
AN ACT to amend 1.12 (1) (b), 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.94 (1) (mm), 13.94 (4) (a) 1., 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15 (1) (ab), 16.41 (4), 16.417 (1) (b), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.765 (1), 16.765 (2), 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 100.45 (1) (dm), 101.177 (1) (d) and 230.03 (3); and to create 13.94 (1) (dx), 13.94 (1s) (c) 6., 19.42 (10) (t), 19.42 (13) (p), 40.02 (54) (n), 70.11 (38v), 71.10 (5w), 71.30 (12) and chapter 239 of the statutes; relating to: creation of the Wisconsin Seed Fund Authority and creation of the business seed fund, to be administered by the Wisconsin Seed Fund Authority.

Analysis by the Legislative Reference Bureau

WISCONSIN SEED FUND AUTHORITY

This bill creates an authority to be known as the “Wisconsin Seed Fund Authority” (authority).
ASSEMBLY BILL 733

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 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, one member appointed by the senate majority leader, and the chief executive officer of the Wisconsin Economic Development Corporation (WEDC). Except for the chief executive officer of WEDC, the members of the board serve staggered four-year terms and must have experience that qualifies them to serve on the board.

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. In addition to the members appointed by the governor, the members of the board appointed by the speaker of the assembly and the senate majority leader and the executive director of the authority, if any, are subject to state ethics laws.

BUSINESS SEED FUND

The bill directs the authority to establish a fund to be known as the “business seed fund” (fund).

Financing of the fund

The bill allows a financial institution to designate to the Department of Revenue that up to 80 percent of its estimated income or franchise tax payment be deposited into the fund (participant financial institution). The bill defines a financial institution to be a bank, savings bank, savings and loan association, trust company, or credit union, whether chartered under the laws of this state, another state or territory, or under the laws of the United States.

Grants, loans, and investments of business seed fund capital

Moneys in or received from the fund are referred to as “fund capital” in the bill. Under the bill, the authority may make a grant or loan of fund capital to, or may make an investment of fund capital in, a business proposed to the authority by a participant financial institution. The authority may commit fund capital to such a grant, loan, or investment only if all of the following requirements are satisfied:

1. The business is or will be headquartered in Wisconsin.
2. The business is a seed or early stage business as determined by the authority.
3. The participant financial institution or the business demonstrates to the satisfaction of the authority that the grant, loan, or investment will assist the business to create and retain for a period of time established by the authority full-time jobs in addition to any existing full-time jobs the business already provides.
4. The authority’s loan or investment in a business is on terms that are substantially equivalent to the terms applicable for the business’s other lenders or investors that are in the seed capital industry.
Under the bill, the authority may share profits from a loan or investment with the participant financial institution that proposes that loan or investment. Also, the authority may require that a business that receives a grant of fund capital repay to the authority the amount of the grant under conditions established by the authority.

**Reporting Requirements**

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

1. An accounting of the moneys the authority received from participant financial institutions during the preceding year.
2. An accounting of all expenditures from the fund during the preceding year for any purpose.
3. For each business that received a grant, loan, or investment from the authority, the name and address of the business; a description of the nature of the business; the amount of the grant, loan, or investment; a description of the purposes for which the business used or is using the grant, loan, or investment; and a statement of the number of employees the business employed when the business first received a grant, loan, or investment of fund capital, the number of employees the business employed on January 1 of the year preceding the year of the report, and the number of employees the business employed on December 31 of that year.

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

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

**SECTION 1.** 1.12 (1) (b) of the statutes, as affected by 2011 Wisconsin Act 7, is amended to read:

1.12 (1) (b) “State agency” means an office, department, agency, institution of higher education, the legislature, a legislative service agency, the courts, a judicial branch agency, an association, society, or other body in state government that is created or authorized to be created by the constitution or by law, for which appropriations are made by law, excluding the Health Insurance Risk−Sharing Plan Authority, the Wisconsin Seed Fund Authority, and the Wisconsin Economic Development Corporation.
SECTION 2. 13.172 (1) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

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

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

SECTION 4. 13.62 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:
13.62 (2) “Agency” means any board, commission, department, office, society, institution of higher education, council, or committee in the state government, or any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 237, 238, 239, or 279, except that the term does not include a council or committee of the legislature.

