b, 1086b, 1086b, 1086b, 2001 a. 16, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 92c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256; 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358; 2007 a. 20, 125, 225; 2009 a. 2, 16, 28; s. 13.92 (2) (i). INSERT 5-25
15	SECTION 4. 20.143 (1) (kj) of the statutes, as affected by 2009 Wisconsin Act 28,
16	is amended to read:
17	20.143 (1) (kj) Gaming economic development and diversification; grants and
18	loans. Biennially, the amounts in the schedule for grants and loans under 560.138
19	and $(5.560.276)$, for the grants under s. $560.139(1)(a)$, and for the grants under (2001)
20	Wisconsin Act 16, section 9110 (2k), (11pk), and (11zx), and 2009 Wisconsin Act 28,
21	section 9110 (16i). All moneys transferred from the appropriation account under s.



22

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 1 shall revert to the appropriation account under s. 20,505 (8) (hm). 2 History: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, a. 31, 185, 737, 347, 523, 355, 350, 342, 359; 1991 a. 39, 259, 261, 269, 315, 1993 a. 5, 16, 75, 110, 252, 457, 1995 a. 27 ss. 483, 565 to 517, 608s, 600g, 600j, 964, 965, 977, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 46, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 237, 2005 a. 25 ss. 150m to 156t, 331; 2005 a. 45, 358; 2007 a. 20, 125, 225; 2009 a. 2, 16, 28; s. 13.92 (2) (i).

SECTION 5. 560.276 of the statutes is created to read: 3 560.276 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. 8 2. An accredited school of medicine, dentistry, veterinary medicine, medicine 9 and public health, public health, or health professionals. 10 3. An accredited center for health sciences. 11 4. A hospital in which research is conducted. In this subdivision, "hospital" has 12 the meaning given in s. 50.33 (2). 13 (2) Grants and Loans. From the appropriations under s. 20.143 (1) (c), (fi), (ie), 14 (ig), (io), and (kj), the department may award a grant or loan to a research institution 15 to provide money for research and development activities related to the creation or 16

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

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

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on a form prepared by the department and all of the following are satisfied:

LRB-3617/2insTKK TKK:all:ph

19-3 On

	. /
1	(b) The department determines that the research and development activities
2	will be conducted substantially in this state.
3	(c) The department considers the availability of matching funds from the
4	research institution, the business, and other sources.

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- (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. (end in 19-3)

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3617/2dnTKK
TKK: Oph

date

Senator Lassa:

This version of LRB-3617/2 creates a Technology Transfer Grant and Loan Program, at s. 560.276 stats. in the Department of Commerce. Please review this new program carefully to ensure that it accomplishes your intent.

The drafting instructions directed me to define a "research institution" as "an accredited college or university located in Wisconsin or a hospital in Wisconsin that conducts research." At the direction of Mark Knickelbine in an e-mail dated 10/12, I modified this instruction to reference medical, dental, and veterinary schools, and I added other schools with a health care focus. However, I have the following additional questions about this definition:

- 1. What do you mean by "accredited"?
- 2. Was it your intent that the phrase "that conducts research" modify just hospitals, or also "Accredited college or university?" If the late, is research conducted at the college level?
- 3. Is the list of colleges, universities, and schools sufficient? Is it your intent that technical colleges be able to apply for a grant or loan under this program?

In addition, please review the factors to be considered by the department before awarding a grant or loan under the program to be sure that they are consistent with your intent. Let me know if you have any questions or wish to make any changes.

Tracy K. Kuczenski Legislative Attorney Phone: (608) 266-9867

E-mail: tracy.kuczenski@legis.wisconsin.gov

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3617/2dn TKK:jld:rs

October 14, 2009

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Additions and Changes to LRB-3617:

Section 32:

Change to increase the total amount of credits allowable to \$8.5 million in calendar year 2010.

Section 33:

Require the high-technology development corporation to report annually to the Legislature on the number of grant applications, the number of grants won, the total of those grants, and any jobs created as the result of the grant writer's activities.

Section 35:

- (1) In the rural outsourcing grants, we would like the matching requirement to reflect that matched funding can be in the form of capital expenditures, family supporting wages (needs definition is there one in statutes?), rent or other facility costs, electricity costs, equipment leases and software expenditures.
- Also, remove the language from line 17 down that refers to Commerce's rule-making authority.
- (2) In the high-tech development corp grant, we'd like to change the purpose of the funding to "for procuring an economic modeling data base for the use of regional economic development entities."
- (3) Remove the language from line 10 down referring to Commerce's rule-making authority.

Additions:

We would like to authorize 1 FTE in Commerce for the Regulatory Ombudsman Center, funded at \$75,000 annually beginning in FY 2010.

