

**2011 Jr1 DRAFTING REQUEST**

**Assembly Amendment (AA-AB4)**

Received: 01/11/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Louis Molepske Jr (608) 267-9649

By/Representing: kathy

May Contact:

Drafter: jkreye

Subject: Tax, Business - credits

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Molepske@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Economic development tax credit program

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 01/11/2011	kfollett 01/11/2011	rschluet 01/11/2011	_____	mbarman 01/11/2011	mbarman 01/11/2011	

FE Sent For:

<END>

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/1	jkreye	1/15f 1/11		_____	_____		

FE Sent For:

<END>

**Kreye, Joseph**

**From:** Kreye, Joseph  
**Sent:** Monday, January 10, 2011 10:34 AM  
**To:** Farnsworth, Kathy  
**Cc:** Matthias, Mary  
**Subject:** RE: SS AB 4 and 09 AB 948.

Kathy,

With regard to the 2<sup>nd</sup> issue, please note that in order to receive the economic development tax credits under subchapter VI of chapter 560, a person must enter into a contract with Commerce to undertake the activities for which the credits apply [see s. 560.701 (3)]. In addition, a person who enters into such a contract must submit a report to Commerce to prove that the person is complying with the contract.

In addition, under s. 560.01 (2) (am), an annual comprehensive report assessing all economic development programs administered by Commerce must be submitted to the joint legislative audit committee and to the appropriate standing committees of the legislature no later than October 1. Commerce must also make this information available to the public via the Internet. Finally, under s. 560.703 (3), 6 months after this report is submitted, Commerce must submit to the joint audit committee and the appropriate standing committees a comprehensive report assessing the consolidated economic development credits under subch. VI of ch. 560. This 2<sup>nd</sup> report is meant to also serve as an update of the report due on October 1.

560.706(3) If you wish to have something else in place beside the reporting requirements under current law, you could establish recurring financial audits and performance evaluations. For an example, see the language under s. 565.37 related to administration of the lottery:

"565.37

(1) Financial and performance audits. The department shall annually contract with the legislative audit bureau to conduct a financial audit of the transactions and accounts of the state lottery, and, to the extent of the department's participation, of any multijurisdictional lotteries in which the state participates, for the preceding fiscal year and shall biennially contract with the legislative audit bureau for a performance audit of the state lottery and, to the extent of the department's participation, of those multijurisdictional lotteries."

Please let me know if you have any questions or concerns.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Matthias, Mary  
**Sent:** Friday, January 07, 2011 4:05 PM  
**To:** Kreye, Joseph  
**Cc:** Farnsworth, Kathy  
**Subject:** SS AB 4 and 09 AB 948.

Hi Joe-

Kathy in Molepske's office asked me to forward you the drafting requests below. The first one is straightforward- a redraft of 09 AB 948, as amended by AA 1.

For the second one, if you have any ideas or are aware of language from other programs that would be helpful.

Thanks!

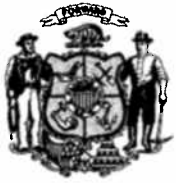
*Mary Matthias*

Senior Staff Attorney

Wisconsin Legislative Council Staff

Ph.(608)266-0932;Fax (608)266-3830

1. Louis would like AB 948 redrafted for this session. We had AA1 last session which passed and I have to look at it again, but on the face of it, I think we would want it drafted to incorporate the dates but I need to check it out further. Just wanted to get this onto your radar. Would TU be too soon a deadline from your end?
2. SS AB 4 in Jobs committee next Tuesday. Amendment content are still under discussion but as of this point we would be looking for ways to increase transparency and oversight on the expenditures and perhaps audits. I've just begun exploring options, but am thinking you might have suggestions to make with those general goals in mind.



State of Wisconsin  
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBa0014/1

JK...kyf

ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 4

in 1-11-11  
NOW

1 At the locations indicated, amend the bill as follows:  
2 **1.** Page 2, line 4: after that line insert:  
3 "SECTION 1d. 560.706 (4) of the statutes is created to read:  
4 560.706 (4) AUDITS. The department shall annually contract with the  
5 legislative audit bureau to conduct financial and performance audits of the program  
6 under ss. 560.701 to 560.706 and the completed audits shall be submitted to the joint  
7 legislative audit committee and to the appropriate standing committees of the  
8 legislature as provided under s. 13.172 (3)."

9 (END)