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

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

**SECTION 6.** 13.94 (1) (mm) of the statutes, as affected by 2011 Wisconsin Act 32, is amended to read:

13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance evaluation audit of the economic development programs administered by the University of Wisconsin System, the department of agriculture, trade and consumer protection, the department of natural resources, the Wisconsin Housing and Economic Development Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, the department of tourism, the technical college system, and the department of transportation. In this paragraph, economic development program has the meaning given in s. 23.167 (1). The legislative audit bureau shall file a copy of the report of the audit under this paragraph with the distributees specified in par. (b).

**SECTION 7.** 13.94 (1s) (c) 6. of the statutes is created to read:
13.94 (1s) (c) 6. The Wisconsin Seed Fund Authority for the cost of the audit required to be performed under sub. (1) (dx).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
River Remediation Authority, the Wisconsin Economic Development Corporation,
the Wisconsin Seed Fund Authority, and the Health Insurance Risk–Sharing Plan
Authority.

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

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

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

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

SECTION 18. 16.52 (7) of the statutes, as affected by 2011 Wisconsin Act 10, is
amended to read:

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

**SECTION 19.** 16.528 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

**SECTION 20.** 16.53 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed invoice, the agency shall notify the sender of the invoice within 10 working days after it receives the invoice of the reason it is improperly completed. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.
SECTION 21. 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

SECTION 22. 16.765 (1) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

SECTION 23. 16.765 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:
16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower
Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the
Wisconsin Economic Development Corporation, and the Bradley Center Sports and
Entertainment Corporation shall include the following provision in every contract
executed by them: “In connection with the performance of work under this contract,
the contractor agrees not to discriminate against any employee or applicant for
employment because of age, race, religion, color, handicap, sex, physical condition,
developmental disability as defined in s. 51.01 (5), sexual orientation or national
origin. This provision shall include, but not be limited to, the following: employment,
upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
termination; rates of pay or other forms of compensation; and selection for training,
including apprenticeship. Except with respect to sexual orientation, the contractor
further agrees to take affirmative action to ensure equal employment opportunities.
The contractor agrees to post in conspicuous places, available for employees and
applicants for employment, notices to be provided by the contracting officer setting
forth the provisions of the nondiscrimination clause”.

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

16.765 (5) The head of each contracting agency and the boards of directors of
the University of Wisconsin Hospitals and Clinics Authority, the Fox River
Navigational System Authority, the Wisconsin Aerospace Authority, the Health
Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation
Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic
Development Corporation, and the Bradley Center Sports and Entertainment Corporation shall be primarily responsible for obtaining compliance by any contractor with the nondiscrimination and affirmative action provisions prescribed by this section, according to procedures recommended by the department. The department shall make recommendations to the contracting agencies and the boards of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation for improving and making more effective the nondiscrimination and affirmative action provisions of contracts. The department shall promulgate such rules as may be necessary for the performance of its functions under this section.

**Section 25.** 16.765 (6) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

16.765 (6) The department may receive complaints of alleged violations of the nondiscrimination provisions of such contracts. The department shall investigate and determine whether a violation of this section has occurred. The department may delegate this authority to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation for processing in accordance with the department’s procedures.
SECTION 26. 16.765 (7) (intro.) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

16.765 (7) (intro.) When a violation of this section has been determined by the department, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation, the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation shall:

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

16.765 (7) (d) Direct the violating party to take immediate steps to prevent further violations of this section and to report its corrective action to the contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic Development Corporation, or the Bradley Center Sports and Entertainment Corporation.
Section 28. 16.765 (8) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

Section 29. 16.85 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:
16.85 (2) To furnish engineering, architectural, project management, and other building construction services whenever requisitions therefor are presented to the department by any agency. The department may deposit moneys received from the provision of these services in the account under s. 20.505 (1) (kc) or in the general fund as general purpose revenue — earned. In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

