

## 2011 DRAFTING REQUEST

### Bill

Received: 01/13/2011

Received By: mgallagh

Wanted: As time permits

Companion to LRB:

For: Amy Loudenbeck (608) 266-9967

By/Representing: Representative Loudenbeck

May Contact:

Drafter: mgallagh

Subject: Econ. Development - bus. dev.

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Loudenbeck@legis.wi.gov

Carbon copy (CC:) to: michael.gallagher@legis.wisconsin.gov

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### Pre Topic:

No specific pre topic given

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### Topic:

Authorize a development opportunity zone for city of Beloit

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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>
/?	mgallagh 01/24/2011	wjackson 01/31/2011		_____			S&L
	jkreye 01/25/2011			_____			
	mgallagh 01/26/2011			_____			
/1			phenry 02/01/2011	_____	sbasford 02/01/2011	mbarman 02/02/2011	

FE Sent For:

<END>

At  
Intro.

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**2011 DRAFTING REQUEST**

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Wanted: **As time permits**

Companion to LRB:

For: **Amy Loudenbeck (608) 266-9967**

By/Representing: **Representative Loudenbeck**

May Contact:

Drafter: **mgallagh**

Subject: **Econ. Development - bus. dev.**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Loudenbeck@legis.wi.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Authorize a development opportunity zone for *City* of Beloit

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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>
/?	mgallagh	1 WJ 1/31	2/1 ph	2/1 Dh / JK			

FE Sent For:

<END>

## Gallagher, Michael

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**From:** Loudenbeck, Amy  
**Sent:** Thursday, January 20, 2011 11:47 AM  
**To:** Gallagher, Michael  
**Cc:** Sen.Cullen  
**Subject:** RE: bill draft - beloit development opportunity zone

Yes please. Also, Senator Cullen will be the coauthor of this bill.

Amy Loudenbeck  
Representing Wisconsin's 45th Assembly District  
(608) 266-9967  
rep.loudenbeck@legis.wi.gov

---

**From:** Gallagher, Michael  
**Sent:** Thursday, January 20, 2011 11:04 AM  
**To:** Loudenbeck, Amy  
**Subject:** RE: bill draft - beloit development opportunity zone

Good morning Representative Loudenbeck. I have one question regarding this drafting request. The most recent newly created development opportunity zones include language providing for an extension of the development opportunity zone designation for an additional 60 months if the department of commerce determines that an extension would support economic development within the city. The extension would be for another 60 months and an additional \$5,000,000, or some other period of time and dollar amount you determine. Do you want me to include this kind of an extension provision in the draft?

Thank you.

Mike

**Michael P. Gallagher**  
Legislative Attorney  
Legislative Reference Bureau  
(608) 267-7511  
michael.gallagher@legis.wisconsin.gov

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**From:** Loudenbeck, Amy  
**Sent:** Thursday, January 13, 2011 12:41 PM  
**To:** Gallagher, Michael  
**Subject:** bill draft - beloit development opportunity zone

Hi Michael = I would like to draft a bill authorizing a development opportunity zone for the City of Beloit. << File: beloitDOZdocs.pdf >>

I have attached some reference documents to demonstrate what the city is asking for and what Janesville put together for the DOZ for which they received authorization in 2009. They ended up having the following language included in Motion # 743 which was an omnibus motion for General Fund Taxes which I believe later became part of the budget:

16. *Janesville Development Opportunity Zone.* Require the Department of Commerce to designate an area in the City of Janesville as a development opportunity zone that would exist for five years. Any business that located and conducted activity in the zone would be eligible to claim the development zone environmental remediation and jobs tax credit and the development zone capital investment tax credit, and the maximum amount of tax credits that could be claimed by businesses in the zone would be \$5.0 million. Require

that, in order to claim tax credits, a business that conducts economic activity in the Janesville development opportunity zone would have to submit a project plan to Commerce, and comply with other statutory provisions governing development opportunity zones. Provide that Commerce could extend the zone an additional five years, and provide an additional \$5.0 million in tax credits, if it would support economic development in the city. Estimate a minimal revenue loss in the 2009-11 biennium and that \$5 million in tax credits would be claimed over the next two biennia.

Hope this information is what you need to get started. Please contact me anytime if you have questions, need clarification or have some advice for me.

