

**Insert 22 - 19 JK**

1           **SECTION 1.** 71.05 (6) (a) 25. of the statutes is created to read:

2           71.05 (6) (a) 25. The amount of the credits received under ss. 71.07 (8s) (e),  
3           71.28 (8s) (e), and 71.47 (8s) (e).

4           **SECTION 2.** 71.05 (6) (a) 26. of the statutes is created to read:

5           71.05 (6) (a) 26. The amount<sup>amount</sup> received for the sale or transfer of credits received  
6           under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e), including the fair market  
7           value of property received.

8           **SECTION 3.** 71.05 (6) (b) 48. of the statutes is created to read:

9           71.05 (6) (b) 48. The amount of the credits sold or transferred to another person  
10          under s. 71.07 (8s) (e) in the taxable year that <sup>e has</sup> have been added to income under par.  
11          (a) 15. in the taxable year or in a previous taxable year. A partner, member of a  
12          limited liability company, or shareholder of a tax-option corporation who sells or  
13          transfers a credit may subtract the amount of the credit sold or transferred to the  
14          extent that it was included in the partner's, member's, or shareholder's distributive  
15          share of income.

**Insert 23 - 17 JK**

16          2. The amount of the carry<sup>-</sup>forward computed under subd. 1. shall be reduced  
17          by the amount of any credit transferred under par. (e).

**Insert 24 - 0 JK**

18          2. The department shall promulgate rules to administer this subsection.

**Insert 24 - 23 JK**

19          **SECTION 4.** 71.26 (2) (a) 4c. of the statutes is created to read:

1 71.26 (2) (a) 4c. Plus the amount of credits received from another person under  
2 ss. 71.07 (8s) (e), 71.28 (8s) (e), ~~and~~ 71.47 (8s) (e).

3 **SECTION 5.** 71.26 (2) (a) 4d. of the statutes is created to read:

4 71.26 (2) (a) 4d. Plus the amount received for the sale or transfer of credits  
5 under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e), including the fair market  
6 value of property received.

7 **SECTION 6.** 71.26 (2) (a) 4e. of the statutes is created to read:

8 71.26 (2) (a) 4e. Minus the amount of credits sold or transferred under ss. 71.07  
9 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e).

**Insert 25 - 22 JK**

10 2. The amount of the carryforward computed under subd. 1. shall be reduced  
11 by the amount of any credit transferred under par. (e).

**Insert 26 - 5 JK**

12 2. The department shall promulgate rules to administer this subsection.

**Insert 26 - 21 JK**

13 **SECTION 7.** 71.45 (2) (a) 10c. of the statutes is created to read:

14 71.45 (2) (a) 10c. By adding to federal taxable income the amount of credits  
15 received from another person under ss. 71.07 (8s) (e), 71.28 (8s) (e), 71.47 (8s) (e).

16 **SECTION 8.** 71.45 (2) (a) 10d. of the statutes is created to read:

17 71.45 (2) (a) 10d. By adding to federal taxable income the amount received for  
18 the sale or transfer of credits under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e),  
19 including the fair market value of property received.

20 **SECTION 9.** 71.45 (2) (a) 10e. of the statutes is created to read:

1           71.45 (2) (a) 10e. By subtracting from federal taxable income the amount of  
2 credits sold or transferred under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e).

**Insert 27 - 20 JK**

3           2. The amount of the carryforward computed under subd. 1. shall be reduced  
4 by the amount of any credit transferred under par. (e).

**Insert 28 - 4 JK**

5           2. The department shall promulgate rules to administer this subsection.

(JCF)

1

**INSERT A**

X The chairperson of the authority's board must notify the joint committee on finance when the authority has reached the \$200,000,000 bond limit for the badger jobs fund and has satisfied 90 percent of its debt to bondholders. The chairperson must provide a second such notice when the authority has satisfied 100 percent of its total debt to bondholders under the badger jobs fund. If, within 14 working days after the date of the chairperson's second notice, the cochairpersons of the joint committee on finance do not notify the authority that the committee has scheduled a meeting to review dissolution of the badger jobs fund, the authority must dissolve the badger jobs fund and liquidate all of the badger jobs fund's assets, paying the proceeds to the state for deposit in the general fund. If the joint committee on finance does schedule a meeting to consider dissolution, the authority may dissolve the badger jobs fund only with the approval of the joint committee on finance.

use in  
(JCF)

The authority may reinvest amounts that it receives as returns from its investments in certified investors only if the authority meets the conditions and gives the notices described above, and the joint committee on finance does not approve dissolution of the badger jobs fund. Any reinvestment must meet the other requirements in the bill with respect to investments in certified investors.

***Tax Revenue from Businesses that Receive Investments***

(DOR)

+ The authority's administration of the badger jobs fund is supported in part by tax revenue raised from businesses that benefit from the badger jobs fund or from the certified jobs now fund program described below. Under the bill, the authority and the Department of Revenue are to coordinate with each other to determine the amount of withholding taxes that each business that receives investment capital under the badger jobs fund or the certified jobs now fund program paid for the year prior to the first year in which the business received any such investment. Then, each year for 15 years following that first year of investment or until the badger jobs fund is dissolved, whichever occurs first, the Department of Revenue transfers to the authority an amount equal to 50 percent of the increase, if any, in withholding taxes paid by the business over the amount determined, as described above, for the year prior to that first year of investment.

(DOR)

2

**END INSERT A**

3

**INSERT 21-24**

4

2. Notwithstanding s. 20.001 (3) (c), if, at the end of a fiscal year, the authority

5

has satisfied 100 percent of its debt with respect to the badger jobs fund, the

6

unencumbered balance in this appropriation shall lapse to the general fund.



1 3. No moneys may be received in this appropriation after the badger jobs fund  
2 is dissolved under s. 239.11 (3) (a).

