



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1556/04

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Inses + S

in Friday 4-29

due Tues. 5-3

re. gen

1 **AN ACT to repeal** 20.195 (1) (k); **to amend** 1.12 (1) (b), 13.172 (1), 13.48 (13) (a),
2 13.62 (2), 13.94 (1) (mm), 13.94 (4) (a) 1., 13.95 (intro.), 16.002 (2), 16.004 (4),
3 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab), 16.41 (4), 16.417 (1) (b),
4 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.765 (1), 16.765 (2), 16.765
5 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8),
6 71.05 (6) (a) 15., 71.21 (4), 71.26 (1) (be), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45 (2)
7 (a) 10., 76.67 (2), 77.54 (9a) (a), 77.92 (4), 100.45 (1) (dm), 101.177 (1) (d), 230.03
8 (3), 281.75 (4) (b) 3. and 285.59 (1) (b); **to repeal and recreate** 16.417 (1) (b);
9 and **to create** 13.94 (1) (dx), 13.94 (1s) (c) 6., 19.42 (10) (t), 19.42 (13) (p), 20.195,
10 20.195 (1) (k), 40.02 (54) (n), 70.11 (38v), 71.07 (8s), 71.10 (4) (ds), 71.28 (8s),
11 71.30 (3) (dn), 71.47 (8s), 71.49 (1) (dn), 73.033, 76.634 and chapter 239 of the
12 statutes; **relating to:** creation of the Wisconsin Venture Capital Authority,
13 creation of the badger jobs fund and the jobs now fund certification program,

The board may ^{hire} an executive director.

- 1 both of which are to be administered by the Wisconsin Venture Capital
- 2 Authority, making an appropriation, and providing a penalty.

Analysis by the Legislative Reference Bureau
WISCONSIN VENTURE CAPITAL AUTHORITY

^{chair} This bill creates an authority to be known as the "Wisconsin Venture Capital Authority" (authority) to oversee programs related to venture capital investment in Wisconsin businesses.

COMPOSITION AND GENERAL OPERATION

Board of Directors

Under the bill, the authority is governed by a seven-member board of directors (board) that consists of the chief executive officer of the Wisconsin Economic Development Corporation, who serves as the ~~chairperson~~ ^{chair} of the board; the executive director of the Wisconsin Housing and Economic Development Authority; ~~three~~ ^{four} members from the private sector nominated by the governor and appointed with the advice and consent of the senate; one member appointed by the speaker of the assembly; and one member appointed by the senate majority leader. The members of the board appointed by the governor, the speaker of the assembly, and the senate majority leader serve staggered three-year terms and must have experience that qualifies them to serve on the board. The members of the board appointed by the speaker of the assembly and the senate majority leader are subject to state ethics laws. The members of the board may not be compensated, but the members may be reimbursed for actual and necessary expenses, including travel expenses, incurred in the performance of their duties.

The bill gives the board the powers necessary or convenient to carry out its duties, as well as specific powers to conduct its corporate business. Under the bill, the authority ^{is} a participating employer in the Wisconsin Retirement System. The bill provides that the authority's administration of its venture capital investment programs, described below, is funded in part from any increase in withholding taxes paid over 15 years by businesses that receive investment capital under the authority's programs.

Transitional Administration by the Department of Commerce and the Wisconsin Economic Development Corporation

Under the bill, the Department of Commerce administers the programs created under the authority until the board is in place and the authority has adequate personnel to carry out its duties or until the effective date of the 2011-13 biennial budget act, whichever is later. If as of the effective date of the 2011-13 biennial budget act the authority has not assumed administration of its programs, the authority's programs are to be administered by the Wisconsin Economic Development Corporation until the authority is prepared to assume administration of those programs.

the executive director, if any, and the manager of the budgeted subs fund administered by the authority

percent - 3 -

The authority may pay the fund manager a management fee of not more than 0.5% of the total amount of capital that the authority has committed or invested in investors.

General Reporting Requirements

under the badger jobs fund.

Under the bill, the authority must submit an annual report to the legislature and to the governor that contains all of the following information:

1. An assessment of the success to date of each program administered by the authority.
2. An accounting of the financial status of each program administered by the authority, including the opinion of an independent certified public accountant.
3. Any recommendations the authority has for the improvement of each of its programs.

BADGER JOBS FUND

Also under the bill, there is created a fund to be known as the "badger jobs fund" for the placement of capital with investors who are certified by the authority and who in turn invest badger jobs fund capital in Wisconsin businesses that meet certain criteria. The authority must hire a qualified fund manager to manage the badger jobs fund's investments. The badger jobs fund manager must establish and maintain an investment policy for the badger jobs fund that the authority reviews and approves on an annual basis.

in an amount determined by the authority

Investor Certification

Under the bill, any person may apply to be certified to receive badger jobs fund capital. The authority charges such applicants a \$7,500 application fee. In determining whether to certify an applicant, the authority considers the applicant's venture capital experience or other experience that qualifies the applicant to receive badger jobs fund capital, the past performance of investments managed by the applicant, the applicant's commitment to investing in businesses within Wisconsin, and whether the investor is located in Wisconsin or agrees to maintain an office in Wisconsin.

Investment of Badger Jobs Fund Capital

commit

Under the bill, the authority may invest badger jobs fund capital only in certified investors. The authority may not invest more than 15 percent of the total capital that the badger jobs fund holds at the time of investment, including invested capital in a single certified investor.

The bill provides that a certified investor must contract with the authority before receiving any capital from the badger jobs fund. Under the contract, the certified investor must agree to all of the following:

1. The certified investor must commit to maintaining a significant physical presence in Wisconsin, including an office that is staffed by at least one full-time employee.
2. The certified investor must invest badger jobs fund capital only in a business that is headquartered in Wisconsin; that employs at least 50 percent of its employees in Wisconsin; that agrees to use badger jobs fund capital only for certain approved purposes; and that is not primarily engaged in real estate development or sales, insurance, banking, lending, lobbying, political consulting, professional services, or retail sales, other than direct sales of products the business itself manufactures.

at least 50 percent of the it receive

authority is authorized to raise for the

3. The certified investor may not receive capital from the badger jobs fund that exceeds 25 percent of the total capital the investor raises from all sources, including the badger jobs fund.

4. When a certified investor invests badger jobs fund capital in a business, the certified investor must at least match the badger jobs fund's capital contribution to that investment with capital the certified investor has raised from other sources.

5. The certified investor may not apply the amount of capital it receives from the badger jobs fund toward certification for purposes of receiving early stage or angel investment tax credits from the Department of Commerce.

Issuance of Bonds

The bill authorizes the authority to issue bonds or other obligations to raise capital for the badger jobs fund. The authority may contract with a bondholder to award franchise and income tax credits to a bondholder up to an amount equal to the amount the authority is unable to pay a bondholder on a bond. A bondholder may not claim those tax credits until January 1, 2016. Those tax credits may be carried forward until fully used and may be transferred but not sold. The authority may not award tax credits to bondholders that total more than \$300,000,000.

While the bill specifies that the state is not liable for a debt of the authority, the bill also contains a moral obligation pledge in which the legislature expresses its expectation and aspiration that the legislature will make an appropriation to pay a bondholder the amount of principal and interest or other financing charges the authority fails to pay on a bond.

Reporting Requirements

The bill provides that the authority must include in its annual report to the legislature and the governor all of the following information specifically relating to the badger jobs fund:

1. The current investment policy of the badger jobs fund.
2. The badger jobs fund's internal rate of return ^{up to \$200,000,000 in} on its investments in certified investors. _{from}
3. An accounting of the withholding tax revenue received by the authority from businesses that received investment capital contributed by the badger jobs fund from a certified investor.
4. An accounting of any compensation, including a management fee, paid to the badger jobs fund manager during the preceding year.
5. An accounting of the value of tax credits awarded to bondholders during the preceding year, including a description of the circumstances leading to the award of the credits and the likelihood that the authority will award additional tax credits to bondholders in the future.
6. For each certified investor in whom the badger jobs fund invested capital during the preceding year, the name and address of the investor and the amount of each investment.
7. The internal rate of return realized by each certified investor.
8. An accounting of any fee a certified investor paid to itself or any principal or manager during the preceding year.

The authority must begin approving investments and awarding corresponding tax credits within 90 days after the bill becomes effective.

9. For each business in which a certified investor made an investment of capital from the badger jobs fund during the preceding year, the name and address of the business and a description of the nature of the business, the amount of each investment in the business, and an identification of the certified investor who made the investment.

CERTIFIED JOBS NOW FUNDS *Program*

Under the bill, the authority also administers a "certified jobs now fund" program under which an insurance company or other person subject to Wisconsin premium tax liability invests capital with a certified jobs now fund that in turn invests that capital in certain kinds of Wisconsin businesses.

in an amount determined by the authority

Jobs Now Fund Certification

Any person may apply to become a certified jobs now fund. The authority must certify an applicant if the applicant pays an application fee of \$7,500 and the authority determines that the applicant meets all of the following requirements:

1. The primary activity of the applicant is the investment of cash in certain kinds of businesses.
2. The applicant owns at least \$500,000 in unencumbered cash or cash equivalents.
3. The applicant has at least two principals or investment managers who have at least five years of experience in the venture capital or private equity industry.
4. The applicant's strategic investment plan will benefit Wisconsin's economy.

Participating Investors

apply to

The bill provides that any insurance company or other person subject to premium tax liability may notify the authority that the person wishes to invest in a certified jobs now fund. A person for whom the authority has approved an investment is called a "participating investor" under the bill. If the authority approves an investment, the participating investor may claim up to 80 percent of the amount of its investment as a credit against the participating investor's premium tax liability. The authority may not award more than \$200,000,000 in premium tax credits under the program.

Additionally, under the bill, a participating investor may not claim a premium tax credit until after it has made an approved investment in a certified jobs now fund and may not claim a premium tax credit before January 1, 2014. A participating investor may not claim more than 25 percent of its approved premium tax credit in one year, but the premium tax credit may be carried forward until fully used. A participating investor may sell or otherwise transfer a premium tax credit awarded by the authority to another insurance company or other person subject to premium tax liability. A participating investor must report that sale or transfer to the authority and the commissioner of insurance.

Qualified Businesses

Once it receives investment capital from a participating investor, the bill authorizes a certified jobs now fund to invest that capital only in certain kinds of businesses, called "qualified businesses" under the bill. In particular, a qualified business is a business that meets all of the following conditions:

The bill directs the authority to establish a single 15-day period in which such applications may be submitted

1. The business's headquarters are in Wisconsin.
2. The business is in need of venture capital and is unable to obtain conventional financing.
3. The business employs 100 or fewer employees, and at least 80 percent of those employees are employed in this state, or at least 80 percent of the business's payroll is paid to employees employed in this state.
4. The business is not primarily engaged in real estate development or sales, insurance, banking, lending, lobbying, political consulting, professional services, or retail sales, other than direct sales of products the business itself manufactures.

Also under the bill, in order to receive certified jobs fund investments, a qualified business must agree not to relocate its headquarters outside of Wisconsin and to maintain at least 75 percent of its employees in Wisconsin, or pay at least 75 percent of its payroll to employees in Wisconsin, as long as the certified jobs now fund continues to hold the investment.