Thank you

Amy Loudenbeck  
Representing Wisconsin's 45<sup>th</sup> Assembly District

## Gallagher, Michael

---

**From:** Loudenbeck, Amy  
**Sent:** Thursday, January 13, 2011 12:41 PM  
**To:** Gallagher, Michael  
**Subject:** bill draft - beloit development opportunity zone

**Attachments:** beloitDOZdocs.pdf



beloitDOZdocs.pdf (438 KB)

Hi Michael = I would like to draft a bill authorizing a development opportunity zone for the City of Beloit.

I have attached some reference documents to demonstrate what the city is asking for and what Janesville put together for the DOZ for which they received authorization in 2009. They ended up having the following language included in Motion # 743 which was an omnibus motion for General Fund Taxes which I believe later became part of the budget:

16. *Janesville Development Opportunity Zone*. Require the Department of Commerce to designate an area in the City of Janesville as a development opportunity zone that would exist for five years. Any business that located and conducted activity in the zone would be eligible to claim the development zone environmental remediation and jobs tax credit and the development zone capital investment tax credit, and the maximum amount of tax credits that could be claimed by businesses in the zone would be \$5.0 million. Require that, in order to claim tax credits, a business that conducts economic activity in the Janesville development opportunity zone would have to submit a project plan to Commerce, and comply with other statutory provisions governing development opportunity zones. Provide that Commerce could extend the zone an additional five years, and provide an additional \$5.0 million in tax credits, if it would support economic development in the city. Estimate a minimal revenue loss in the 2009-11 biennium and that \$5 million in tax credits would be claimed over the next two biennia.

Hope this information is what you need to get started. Please contact me anytime if you have questions, need clarification or have some advice for me.

Thank you

Amy Loudenbeck  
Representing Wisconsin's 45<sup>th</sup> Assembly District



City of  
**BELOIT**, Wisconsin

CITY MANAGER • CITY HALL • 100 STATE STREET • BELOIT, WI 53511

Office: 608/364-6614 • Fax: 608/364-6756

[www.ci.beloit.wi.us](http://www.ci.beloit.wi.us)

*Equal Opportunity Employer*

January 11, 2011

Representative Amy Loudenberg  
Room 209 North  
State Capitol  
P.O. Box 8952  
Madison, WI 53708

**RE: Beloit Development Opportunity Zone**

Dear Amy:

In January, 2001 the State of Wisconsin established the Beloit Development Opportunity Zone (DOZ) to support the development of the then newly established Gateway Business Park. The Beloit DOZ has been highly effective as it has leveraged \$161,820,000 in private investment and supported the creation of 786 new jobs. Companies that have taken advantage of this program include Menlo Logistics, Alliance Development Corporation, Kettle Foods, Staples Order Fulfillment Center, and Specialty Tools, Inc.

Unfortunately, the Beloit DOZ expired on September 1, 2010, leaving Beloit without an essential economic development tool. During these unprecedented and challenging economic times, as demonstrated by the City of Beloit's persistently high unemployment rates (currently the highest in Wisconsin at 13.4%), lacking such an essential economic development tool is problematic.

This background, coupled with the fact that the State of Wisconsin established a \$5 million city wide DOZ in Janesville in 2009, warrants reconsideration of the September 1<sup>st</sup> sunset clause. As Beloit and Janesville go, so does Rock County. Therefore, it is both logical and prudent to create parity between both DOZ's.

Therefore, the City of Beloit is respectfully requesting consideration of the following:

- Extend the Beloit DOZ sunset clause to September 1, 2015;
- Reallocate tax credits in the amount of \$5 million; and
- Amend the DOZ boundaries to encompass the entire corporate limits of the City of Beloit.

These changes will position the City of Beloit to be far more competitive in our continued efforts to revitalize our local economy while expanding local employment opportunities.

Your full consideration of this request is greatly appreciated. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry N. Arft', with a long horizontal flourish extending to the right.

Larry N. Arft  
City Manager

C: Senator Timothy Cullen  
Representative Evan Wynn

## **JANESVILLE DEVELOPMENT OPPORTUNITY ZONE**

One of the tax incentives Wisconsin offers for businesses to locate or expand their operations within the state is the development opportunity zone program (often referred to as a "DOZ" and the "DOZ program").<sup>1</sup> Through this program, businesses conducting economic activities within a zone may claim development opportunity zone tax credits allocated by the Department of Commerce. A DOZ must be designated specifically by law and is limited in duration and by the total amount of tax credits that are available.