Act 28 currently requires Commerce to make a \$70,000 grant from the Wisconsin Development Fund to the Pleasant Prairie Technology Center no later than July 31, 2011. We would like to change the required date to the effective date to the effective date of this bill.

We'd like to appropriate \$500,000 GPR annually for the next three fiscal years to Commerce to establish a pilot microloan program targeted to two areas of the state, one urban and one rural, with high unemployment. The loans should be from \$1,000 to \$25,000, carry nominal interest rates, and are intended to fund new small business startups. The loans, and their outcomes, should be included in Commerce's annual economic

development report. Commerce should also partner with federal, state, regional and/or local economic development entities to provide business training for grant applicants and recipients.

Sundberg, Christopher

From:

Knickelbine, Mark

Sent:

Monday, November 02, 2009 3:55 PM

To:

Sundberg, Christopher

Subject:

RE: Changes and additions to LRB 3617/2

Chris --

Answers below. Thanks!

The section I

Mark

From:

Sundberg, Christopher

Sent:

Monday, November 02, 2009 11:58 AM

To:

Knickelbine, Mark

Subject:

RE: Changes and additions to LRB 3617/2

Some more questions:

1. Regarding the rule-making language in the rural outsourcing grants provision, what's the intent behind removing the references to rule-making? Removing the references to rule-making will not affect whether or not the agency is required to engage in rule-making in administering the rural outsourcing grants. That is determined by reference to current law under ch. 227. If the rule-making language in the /2 is eliminated and if, under ch. 227, Commerce is required to engage in rule-making to administer the rural outsourcing grants, the agency will be unable to use the emergency rule-making procedures without providing the predicate evidence regarding preservation of the public peace, health, safety, or welfare. If the intent is to allow Commerce to decide how to go about awarding grants under this provision without engaging in any kind of rule-making, the bill will need to accomplish that in some other way.

The intent is to limit Commerce's ability to make rules on these programs without Legislative oversight. Especially given the small sums in the program the money could be committed before the Legislature could act. We may make further amendments to this later.

2. What's the funding source for the 1.0 FTE position for the regulatory ombudsman center?

GPR

- 3. Regarding the grant to Pleasant Prairie, rather than impose a deadline for awarding the grant that the department probably cannot meet, I have drafted the provision to require Commerce to award the grant not later than 30 days after the effective date of the bill. Is this okay? Yes
- 4. Should the microloan pilot program make loans from an existing appropriation, or should I create a new GPR approp? Should the bill specify what sort of area Commerce may designate for the pilot program (i.e., a county or other political subdivision, or an area made up of a certain number of square miles) or what constitutes high unemployment? Add it to the Wisconsin Development Fund. Are there useful examples elsewhere in statutes that could help on the pilot definition questions?

CS

From:

Knickelbine, Mark

Sent:

Friday, October 30, 2009 9:42 AM

10:

Sundberg, Christopher

Subject:

Changes and additions to LRB 3617/2

Chris --

With luck, these will be the last changes to 3617 prior to introduction, which we intend to do next Wednesday (11/4). Let me know if you have questions. Thanks!

<< File: Additions and Changes to LRB 3617.doc >>

Mark Knickelbine

Clerk of the Committee on Economic Development

Office of State Senator Lassa State Capitol, Room 323 - South P.O. Box 7882 Madison, WI 53707-7882 608-266-3123 1-800-925-7491 toll-free 608-267-6797

Sundberg, Christopher

From:

Knickelbine, Mark

Sent:

Tuesday, November 03, 2009 11:18 AM

To:

Sundberg, Christopher

Subject:

RE: Changes and additions to LRB 3617/2

Chris --

This is funding that wasn't in /2, so you will have to add it.

Mark

From:

Sundberg, Christopher

Sent:

Monday, November 02, 2009 4:35 PM

To:

Knickelbine, Mark

Subject:

RE: Changes and additions to LRB 3617/2

Last question for today: is the funding for targeted microloans already in the increase to the development fund in the /2, or do I need to make an additional increase of \$500,000 for 2010-11?

From:

Knickelbine, Mark

Sent:

Monday, November 02, 2009 3:55 PM

To:

Sundberg, Christopher

Subject:

RE: Changes and additions to LRB 3617/2

Chris --

Answers below. Thanks!

Mark

From:

Sundberg, Christopher

Sent:

Monday, November 02, 2009 11:58 AM

To:

Knickelbine, Mark

Subject:

RE: Changes and additions to LRB 3617/2

Some more questions:

per MK 11/4, leave RM provisions unchanged

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Changes and additions to LRB 3617/2

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<< File: Additions and Changes to LRB 3617.doc >>

Mark Knickelbine
Clerk of the Committee on Economic Development
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