Investments in Qualified Businesses

Under the bill, a certified jobs now fund is required to make investments in qualified businesses based on a specific investment schedule, and after seven years, a certified jobs now fund must have placed 100 percent of its capital received from a participating investor with qualified businesses, at least 50 percent of which must be invested in qualified businesses with gross revenue of \$2,000,000 or less in the fiscal year immediately preceding the date of investment. If a certified jobs now fund fails to satisfy the investment schedule, it may be required to refrain from paying any management or similar fee until required investments are made. Under the bill, a certified jobs now fund may not invest more than 15 percent of its total capital received from participating investors in any one qualified business.

Distributions from Qualified Investments; Profit Sharing Fee

Under the bill, a certified jobs now fund is also limited in the distributions from investments that it may make before it has invested all of its capital received from a participating investor in qualified businesses. However, a certified jobs now fund may make a distribution of any kind once it has invested 100 percent of its capital received from a participating investor in qualified businesses, at least 50 percent of which is invested in qualified businesses with gross revenue of \$2,000,000 or less in the fiscal year immediately preceding the date of investment. When such a distribution is made, the certified jobs now fund must pay to the authority a profit sharing fee equal to 20 percent of the distribution, which the authority then remits to the state for deposit in the general fund.



Annual Review by Authority

The bill provides that by January 31 of each year, a certified jobs now fund must submit a report to the authority that describes in detail the certified jobs now fund's investments in qualified businesses, including its progress with respect to the investment schedule required under the bill and any distributions the certified jobs now fund has made from those investments. The authority is required to complete an annual review of each certified jobs now fund to ensure that each certified jobs now fund is in full compliance with the bill. Additionally, within 90 days after the end of a certified jobs now fund's fiscal year, the certified jobs now fund must file with

the authority a copy of its annual audited financial statement, including the opinion of an independent certified public accountant. The authority charges each jobs now fund an annual certification renewal fee of \$5,000.

Decertification; Penalties for Noncompliance

The authority may decertify a certified jobs now fund that violates the requirements of the bill. In the event of decertification, a participating investor may be required to repay to the commissioner of insurance the amount of any credit against premium tax liability that the participating investor received based on its investment of capital in the decertified jobs now fund. The bill also authorizes the authority to fine a person who violates any of the bill's provisions up to \$25,000 depending on the circumstances of the violation.

Reporting Requirements

Finally, the bill requires that the authority include in its annual report to the legislature and the governor all of the following information specifically relating to the certified jobs now fund program:

1. The information that each certified jobs now fund is required to provide to the authority on an annual basis, excluding annual financial statements.
2. An accounting of the withholding tax revenue received by the authority from qualified businesses that have received an investment of capital contributed by a participating investor from a certified jobs now fund.
3. An accounting of the value of the premium tax credits the authority awarded during the preceding year.
4. An accounting of each profit sharing fee received by the authority in the preceding year.
5. A list of any decertified jobs now funds from the preceding year and a description of the circumstances leading to each decertification.

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

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

- 1 **SECTION 1.** 1.12 (1) (b) of the statutes, as affected by 2011 Wisconsin Act 7, is
2 amended to read:
- 3 1.12 (1) (b) "State agency" means an office, department, agency, institution of
4 higher education, the legislature, a legislative service agency, the courts, a judicial
5 branch agency, an association, society, or other body in state government that is
6 created or authorized to be created by the constitution or by law, for which
7 appropriations are made by law, excluding the Health Insurance Risk-Sharing Plan

1 Authority, the Wisconsin Venture Capital Authority, and the Wisconsin Economic
2 Development Corporation.

3 **SECTION 2.** 13.172 (1) of the statutes, as affected by 2011 Wisconsin Act 10, is
4 amended to read:

5 13.172 (1) In this section, "agency" means an office, department, agency,
6 institution of higher education, association, society, or other body in state
7 government created or authorized to be created by the constitution or any law, that
8 is entitled to expend moneys appropriated by law, including the legislature and the
9 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in
10 ch. 231, 233, 234, 238, 239, or 279.

11 **SECTION 3.** 13.48 (13) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
12 is amended to read:

13 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
14 facility that is constructed for the benefit of or use of the state, any state agency,
15 board, commission or department, the University of Wisconsin Hospitals and Clinics
16 Authority, the Fox River Navigational System Authority, the Wisconsin Venture
17 Capital Authority, the Wisconsin Economic Development Corporation, or any local
18 professional baseball park district created under subch. III of ch. 229 if the
19 construction is undertaken by the department of administration on behalf of the
20 district, shall be in compliance with all applicable state laws, rules, codes and
21 regulations but the construction is not subject to the ordinances or regulations of the
22 municipality in which the construction takes place except zoning, including without
23 limitation because of enumeration ordinances or regulations relating to materials
24 used, permits, supervision of construction or installation, payment of permit fees, or
25 other restrictions.

1 **SECTION 4.** 13.62 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
2 amended to read:

3 13.62 (2) "Agency" means any board, commission, department, office, society,
4 institution of higher education, council, or committee in the state government, or any
5 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233,
6 234, 237, 238, 239, or 279, except that the term does not include a council or
7 committee of the legislature.

8 **SECTION 5.** 13.94 (1) (dx) of the statutes is created to read:

9 13.94 (1) (dx) Biennially, beginning in 2013, conduct a financial audit of the
10 Wisconsin Venture Capital Authority and a program evaluation audit of the
11 programs administered by the Wisconsin Venture Capital Authority under ch. 239.
12 The legislative audit bureau shall file a copy of each audit report under this
13 paragraph with the distributees specified in par. (b).

14 **SECTION 6.** 13.94 (1) (mm) of the statutes, as affected by 2011 Wisconsin Act 7,
15 is amended to read:

16 13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance
17 evaluation audit of the economic development programs administered by the
18 department of commerce, the University of Wisconsin System, the department of
19 agriculture, trade and consumer protection, the department of natural resources, the
20 Wisconsin Housing and Economic Development Authority, the Wisconsin Venture
21 Capital Authority, the Wisconsin Economic Development Corporation, the
22 department of tourism, the technical college system, and the department of
23 transportation. In this paragraph, economic development program has the meaning
24 given in s. 560.001 (1m). The legislative audit bureau shall file a copy of the report
25 of the audit under this paragraph with the distributees specified in par. (b).

1 **SECTION 7.** 13.94 (1s) (c) 6. of the statutes is created to read:

2 13.94 (1s) (c) 6. The Wisconsin Venture Capital Authority for the cost of the
3 audit required to be performed under sub. (1) (dx).

4 **SECTION 8.** 13.94 (4) (a) 1. of the statutes, as affected by 2011 Wisconsin Act 10,
5 is amended to read:

6 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
7 credentialing board, commission, independent agency, council or office in the
8 executive branch of state government; all bodies created by the legislature in the
9 legislative or judicial branch of state government; any public body corporate and
10 politic created by the legislature including specifically the Fox River Navigational
11 System Authority, the Lower Fox River Remediation Authority, the Wisconsin
12 Aerospace Authority, the Wisconsin Venture Capital Authority, and the Wisconsin
13 Economic Development Corporation, a professional baseball park district, a local
14 professional football stadium district, a local cultural arts district, and a long-term
15 care district under s. 46.2895; every Wisconsin works agency under subch. III of ch.
16 49; every provider of medical assistance under subch. IV of ch. 49; technical college
17 district boards; every county department under s. 51.42 or 51.437; every nonprofit
18 corporation or cooperative or unincorporated cooperative association to which
19 moneys are specifically appropriated by state law; and every corporation, institution,
20 association or other organization which receives more than 50% of its annual budget
21 from appropriations made by state law, including subgrantee or subcontractor
22 recipients of such funds.

23 **SECTION 9.** 13.95 (intro.) of the statutes, as affected by 2011 Wisconsin Act 10,
24 is amended to read:

1 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
2 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
3 shall be strictly nonpartisan and shall at all times observe the confidential nature
4 of the research requests received by it; however, with the prior approval of the
5 requester in each instance, the bureau may duplicate the results of its research for
6 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
7 designated employees shall at all times, with or without notice, have access to all
8 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
9 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
10 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital
11 Authority, the Wisconsin Economic Development Corporation, and the Fox River
12 Navigational System Authority, and to any books, records, or other documents
13 maintained by such agencies or authorities and relating to their expenditures,
14 revenues, operations, and structure.

15 **SECTION 10.** 16.002 (2) of the statutes, as affected by 2011 Wisconsin Act 10,
16 is amended to read:

17 16.002 (2) “Departments” means constitutional offices, departments, and
18 independent agencies and includes all societies, associations, and other agencies of
19 state government for which appropriations are made by law, but not including
20 authorities created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232,
21 233, 234, 235, 237, 238, 239, or 279.

22 **SECTION 11.** 16.004 (4) of the statutes, as affected by 2011 Wisconsin Act 10,
23 is amended to read:

24 16.004 (4) **FREEDOM OF ACCESS.** The secretary and such employees of the
25 department as the secretary designates may enter into the offices of state agencies

1 and authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under
2 chs. 231, 233, 234, 237, 238, 239, and 279, and may examine their books and accounts
3 and any other matter that in the secretary's judgment should be examined and may
4 interrogate the agency's employees publicly or privately relative thereto.

5 **SECTION 12.** 16.004 (5) of the statutes, as affected by 2011 Wisconsin Act 10,
6 is amended to read:

7 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
8 authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under chs.
9 231, 233, 234, 237, 238, 239, and 279, and their officers and employees, shall
10 cooperate with the secretary and shall comply with every request of the secretary
11 relating to his or her functions.

12 **SECTION 13.** 16.004 (12) (a) of the statutes, as affected by 2011 Wisconsin Act
13 10, is amended to read:

14 16.004 (12) (a) In this subsection, "state agency" means an association,
15 authority, board, department, commission, independent agency, institution, office,
16 society, or other body in state government created or authorized to be created by the
17 constitution or any law, including the legislature, the office of the governor, and the
18 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
19 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
20 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic
21 Development Corporation, the Wisconsin Venture Capital Authority, and the Fox
22 River Navigational System Authority.

23 **SECTION 14.** 16.045 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
24 is amended to read:

1 16.045 (1) (a) “Agency” means an office, department, independent agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
6 ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

7 **SECTION 15.** 16.15 (1) (ab) of the statutes, as affected by 2011 Wisconsin Act 10,
8 is amended to read:

9 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
10 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
11 River Remediation Authority, the Wisconsin Economic Development Corporation,
12 the Wisconsin Venture Capital Authority, and the Health Insurance Risk-Sharing
13 Plan Authority.

14 **SECTION 16.** 16.41 (4) of the statutes, as affected by 2011 Wisconsin Act 10, is
15 amended to read:

16 16.41 (4) In this section, “authority” means a body created under subch. II of
17 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, 237, 238, 239, or 279.

18 **SECTION 17.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Acts
19 7 and 10, is repealed and recreated to read:

20 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
21 ch. 231, 232, 233, 234, 235, 237, 239, or 279.