By statute, six zones have been authorized in five Wisconsin communities: Beloit, West Allis, Eau Claire, Kenosha, and Milwaukee. Only one zone, the Gateway Project in Beloit, remains open for tax credits; the others have expired.

A business seeking tax benefits must submit a project plan (details of which are specified by state law) to the Department of Commerce. Once the plan has been reviewed and the business has been certified by the Department of Commerce to receive the tax benefits, the Department of Revenue is notified of the certification and administers the tax credits. The tax credits can be applied by the certified business to taxes on income generated by or directly related to business activity in the DOZ. Businesses locating or expanding their operations within the DOZ are eligible to claim a nonrefundable investment credit that roughly equals three (3%) percent of investment in the zone.

### **JANESVILLE DOZ**

Since January 2006, the Janesville area has experienced the loss of over 5,000 direct jobs due to plant closures, downsizing and long-term lay-offs, with over 2,600 losses occurring in the last 12 months. Unemployment in the Janesville area is 13 percent, the highest of any other area in Wisconsin. In the City of Janesville itself, the unemployment rate is 14.6 percent. The situation is expected to get worse as other businesses in the community experience the economic ripple-effect of these recent job losses and business closings.

To help stabilize and improve the Janesville economy, a Janesville Development Opportunity Zone should be created. The Janesville DOZ would be effective for 120 months with a maximum amount of \$10 million in tax credits. The exact geographic area of the DOZ would be designated by the Janesville City Council.

The legislation required to create a Janesville DOZ:

560.795(1)(g) of the statutes is created to read:

(1)(g) An area in the city of Janesville, the legal description of which is provided to the department by the local governing body of the city of Janesville.

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<sup>1</sup> 2009 Wisconsin Act 2 consolidates several Wisconsin business development tax incentive programs into a single program. This recent legislation does *not* eliminate or modify the DOZ program in Wis. Stat. § 560.795.

560.795(2)(a) of the statutes is amended to read:

(2)(a) Except as provided in par. (d), the designation of each area under sub. (1) (a), (b), and (c) as a development opportunity zone shall be effective for 36 months, with the designation of the areas under sub. (1) (a) and (b) beginning on April 23, 1994, and the designation of the area under sub. (1) (c) beginning on April 28, 1995. Except as provided in par. (d), the designation of each area under sub. (1) (d) and (e) as a development opportunity zone shall be effective for 84 months, with the designation of the area under sub. (1) (d) beginning on January 1, 2000, and the designation of the area under sub. (1) (e) beginning on September 1, 2001. Except as provided in par. (d), the designation of the area under sub. (1) (f) as a development opportunity zone shall be effective for 108 months, with the designation of the area under sub. (1) (f) beginning on September 1, 2001. Except as provided in par. (d), the designation of the area under sub. (1)(g) as a development opportunity zone shall be effective for 120 months, with the designation of the area under sub. (1)(g) beginning on January 1, 2010.

560.795(2)(b)7. of the statutes is created to read:

(2)(b)7. The limit for tax benefits for the development opportunity zone under sub. (1)(g) is \$10,000,000.

33. **INDIVIDUAL AND CORPORATE INCOME AND FRANCHISE TAXES --  
DEFINITION OF AIR CARRIER [LFB Paper 369]**

	Governor (Chg. to Base)	Legislature (Chg. to Gov)	Net Change
GPR-REV	\$8,000,000	-\$8,000,000	\$0

**Governor:** Provide that "air carrier" would be defined as a person who provides or offers to provide air transportation and who has control over the operational functions performed in providing that transportation, under the state individual income and corporate income and franchise taxes. As a result, certain corporations engaged in air transportation activities would be required to use the single sales factor apportionment formula. This provision would increase state income and franchise tax revenues by an estimated \$4,000,000 annually.

Under current law, for state income and franchise tax purposes, most corporations, insurance companies, nonresident individuals, estates, and trusts apportion income to Wisconsin using a single sales factor apportionment formula. However, certain types of businesses, including interstate air carriers, are required to use different apportionment formulas to determine net taxable income. Specifically, the apportionable income of interstate air carriers is apportioned to Wisconsin on the basis of a ratio obtained by taking the arithmetical average of the following three ratios:

- a. Ratio of aircraft arrivals and departures in state to total aircraft arrivals and departures.
- b. Ratio of revenue tons handled at airports in state to total revenue tons handled.
- c. Ratio of originating revenue in state to total originating revenue.