SECTION 30. 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a proportionate share of the estimated costs attributable to programs administered by the agency to be paid from the appropriation under s. 20.505 (2) (k). The department may charge premiums to agencies to finance costs under this subsection and pay the costs from the appropriation on an actual basis. The department shall deposit all collections under this subsection in the appropriation account under s. 20.505 (2) (k). Costs assessed under this subsection may include judgments, investigative and adjustment fees, data processing and staff support costs, program administration costs, litigation costs, and the cost of insurance contracts under sub. (5). In this subsection, “agency” means an office, department, independent agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law, that is entitled to expend
moneys appropriated by law, including the legislature and the courts, but not including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

**SECTION 31.** 19.42 (10) (t) of the statutes is created to read:

19.42 (10) (t) The executive director of the Wisconsin Seed Fund Authority and the members of the authority’s board of directors who are appointed by the speaker of the assembly and the majority leader of the senate.

**SECTION 32.** 19.42 (13) (p) of the statutes is created to read:

19.42 (13) (p) The executive director of the Wisconsin Seed Fund Authority and the members of the authority’s board of directors who are appointed by the speaker of the assembly and the majority leader of the senate.

**SECTION 33.** 40.02 (54) (n) of the statutes is created to read:

40.02 (54) (n) The Wisconsin Seed Fund Authority.

**SECTION 34.** 70.11 (38v) of the statutes is created to read:

70.11 (38v) **WISCONSIN SEED FUND AUTHORITY.** All property owned by the Wisconsin Seed Fund Authority, provided that use of the property is primarily related to the purposes of the Wisconsin Seed Fund Authority.

**SECTION 35.** 71.10 (5w) of the statutes is created to read:

71.10 (5w) **BUSINESS SEED FUND DESIGNATION.** Subject to the limitations provided under subch. II of ch. 239, a financial institution, as defined in s. 239.10 (1), may, when submitting its estimated payments under this subchapter, designate that up to 80 percent of its estimated payment be deposited into the business seed fund created under subch. II of ch. 239.

**SECTION 36.** 71.30 (12) of the statutes is created to read:
71.30 (12) BUSINESS SEED FUND DESIGNATION. Subject to the limitations provided under subch. II of ch. 239, a financial institution, as defined in s. 239.10 (1), may, when submitting its estimated payments under this subchapter, designate that up to 80 percent of its estimated payment be deposited into the business seed fund created under subch. II of ch. 239.

SECTION 37. 100.45 (1) (dm) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

SECTION 38. 101.177 (1) (d) of the statutes, as affected by 2011 Wisconsin Act 10, is amended to read:

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

SECTION 39. 230.03 (3) of the statutes, as affected by 2011 Wisconsin Acts 10 and 32, is amended to read:

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

SECTION 40. Chapter 239 of the statutes is created to read:

CHAPTER 239

WISCONSIN SEED FUND AUTHORITY

SUBCHAPTER I

GENERAL PROVISIONS

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

(1) “Authority” means the Wisconsin Seed Fund Authority.
(2) “Board” means the board of directors of the authority.

239.02 Creation and organization of authority. (1) There is created a public body corporate and politic to be known as the “Wisconsin Seed Fund Authority.” The members of the board shall consist of the following:

   (a) Four persons from the private sector, at least 3 of whom shall have at least 5 years each of seed capital, investment banking, or entrepreneurial experience, nominated by the governor, and with the advice and consent of the senate appointed, for 4-year terms.

   (b) One member appointed by the speaker of the assembly for a 4-year term who shall have at least 5 years of seed capital, investment banking, or entrepreneurial experience.

   (c) One member appointed by the senate majority leader for a 4-year term who shall have at least 5 years of venture capital, investment banking, or entrepreneurial experience.

   (d) The chief executive officer of the Wisconsin Economic Development Corporation.

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

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

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

(5) Annually, the board shall elect a chairperson from among its members.

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

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

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

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

(3) Maintain an office.

(4) Sue and be sued.

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

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

(7) Execute contracts and other instruments required for the operation of the
authority.

(8) Employ any officers, agents, and employees that it may require and
determine their qualifications, duties, and compensation.
(9) Issue notes, bonds, and any other obligations.