22 **SECTION 18.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Act
23 (this act), is amended to read:

24 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
25 ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

1 **SECTION 19.** 16.52 (7) of the statutes, as affected by 2011 Wisconsin Act 10, is
2 amended to read:

3 **16.52 (7) PETTY CASH ACCOUNT.** With the approval of the secretary, each agency
4 that is authorized to maintain a contingent fund under s. 20.920 may establish a
5 petty cash account from its contingent fund. The procedure for operation and
6 maintenance of petty cash accounts and the character of expenditures therefrom
7 shall be prescribed by the secretary. In this subsection, “agency” means an office,
8 department, independent agency, institution of higher education, association,
9 society, or other body in state government created or authorized to be created by the
10 constitution or any law, that is entitled to expend moneys appropriated by law,
11 including the legislature and the courts, but not including an authority created in
12 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or
13 279.

14 **SECTION 20.** 16.528 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
15 is amended to read:

16 **16.528 (1) (a)** “Agency” means an office, department, independent agency,
17 institution of higher education, association, society, or other body in state
18 government created or authorized to be created by the constitution or any law, that
19 is entitled to expend moneys appropriated by law, including the legislature and the
20 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
21 ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

22 **SECTION 21.** 16.53 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
23 amended to read:

24 **16.53 (2) IMPROPER INVOICES.** If an agency receives an improperly completed
25 invoice, the agency shall notify the sender of the invoice within 10 working days after

1 it receives the invoice of the reason it is improperly completed. In this subsection,
2 “agency” means an office, department, independent agency, institution of higher
3 education, association, society, or other body in state government created or
4 authorized to be created by the constitution or any law, that is entitled to expend
5 moneys appropriated by law, including the legislature and the courts, but not
6 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
7 231, 233, 234, 237, 238, 239, or 279.

8 **SECTION 22.** 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act
9 10, is amended to read:

10 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
11 institution of higher education, association, society or other body in state
12 government created or authorized to be created by the constitution or any law, which
13 is entitled to expend moneys appropriated by law, including the legislature and the
14 courts, but not including an authority created in subch. II of ch. 114 or subch. III of
15 ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

16 **SECTION 23.** 16.765 (1) of the statutes, as affected by 2011 Wisconsin Act 10,
17 is amended to read:

18 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
19 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
20 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
21 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the
22 Wisconsin Economic Development Corporation, and the Bradley Center Sports and
23 Entertainment Corporation shall include in all contracts executed by them a
24 provision obligating the contractor not to discriminate against any employee or
25 applicant for employment because of age, race, religion, color, handicap, sex, physical

1 condition, developmental disability as defined in s. 51.01 (5), sexual orientation as
2 defined in s. 111.32 (13m), or national origin and, except with respect to sexual
3 orientation, obligating the contractor to take affirmative action to ensure equal
4 employment opportunities.

5 **SECTION 24.** 16.765 (2) of the statutes, as affected by 2011 Wisconsin Act 10,
6 is amended to read:

7 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
8 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
9 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
10 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the
11 Wisconsin Economic Development Corporation, and the Bradley Center Sports and
12 Entertainment Corporation shall include the following provision in every contract
13 executed by them: "In connection with the performance of work under this contract,
14 the contractor agrees not to discriminate against any employee or applicant for
15 employment because of age, race, religion, color, handicap, sex, physical condition,
16 developmental disability as defined in s. 51.01 (5), sexual orientation or national
17 origin. This provision shall include, but not be limited to, the following: employment,
18 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
19 termination; rates of pay or other forms of compensation; and selection for training,
20 including apprenticeship. Except with respect to sexual orientation, the contractor
21 further agrees to take affirmative action to ensure equal employment opportunities.
22 The contractor agrees to post in conspicuous places, available for employees and
23 applicants for employment, notices to be provided by the contracting officer setting
24 forth the provisions of the nondiscrimination clause".

1 **SECTION 25.** 16.765 (5) of the statutes, as affected by 2011 Wisconsin Act 10,
2 is amended to read:

3 16.765 (5) The head of each contracting agency and the boards of directors of
4 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
5 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
6 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
7 Authority, the Wisconsin Venture Capital Authority, the Wisconsin Economic
8 Development Corporation, and the Bradley Center Sports and Entertainment
9 Corporation shall be primarily responsible for obtaining compliance by any
10 contractor with the nondiscrimination and affirmative action provisions prescribed
11 by this section, according to procedures recommended by the department. The
12 department shall make recommendations to the contracting agencies and the boards
13 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox
14 River Navigational System Authority, the Wisconsin Aerospace Authority, the
15 Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
16 Authority, the Wisconsin Venture Capital Authority, the Wisconsin Economic
17 Development Corporation, and the Bradley Center Sports and Entertainment
18 Corporation for improving and making more effective the nondiscrimination and
19 affirmative action provisions of contracts. The department shall promulgate such
20 rules as may be necessary for the performance of its functions under this section.

21 **SECTION 26.** 16.765 (6) of the statutes, as affected by 2011 Wisconsin Act 10,
22 is amended to read:

23 16.765 (6) The department may receive complaints of alleged violations of the
24 nondiscrimination provisions of such contracts. The department shall investigate
25 and determine whether a violation of this section has occurred. The department may

1 delegate this authority to the contracting agency, the University of Wisconsin
2 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
3 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
4 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital
5 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
6 Sports and Entertainment Corporation for processing in accordance with the
7 department's procedures.

8 **SECTION 27.** 16.765 (7) (intro.) of the statutes, as affected by 2011 Wisconsin
9 Act 10, is amended to read:

10 16.765 (7) (intro.) When a violation of this section has been determined by the
11 department, the contracting agency, the University of Wisconsin Hospitals and
12 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
13 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
14 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the
15 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
16 Entertainment Corporation, the contracting agency, the University of Wisconsin
17 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
18 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,
19 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital
20 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
21 Sports and Entertainment Corporation shall:

22 **SECTION 28.** 16.765 (7) (d) of the statutes, as affected by 2011 Wisconsin Act 10,
23 is amended to read:

24 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
25 further violations of this section and to report its corrective action to the contracting

1 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River
2 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
3 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
4 Authority, the Wisconsin Venture Capital Authority, the Wisconsin Economic
5 Development Corporation, or the Bradley Center Sports and Entertainment
6 Corporation.

7 **SECTION 29.** 16.765 (8) of the statutes, as affected by 2011 Wisconsin Act 10,
8 is amended to read:

9 16.765 (8) If further violations of this section are committed during the term
10 of the contract, the contracting agency, the Fox River Navigational System Authority,
11 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan
12 Authority, the Lower Fox River Remediation Authority, the Wisconsin Venture
13 Capital Authority, the Wisconsin Economic Development Corporation, or the
14 Bradley Center Sports and Entertainment Corporation may permit the violating
15 party to complete the contract, after complying with this section, but thereafter the
16 contracting agency, the Fox River Navigational System Authority, the Wisconsin
17 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
18 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the
19 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
20 Entertainment Corporation shall request the department to place the name of the
21 party on the ineligible list for state contracts, or the contracting agency, the Fox River
22 Navigational System Authority, the Wisconsin Aerospace Authority, the Health
23 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
24 Authority, the Wisconsin Venture Capital Authority, the Wisconsin Economic
25 Development Corporation, or the Bradley Center Sports and Entertainment

1 Corporation may terminate the contract without liability for the uncompleted
2 portion or any materials or services purchased or paid for by the contracting party
3 for use in completing the contract.

4 **SECTION 30.** 16.85 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is
5 amended to read:

6 16.85 (2) To furnish engineering, architectural, project management, and other
7 building construction services whenever requisitions therefor are presented to the
8 department by any agency. The department may deposit moneys received from the
9 provision of these services in the account under s. 20.505 (1) (kc) or in the general
10 fund as general purpose revenue — earned. In this subsection, “agency” means an
11 office, department, independent agency, institution of higher education, association,
12 society, or other body in state government created or authorized to be created by the
13 constitution or any law, which is entitled to expend moneys appropriated by law,
14 including the legislature and the courts, but not including an authority created in
15 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or
16 279.

17 **SECTION 31.** 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act 10,
18 is amended to read:

19 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
20 proportionate share of the estimated costs attributable to programs administered by
21 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
22 may charge premiums to agencies to finance costs under this subsection and pay the
23 costs from the appropriation on an actual basis. The department shall deposit all
24 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
25 Costs assessed under this subsection may include judgments, investigative and

and the jobs now fund program under subch. III of ch. 239

1 adjustment fees, data processing and staff support costs, program administration
2 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
3 subsection, "agency" means an office, department, independent agency, institution
4 of higher education, association, society, or other body in state government created
5 or authorized to be created by the constitution or any law, that is entitled to expend
6 moneys appropriated by law, including the legislature and the courts, but not
7 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.
8 231, 232, 233, 234, 235, 237, 238, 239, or 279.

9 SECTION 32. 19.42 (10) (t) of the statutes is created to read:

10 19.42 (10) (t) The executive director of the Wisconsin Venture Capital
11 Authority, and the members of the authority's board of directors who are appointed
12 by the speaker of the assembly and the majority leader of the senate,

13 SECTION 33. 19.42 (13) (p) of the statutes is created to read:

14 19.42 (13) (p) The executive director of the Wisconsin Venture Capital
15 Authority, and the members of the authority's board of directors who are appointed
16 by the speaker of the assembly and the majority leader of the senate,

17 SECTION 34. 20.195 of the statutes is created to read:

18 20.195 Wisconsin Venture Capital Authority. There is appropriated to the
19 Wisconsin Venture Capital Authority for the following program:

20 (1) VENTURE CAPITAL INVESTMENT PROGRAMS. (a) Establishment and operation.

21 As a continuing appropriation, the amounts in the schedule for the establishment
22 and operation of the Wisconsin Venture Capital Authority.

23 (g) Administration of the badger jobs fund. All moneys received under s. 73.033

24 (2) for administration of the badger jobs fund under subch. II of ch. 239.

25 SECTION 35. 20.195 (1) (k) of the statutes is created to read:

and the fund manager of the badger jobs fund hired by the authority under s. 239.11(4), including all partners, officers, or other principals if the fund manager is an entity

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(1)(b) and

1 20.195 (1) (k) *Transferred general fund moneys from department of commerce.*
2 All moneys transferred under 2011 Wisconsin Act (this act), section 61 (5), for the
3 operations of the Wisconsin Venture Capital Authority and for funding programs
4 created and implemented under ch. 239.

5 **SECTION 35.** 20.195 (1) (k) of the statutes, as created by 2011 Wisconsin Act
6 (this act), is repealed.

7 **SECTION 36.** 40.02 (54) (n) of the statutes is created to read:

8 40.02 (54) (n) The Wisconsin Venture Capital Authority.

9 **SECTION 37.** 70.11 (38v) of the statutes is created to read:

10 70.11 (38v) WISCONSIN VENTURE CAPITAL AUTHORITY. All property owned by the
11 Wisconsin Venture Capital Authority, provided that use of the property is primarily
12 related to the purposes of the Wisconsin Venture Capital Authority.