No specific definition of "air carrier" is provided under current law.

**Joint Finance:** Delete the Governor's recommendation and, instead, define "air carrier" to mean a person who provides or offers to provide air transportation and whose business is 51% or more the provision of air transportation during the tax year. "Air carrier" would not include an air freight forwarder, or an aircraft lessor.

**Senate/Legislature:** Delete provision.

34. **KENOSHA DEVELOPMENT OPPORTUNITY ZONE**

**Joint Finance/Legislature:** Require the Department of Commerce to designate an area in the City of Kenosha as a development opportunity zone that would exist for five years. Any business that located and conducted activity in the zone would be eligible to claim the development zone environmental remediation and jobs tax credit and the development zone capital investment tax credit, and the maximum amount of tax credits that could be claimed by

①

businesses in the zone would be \$5.0 million. In order to claim tax credits, a business that conducts economic activity in the Kenosha development opportunity zone would have to submit a project plan to Commerce, and comply with other statutory provisions governing development opportunity zones. Commerce could extend the zone an additional five years, and provide an additional \$5.0 million in tax credits, if it would support economic development in the city. There would be an estimated minimal revenue loss in the 2009-11 biennium. The \$5 million in tax credits would be claimed over the next two biennia.

[Act 28 Sections: 3092g, 3092r, 3110e, 3110h, and 3110p thru 3110y]

### 35. JANESVILLE DEVELOPMENT OPPORTUNITY ZONE

**Joint Finance/Legislature:** Require the Department of Commerce to designate an area in the City of Janesville as a development opportunity zone that would exist for five years. Any business that located and conducted activity in the zone would be eligible to claim the development zone environmental remediation and jobs tax credit and the development zone capital investment tax credit, and the maximum amount of tax credits that could be claimed by businesses in the zone would be \$5.0 million. In order to claim tax credits, a business that conducts economic activity in the Janesville development opportunity zone would have to submit a project plan to Commerce, and comply with other statutory provisions governing development opportunity zones. Commerce could extend the zone an additional five years, and provide an additional \$5.0 million in tax credits, if it would support economic development in the city. There would be an estimated minimal revenue loss in the 2009-11 biennium. The \$5 million in tax credits would be claimed over the next two biennia.

[Act 28 Sections: 3092g thru 3110b, 3110h, 3110L, and 3110r thru 3110y]

### 36. DELAY COMMUNITY REHABILITATION PROGRAM TAX CREDIT EFFECTIVE DATE

GPR-REV \$6,600,000
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**Joint Finance/Legislature:** Delay implementation of the community rehabilitation program tax credit enacted in 2007 Act 20 until tax years beginning on or after July 1, 2011, rather than July 1, 2009, under current law. Act 20 created a community rehabilitation program tax credit equal to 5% of the amount that a claimant pays to a community rehabilitation program to perform work for the claimant's business, pursuant to a contract. The credit will be available under the individual income tax and the corporate income and franchise tax. Under current law, the credit will first apply for tax years beginning on or after July 1, 2009. This provision would delay implementation of the credit by two years, which would result in estimated increased income and franchise tax revenues of \$3,300,000 in 2009-10 and 2010-11.

[Act 28 Sections: 1583d, 1662d, and 1728d]

recipient, if the person has been certified in the manner under 26 USC 51 (d) (13) (A) by a designated local agency, as defined in 26 USC 51 (d) (12).

(5) "Metropolitan statistical area" means a federal standard metropolitan statistical area but does not include areas located within Indian reservations.

(6) "Target population" means persons who are members of targeted groups for the purposes of the credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(7) (a) Except as provided in pars. (b), (c), and (d), "tax benefits" means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(b) 1. Except as provided in subd. 2., in s. 560.795, "tax benefits" means the development zones investment credit under ss. 71.07 (2di), 71.28 (1di), and 71.47 (1di) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636. With respect to the development opportunity zones under s. 560.795 (1) (e) and (f), "tax benefits" also means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

2. With respect to the development opportunity zones under s. 560.795 (1) (g) and (h), "tax benefits" means the development zone credits under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

(c) In s. 560.798, "tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credits under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

(d) In ss. 560.701 to 560.706, "tax benefits" means the economic development tax credit under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637.

History: 1987 a. 328, 411; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 259; 2009 a. 2, 28.