3 **END INSERT 21-24**

4 **INSERT 39-18**

5 (3) NOTICE REGARDING BOND LIMIT; DISSOLUTION OF THE FUND. (a) The chairperson  
6 of the board shall promptly notify the joint committee on finance in writing when the  
7 authority has reached its bond limit under sub. (2) (a) and has satisfied 90 percent  
8 of its total debt service obligation to fund creditors. Once the authority satisfies 100  
9 percent of its total debt service obligation to fund creditors, the chairperson of the  
10 board shall promptly provide a <sup>2nd</sup> second notice to the joint committee on finance  
11 stating that the authority has satisfied 100 percent of its total debt service obligation  
12 to fund creditors and that the authority intends to dissolve the fund. If, within 14  
13 working days after the date of that <sup>e 2nd</sup> second notice, the cochairpersons of the  
14 committee do not notify the authority that the committee has scheduled a meeting  
15 to review dissolution of the fund, the authority shall dissolve the fund and liquidate  
16 all of the fund's assets and pay the proceeds of that liquidation to the secretary of  
17 administration for deposit in the general fund. If, within 14 working days after the  
18 date of ~~the date of~~ that <sup>e 2nd</sup> second notice, the cochairpersons of the committee notify the  
19 authority that the committee has scheduled a meeting to review dissolution of the  
20 fund, the authority may dissolve the fund only upon approval of the committee.

21 (b) The authority may reinvest <sup>✓</sup> amounts that it receives as returns from its  
22 investments in certified investors only if the authority has reached the bond limit  
23 under sub. (2) (a), the authority has satisfied 100 percent of its total debt service  
24 obligation to fund creditors, and the joint committee on finance schedules a meeting  
25 to consider dissolution of the fund under par. (a) but does not approve dissolution of

1 the fund. Any reinvestment by the authority under this paragraph shall meet the  
2 requirements under this subchapter with respect to the authority's investments in  
3 certified investors.

4 (c) If the authority dissolves the fund under par. (a), the authority shall pay to  
5 the secretary of administration for deposit in the general fund any additional  
6 amounts the authority receives from certified investors after the fund is dissolved.

7 **END INSERT 39-18**

8 **INSERT 39-25**

9 (b) The authority may pay the fund manager an annual management fee. That  
10 management fee may not equal more than 0.5% of the total amount of capital that  
11 the authority has committed to, or invested in, certified investors.

*percent*

12 **END INSERT 39-25**

13 **INSERT 47-6**

14 (b) The authority shall establish a single 15-day period in which applications  
15 under par. (a) may be submitted to the authority. The authority shall provide a notice  
16 regarding that application period and the investment program under this  
17 subchapter that is reasonably calculated to reach all insurance companies or other  
18 persons subject to premium tax liability within this state.

19 **END INSERT 47-6**

20 **INSERT 48-18**

21 (c) The authority may not award more than \$50,000,000 in premium tax credits  
22 to a single participating investor, including its successor and any affiliate.

23 **END INSERT 48-18**

## Gallagher, Michael

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**From:** Quinn, Brian D - DOA [Brian.Quinn@wisconsin.gov]

**Sent:** Wednesday, May 04, 2011 9:17 AM

**To:** Gallagher, Michael

**Cc:** Hoechst, Jonathan S - DOA

**Subject:** Minor Changes to Analysis Section

Mike,

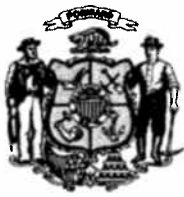
These changes are mostly aesthetic:

In the analysis, on page 5 item 9 in the reporting requirements for the BJJ there should be a reference to the job creation reporting requirements that are actually in the bill. On page 6, I think that there should be a reference to the fact that there will be notification in advance of the 15-day filing period. On page 8, item 1 under reporting requirements, specify that this includes an accounting of the change in jobs in each business receiving investment, or similar language.

Typo on page 64, line 14: "...the corporation may collect fees under under sections...." One of the unders should be deleted.

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State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-1556/1

MPG&JK:nwn&kjf:md

Today

stays

2011 BILL

Regen

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), 71.05 (6) (a) 25., 71.05 (6) (a) 26., 71.05  
11 (6) (b) 48., 71.07 (8s), 71.10 (4) (ds), 71.26 (2) (a) 4c., 71.26 (2) (a) 4d., 71.26 (2)  
12 (a) 4e., 71.28 (8s), 71.30 (3) (dn), 71.45 (2) (a) 10c., 71.45 (2) (a) 10d., 71.45 (2)  
13 (a) 10e., 71.47 (8s), 71.49 (1) (dn), 73.033, 76.634 and chapter 239 of the statutes;  
14 **relating to:** creation of the Wisconsin Venture Capital Authority, creation of



**BILL**

1 the badger jobs fund and the jobs now fund certification program, both of which  
2 are to be administered by the Wisconsin Venture Capital Authority, making an  
3 appropriation, and providing a penalty.

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***Analysis by the Legislative Reference Bureau*****WISCONSIN VENTURE CAPITAL AUTHORITY**

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; 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 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 board may hire an executive director. The members of the board appointed by the speaker of the assembly and the senate majority leader, the executive director, if any, and the manager of the badger jobs fund administered by the authority are subject to state ethics laws.

***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.

**BILL*****General Reporting Requirements***

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

***Investor Certification***

Under the bill, any person may apply to be certified to receive badger jobs fund capital. The authority charges such applicants an application fee in an amount determined by the authority. 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***

Under the bill, the authority may invest badger jobs fund capital only in certified investors. The authority may not commit more than 15 percent of the total capital that the authority is authorized to raise for the badger jobs fund to 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 at least 50 percent of the badger jobs fund capital it receives 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,

**BILL**

political consulting, professional services, or retail sales, other than direct sales of products the business itself manufactures.

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 up to \$200,000,000 in 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.