13 **SECTION 38.** 71.05 (6) (a) 15. of the statutes is amended to read:

14 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
15 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
16 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (8s)~~
17 and not passed through by a partnership, limited liability company, or tax-option
18 corporation that has added that amount to the partnership's, company's, or
19 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

20 **SECTION 39.** 71.07 (8s) of the statutes is created to read:

21 71.07 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition.* In this subsection,
22 "claimant" means a person who files a claim under this subsection.

23 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
24 239.11, for taxable years beginning after December 31, 2016, a claimant who
25 purchases bonds issued under s. 239.11 (2) and who has been awarded a credit under

1 s. 239.14, may claim as a credit against the tax imposed under s. 71.02, up to the
2 amount of the tax, the amount determined under s. 239.14.

3 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
4 corporations may not claim the credit under this subsection, but the eligibility for,
5 and the amount of, the credit are based on their purchase of bonds issued under s.
6 239.11 (2) for which a credit has been awarded under s. 239.14. A partnership,
7 limited liability company, or tax-option corporation shall compute the amount of
8 credit that each of its partners, members, or shareholders may claim and shall
9 provide that information to each of them. Partners, members of limited liability
10 companies, and shareholders of tax-option corporations may claim the credit in
11 proportion to their ownership interests. |.

12 (d) *Carry-forward.* If a credit computed under this subsection is not entirely
13 offset against Wisconsin income or franchise taxes otherwise due, the unused
14 balance may be carried forward and credited against Wisconsin income or franchise
15 taxes otherwise due for the following taxable years to the extent not offset by these
16 taxes otherwise due in all intervening years between the year in which the expense
17 was incurred and the year in which the carry-forward credit is claimed.

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18 (e) *Sale of credit.* A person who is awarded a credit under s. 239.14, or to whom
19 a credit is transferred as provided under this paragraph, may transfer, ^{sell or otherwise} but not sell,
20 the credit to another person who is subject to the tax imposed under s. 71.02, 71.23,
21 or 71.43 if the person notifies the department of revenue and the Wisconsin Venture
22 Capital Authority created under ch. 239 of the transfer and includes with the
23 notification a copy of the transfer documents. }

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

No credit may be sold or transferred under this paragraph until
180 days after the date on which the person becomes eligible to
claim the credit.

INSERT 24-0 JK

1 SECTION 40. 71.10 (4) (ds) of the statutes is created to read:

2 71.10 (4) (ds) Badger jobs fund bonds credit under s. 71.07 (8s).

3 SECTION 41. 71.21 (4) of the statutes is amended to read:

4 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
5 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),
6 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r)~~, and (8s) and passed
7 through to partners shall be added to the partnership's income.

8 SECTION 42. 71.26 (1) (be) of the statutes, as affected by 2011 Wisconsin Act 10,
9 is amended to read:

10 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin
11 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan
12 Authority, of the Fox River Navigational System Authority, of the Wisconsin
13 Economic Development Corporation, of the Wisconsin Venture Capital Authority,
14 and of the Wisconsin Aerospace Authority.

15 SECTION 43. 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act
16 3, is amended to read:

17 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
18 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
19 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (8r), ~~(8s)~~, and
20 (9s) and not passed through by a partnership, limited liability company, or
21 tax-option corporation that has added that amount to the partnership's, limited
22 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
23 (g).

24

SECTION 44. 71.28 (8s) of the statutes is created to read:

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24-23 JK

1 71.28 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition.* In this subsection,
2 “claimant” means a person who files a claim under this subsection.

3 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
4 239.11, for taxable years beginning after December 31, 2016, a claimant who
5 purchases bonds issued under s. 239.11 (2) and who has been awarded a credit under
6 s. 239.14, may claim as a credit against the tax imposed under s. 71.23, up to the
7 amount of the tax, the amount determined under s. 239.14.

8 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
9 corporations may not claim the credit under this subsection, but the eligibility for,
10 and the amount of, the credit are based on their purchase of bonds issued under s.
11 239.11 (2) for which a credit has been awarded under s. 239.14. A partnership,
12 limited liability company, or tax-option corporation shall compute the amount of
13 credit that each of its partners, members, or shareholders may claim and shall
14 provide that information to each of them. Partners, members of limited liability
15 companies, and shareholders of tax-option corporations may claim the credit in
16 proportion to their ownership interests.

17 (d) *Carry-forward.* If a credit computed under this subsection is not entirely
18 offset against Wisconsin income or franchise taxes otherwise due, the unused
19 balance may be carried forward and credited against Wisconsin income or franchise
20 taxes otherwise due for the following taxable years to the extent not offset by these
21 taxes otherwise due in all intervening years between the year in which the expense
22 was incurred and the year in which the carry-forward credit is claimed.

23 (e) *Sale of credit.* A person who is awarded a credit under s. 239.14, or to whom
24 a credit is transferred as provided under this paragraph, may ^{sell or otherwise} transfer, but not sell,
25 the credit to another person who is subject to the tax imposed under s. 71.02, 71.23,

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sell or otherwise
transfer, but not sell,

1 or 71.43 if the person notifies the department of revenue and the Wisconsin Venture
2 Capital Authority created under ch. 239 of the transfer and includes with the
3 notification a copy of the transfer documents

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

6 **SECTION 45.** 71.30 (3) (dn) of the statutes is created to read:

7 71.30 (3) (dn) Badger jobs fund bonds credit under s. 71.28 (8s).

8 **SECTION 46.** 71.34 (1k) (g) of the statutes is amended to read:

9 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
11 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
12 (5k), (5r), (5rm), and (8r), and (8s) and passed through to shareholders.

13 **SECTION 47.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act
14 3, is amended to read:

15 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
16 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
17 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (8r), (8s), and (9s) and not passed
18 through by a partnership, limited liability company, or tax-option corporation that
19 has added that amount to the partnership's, limited liability company's, or
20 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount
21 of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

22 **SECTION 48.** 71.47 (8s) of the statutes is created to read:

23 71.47 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition*. In this subsection,
24 "claimant" means a person who files a claim under this subsection.

No credit may be sold or transferred under this paragraph until 180 days after the date on which the person becomes eligible to claim the credit

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26-5 JK

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1 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
 2 239.11, for taxable years beginning after December 31, 2016, a claimant who
 3 purchases bonds issued under s. 239.11 (2) and who has been awarded a credit under
 4 s. 239.14, may claim as a credit against the tax imposed under s. 71.43, up to the
 5 amount of the tax, the amount determined under s. 239.14.

6 (c) *Limitations.* Partnerships, limited liability companies, and tax-option
 7 corporations may not claim the credit under this subsection, but the eligibility for,
 8 and the amount of, the credit are based on their purchase of bonds issued under s.
 9 239.11 (2) for which a credit has been awarded under s. 239.14. A partnership,
 10 limited liability company, or tax-option corporation shall compute the amount of
 11 credit that each of its partners, members, or shareholders may claim and shall
 12 provide that information to each of them. Partners, members of limited liability
 13 companies, and shareholders of tax-option corporations may claim the credit in
 14 proportion to their ownership interests.

15 (d) *Carry-forward.* If a credit computed under this subsection is not entirely
 16 offset against Wisconsin income or franchise taxes otherwise due, the unused
 17 balance may be carried forward and credited against Wisconsin income or franchise
 18 taxes otherwise due for the following taxable years to the extent not offset by these
 19 taxes otherwise due in all intervening years between the year in which the expense
 20 was incurred and the year in which the carry-forward credit is claimed.

21 (e) *Sale of credit.* A person who is awarded a credit under s. 239.14, or to whom
 22 a credit is transferred as provided under this paragraph, may ^{sell or otherwise} transfer ~~but not sell,~~
 23 the credit to another person who is subject to the tax imposed under s. 71.02, 71.23,
 24 or 71.43 if the person notifies the department of revenue and the Wisconsin Venture

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1 Capital Authority created under ch. 239 of the transfer and includes with the
2 notification a copy of the transfer documents.

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

5 (INSERT 28-4 JK) SECTION 49. 71.49 (1) (dn) of the statutes is created to read:

6 71.49 (1) (dn) Badger jobs fund bonds credit under s. 71.47 (8s).

7 SECTION 50. 73.033 of the statutes is created to read:

8 **73.033 Jobs now fund and badger jobs fund investments; withholding**
9 **tax determinations.** (1) (a) The department of revenue, in consultation with the
10 Wisconsin Venture Capital Authority created under ch. 239, shall determine the
11 amount of the withholding taxes under subch. X of ch. 71 paid by each business that
12 receives an investment under s. 239.13 (2) for the year prior to the first year in which
13 each business receives the investment.

14 (b) Each year, for 15 years following the first year in which a business receives
15 an investment under s. 239.13 (2), the department shall credit to the appropriation
16 account under s. 20.195 (1) (g) an amount equal to 50 percent of the increase, if any,
17 in withholding taxes under subch. X of ch. 71 paid by all businesses that receive
18 investments under s. 239.13 (2) over the amount determined for all such businesses
19 under ~~sub. (1)~~⁽⁹⁾ par. The department shall credit the amounts determined under this
20 subsection on a quarterly basis based on its estimate of the total annual increase in
21 the withholding taxes described in this subsection.

22 (2) (a) The department of revenue, in consultation with the Wisconsin Venture
23 Capital Authority created under ch. 239, shall determine the amount of the
24 withholding taxes under subch. X of ch. 71 paid by each business that receives an

no credit may be sold or transferred under this paragraph
until 180 days after the date on which the person becomes
eligible to claim the credit.

1 investment under s. 239.23 (2) for the year prior to the first year in which each
2 business receives the investment.

3 (b) Each year, for 15 years following the first year in which a business receives
4 an investment under s. 239.23 (2), the department shall credit to the appropriation
5 account under s. 20.195 (1) (g) an amount equal to 50 percent of the increase, if any,
6 in withholding taxes under subch. X of ch. 71 paid by all businesses that receive
7 investments under s. 239.23 (2) over the amount determined for all such businesses
8 under sub. (a). The department shall credit the amounts determined under this
9 subsection on a quarterly basis based on its estimate of the total annual increase in
10 the withholding taxes described in this subsection.

11 **SECTION 51.** 76.634 of the statutes is created to read:

12 **76.634 Credit for jobs now fund investments.** (1) DEFINITIONS. In this
13 section:

14 (a) "Allocation date" has the meaning given in s. 239.20 (2).

15 (b) "Certified jobs now fund" has the meaning given in s. 239.20 (3).

16 (c) "Designated capital" has the meaning given in s. 239.20 (4).

17 (2) CREDIT. Subject to the limitations provided in this section and s. 239.22, for
18 taxable years beginning after December 31, 2013, an insurer who makes an
19 investment of designated capital and who has been awarded a credit under s. 239.22
20 (2) (a), may claim as a credit against the fees imposed under s. 76.60, 76.63, 76.65,
21 76.66, or 76.67, up to the amount of such fees, the amount determined under s. 239.22
22 (2) (b).

23 (3) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the
24 fees under s. 76.60, 76.63, 76.65, 76.66 or 76.67 otherwise due, the unused balance
25 may be carried forward and credited against those fees in the following years to the

1 extent that it is not offset by those fees otherwise due in all the years between the
2 year in which the initial credit is claimed and the year in which the carry-forward
3 credit is claimed.