**560.701 Certification for tax benefits.** (1) APPLICATION. Any person may apply to the department on a form prepared by the department for certification under this section. The application shall include all of the following:

- (a) The name and address of the person.
- (b) The federal tax identification number of the person.
- (c) The names and addresses of the locations where the person conducts business and a description of the business activities conducted at those locations.
- (d) A description of each eligible activity conducted or proposed to be conducted by the person.
- (e) Other information required by the department or the department of revenue.

(2) CERTIFICATION. (a) The department may certify a person who submits an application under sub. (1) if, after conducting an investigation, the department determines that the person is conducting or intends to conduct at least one eligible activity.

(b) The department shall provide a person certified under this section and the department of revenue with a copy of the certification.

(3) CONTRACT. A person certified under this section shall enter into a written contract with the department. The contract shall include provisions that detail all of the following:

- (a) A description of each eligible activity being conducted or proposed to be conducted by the person.
- (b) Whether any of the eligible activities will occur in an economically distressed area, as designated by the department under s. 560.704 (1).
- (c) Whether any of the eligible activities will benefit members of a targeted group, as determined by the department under s. 560.704 (2).

(d) A compliance schedule that includes a sequence of anticipated actions to be taken or goals to be achieved by the person before the person may receive tax benefits under s. 560.703.

(e) The reporting requirements with which the person must comply.

(f) If feasible, a determination of the tax benefits the person will be authorized to claim under s. 560.703 (2) if the person fulfills the terms of the contract.

History: 2009 a. 2.

**560.702 Eligible activities.** A person who conducts or proposes to conduct any of the following may be certified under s. 560.701 (2):

(1) JOB CREATION PROJECT. A project that creates and maintains for a period of time established by the department by rule full-time jobs in addition to any existing full-time jobs provided by the person.

(2) CAPITAL INVESTMENT PROJECT. A project that involves a significant investment of capital, as defined by the department by rule under s. 560.706 (2) (b), by the person in new equipment, machinery, real property, or depreciable personal property.

(3) EMPLOYEE TRAINING PROJECT. A project that involves significant investments in the training or reeducation of employees, as defined by the department by rule under s. 560.706 (2) (c), by the person for the purpose of improving the productivity or competitiveness of the business of the person.

(4) PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN. A project that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of employees holding full-time jobs in Wisconsin if the person's corporate headquarters are located in Wisconsin.

History: 2009 a. 2.

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

(b) The department may submit to the joint committee on finance a request in writing to exceed the total tax benefits specified in par. (a). The department shall submit with its request a justification for seeking an increase under this paragraph. The joint committee on finance, following its review, may approve or disapprove an increase in the total tax benefits available to be allocated under ss. 560.701 to 560.706.

(2) AUTHORITY TO CLAIM TAX BENEFITS. The department may authorize a person certified under s. 560.701 (2) to claim tax benefits only after the person has submitted a report to the department that documents to the satisfaction of the department that the person has complied with the terms of the contract under s. 560.701 (3) and the requirements of any applicable rules promulgated under s. 560.706 (2).

(3) NOTICE OF ELIGIBILITY. The department shall provide to the person and to the department of revenue a notice of eligibility to receive tax benefits that reports the amount of tax benefits for which the person is eligible.

History: 2009 a. 2, 265.

**560.704 Eligible activities in economically distressed areas and benefiting members of targeted groups.** The department may authorize a person certified under s. 560.701 (2) to claim additional tax benefits under s. 560.703 if, after conducting an investigation, the department determines any of the following:

(1) The person conducts at least one eligible activity in an area designated by the department as economically distressed. In des-

71.07 (Z dm) (a) 3.

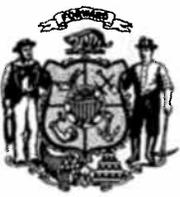
3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.7995.

~~71.28~~ 71.28 (1dm) (a) 3.

3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.7995.

71.47 (1dm) (a) 3.

3. "Development zone" means a development opportunity zone under s. 560.795 (1) (e) and (f) or 560.798, or an airport development zone under s. 560.7995.



WJ

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

LPS: Please  
fix Request  
Sheet.

Gen Cat

1 **AN ACT** ...; **relating to:** a development opportunity zone for the city of Beloit.

*Analysis by the Legislative Reference Bureau Commerce*

Under current law the Department of Commerce (~~department~~) may designate a portion of the state as a development opportunity zone. Taxpayers that conduct business or intend to conduct business within a development opportunity zone may receive certain tax benefits after submitting a qualifying project plan in conjunction with the local governing body of the city in which the development opportunity zone is located.