The chairperson of the authority's board must notify the Joint Committee on Finance (JCF) when the authority has reached the \$200,000,000 bond limit for the badger jobs fund and has satisfied 90 percent of its debt to bondholders. The chairperson must provide a second such notice when the authority has satisfied 100 percent of its total debt to bondholders under the badger jobs fund. If, within 14 working days after the date of the chairperson's second notice, the cochairpersons of JCF do not notify the authority that the committee has scheduled a meeting to review dissolution of the badger jobs fund, the authority must dissolve the badger jobs fund and liquidate all of the badger jobs fund's assets, paying the proceeds to the state for deposit in the general fund. If JCF does schedule a meeting to consider dissolution, the authority may dissolve the badger jobs fund only with the approval of JCF.

The authority may reinvest amounts that it receives as returns from its investments in certified investors only if the authority meets the conditions and gives the notices described above, and JCF does not approve dissolution of the badger jobs fund. Any reinvestment must meet the other requirements in the bill with respect to investments in certified investors.

***Tax Revenue from Businesses that Receive Investments***

The authority's administration of the badger jobs fund is supported in part by tax revenue raised from businesses that benefit from the badger jobs fund or from the certified jobs now fund program described below. Under the bill, the authority

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and the Department of Revenue (DOR) are to coordinate with each other to determine the amount of withholding taxes that each business that receives investment capital under the badger jobs fund or the certified jobs now fund program paid for the year prior to the first year in which the business received any such investment. Then, each year for 15 years following that first year of investment or until the badger jobs fund is dissolved, whichever occurs first, DOR transfers to the authority an amount equal to 50 percent of the increase, if any, in withholding taxes paid by the business over the amount determined, as described above, for the year prior to that first year of investment.

**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 from its investments in certified investors.
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.
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 FUND 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.

**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 in an amount determined

and an accounting of the number of employees the business has hired since badger jobs fund capital was first invested in the business

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by the authority 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**

The bill provides that any insurance company or other person subject to premium tax liability may apply to the authority to invest in a certified jobs now fund. The bill directs the authority to establish a single 15-day period in which such applications may be submitted. 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. The authority must begin approving investments and awarding corresponding tax credits within 90 days after the bill becomes effective.

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:

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

The authority must give reasonable notice to potential applicants in advance of that application period.

**BILL**

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

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authority to fine a person who violates 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~~ <sup>report</sup> 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  
8 Authority, the Wisconsin Venture Capital Authority, and the Wisconsin Economic  
9 Development Corporation.

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

including the number of new employees hired by businesses in which each certified jobs now fund has invested <sup>now</sup>

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1           13.172 (1) In this section, “agency” means an office, department, 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, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in  
6 ch. 231, 233, 234, 238, 239, or 279.

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

9           13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
10 facility that is constructed for the benefit of or use of the state, any state agency,  
11 board, commission or department, the University of Wisconsin Hospitals and Clinics  
12 Authority, the Fox River Navigational System Authority, the Wisconsin Venture  
13 Capital Authority, the Wisconsin Economic Development Corporation, or any local  
14 professional baseball park district created under subch. III of ch. 229 if the  
15 construction is undertaken by the department of administration on behalf of the  
16 district, shall be in compliance with all applicable state laws, rules, codes and  
17 regulations but the construction is not subject to the ordinances or regulations of the  
18 municipality in which the construction takes place except zoning, including without  
19 limitation because of enumeration ordinances or regulations relating to materials  
20 used, permits, supervision of construction or installation, payment of permit fees, or  
21 other restrictions.

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

24           13.62 (2) “Agency” means any board, commission, department, office, society,  
25 institution of higher education, council, or committee in the state government, or any



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1 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233,  
2 234, 237, 238, 239, or 279, except that the term does not include a council or  
3 committee of the legislature.

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

5 13.94 (1) (dx) Biennially, beginning in 2013, conduct a financial audit of the  
6 Wisconsin Venture Capital Authority and a program evaluation audit of the  
7 programs administered by the Wisconsin Venture Capital Authority under ch. 239.  
8 The legislative audit bureau shall file a copy of each audit report under this  
9 paragraph with the distributees specified in par. (b).

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

12 13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance  
13 evaluation audit of the economic development programs administered by the  
14 department of commerce, the University of Wisconsin System, the department of  
15 agriculture, trade and consumer protection, the department of natural resources, the  
16 Wisconsin Housing and Economic Development Authority, the Wisconsin Venture  
17 Capital Authority, the Wisconsin Economic Development Corporation, the  
18 department of tourism, the technical college system, and the department of  
19 transportation. In this paragraph, economic development program has the meaning  
20 given in s. 560.001 (1m). The legislative audit bureau shall file a copy of the report  
21 of the audit under this paragraph with the distributees specified in par. (b).

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

23 13.94 (1s) (c) 6. The Wisconsin Venture Capital Authority for the cost of the  
24 audit required to be performed under sub. (1) (dx).

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

3           **13.94 (4) (a) 1.** Every state department, board, examining board, affiliated  
4 credentialing board, commission, independent agency, council or office in the  
5 executive branch of state government; all bodies created by the legislature in the  
6 legislative or judicial branch of state government; any public body corporate and  
7 politic created by the legislature including specifically the Fox River Navigational  
8 System Authority, the Lower Fox River Remediation Authority, the Wisconsin  
9 Aerospace Authority, the Wisconsin Venture Capital Authority, and the Wisconsin  
10 Economic Development Corporation, a professional baseball park district, a local  
11 professional football stadium district, a local cultural arts district, and a long-term  
12 care district under s. 46.2895; every Wisconsin works agency under subch. III of ch.  
13 49; every provider of medical assistance under subch. IV of ch. 49; technical college  
14 district boards; every county department under s. 51.42 or 51.437; every nonprofit  
15 corporation or cooperative or unincorporated cooperative association to which  
16 moneys are specifically appropriated by state law; and every corporation, institution,  
17 association or other organization which receives more than 50% of its annual budget  
18 from appropriations made by state law, including subgrantee or subcontractor  
19 recipients of such funds.