4 (4) RECAPTURE. If a certified jobs now fund in which the insurer's designated
5 capital has been invested is decertified under s. 239.26 (2) (b) and the jobs now fund
6 has not made the investments required under s. 239.23 (4) (a) and (b) within 4 years
7 after the allocation date for the insurer's investment, any insurer that has received
8 a credit under this section with the same allocation date with respect to such
9 decertified jobs now fund shall repay the credit amount to the commissioner of
10 insurance, for deposit into the general fund, and may not claim any more credits
11 under this section with respect to the decertified jobs now fund.

12 (5) SALE OF CREDIT. An insurer who is awarded a credit under s. 239.22 (2) (a),
13 or to whom a credit is sold or transferred as provided under this subsection, may sell
14 or otherwise transfer the credit to another insurer who is subject to the fees imposed
15 under s. 76.60, 76.63, 76.65, 76.66, or 76.67 if the insurer notifies the commissioner
16 of insurance and the Wisconsin Venture Capital Authority created under ch. 239 of
17 the sale or transfer and includes with the notification a copy of the sale or transfer
18 documents. If a credit that has been sold or transferred under this subsection is
19 subject to recapture under sub. (4), the person who claimed the credit is liable for the
20 repayment provided under sub. (4). No credit may be sold or transferred under this
21 subsection until 180 days after the date on which the person becomes eligible to claim
22 the credit.

23 **SECTION 52.** 76.67 (2) of the statutes is amended to read:

24 76.67 (2) If any domestic insurer is licensed to transact insurance business in
25 another state, this state may not require similar insurers domiciled in that other

1 state to pay taxes greater in the aggregate than the aggregate amount of taxes that
2 a domestic insurer is required to pay to that other state for the same year less the
3 credits under ss. 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655, except that the
4 amount imposed shall not be less than the total of the amounts due under ss. 76.65
5 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums,
6 as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss.
7 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655 against that total, and except that
8 the amount imposed shall not be less than the amount due under s. 601.93.

9 **SECTION 53.** 77.54 (9a) (a) of the statutes, as affected by 2011 Wisconsin Act 10,
10 is amended to read:

11 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
12 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health
13 Insurance Risk-Sharing Plan Authority, the Wisconsin Economic Development
14 Corporation, the Wisconsin Venture Capital Authority, and the Fox River
15 Navigational System Authority.

16 **SECTION 54.** 77.92 (4) of the statutes is amended to read:

17 77.92 (4) "Net business income," with respect to a partnership, means taxable
18 income as calculated under section 703 of the Internal Revenue Code; plus the items
19 of income and gain under section 702 of the Internal Revenue Code, including taxable
20 state and municipal bond interest and excluding nontaxable interest income or
21 dividend income from federal government obligations; minus the items of loss and
22 deduction under section 702 of the Internal Revenue Code, except items that are not
23 deductible under s. 71.21; plus guaranteed payments to partners under section 707
24 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
25 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),

1 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r),~~
2 ~~and (8s)~~; and plus or minus, as appropriate, transitional adjustments, depreciation
3 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but
4 excluding income, gain, loss, and deductions from farming. “Net business income,”
5 with respect to a natural person, estate, or trust, means profit from a trade or
6 business for federal income tax purposes and includes net income derived as an
7 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

8 **SECTION 55.** 100.45 (1) (dm) of the statutes, as affected by 2011 Wisconsin Act
9 10, is amended to read:

10 100.45 (1) (dm) “State agency” means any office, department, agency,
11 institution of higher education, association, society, or other body in state
12 government created or authorized to be created by the constitution or any law which
13 is entitled to expend moneys appropriated by law, including the legislature and the
14 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
15 Center Sports and Entertainment Corporation, the University of Wisconsin
16 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities
17 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic
18 Development Corporation, the Wisconsin Venture Capital Authority, and the Fox
19 River Navigational System Authority.

20 **SECTION 56.** 101.177 (1) (d) of the statutes, as affected by 2011 Wisconsin Act
21 10, is amended to read:

22 101.177 (1) (d) “State agency” means any office, department, agency,
23 institution of higher education, association, society, or other body in state
24 government created or authorized to be created by the constitution or any law, that
25 is entitled to expend moneys appropriated by law, including the legislature and the

1 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
2 Center Sports and Entertainment Corporation, the University of Wisconsin
3 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin
4 Economic Development Corporation, the Wisconsin Venture Capital Authority, and
5 the Wisconsin Health and Educational Facilities Authority, but excluding the Health
6 Insurance Risk-Sharing Plan Authority and the Lower Fox River Remediation
7 Authority.

8 **SECTION 57.** 230.03 (3) of the statutes, as affected by 2011 Wisconsin Act 10,
9 is amended to read:

10 230.03 (3) "Agency" means any board, commission, committee, council, or
11 department in state government or a unit thereof created by the constitution or
12 statutes if such board, commission, committee, council, department, unit, or the
13 head thereof, is authorized to appoint subordinate staff by the constitution or
14 statute, except a legislative or judicial board, commission, committee, council,
15 department, or unit thereof or an authority created under subch. II of ch. 114 or
16 subch. III of ch. 149 or under ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.
17 "Agency" does not mean any local unit of government or body within one or more local
18 units of government that is created by law or by action of one or more local units of
19 government.

20 **SECTION 58.** Chapter 239 of the statutes is created to read:

21 **CHAPTER 239**

22 **WISCONSIN VENTURE CAPITAL**

23 **AUTHORITY**

24 **SUBCHAPTER I**

25 **GENERAL PROVISIONS**

1 **239.01 Definitions.** In this chapter, except as otherwise provided:

2 (1) "Authority" means the Wisconsin Venture Capital Authority.

3 (2) "Board" means the board of directors of the authority.

4 **239.02 Creation and organization of authority.** (1) There is created a
5 public body corporate and politic to be known as the "Wisconsin Venture Capital
6 Authority." The members of the board shall consist of the following:

7 (a) The chief executive officer of the Wisconsin Economic Development
8 Corporation.

9 (b) The executive director of the Wisconsin Housing and Economic
10 Development Authority.

11 (c) ~~Three~~ ^{Four} persons from the private sector, at least ~~2~~ ³ of whom shall have venture
12 capital, investment banking, or substantial entrepreneurial experience, nominated
13 by the governor and appointed with the advice and consent of the senate.

14 (d) One member appointed by the speaker of the assembly who shall have
15 venture capital, investment banking, or substantial entrepreneurial experience.

16 (e) One member appointed by the senate majority leader who shall have
17 venture capital, investment banking, or substantial entrepreneurial experience.

18 (2) The members of the board appointed by the governor, the speaker of the
19 assembly, and the senate majority leader shall serve staggered 3-year terms.

20 (3) A majority of the members of the board constitutes a quorum for the purpose
21 of conducting its business and exercising its powers and for all other purposes,
22 notwithstanding the existence of any vacancies. Action may be taken by the board
23 upon a vote of a majority of the members present.

24 (4) A vacancy on the board shall be filled in the same manner as the original
25 appointment to the board for the remainder of the unexpired term, if any.

1 (5) A member of the board may not be compensated for the member's services
2 but shall be reimbursed for actual and necessary expenses, including travel
3 expenses, incurred in the performance of the member's duties.

4 (6) No cause of action may arise against and no civil liability may be imposed
5 upon a member of the board for any act or omission in the performance of the
6 member's powers and duties under this chapter, unless the person asserting liability
7 proves that the act or omission constitutes willful misconduct.

8 (7) The chief executive officer of the Wisconsin Economic Development
9 Corporation shall be chairperson of the board.

10 (8) The board may hire an executive director. The board may delegate to the
11 executive director or any other employee of the authority any powers or duties the
12 board considers proper. All powers and duties assigned to the authority under this
13 chapter shall be exercised or carried out by the board, unless the board delegates the
14 power or duty to an employee of the authority.

15 **239.03 Powers of authority.** The authority shall have all the powers
16 necessary or convenient to carry out the purposes and provisions of this chapter. In
17 addition to all other powers granted the authority under this chapter, the authority
18 may specifically:

19 (1) Adopt, amend, and repeal any bylaws, policies, and procedures for the
20 regulation of its affairs and the conduct of its business.

21 (2) Have a seal and alter the seal at pleasure.

22 (3) Maintain an office.

23 (4) Sue and be sued.

24 (5) Accept gifts, grants, loans, or other contributions from private or public
25 sources.

Annually, the governor shall appoint one member as

~~one member as~~

1 (6) Establish the annual budget of the authority and monitor its fiscal
2 management.

3 (7) Execute contracts and other instruments required for the operation of the
4 authority, including contracts with the Wisconsin Economic Development
5 Corporation.

6 (8) Employ any officers, agents, and employees that it may require and
7 determine their qualifications, duties, and compensation.

8 (9) Issue notes, bonds, and any other obligations.

9 (10) Make loans and provide grants.

10 (11) Incur debt.

11 (12) Procure liability insurance.

12 **239.04 Liability limited.** Neither the state nor any political subdivision of
13 the state, nor any officer, employee, or agent of the state or a political subdivision of
14 the state who is acting within the scope of employment or agency, is liable for any
15 debt, obligation, act, or omission of the authority.

16 **239.05 Annual report.** Annually, the authority shall submit to the chief clerk
17 of each house of the legislature, for distribution to the legislature under s. 13.172 (2),
18 and to the governor, a report on the programs administered by the authority that
19 includes all of the following:

20 (1) GENERAL REPORTING REQUIREMENTS. For each program administered by the
21 authority, the report shall include all of the following:

22 (a) An assessment of the program's success to date.

23 (b) An accounting of the financial status of the program, including the opinion
24 of an independent certified public accountant.

25 (c) Any recommendations the authority has for improvement of the program.

1 (2) BADGER JOBS FUND. In addition to the information provided under sub. (1),
2 the authority's annual report shall include all of the following for the badger jobs
3 fund administered by the authority under subch. II:

4 (a) The current investment policy of the badger jobs fund.

5 (b) The badger jobs fund's internal rate of return ^{from} ~~of~~ its investments in certified
6 investors.

7 (c) An accounting of the revenue received by the authority under s. 73.033 (1)
8 (b).

9 (d) An accounting of any compensation, including a management fee, paid to
10 the fund manager during the preceding year.

11 (e) An accounting of the value of tax credits awarded to creditors of the badger
12 jobs fund under s. 239.14 during the preceding year, including a description of the
13 circumstances leading to the award of the credits and the likelihood that the
14 authority will award additional tax credits to fund creditors in the future.

15 (f) For each certified investor in whom the badger jobs fund invested capital
16 under s. 239.13 (2) during the preceding year, the name and address of the investor
17 and the amount of each investment.

18 (g) The internal rate of return realized by each certified investor.

19 (h) An accounting of any fee each certified investor paid to itself or any principal
20 or manager of the certified investor during the preceding year.

21 (i) For each business in which a certified investor ~~made~~ ^{held} an investment of capital
22 from the badger jobs fund during the preceding year, the name and address of the

23 business and a description of the nature of the business, ^{and} the amount of each

24 investment in the business, ^{and} an identification of the certified investor who made

25 the investment employed on December 31 of the preceding year

and a statement of the number of employees the business employed when the certified investor first invested in the business and the number of employees the business

1 investors. The legislature finds that the fund will provide capital for business growth
2 and job creation in this state that is currently not sufficiently available in private
3 financial markets and that the fund will result in increased tax revenues to the state
4 and serve a public purpose.