This bill creates a development opportunity zone in the city of Beloit for 60 months beginning ~~effective~~ September 1, 2010, and covering an area to be determined by the city's governing board. The total of allowable tax benefits for that development opportunity zone is \$5,000,000, except that, under the bill, ~~the department~~ may extend the designation of an opportunity zone for the city of Beloit for an additional 60 months and an additional \$5,000,000 of total tax benefits if ~~the department~~ determines that the extension will support economic development in the city.

Commerce

For further information see the **state and local** 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:*

2 **SECTION 1.** 560.70 (7) (b) 2. of the statutes is amended to read:

1           560.70 (7) (b) 2. With respect to the development opportunity zones under s.  
 2           560.795 (1) (g) and, (h), and (i), "tax benefits" means the development zone credits  
 3           under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones  
 4           capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

5           History: 1987 a. 328, 411; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 259; 2009 a. 2, 28.

6           **SECTION 2.** 560.795 (1) (i) of the statutes is created to read:

7           560.795 (1) (i) An area in the city of Beloit, the legal description of which is  
 8           provided to the department by the local governing body of the city of Beloit.

9           **SECTION 3.** 560.795 (2) (a) of the statutes is amended to read:

10          560.795 (2) (a) Except as provided in par. (d), the designation of each area under  
 11          sub. (1) (a), (b), and (c) as a development opportunity zone shall be effective for 36  
 12          months, with the designation of the areas under sub. (1) (a) and (b) beginning on  
 13          April 23, 1994, and the designation of the area under sub. (1) (c) beginning on  
 14          April 28, 1995. Except as provided in par. (d), the designation of each area under sub.  
 15          (1) (d) and (e) as a development opportunity zone shall be effective for 84 months,  
 16          with the designation of the area under sub. (1) (d) beginning on January 1, 2000, and  
 17          the designation of the area under sub. (1) (e) beginning on September 1, 2001. Except  
 18          as provided in par. (d), the designation of the area under sub. (1) (f) as a development  
 19          opportunity zone shall be effective for 108 months, beginning on September 1, 2001.  
 20          Except as provided in pars. (d) and (e), the designation of each area under sub. (1)  
 21          (g) and (h) as a development opportunity zone shall be effective for 60 months,  
 22          beginning on the date on which the area is designated under sub. (1). Except as  
 23          provided in pars. (d) and (e), the designation of the area under sub. (1) (i) shall be  
effective for 60 months, beginning on September 1, 2010.

24          History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104; 2003 a. 33; 2005 a. 259; 2007 a. 20; 2009 a. 28.

25          **SECTION 4.** 560.795 (2) (b) 9 of the statutes is created to read:

1           560.795 (2) (b) 9. Except as provided in par. (e) 3., the limit for tax benefits for  
2 the development opportunity zone under sub. (1) (i) is \$5,000,000.

3           **SECTION 5.** 560.795 (2) (e) 3. of the statutes is created to read:

4           560.795 (2) (e) 3. The department may extend the designation of an area under  
5 sub. (1) (i) as a development opportunity zone for an additional 60 months if the  
6 department determines that an extension will support economic development within  
7 the city. If the department grants an extension under this subdivision, the limit for  
8 tax benefits for the development opportunity zone under sub. (1) (i) is increased by  
9 \$5,000,000.

10          **SECTION 6.** 560.795 (3) (a) 4. of the statutes is amended to read:

11          560.795 (3) (a) 4. Any person that is conducting or that intends to conduct  
12 economic activity in a development opportunity zone under sub. (1) (e), (f), (g), or (h),  
13 or (i) and that, in conjunction with the local governing body of the city in which the  
14 development opportunity zone is located, submits a project plan as described in par.  
15 (b) to the department shall be entitled to claim tax benefits while the area is  
16 designated as a development opportunity zone.

17          History: 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104; 2003 a. 33; 2005 a. 259; 2007 a. 20; 2009 a. 28.

(END)

**Barman, Mike**

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**From:** Loudenbeck, Amy  
**Sent:** Wednesday, February 02, 2011 10:23 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 11-1041/1 Topic: Authorize a development opportunity zone for city of Beloit

Please Jacket LRB 11-1041/1 for the ASSEMBLY.

Thank you very much. There will be NO cosponsors or coauthors for this bill and it will be introduced in the Assembly only at this time.

Amy Loudenbeck