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

22           **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
23 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau  
24 shall be strictly nonpartisan and shall at all times observe the confidential nature  
25 of the research requests received by it; however, with the prior approval of the

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1 requester in each instance, the bureau may duplicate the results of its research for  
2 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's  
3 designated employees shall at all times, with or without notice, have access to all  
4 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
5 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
6 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital  
7 Authority, the Wisconsin Economic Development Corporation, and the Fox River  
8 Navigational System Authority, and to any books, records, or other documents  
9 maintained by such agencies or authorities and relating to their expenditures,  
10 revenues, operations, and structure.

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

13 16.002 (2) "Departments" means constitutional offices, departments, and  
14 independent agencies and includes all societies, associations, and other agencies of  
15 state government for which appropriations are made by law, but not including  
16 authorities created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232,  
17 233, 234, 235, 237, 238, 239, or 279.

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

20 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
21 department as the secretary designates may enter into the offices of state agencies  
22 and authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under  
23 chs. 231, 233, 234, 237, 238, 239, and 279, and may examine their books and accounts  
24 and any other matter that in the secretary's judgment should be examined and may  
25 interrogate the agency's employees publicly or privately relative thereto.

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

3           **16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE.** All state agencies and  
4 authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under chs.  
5 231, 233, 234, 237, 238, 239, and 279, and their officers and employees, shall  
6 cooperate with the secretary and shall comply with every request of the secretary  
7 relating to his or her functions.

8           **SECTION 13.** 16.004 (12) (a) of the statutes, as affected by 2011 Wisconsin Act  
9 10, is amended to read:

10           **16.004 (12) (a)** In this subsection, “state agency” means an association,  
11 authority, board, department, commission, independent agency, institution, office,  
12 society, or other body in state government created or authorized to be created by the  
13 constitution or any law, including the legislature, the office of the governor, and the  
14 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,  
15 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
16 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic  
17 Development Corporation, the Wisconsin Venture Capital Authority, and the Fox  
18 River Navigational System Authority.

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

21           **16.045 (1) (a)** “Agency” means an office, department, independent agency,  
22 institution of higher education, association, society, or other body in state  
23 government created or authorized to be created by the constitution or any law, that  
24 is entitled to expend moneys appropriated by law, including the legislature and the

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1 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
2 ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

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

5 16.15 (1) (ab) "Authority" has the meaning given under s. 16.70 (2), but  
6 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox  
7 River Remediation Authority, the Wisconsin Economic Development Corporation,  
8 the Wisconsin Venture Capital Authority, and the Health Insurance Risk-Sharing  
9 Plan Authority.

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

12 16.41 (4) In this section, "authority" means a body created under subch. II of  
13 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, 237, 238, 239, or 279.

14 **SECTION 17.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Acts  
15 7 and 10, is repealed and recreated to read:

16 16.417 (1) (b) "Authority" means a body created under subch. II of ch. 114 or  
17 ch. 231, 232, 233, 234, 235, 237, 239, or 279.

18 **SECTION 18.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Act ....  
19 (this act), is amended 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, 238, 239, or 279.

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

24 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
25 that is authorized to maintain a contingent fund under s. 20.920 may establish a

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1 petty cash account from its contingent fund. The procedure for operation and  
2 maintenance of petty cash accounts and the character of expenditures therefrom  
3 shall be prescribed by the secretary. In this subsection, “agency” means an office,  
4 department, independent agency, institution of higher education, association,  
5 society, or other body in state government created or authorized to be created by the  
6 constitution or any law, that is entitled to expend moneys appropriated by law,  
7 including the legislature and the courts, but not including an authority created in  
8 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or  
9 279.

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

12 16.528 (1) (a) “Agency” means an office, department, independent agency,  
13 institution of higher education, association, society, or other body in state  
14 government created or authorized to be created by the constitution or any law, that  
15 is entitled to expend moneys appropriated by law, including the legislature and the  
16 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
17 ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

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

20 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
21 invoice, the agency shall notify the sender of the invoice within 10 working days after  
22 it receives the invoice of the reason it is improperly completed. In this subsection,  
23 “agency” means an office, department, independent agency, institution of higher  
24 education, association, society, or other body in state government created or  
25 authorized to be created by the constitution or any law, that is entitled to expend

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1 moneys appropriated by law, including the legislature and the courts, but not  
2 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
3 231, 233, 234, 237, 238, 239, or 279.

4 **SECTION 22.** 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act  
5 10, is amended to read:

6 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,  
7 institution of higher education, association, society or other body in state  
8 government created or authorized to be created by the constitution or any law, which  
9 is entitled to expend moneys appropriated by law, including the legislature and the  
10 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
11 ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

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

14 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
15 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
16 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
17 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the  
18 Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
19 Entertainment Corporation shall include in all contracts executed by them a  
20 provision obligating the contractor not to discriminate against any employee or  
21 applicant for employment because of age, race, religion, color, handicap, sex, physical  
22 condition, developmental disability as defined in s. 51.01 (5), sexual orientation as  
23 defined in s. 111.32 (13m), or national origin and, except with respect to sexual  
24 orientation, obligating the contractor to take affirmative action to ensure equal  
25 employment opportunities.

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

3           16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and  
4 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
5 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
6 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the  
7 Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
8 Entertainment Corporation shall include the following provision in every contract  
9 executed by them: "In connection with the performance of work under this contract,  
10 the contractor agrees not to discriminate against any employee or applicant for  
11 employment because of age, race, religion, color, handicap, sex, physical condition,  
12 developmental disability as defined in s. 51.01 (5), sexual orientation or national  
13 origin. This provision shall include, but not be limited to, the following: employment,  
14 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or  
15 termination; rates of pay or other forms of compensation; and selection for training,  
16 including apprenticeship. Except with respect to sexual orientation, the contractor  
17 further agrees to take affirmative action to ensure equal employment opportunities.  
18 The contractor agrees to post in conspicuous places, available for employees and  
19 applicants for employment, notices to be provided by the contracting officer setting  
20 forth the provisions of the nondiscrimination clause".