Bonding (CS)

5 (2) ~~FUND CAPITAL~~ DEBT SERVICE. (a) The authority may issue, by resolution, up
6 to \$200,000,000 in negotiable ^{bonds or} notes ~~or bonds~~ of any kind to finance the fund.

7 (b) The state is not liable for a debt service obligation of the authority. The
8 authority's debt is not a debt of the state, and the authority may not create a debt of
9 the state. Each note or bond of the authority shall contain on its face a statement
10 to that effect.

11 (c) Recognizing its moral obligation to do so, the legislature hereby expresses
12 its expectation and aspiration that, if ever called upon to do so, it shall make an
13 appropriation to pay a fund creditor the amount the authority fails to pay

OR MAY SET

No changes (14)

~~or~~ ^{SET} otherwise satisfy under its debt service obligation to that creditor.

15 (d) Neither the members of the board nor any person executing the notes or
16 bonds is liable personally on the notes or bonds or subject to any personal liability
17 or accountability by reason of the issuance of the notes or bonds, unless the personal
18 liability or accountability is the result of willful misconduct.

Ins. 39-18

19 (f) ~~FUND CAPITAL~~ ^{(4) (5)} FUND MANAGER. ⁽⁹⁾ The authority shall hire a fund manager who has expertise
20 in the venture capital or private equity ~~industry~~ ^{asset class} to manage the fund's investment of

21 capital in certified investors. In reviewing candidates for fund manager, the
22 authority shall consider a candidate's venture capital or private equity ^{asset class} experience,
23 investment philosophy, and the performance of any venture capital ~~funds~~ ^{asset class} managed
24 by the candidate, as well as any other criteria the authority considers relevant. The
25 fund manager may not be a certified investor.

Ins. 39-25

investments in the

1 **239.12 Investor certification. (1) APPLICATION.** Any person may apply to the
2 authority on a form prescribed by the authority for certification under this section.
3 The application shall include the name, address, and tax identification number of the
4 person and any other information the authority requires.

5 **(2) CERTIFICATION.** The authority may certify an applicant who submits an
6 application under sub. (1) to receive fund capital for investment. In determining
7 whether to certify an applicant, the authority shall consider:

8 (a) The applicant's venture capital experience or other experience that qualifies
9 the applicant to receive fund capital.

10 (b) The past performance of investments managed by the applicant.

11 (c) The applicant's commitment to investing in businesses within this state.

12 (d) The applicant's commitment to making seed or early stage business
13 investments.

14 (e) Whether the applicant is located in this state or will locate and maintain an
15 office in this state as a condition of the applicant's certification under this section.

16 (f) Any other factors the authority considers relevant that are consistent with
17 the authorities responsibilities under this subchapter.

18 **(3) APPLICATION FEE.** An applicant for certification under sub. (1) shall pay to
19 the authority a fee of \$7,500 *or in the amount determined by the authority*

20 **239.13 Investment of capital in certified investors; requirements. (1)**
21 **INVESTMENT POLICY.** The fund manager shall establish, and amend as appropriate,
22 a fund investment policy. The authority shall review and approve the investment
23 policy prior to the policy's implementation and shall review the policy and any
24 amendments at least annually thereafter.

authority is authorized to raise under s. 239.11(2)(a)

1 (2) FUND INVESTMENTS. The authority may invest capital under this subchapter
2 only in certified investors. The authority may not ^{commit} invest more than 15 percent of the
3 total capital that the fund holds at the time of investment, including invested capital
4 in a single certified investor.

5 (3) CONTRACTS. Before the authority invests any capital in a certified investor,
6 the authority shall contract with the certified investor, and in addition to any other
7 terms required or negotiated by the authority, that contract shall include the
8 following requirements:

9 (a) The certified investor shall commit to maintaining a significant physical
10 presence in this state, including locating an office in this state that is staffed with
11 at least one full-time employee of the certified investor.

at least 50 percent

12 (b) The certified investor shall invest the amount of capital the certified
13 investor receives from the fund in a business that meets all of the following
14 conditions at the time the certified investor first invests in the business under this
15 section:

- 16 1. Is headquartered in this state.
- 17 2. Employs at least 50 percent of its employees, including any subsidiary or
18 other affiliated entity, in this state.
- 19 3. Agrees to use fund capital only for research and development, the
20 introduction of a new product in the market, the business's entry into a new market,
21 or other activities that are expected to grow the business and create jobs in this state.
- 22 4. Is not primarily engaged in real estate development or sales, insurance,
23 banking, lending, lobbying, political consulting, professional services, or retail sales,
24 other than direct sales of products the business itself manufactures.

1 (c) The certified investor may not receive capital from the fund that exceeds 25
2 percent of the total capital the investor has raised from all sources.

3 (d) When a certified investor makes an investment of fund capital in a business,
4 the certified investor shall at least match the fund's capital contribution to that
5 investment with capital the certified investor has raised from other sources.

6 (e) The certified investor may not apply the amount of capital it receives from
7 the fund toward certification under s. 560.205 (1) or (2).

8 (4) SUNSET. The authority may not make a commitment to invest capital in a
9 certified investor under this subchapter after December 31, 2015.

10 **239.14 Tax credits to fund creditors.** (1) In lieu of payment of its debt
11 service obligation to a fund creditor, the authority may contract with a fund creditor
12 to award a tax credit under s. 71.07 (8s), 71.28 (8s), or 71.47 (8s) to the fund creditor
13 up to an amount equal to the amount the authority is unable to pay the creditor under
14 the authority's debt service obligation to the creditor in a taxable year.

15 (2) A contract under sub. (1) shall set forth the terms and conditions under
16 which the fund creditor may claim a tax credit under this section. A fund creditor
17 may not claim a tax credit that exceeds the amount the authority fails to pay under
18 the authority's debt service obligation to the fund creditor. The authority shall certify
19 to the department of revenue the amount of the tax credit a creditor of the fund may
20 claim under this section.

21 (3) The authority may not award a tax credit under this section that may be
22 claimed before January 1, 2016. The authority may not award tax credits under this
23 section that total more than \$300,000,000.

24 SUBCHAPTER III

25 CERTIFIED JOBS NOW FUNDS

1 **239.20 Definitions.** In this subchapter:

2 **(1)** “Affiliate” means any of the following:

3 (a) A person who owns, controls, or holds power to vote 15 percent or more of
4 the outstanding voting securities or other voting interests of a certified jobs now fund
5 or an insurance company or other person subject to premium tax liability.

6 (b) A business, 15 percent of whose outstanding voting securities or other
7 voting ownership interests are owned, controlled, or held with power to vote by a
8 certified jobs now fund or an insurance company or other person subject to premium
9 tax liability.

10 (c) A person who controls, is controlled by, or is under common control with a
11 certified jobs now fund or an insurance company or other person subject to premium
12 tax liability.

13 (d) A business in which a certified jobs now fund or an insurance company or
14 other person subject to premium tax liability is a partner, managing member, or
15 other principal.

16 (e) An officer, director, employee, or agent of a certified jobs now fund or an
17 insurance company or other person subject to premium tax liability, or an immediate
18 family member of the officer, director, employee, or agent.

19 **(2)** “Allocation date” means the date stated in the authority’s notice under s.
20 239.22 (2) (b) that approves a specific amount of designated capital and awards a
21 corresponding premium tax credit to a participating investor.

22 **(3)** “Certified jobs now fund” or “fund” means an entity that is certified under
23 s. 239.21.

24 **(4)** “Designated capital” means an investment of cash by a participating
25 investor in a certified jobs now fund that is approved by the authority under s. 239.22

1 and that fully funds either the participating investor's equity interest in a certified
2 jobs now fund, a qualified debt instrument that a certified jobs now fund issues, or
3 both. In this subsection, "qualified debt instrument" means a bond, note, or other
4 obligation that a certified jobs now fund issues at par value or at a premium or
5 discount from par value that meets all of the following conditions:

6 (a) Has an original maturity date of at least 4 years from the date on which it
7 is issued.

8 (b) Has a repayment schedule that is no faster than a level principal
9 amortization over 4 years.

10 (c) Does not allow the prepayment of interest.

11 (d) Has payment and interest features that are not related to the fund's
12 profitability or the performance of the fund's investment portfolio.

13 (5) "Early stage business" means a qualified business that received, including
14 any affiliate, gross revenue of \$2,000,000 or less in the fiscal year immediately
15 preceding that date.

16 (6) "Participating investor" means an insurance company or other person
17 subject to premium tax liability who the authority approves to invest designated
18 capital in a certified jobs now fund under s. 239.22.

19 (7) "Premium tax credit" means a tax credit under s. 76.634.

20 (8) "Premium tax liability" means the fees imposed under s. 76.60, 76.63, 76.65,
21 76.66, or 76.67.

22 (9) "Qualified business" means a business that, as of the time a certified jobs
23 now fund or its affiliate first invests in the business under this subchapter, meets all
24 of the following conditions:

1 (a) Is headquartered in, and has its principal business operations located in,
2 this state.

3 (b) Is in need of venture capital and is unable to obtain conventional financing,
4 as determined by the authority.

5 (c) Employs 100 or fewer employees, and at least 80 percent of those employees
6 are employed in this state or at least 80 percent of its payroll is paid to employees
7 employed in this state.

8 (d) Is not primarily engaged in real estate development or sales, insurance,
9 banking, lending, lobbying, political consulting, professional services, or retail sales,
10 other than direct sales of products the business itself manufactures.

11 (10) "Qualified investment" means a certified jobs now fund's investment of
12 designated capital in a qualified business.

13 **239.21 Certification of jobs now funds. (1) APPLICATION.** Any person may
14 apply to the authority on a form prescribed by the authority for certification under
15 this section. The application shall include all of the following:

16 (a) The name, address, and tax identification number of the applicant.

17 (b) A description of the business activities conducted by the applicant and the
18 locations at which those activities are conducted.

19 (c) An audited balance sheet and the audit report, rendered within 35 days
20 prior to the date the applicant files its application with the authority, of an
21 independent auditor approved by the authority.

22 (d) The strategic investment plan of the applicant, and an analysis completed
23 by an economist or econometric analysis company approved by the authority that
24 shows the projected impact that investment plan is expected to have on the economy
25 of this state.

1 (2) CERTIFICATION. (a) The authority shall certify an applicant under sub. (1)
2 if the applicant pays the fee specified under sub. (3) and the authority determines
3 after conducting an investigation that all of the following conditions are met:

4 1. The primary activity of the applicant is the investment of cash in qualified
5 businesses.

6 2. The applicant owns at least \$500,000 in unencumbered cash or cash
7 equivalents.

8 3. At least 2 principals or persons employed to manage the applicant's
9 investments have at least 5 years of experience in the venture capital or private
10 equity industry in this state

11 4. The strategic investment plan of the applicant will have a beneficial impact
12 on the economy of this state.