(10) Make loans.

(11) Make grants.

(12) Incur debt.

(13) Make equity and other investments.

(14) Procure liability insurance.

239.04 Liability limited. Neither the state nor any political subdivision of the state, nor any officer, employee, or agent of the state or a political subdivision of the state who is acting within the scope of employment or agency, is liable for any debt, obligation, act, or omission of the authority. A debt of the authority is not a debt of the state, and the authority may not create a debt of the state. Each note, bond, or other obligation of the authority shall contain on its face a statement to that effect.

SUBCHAPTER II

BUSINESS SEED FUND

239.10 Definitions. In this subchapter:

(1) “Financial institution” means a bank, a savings bank, a savings and loan association, a trust company, or a credit union, whether chartered under the laws of this state, another state or territory, or under the laws of the United States.

(2) “Fund” means the business seed fund.

(3) “Fund capital” means moneys in or received from the fund.

(4) “Participant financial institution” means a financial institution that makes a contribution to the fund under s. 71.10 (5w) or 71.30 (12).

239.11 Establishment of fund. The authority shall establish a fund to be known as the “business seed fund” for making grants, loans, and investments under this subchapter.
239.12 Grants, loans, and investments. (1) Subject to sub. (2), the authority may make a grant or loan of fund capital to, or may make an investment of fund capital in, a business proposed to the authority by a participant financial institution.

(2) The authority may commit fund capital to a business under this section only if all of the following requirements are satisfied:

(a) The business is or will be headquartered in this state.

(b) The business is a seed or early stage business as determined by the authority.

(c) The participant financial institution or the business demonstrates to the satisfaction of the authority that the grant, loan, or investment in the business will assist the business to create and retain for a period of time established by the authority full-time jobs in addition to any existing full-time jobs the business already provides.

(d) Subject to sub. (3), a loan or investment made by the authority under this section shall be on terms that are substantially equivalent to the terms applicable for the business’s other lenders or investors that are in the seed capital industry.

(3) The authority may share profits from a loan or investment under this section with the participant financial institution that proposes the loan or investment.

(4) The authority may require that a business receiving a grant under this section repay to the authority the amount of the grant under conditions established by the authority.
239.13 Annual report. Annually, the authority shall submit to the governor and to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report that includes all of the following:

(1) An accounting of the moneys received in the fund from participant financial institutions.

(2) An accounting of all expenditures from the fund by the authority for any purpose during the preceding year.

(3) For each business that received a grant, loan, or investment from the authority under s. 239.12, all of the following:

(a) The name and address of the business.

(b) A description of the nature of the business.

(c) The amount of the grant, loan, or investment.

(d) A description of the purposes for which the business used or is using the grant, loan, or investment.

(e) A statement of the number of employees the business employed when the business first received a grant, loan, or investment of fund capital, the number of employees the business employed on January 1 of the year preceding the year of the report, and the number of employees the business employed on December 31 of that year.

(4) A detailed assessment of the success to date of the fund and of the authority’s grants, loans, and investments of fund capital in businesses under this subchapter.

SECTION 41. Nonstatutory provisions.

(1) Definition. In this section, “authority” means the Wisconsin Seed Fund Authority, as created by this act.
(2) Initial Appointments.

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

(b) A provisional appointment made under paragraph (a) that is withdrawn by the governor shall, upon withdrawal, lapse and create a vacancy for provisional appointment of another initial member of the board of directors or chairperson of the board of the authority. Any provisional appointment made under paragraph (a) that is rejected by the senate shall upon rejection lapse and create a vacancy for nomination and appointment of another initial board member or chairperson of the board under paragraph (a).

(c) Notwithstanding the lengths of terms specified in section 239.02 (1) of the statutes, as created by this act, the initial members of the board of directors of the authority shall be appointed for the following terms:

1. One member appointed by the governor for a term expiring on July 1, 2015.
2. One member appointed by the governor, the member appointed by the speaker of the assembly, and the member appointed by the majority leader of the senate, for terms expiring on July 1, 2016.
3. Two members appointed by the governor for terms expiring on July 1, 2017.