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

23           16.765 (5) The head of each contracting agency and the boards of directors of  
24 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
25 Navigational System Authority, the Wisconsin Aerospace Authority, the Health



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

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

18 16.765 (6) The department may receive complaints of alleged violations of the  
19 nondiscrimination provisions of such contracts. The department shall investigate  
20 and determine whether a violation of this section has occurred. The department may  
21 delegate this authority to the contracting agency, the University of Wisconsin  
22 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
23 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
24 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital  
25 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center

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1 Sports and Entertainment Corporation for processing in accordance with the  
2 department's procedures.

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

5 16.765 (7) (intro.) When a violation of this section has been determined by the  
6 department, the contracting agency, the University of Wisconsin Hospitals and  
7 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
8 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
9 Fox River Remediation Authority, the Wisconsin Venture Capital Authority, the  
10 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
11 Entertainment Corporation, the contracting agency, the University of Wisconsin  
12 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
13 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
14 the Lower Fox River Remediation Authority, the Wisconsin Venture Capital  
15 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center  
16 Sports and Entertainment Corporation shall:

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

19 16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
20 further violations of this section and to report its corrective action to the contracting  
21 agency, the University of Wisconsin Hospitals and Clinics Authority, 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

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1 Development Corporation, or the Bradley Center Sports and Entertainment  
2 Corporation.

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

5 16.765 (8) If further violations of this section are committed during the term  
6 of the contract, the contracting agency, the Fox River Navigational System Authority,  
7 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
8 Authority, the Lower Fox River Remediation Authority, the Wisconsin Venture  
9 Capital Authority, the Wisconsin Economic Development Corporation, or the  
10 Bradley Center Sports and Entertainment Corporation may permit the violating  
11 party to complete the contract, after complying with this section, but thereafter the  
12 contracting agency, 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 shall request the department to place the name of the  
17 party on the ineligible list for state contracts, or the contracting agency, the Fox River  
18 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
19 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
20 Authority, the Wisconsin Venture Capital Authority, the Wisconsin Economic  
21 Development Corporation, or the Bradley Center Sports and Entertainment  
22 Corporation may terminate the contract without liability for the uncompleted  
23 portion or any materials or services purchased or paid for by the contracting party  
24 for use in completing the contract.

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

3           16.85 (2) To furnish engineering, architectural, project management, and other  
4 building construction services whenever requisitions therefor are presented to the  
5 department by any agency. The department may deposit moneys received from the  
6 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
7 fund as general purpose revenue — earned. In this subsection, “agency” means an  
8 office, 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, which 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 31.** 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act 10,  
15 is amended to read:

16           16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
17 proportionate share of the estimated costs attributable to programs administered by  
18 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
19 may charge premiums to agencies to finance costs under this subsection and pay the  
20 costs from the appropriation on an actual basis. The department shall deposit all  
21 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
22 Costs assessed under this subsection may include judgments, investigative and  
23 adjustment fees, data processing and staff support costs, program administration  
24 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
25 subsection, “agency” means an office, department, independent agency, institution

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

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

7 19.42 (10) (t) The executive director of the Wisconsin Venture Capital  
8 Authority, the members of the authority's board of directors who are appointed by the  
9 speaker of the assembly and the majority leader of the senate, and the fund manager  
10 of the badger jobs fund hired by the authority under s. 239.11 (4), including all  
11 partners, members, officers, or other principals if the fund manager is an entity.

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

13 19.42 (13) (p) The executive director of the Wisconsin Venture Capital  
14 Authority, the members of the authority's board of directors who are appointed by the  
15 speaker of the assembly and the majority leader of the senate, and the fund manager  
16 of the badger jobs fund hired by the authority under s. 239.11 (4), including all  
17 partners, members, officers, or other principals if the fund manager is an entity.

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

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

21 **(1) VENTURE CAPITAL INVESTMENT PROGRAMS.** (a) *Establishment and operation.*  
22 As a continuing appropriation, the amounts in the schedule for the establishment  
23 and operation of the Wisconsin Venture Capital Authority.

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1           (g) *Administration of the badger jobs fund.* 1. All moneys received under s.  
2       73.033 (1) (b) and (2) (b), for administration of the badger jobs fund under subch. II  
3       of ch. 239 and the jobs now fund program under subch. III of ch. 239.

4           2. Notwithstanding s. 20.001 (3) (c), if, at the end of a fiscal year, the authority  
5       has satisfied 100 percent of its debt with respect to the badger jobs fund, the  
6       unencumbered balance in this appropriation shall lapse to the general fund.

7           3. No moneys may be received in this appropriation after the badger jobs fund  
8       is dissolved under s. 239.11 (3) (a).

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

10          20.195 (1) (k) *Transferred general fund moneys from department of commerce.*  
11       All moneys transferred under 2011 Wisconsin Act .... (this act), section 61 (5), for the  
12       operations of the Wisconsin Venture Capital Authority and for funding programs  
13       created and implemented under ch. 239.

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

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

17          40.02 (54) (n) The Wisconsin Venture Capital Authority.

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

19          70.11 (38v) WISCONSIN VENTURE CAPITAL AUTHORITY. All property owned by the  
20       Wisconsin Venture Capital Authority, provided that use of the property is primarily  
21       related to the purposes of the Wisconsin Venture Capital Authority.