13 (b) Within 30 days after the date an applicant files an application under sub.
14 (1), the authority shall either issue a certification to the applicant or deny the
15 application and provide written notice to the applicant that states the grounds for
16 denial and includes the authority's suggestions, if any, to remove those grounds.

17 (3) APPLICATION FEE. An applicant for certification under sub. (1) shall pay to
18 the authority a fee of \$7,500 in the amount determined by the
19 authority

239.22 Participating investors; premium tax credits. (1) APPLICATION.

20 (a) Any insurance company or other person subject to premium tax liability may
21 ~~submit notice~~ ^{apply} to the authority ~~that the person seeks~~ to make an investment of
22 designated capital in a certified jobs now fund and receive a premium tax credit for
23 that investment. The person's ~~notice~~ ^{application} shall include all of the following:

24 1. The person's name, address, and tax identification number.

1 2. The name and address of the certified jobs now fund in which the person
2 proposes to invest.

3 3. The amount of the proposed investment.

4 4. An undertaking by the person to make an investment of designated capital
5 in the amount approved by the authority within 5 business days after the allocation
6 date established by the authority under sub. (2) (b).

Ins: 47-6 →

7 (7) The authority may establish additional rules consistent with this
8 subchapter regarding the timing and other requirements for a notice under par. (a).
application

9 (2) AWARD. (a) The authority shall approve an investment of designated capital
10 in a certified jobs now fund and, subject to sub. (4) (b), award a premium tax credit
11 to a person who satisfies the notice *application* requirements under sub. (1) in an amount equal
12 to 80 percent of the person's proposed investment of designated capital.

13 (b) If the authority approves a person's proposed investment of designated
14 capital under par. (a), the authority shall notify the person and the certified jobs now
15 fund of that approval in writing, stating the amount of the investment approved by
16 the authority, the amount of the premium tax credit the person may claim, the
17 requirements, including those under sub. (3), for making that claim, and the
18 allocation date.

19 (c) The authority may not set an allocation date that is earlier than 30 days
20 after the date of the authority's notice of approval of an investment under par. (b).
21 The first allocation date set by the authority for any participating investor may not
22 be later than 120 days after the effective date of this paragraph [LRB inserts date].

23 (3) CLAIM ELIGIBILITY AND REQUIREMENTS. (a) A participating investor may claim
24 a premium tax credit in the amount the authority awards only after the participating

1 investor makes an investment of designated capital in the certified jobs now fund in
2 the amount approved by the authority under sub. (2).

3 (b) A participating investor may claim up to 25 percent of the premium tax
4 credit approved under sub. (2) in a taxable year, except that a participating investor
5 may not claim any premium tax credit under this subchapter for a taxable year
6 beginning before January 1, 2014, and a premium tax credit may not be applied to
7 quarterly tax payments due during the 2014 taxable year.

8 (4) LIMITS ON PREMIUM TAX CREDITS. (a) The authority may not award more than
9 \$200,000,000 in premium tax credits under this subchapter.

10 (b) If, as a result of the limitations under par. (a), the authority may not award
11 the full premium tax credit based on an applicant's proposed capital investment, the
12 authority shall award the amount available for a premium tax credit in order of
13 priority based on the date the application was filed with the authority; except that
14 if the amount of available premium tax credits is insufficient for approval of the full
15 amount of all applications for capital investments that are received by the authority
16 within a 15-day period, the authority shall prorate the awardable amount among the
17 applicants based on the amount the applicant has committed to invest in the certified
18 jobs now fund.

Ins.
48-10

19 **239.23 Operation of a certified jobs now fund. (1) REQUIRED DISCLOSURES**
20 **IN SECURITIES OFFERINGS.** Any offering material involving the sale of securities of a
21 certified jobs now fund shall include all of the following statements:

22 (a) "By authorizing the formation of a certified jobs now fund, the Wisconsin
23 Venture Capital Authority does not endorse the quality of management or explicitly
24 or implicitly guarantee or otherwise assure the economic performance of the fund
25 and is not liable for damages or losses to a participating investor in the fund. Use

Established by the authority under § 239.22(1)(b)

sub

1 of the word "certified" in an offering is not a recommendation, endorsement, or
2 guarantee of the investment by the Wisconsin Venture Capital Authority or the
3 state."

4 (b) "Investments in a prospective certified jobs now fund prior to the time the
5 fund is certified are not eligible for a premium tax credit under section 76.634 of the
6 Wisconsin Statutes. Investments in a certified jobs now fund are not eligible for a
7 premium tax credit under section 76.634 of the Wisconsin Statutes unless the
8 proposed investment is approved by the Wisconsin Venture Capital Authority under
9 section 239.22 of the Wisconsin Statutes before the investment is made. In the event
10 that certain statutory provisions are violated, the state may require forfeiture of
11 unused premium tax credits and repayment of used premium tax credits."

12 (c) "In addition to any other applicable law, the certified jobs now fund is subject
13 to applicable provisions of subchapter III of chapter 239 of the Wisconsin Statutes
14 and any requirements of the Wisconsin Venture Capital Authority."

15 (2) QUALIFIED INVESTMENTS. A certified jobs now fund may invest designated
16 capital only in a qualified business. A qualified investment shall meet all of the
17 following requirements:

18 (a) The investment is a cash investment in a qualified business for the purchase
19 of debt, debt participation, equity, or hybrid security of any kind, including a debt
20 instrument or security that has the characteristics of debt that provides for
21 conversion into equity or an equity participation instrument such as an option or
22 warrant.

23 (b) If the investment is for the purchase of any debt or debt participation, no
24 more than 10 percent of that debt or debt participation may be used for the

1 refinancing of other debt or the buy-out of other shareholders or owners of the
2 qualified business.

3 (c) As a condition of the investment, the qualified business agrees not to
4 relocate its headquarters outside of this state as long as the certified jobs now fund
5 continues to hold the investment.

6 (d) As a condition of the investment, the qualified business agrees to maintain
7 at least 75 percent of its employees, or pay at least 75 percent of its payroll to
8 employees, including the employees or payroll of any subsidiary or other affiliated
9 entity, in this state as long as the certified jobs now fund continues to hold the
10 investment.

11 **(3) AUTHORITY DETERMINATIONS REGARDING QUALIFIED BUSINESSES.** A certified
12 jobs now fund may request a determination from the authority that a business in
13 which the fund proposes to invest is a qualified business or an early stage business.
14 The authority shall issue its determination in writing to the fund within a reasonable
15 time after the fund's request.

16 **(4) SCHEDULE OF INVESTMENTS.** A certified jobs now fund shall make qualified
17 investments according to the following schedule, except that a certified jobs now fund
18 may reinvest proceeds it receives from one qualified investment in another qualified
19 investment and apply the amount of that reinvestment toward the following
20 requirements for that other qualified investment:

21 (a) Within 2 years after an allocation date, at least 35 percent of the designated
22 capital approved by the authority on that date is placed in qualified investments, of
23 which at least 50 percent is invested in early stage businesses.

1 (b) Within 4 years after an allocation date, at least 50 percent of the designated
2 capital approved by the authority on that date is placed in qualified investments, of
3 which at least 50 percent is invested in early stage businesses.

4 (c) Notwithstanding s. 239.24 (1) (c) and (e), if, within 5 years after an allocation
5 date, the certified jobs now fund has not placed at least 80 percent of the designated
6 capital approved by the authority on that date in qualified investments, of which at
7 least 50 percent is invested in early stage businesses, the certified jobs now fund may
8 not pay any management or similar fee until it has made those investments.

9 (d) Notwithstanding s. 239.24 (1) (c) and (e), if, within 7 years after an
10 allocation date, the certified jobs now fund has not placed 100 percent of the
11 designated capital approved on that date in qualified investments, of which at least
12 50 percent is invested in early stage businesses, the certified jobs now fund may not
13 pay any management or similar fee until it has made those investments.

14 **(5) QUALIFIED BUSINESS RELOCATION OUT OF STATE.** If within 24 months after the
15 date a qualified investment is made, the qualified business relocates its principal
16 business operations to another state and the certified jobs now fund still holds a
17 qualified investment in the business, the amount of the fund's total designated
18 capital and qualified investments may be reduced by the amount of the qualified
19 investment in the relocated business for the purpose only of satisfying the
20 investment schedule under sub. (4). This subsection does not apply if the relocated
21 business returns its principal business operations to this state within 90 days after
22 its initial relocation.

23 **(6) OTHER LIMITATIONS ON INVESTMENTS.** (a) A certified jobs now fund may not
24 invest more than 15 percent of its total designated capital in any one qualified
25 business.

1 (b) A certified jobs now fund may invest any designated capital not invested in
2 qualified investments only in the following:

3 1. Cash deposited in a federally insured financial institution.

4 2. Certificates of deposit in a federally insured financial institution.

5 3. Investment securities that are obligations of the United States or its
6 agencies, or obligations that the United States fully guarantees as to principal and
7 interest.

8 4. Debt instruments rated at least "A" or its equivalent by a nationally
9 recognized credit rating organization, or issued or guaranteed by a business whose
10 unsecured debt is rated at least "A" or its equivalent by a nationally recognized credit
11 rating organization if that debt is not subordinated to other unsecured debt of the
12 issuer or the guarantor.

13 5. Obligations of the state or any political subdivision of the state.

14 6. Any other investments of a similar credit quality and risk as those in subds.

15 1. to 5. that are approved in advance in writing by the authority.

16 (7) RESTRICTIONS ON MANAGEMENT. No certified jobs now fund or its affiliate may
17 be managed or controlled by, or have a partner, member, or other principal that is,
18 an insurance company or other person subject to premium tax liability or an affiliate
19 of that person or insurance company.

20 **239.24 Distributions; profit sharing fee. (1) PERMISSIBLE DISTRIBUTIONS.**

21 A certified jobs now fund may make only the following distributions:

22 (a) A distribution for the repayment of a capital contribution to an equity
23 investor in the fund who was not a participating investor when that capital
24 contribution was made.

1 (b) A distribution for the cost of forming, syndicating, managing, or operating
2 the certified jobs now fund, including a reasonable and necessary fee paid for
3 professional services.

4 (c) A distribution that is an annual management fee in an amount that does
5 not exceed 2 percent of the fund's total designated capital.

6 (d) A distribution to cover a projected increase in state or federal taxes,
7 including penalties and interest, for the certified jobs now fund's equity owners if
8 that increase is related to the fund's ownership, management, or operation.

9 (e) A distribution for the repayment of principal or interest owed to a debt
10 holder of the fund, including a participating investor who is a debt holder.

11 (f) A distribution of any kind from the investment of designated capital
12 approved by the authority on an allocation date after the fund has placed in qualified
13 investments an amount equal to 100 percent of that designated capital approved on
14 that allocation date, at least 50 percent of which is invested in early stage businesses.

15 (2) PROFIT SHARING FEE. (a) In this subsection, "net profit realized" means the
16 amount of money returned to a certified jobs now fund on a qualified investment that
17 exceeds the amount of that qualified investment.

18 (b) When a certified jobs now fund makes a distribution under sub. (1) (f), the
19 fund shall pay to the authority a fee equal to 20 percent of the net profit realized on
20 each qualified investment from which a distribution is made. The authority shall
21 pay that fee to the secretary of administration ^{for} who shall deposit the fee in the general
22 fund as general purpose revenue earned.