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

23          71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
24       (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),  
25       (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r), and (8s)

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1 and not passed through by a partnership, limited liability company, or tax-option  
2 corporation that has added that amount to the partnership's, company's, or  
3 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

4 **SECTION 39.** 71.05 (6) (a) 25. of the statutes is created to read:

5 71.05 (6) (a) 25. The amount of the credits received under ss. 71.07 (8s) (e),  
6 71.28 (8s) (e), and 71.47 (8s) (e).

7 **SECTION 40.** 71.05 (6) (a) 26. of the statutes is created to read:

8 71.05 (6) (a) 26. The amount received for the sale or transfer of credits received  
9 under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e), including the fair market  
10 value of property received.

11 **SECTION 41.** 71.05 (6) (b) 48. of the statutes is created to read:

12 71.05 (6) (b) 48. The amount of the credits sold or transferred to another person  
13 under s. 71.07 (8s) (e) in the taxable year that has been added to income under par.  
14 (a) 15. in the taxable year or in a previous taxable year. A partner, member of a  
15 limited liability company, or shareholder of a tax-option corporation who sells or  
16 transfers a credit may subtract the amount of the credit sold or transferred to the  
17 extent that it was included in the partner's, member's, or shareholder's distributive  
18 share of income.

19 **SECTION 42.** 71.07 (8s) of the statutes is created to read:

20 71.07 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition.* In this subsection,  
21 "claimant" means a person who files a claim under this subsection.

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

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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.* 1. 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.

18 2. The amount of the carry-forward computed under subd. 1. shall be reduced  
19 by the amount of any credit transferred under par. (e).

20 (e) *Sale of credit.* A person who is awarded a credit under s. 239.14, or to whom  
21 a credit is transferred as provided under this paragraph, may sell or otherwise  
22 transfer the credit to another person who is subject to the tax imposed under s. 71.02,  
23 71.23, or 71.43 if the person notifies the department of revenue and the Wisconsin  
24 Venture Capital Authority created under ch. 239 of the transfer and includes with  
25 the notification a copy of the transfer documents. No credit may be sold or



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1 transferred under this paragraph until 180 days after the date on which the person  
2 becomes eligible to claim the credit.

3 (f) *Administration.* 1. 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 2. The department shall promulgate rules to administer this subsection.

6 **SECTION 43.** 71.10 (4) (ds) of the statutes is created to read:

7 71.10 (4) (ds) Badger jobs fund bonds credit under s. 71.07 (8s).

8 **SECTION 44.** 71.21 (4) of the statutes is amended to read:

9 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
10 (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s),  
11 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), ~~and (8r), and (8s)~~ and passed  
12 through to partners shall be added to the partnership's income.

13 **SECTION 45.** 71.26 (1) (be) of the statutes, as affected by 2011 Wisconsin Act 10,  
14 is amended to read:

15 71.26 (1) (be) *Certain authorities.* Income of the University of Wisconsin  
16 Hospitals and Clinics Authority, of the Health Insurance Risk-Sharing Plan  
17 Authority, of the Fox River Navigational System Authority, of the Wisconsin  
18 Economic Development Corporation, of the Wisconsin Venture Capital Authority,  
19 and of the Wisconsin Aerospace Authority.

20 **SECTION 46.** 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act  
21 3, is amended to read:

22 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
23 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),  
24 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (8r), ~~(8s),~~ and  
25 (9s) and not passed through by a partnership, limited liability company, or

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

4 **SECTION 47.** 71.26 (2) (a) 4c. of the statutes is created to read:

5 71.26 (2) (a) 4c. Plus the amount of credits received from another person under  
6 ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e).

7 **SECTION 48.** 71.26 (2) (a) 4d. of the statutes is created to read:

8 71.26 (2) (a) 4d. Plus the amount received for the sale or transfer of credits  
9 under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e), including the fair market  
10 value of property received.

11 **SECTION 49.** 71.26 (2) (a) 4e. of the statutes is created to read:

12 71.26 (2) (a) 4e. Minus the amount of credits sold or transferred under ss. 71.07  
13 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e).

14 **SECTION 50.** 71.28 (8s) of the statutes is created to read:

15 71.28 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition.* In this subsection,  
16 "claimant" means a person who files a claim under this subsection.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
18 239.11, for taxable years beginning after December 31, 2016, a claimant who  
19 purchases bonds issued under s. 239.11 (2) and who has been awarded a credit under  
20 s. 239.14, may claim as a credit against the tax imposed under s. 71.23, up to the  
21 amount of the tax, the amount determined under s. 239.14.

22 (c) *Limitations.* Partnerships, limited liability companies, and tax-option  
23 corporations may not claim the credit under this subsection, but the eligibility for,  
24 and the amount of, the credit are based on their purchase of bonds issued under s.  
25 239.11 (2) for which a credit has been awarded under s. 239.14. A partnership,

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1 limited liability company, or tax-option corporation shall compute the amount of  
2 credit that each of its partners, members, or shareholders may claim and shall  
3 provide that information to each of them. Partners, members of limited liability  
4 companies, and shareholders of tax-option corporations may claim the credit in  
5 proportion to their ownership interests.

6 (d) *Carry-forward*. 1. If a credit computed under this subsection is not entirely  
7 offset against Wisconsin income or franchise taxes otherwise due, the unused  
8 balance may be carried forward and credited against Wisconsin income or franchise  
9 taxes otherwise due for the following taxable years to the extent not offset by these  
10 taxes otherwise due in all intervening years between the year in which the expense  
11 was incurred and the year in which the carry-forward credit is claimed.

12 2. The amount of the carry-forward computed under subd. 1. shall be reduced  
13 by the amount of any credit transferred under par. (e).

14 (e) *Sale of credit*. A person who is awarded a credit under s. 239.14, or to whom  
15 a credit is transferred as provided under this paragraph, may sell or otherwise  
16 transfer the credit to another person who is subject to the tax imposed under s. 71.02,  
17 71.23, or 71.43 if the person notifies the department of revenue and the Wisconsin  
18 Venture Capital Authority created under ch. 239 of the transfer and includes with  
19 the notification a copy of the transfer documents. No credit may be sold or  
20 transferred under this paragraph until 180 days after the date on which the person  
21 becomes eligible to claim the credit.

22 (f) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
23 under sub. (4), applies to the credit under this subsection.

24 2. The department shall promulgate rules to administer this subsection.

25 **SECTION 51.** 71.30 (3) (dn) of the statutes is created to read:

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1           71.30 (3) (dn) Badger jobs fund bonds credit under s. 71.28 (8s).

2           **SECTION 52.** 71.34 (1k) (g) of the statutes is amended to read:

3           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
4 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
5 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),  
6 (5k), (5r), (5rm), ~~and (8r), and (8s)~~ and passed through to shareholders.

7           **SECTION 53.** 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act  
8 3, is amended to read:

9           71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
10 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),  
11 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (8r), ~~(8s)~~, and (9s) and not passed  
12 through by a partnership, limited liability company, or tax-option corporation that  
13 has added that amount to the partnership's, limited liability company's, or  
14 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount  
15 of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

16           **SECTION 54.** 71.45 (2) (a) 10c. of the statutes is created to read:

17           71.45 (2) (a) 10c. By adding to federal taxable income the amount of credits  
18 received from another person under ss. 71.07 (8s) (e), 71.28 (8s) (e), 71.47 (8s) (e).

19           **SECTION 55.** 71.45 (2) (a) 10d. of the statutes is created to read:

20           71.45 (2) (a) 10d. By adding to federal taxable income the amount received for  
21 the sale or transfer of credits under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e),  
22 including the fair market value of property received.

23           **SECTION 56.** 71.45 (2) (a) 10e. of the statutes is created to read:

24           71.45 (2) (a) 10e. By subtracting from federal taxable income the amount of  
25 credits sold or transferred under ss. 71.07 (8s) (e), 71.28 (8s) (e), and 71.47 (8s) (e).

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1           **SECTION 57.** 71.47 (8s) of the statutes is created to read:

2           71.47 (8s) BADGER JOBS FUND BONDS CREDIT. (a) *Definition.* In this subsection,  
3           “claimant” means a person who files a claim under this subsection.

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

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

18          (d) *Carry-forward.* 1. If a credit computed under this subsection is not entirely  
19          offset against Wisconsin income or franchise taxes otherwise due, the unused  
20          balance may be carried forward and credited against Wisconsin income or franchise  
21          taxes otherwise due for the following taxable years to the extent not offset by these  
22          taxes otherwise due in all intervening years between the year in which the expense  
23          was incurred and the year in which the carry-forward credit is claimed.

24          2. The amount of the carry-forward computed under subd. 1. shall be reduced  
25          by the amount of any credit transferred under par. (e).

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1           (e) *Sale of credit.* A person who is awarded a credit under s. 239.14, or to whom  
2 a credit is transferred as provided under this paragraph, may sell or otherwise  
3 transfer the credit to another person who is subject to the tax imposed under s. 71.02,  
4 71.23, or 71.43 if the person notifies the department of revenue and the Wisconsin  
5 Venture Capital Authority created under ch. 239 of the transfer and includes with  
6 the notification a copy of the transfer documents. No credit may be sold or  
7 transferred under this paragraph until 180 days after the date on which the person  
8 becomes eligible to claim the credit.

9           (f) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit  
10 under s. 71.28 (4), applies to the credit under this subsection.

11           2. The department shall promulgate rules to administer this subsection.

12           **SECTION 58.** 71.49 (1) (dn) of the statutes is created to read:

13           71.49 (1) (dn) Badger jobs fund bonds credit under s. 71.47 (8s).

14           **SECTION 59.** 73.033 of the statutes is created to read:

15           **73.033 Jobs now fund and badger jobs fund investments; withholding**  
16 **tax determinations.** (1) (a) The department of revenue, in consultation with the  
17 Wisconsin Venture Capital Authority created under ch. 239, shall determine the  
18 amount of the withholding taxes under subch. X of ch. 71 paid by each business that  
19 receives an investment under s. 239.13 (2) for the year prior to the first year in which  
20 each business receives the investment.

21           (b) Each year, for 15 years following the first year in which a business receives  
22 an investment under s. 239.13 (2), the department shall credit to the appropriation  
23 account under s. 20.195 (1) (g) an amount equal to 50 percent of the increase, if any,  
24 in withholding taxes under subch. X of ch. 71 paid by all businesses that receive  
25 investments under s. 239.13 (2) over the amount determined for all such businesses

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1 under par. (a). The department shall credit the amounts determined under this  
2 subsection on a quarterly basis based on its estimate of the total annual increase in  
3 the withholding taxes described in this subsection.

4 (2) (a) The department of revenue, in consultation with the Wisconsin Venture  
5 Capital Authority created under ch. 239, shall determine the amount of the  
6 withholding taxes under subch. X of ch. 71 paid by each business that receives an  
7 investment under s. 239.23 (2) for the year prior to the first year in which each  
8 business receives the investment.

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

17 **SECTION 60.** 76.634 of the statutes is created to read:

18 **76.634 Credit for jobs now fund investments.** (1) **DEFINITIONS.** In this  
19 section:

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

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

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

23 (2) **CREDIT.** Subject to the limitations provided in this section and s. 239.22, for  
24 taxable years beginning after December 31, 2013, an insurer who makes an  
25 investment of designated capital and who has been awarded a credit under s. 239.22

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1 (2) (a), may claim as a credit against the fees imposed under s. 76.60, 76.63, 76.65,  
2 76.66, or 76.67, up to the amount of such fees, the amount determined under s. 239.22  
3 (2) (b).