23 **239.25 Certified jobs now fund reporting requirements.** (1) REPORT
24 UPON RECEIPT OF DESIGNATED CAPITAL. As soon as practicable after it receives

1 designated capital, a certified jobs now fund shall submit a report to the authority
2 that includes:

3 (a) The name of the participating investor from whom the designated capital
4 was received.

5 (b) The amount of designated capital.

6 (c) The date on which the fund received the designated capital.

7 (2) ANNUAL REPORT. By January 31 of each year, a certified jobs now fund shall
8 submit a report to the authority that includes:

9 (a) For each qualified investment made during the preceding year, the amount
10 of designated capital invested, the allocation date of the designated capital, the date
11 of the qualified investment, and the name and address of the business in which the
12 qualified investment was made.

13 (b) For each qualified business in which the fund ^{held an investment} ~~invested~~ during the preceding
14 year, a description of the business, including the number of employees the business
15 employed when the ^{first} qualified investment was made ^{in the business} and the number of employees the
16 business employed on December 31 of ~~that~~ ^{the preceding} year. ^{by the fund}

17 (c) A statement whether the certified jobs now fund has invested more than 15
18 percent of its total designated capital in any one business.

19 (d) A detailed accounting of the certified jobs now fund's investment progress
20 according to the schedule of investments required under s. 239.23 (4).

21 (e) An accounting of all distributions the certified jobs now fund made during
22 the year.

23 (f) Any other information the authority requires.

24 (3) FINANCIAL STATEMENT. Within 90 days after the end of a certified jobs now
25 fund's fiscal year, the fund shall file with the authority a copy of its annual audited

1 financial statement, including the opinion of an independent certified public
2 accountant.

3 (4) RENEWAL FEE. By January 31 of each year, a certified jobs now fund shall
4 pay to the authority a certification renewal fee of \$5,000, unless January 31 falls
5 within 6 months after the date on which the certified jobs now fund was first certified
6 under s. 239.21.

7 **239.26 Compliance reviews; decertification.** (1) ANNUAL COMPLIANCE
8 REVIEW. The authority shall review annually each certified jobs now fund to ensure
9 that the fund continues to satisfy the requirements of this subchapter, to ensure that
10 the fund has not made any investment in violation of this subchapter, and to
11 determine the status of the fund's qualified investments with respect to the schedule
12 of investments required under s. 239.23 (4).

13 (2) DECERTIFICATION. (a) If the authority determines that a certified jobs now
14 fund is not in compliance with any provision of this subchapter, or any requirement
15 of the authority, the authority shall notify the officers of the fund in writing that the
16 fund may be subject to decertification or a monetary penalty, or both, if the fund is
17 not brought into compliance within 120 days after the fund's receipt of the notice.

18 (b) The authority may decertify a certified jobs now fund if, after opportunity
19 for hearing, the authority determines that the fund is in violation of this subchapter
20 and that the fund's violation has not been corrected to the authority's satisfaction
21 within the period under par. (a). The authority shall notify any appropriate state
22 agency of the decertification.

23 (3) EFFECT OF DECERTIFICATION. Decertification of a certified jobs now fund has
24 the effects specified under s. 76.634 (4) with respect to a participating investor. A
25 certified jobs now fund may agree to indemnify, or purchase insurance for the benefit

1 of, a participating investor for the participating investor's losses under s. 76.634 (4)
2 due to the fund's decertification.

3 (4) NOTICE OF RECAPTURE. The authority shall give written notice to each
4 qualified investor whose premium tax credit becomes subject to recapture or
5 forfeiture under s. 76.634 (4), or when a premium tax credit is no longer subject to
6 recapture.

7 (5) PENALTIES. The authority may fine a person who violates this subchapter
8 in an amount determined by the authority not to exceed \$25,000. In determining the
9 amount of a fine under this subsection, the authority shall consider:

10 (a) The seriousness of the violation, including the nature, circumstances,
11 extent, and gravity of the violation.

12 (b) The economic harm caused by the violation.

13 (c) The person's history of previous violations.

14 (d) The amount necessary to deter future violations.

15 (e) The person's efforts to mitigate or correct the violation.

16 **SECTION 59.** 281.75 (4) (b) 3. of the statutes, as affected by 2011 Wisconsin Act
17 10, is amended to read:

18 281.75 (4) (b) 3. An authority created under subch. II of ch. 114 or ch. 231, 233,
19 234, 237, ~~or 238~~, or 239.

20 **SECTION 60.** 285.59 (1) (b) of the statutes, as affected by 2011 Wisconsin Act 10,
21 is amended to read:

22 285.59 (1) (b) "State agency" means any office, department, agency, institution
23 of higher education, association, society, or other body in state government created
24 or authorized to be created by the constitution or any law which is entitled to expend
25 moneys appropriated by law, including the legislature and the courts, the Wisconsin

1 Housing and Economic Development Authority, the Bradley Center Sports and
2 Entertainment Corporation, the University of Wisconsin Hospitals and Clinics
3 Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace
4 Authority, the Wisconsin Economic Development Corporation, the Wisconsin
5 Venture Capital Authority, and the Wisconsin Health and Educational Facilities
6 Authority.

7 **SECTION 61. Nonstatutory provisions.**

8 (1) DEFINITIONS. In this section:

9 (a) "Authority" means the Wisconsin Venture Capital Authority, as created by
10 this act.

11 (b) "Corporation" means the Wisconsin Economic Development Corporation.

12 (2) INITIAL APPOINTMENTS.

13 (a) Notwithstanding the requirement of advice and consent of the senate under
14 section 239.02 (1) ~~(b) and (4)~~^(b) of the statutes, as created by this act, the initial members
15 of the board of directors of the authority nominated by the governor under that
16 section may be provisionally appointed by the governor, subject to later senate
17 confirmation. Any provisional appointment shall be in full force until withdrawn by
18 the governor or acted upon by the senate, and if confirmed by the senate shall
19 continue for the remainder of the unexpired term of the member and until a successor
20 is chosen and qualifies. A provisional appointee may exercise all the powers and
21 duties of board membership to which the person is appointed during the time in
22 which the appointee qualifies.

23 (b) A provisional appointment made under paragraph (a) that is withdrawn by
24 the governor shall, upon withdrawal, lapse and create a vacancy for provisional
25 appointment of another initial member of the board of directors or chairperson of the

1 board of the authority. Any provisional appointment made under paragraph (a) that
2 is rejected by the senate shall upon rejection lapse and create a vacancy for
3 nomination and appointment of another initial board member or chairperson of the
4 board under paragraph (a).

5 (c) Notwithstanding the lengths of terms specified in section 239.02 (2) of the
6 statutes, as created by this act, the initial members of the board of directors of the
7 authority shall be appointed for the following terms:

8 1. One member appointed by the governor under section 239.02 (1) (b) of the
9 statutes, as created by this act, for a term expiring on June 30, 2014.

10 2. One member appointed by the governor under section 239.02 (1) (b) of the
11 statutes, as created by this act, and the member appointed by the speaker of the
12 assembly, for terms expiring on June 30, 2015.

13 3. One member appointed by the governor under section 239.02 (1) (b) of the
14 statutes, as created by this act, and the member appointed by the majority leader of
15 the senate, for terms expiring on July 1, 2016.

16 (3) TEMPORARY ADMINISTRATION BY THE DEPARTMENT OF COMMERCE. The
17 department of commerce, in coordination with the authority and the secretary of the
18 department of administration, shall administer chapter 239 of the statutes, as
19 created by this act, until the initial appointments by the governor, including any
20 provisional appointments under subsection (2) (a), the speaker of the assembly, and
21 the senate majority leader have been made to the authority and the authority has
22 adequate personnel to carry out its powers and duties, or until the effective date of
23 the 2011-13 biennial budget act, whichever is later. During that period, the
24 department of commerce may collect fees under sections 239.12 (3) and 239.21 (3),
25 as created by this act, and may use those fees as appropriate only for administration

2. one member appointed by the ~~governor~~ under section 239.02 (1) (b) of the statutes, as created by this act, for a term expiring on June 30, 2015.

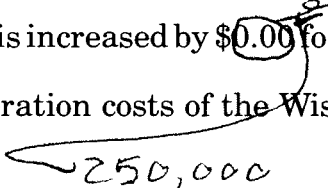
1 of subchapters II and III of chapter 239 of the statutes, as created by this act. The
2 department shall credit any fees collected under this subsection to the appropriation
3 account under section 20.143 (1) (a) of the statutes. When the department of
4 commerce ceases to administer the authority's programs under this subsection, the
5 department shall transfer to the authority, or to the Corporation for administration
6 of the authority's programs under subsection (4) if the authority is not prepared to
7 assume administration of its programs on or before the effective date of the 2011-13
8 biennial budget act, any unused portion of the fees the department collected under
9 this subsection.

10 (4) TEMPORARY ADMINISTRATION BY THE WISCONSIN ECONOMIC DEVELOPMENT
11 CORPORATION. If the authority is not prepared to assume administration of its
12 programs on or before the effective date of the 2011-13 biennial budget act, then,
13 commencing on that date, the corporation, in coordination with the authority and the
14 secretary of the department of administration, shall administer chapter 239 of the
15 statutes, as created by this act, until the initial appointments by the governor,
16 including any provisional appointments under subsection (2) (a), the speaker of the
17 assembly, and the senate majority leader have been made to the authority and the
18 authority has adequate personnel to carry out its powers and duties. During that
19 interim period, the corporation may collect fees under under sections 239.12 (3) and
20 239.21 (3) of the statutes, as created by this act, and may use those fees as
21 appropriate only for administration of subchapters II and III of chapter 239 of the
22 statutes, as created by this act. When the corporation ceases to administer the
23 authority's programs under this subsection, the corporation shall transfer to the
24 authority any unused portion of fees the department of commerce transferred to the

1 corporation under subsection (3) or that the corporation collected under this
2 subsection.

3 (5) TRANSFER OF GENERAL FUND MONEYS FROM THE DEPARTMENT OF COMMERCE. The
4 secretary of administration shall transfer moneys from the appropriation under
5 section 20.143 (1) (a) of the statutes to the appropriation under section 20.195 (1) (k)
6 of the statutes, as created by this act, for the establishment and initial operation
7 costs of the Wisconsin Venture Capital Authority.

8 **SECTION 62. Fiscal changes.**

9 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
10 to the department of commerce under section 20.143 (1) (a) of the statutes, as affected
11 by the acts of 2011, the dollar amount is increased by ~~\$0.00~~ for the 2010-11 fiscal year
12 for the establishment and initial operation costs of the Wisconsin Venture Capital
13 Authority. 

14 **SECTION 63. Effective dates.** This act takes effect on the day after publication,
15 except as follows:

16 (1) The treatment of section 16.417 (1) (b) (by SECTION 18) of the statutes takes
17 effect on January 1, 2012.

18 (2) The repeal of section 20.195 (1) (k) of the statutes and SECTION 61 (4) take
19 effect on July 1, 2011, or on the day after publication of the 2011-13 biennial budget
20 act, whichever is later.

21 (END)