4 (3) CARRY-FORWARD. If the credit under sub. (2) is not entirely offset against the  
5 fees under s. 76.60, 76.63, 76.65, 76.66 or 76.67 otherwise due, the unused balance  
6 may be carried forward and credited against those fees in the following years to the  
7 extent that it is not offset by those fees otherwise due in all the years between the  
8 year in which the initial credit is claimed and the year in which the carry-forward  
9 credit is claimed.

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

18 (5) SALE OF CREDIT. An insurer who is awarded a credit under s. 239.22 (2) (a),  
19 or to whom a credit is sold or transferred as provided under this subsection, may sell  
20 or otherwise transfer the credit to another insurer who is subject to the fees imposed  
21 under s. 76.60, 76.63, 76.65, 76.66, or 76.67 if the insurer notifies the commissioner  
22 of insurance and the Wisconsin Venture Capital Authority created under ch. 239 of  
23 the sale or transfer and includes with the notification a copy of the sale or transfer  
24 documents. If a credit that has been sold or transferred under this subsection is  
25 subject to recapture under sub. (4), the person who claimed the credit is liable for the



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1 repayment provided under sub. (4). No credit may be sold or transferred under this  
2 subsection until 180 days after the date on which the person becomes eligible to claim  
3 the credit.

4 **SECTION 61.** 76.67 (2) of the statutes is amended to read:

5 76.67 (2) If any domestic insurer is licensed to transact insurance business in  
6 another state, this state may not require similar insurers domiciled in that other  
7 state to pay taxes greater in the aggregate than the aggregate amount of taxes that  
8 a domestic insurer is required to pay to that other state for the same year less the  
9 credits under ss. 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655, except that the  
10 amount imposed shall not be less than the total of the amounts due under ss. 76.65  
11 (2) and 601.93 and, if the insurer is subject to s. 76.60, 0.375% of its gross premiums,  
12 as calculated under s. 76.62, less offsets allowed under s. 646.51 (7) or under ss.  
13 76.634, 76.635, 76.636, 76.637, 76.638, and 76.655 against that total, and except that  
14 the amount imposed shall not be less than the amount due under s. 601.93.

15 **SECTION 62.** 77.54 (9a) (a) of the statutes, as affected by 2011 Wisconsin Act 10,  
16 is amended to read:

17 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin  
18 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Health  
19 Insurance Risk-Sharing Plan Authority, the Wisconsin Economic Development  
20 Corporation, the Wisconsin Venture Capital Authority, and the Fox River  
21 Navigational System Authority.

22 **SECTION 63.** 77.92 (4) of the statutes is amended to read:

23 77.92 (4) "Net business income," with respect to a partnership, means taxable  
24 income as calculated under section 703 of the Internal Revenue Code; plus the items  
25 of income and gain under section 702 of the Internal Revenue Code, including taxable

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

14 **SECTION 64.** 100.45 (1) (dm) of the statutes, as affected by 2011 Wisconsin Act  
15 10, is amended to read:

16 100.45 (1) (dm) "State agency" means any office, department, 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 which  
19 is entitled to expend moneys appropriated by law, including the legislature and the  
20 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
21 Center Sports and Entertainment Corporation, the University of Wisconsin  
22 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities  
23 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic  
24 Development Corporation, the Wisconsin Venture Capital Authority, and the Fox  
25 River Navigational System Authority.

**BILL****SECTION 65**

1           **SECTION 65.** 101.177 (1) (d) of the statutes, as affected by 2011 Wisconsin Act  
2 10, is amended to read:

3           101.177 (1) (d) “State agency” means any office, department, agency,  
4 institution of higher education, association, society, or other body in state  
5 government created or authorized to be created by the constitution or any law, that  
6 is entitled to expend moneys appropriated by law, including the legislature and the  
7 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
8 Center Sports and Entertainment Corporation, the University of Wisconsin  
9 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin  
10 Economic Development Corporation, the Wisconsin Venture Capital Authority, and  
11 the Wisconsin Health and Educational Facilities Authority, but excluding the Health  
12 Insurance Risk-Sharing Plan Authority and the Lower Fox River Remediation  
13 Authority.

14           **SECTION 66.** 230.03 (3) of the statutes, as affected by 2011 Wisconsin Act 10,  
15 is amended to read:

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

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1           **SECTION 67.** Chapter 239 of the statutes is created to read:

2                                                           **CHAPTER 239**

3                                                           **WISCONSIN VENTURE CAPITAL**

4                                                           **AUTHORITY**

5                                                           **SUBCHAPTER I**

6                                                           **GENERAL PROVISIONS**

7           **239.01 Definitions.** In this chapter, except as otherwise provided:

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

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

10          **239.02 Creation and organization of authority.** (1) There is created a  
11 public body corporate and politic to be known as the "Wisconsin Venture Capital  
12 Authority." The members of the board shall consist of the following:

13           (a) The chief executive officer of the Wisconsin Economic Development  
14 Corporation.

15           (b) Four persons from the private sector, at least 3 of whom shall have venture  
16 capital, investment banking, or substantial entrepreneurial experience, nominated  
17 by the governor and appointed with the advice and consent of the senate.

18           (c) One member appointed by the speaker of the assembly who shall have  
19 venture capital, investment banking, or substantial entrepreneurial experience.

20           (d) One member appointed by the senate majority leader who shall have  
21 venture capital, investment banking, or substantial entrepreneurial experience.

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

24           (3) A majority of the members of the board constitutes a quorum for the purpose  
25 of conducting its business and exercising its powers and for all other purposes,

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1 notwithstanding the existence of any vacancies. Action may be taken by the board  
2 upon a vote of a majority of the members present.

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

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

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

12 (7) Annually, the governor shall appoint one member as chairperson of the  
13 board.

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

19 **239.03 Powers of authority.** The authority shall have all the powers  
20 necessary or convenient to carry out the purposes and provisions of this chapter. In  
21 addition to all other powers granted the authority under this chapter, the authority  
22 may specifically:

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

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