AN ACT to amend 20.143 (1) (c) and 20.143 (1) (ie); and to create 560.168 of the statutes; relating to: marketing assistance program for Wisconsin Tier II and Tier III manufacturers and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Commerce (Commerce) to award a grant to an association that represents manufacturers in this state for establishing manufacturing marketing programs and promoting the manufacturers’ products and manufacturing services. The grant may not exceed a total of $2,590,000 disbursed over five years. The bill specifies the purposes for which the grant proceeds may be used, including salaries and fringe benefits to certain association employees, operating expenses for a marketing and outreach office, and creating an Internet Web site for the association. The grant is funded by current Commerce appropriations that fund several economic development programs.

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:

SECTION 1. 20.143 (1) (c) of the statutes is amended to read:
0.143 (1) (c) Wisconsin development fund; grants, loans, reimbursements, and assistance. Biennially, the amounts in the schedule for grants under ss. 560.145 and 560.047; for loans under s. 560.128; for the grant under s. 560.168; for grants and loans under ss. 560.275 (2) and 560.276 and under subch. V of ch. 560; for reimbursements under s. 560.167; for the costs specified in s. 560.607; for loans under s. 560.203 and the loan under 1999 Wisconsin Act 9, section 9110 (4); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 2003 Wisconsin Act 33, section 9109 (1d) and (2q), 2007 Wisconsin Act 20, section 9108 (4u), (6c), (7c), (7f), (8c), (8i), (9i), and (10q), 2009 Wisconsin Act 2, section 9110 (2) and (3), and 2009 Wisconsin Act 28, section 9110 (17q).

SECTION 2. 20.143 (1) (ie) of the statutes is amended to read:

20.143 (1) (ie) Wisconsin development fund, repayments. All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.10, 2005 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275 (2), s. 560.62, 2005 stats., s. 560.63, 2005 stats., s. 560.66, 2005 stats., ss. 560.145, 560.157, and 560.45, subch. V of ch. 560, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 (2d), 1999 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act 20, section 9108 (5x), not appropriated under par. (gv) to be used for the grant under s. 560.168, for grants and loans under ss. 560.275 (2), 560.276, and 560.45 and subch. V of ch. 560, for loans under s. 560.128, for the loan under 1999 Wisconsin Act 9, section 9110 (4), for the grant under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), for grants under 2009 Wisconsin
Act 265, section 45 (1), for the study under 2009 Wisconsin Act 28, section 9110 (15u), and for reimbursements under s. 560.167.

**SECTION 3.** 560.168 of the statutes is created to read:

**560.168 Wisconsin Tier II and Tier III marketing assistance program.**

(1) In this section:

(a) “Association” means an organization not organized or incorporated for profit that represents Wisconsin-based Tier II and Tier III manufacturers.

(b) “Eligible business” means any of the following:

1. A Tier II manufacturer.

2. A Tier III manufacturer.

(c) “Tier II manufacturer” means a business operating in this state that manufactures a product that is used as a part in a product produced or distributed for sale or sold to a consumer.

(d) “Tier III manufacturer” means a business operating in this state that manufactures a product that is used as a part in a product produced by a Tier II manufacturer or as a part in a product produced or distributed for sale or sold to a consumer.

(2) Subject to the limits under sub. (4), an association may apply under sub. (3) for a 5-year grant to establish a manufacturing marketing program and conduct marketing activities on behalf of, and to promote the manufacturing services of and products created by, eligible businesses.

(3) An association shall submit to the department an application containing all of the following:

(a) An itemized budget detailing expected expenses for all activities for which grant moneys are sought.
(b) A description of how the activities for which grant moneys are sought will benefit the association’s ability to market products of eligible businesses.

(4) (a) Subject to the requirements under pars. (b) and (c), from the appropriation under s. 20.143 (1) (c) or (ie), the department may award one 5-year grant not to exceed $2,590,000 to an association that applies to the department under sub. (3). The department shall disburse grant moneys as follows:

1. In the first year, not more than $650,000 for the start-up and operation of a manufacturing marketing program.

2. In the 4 subsequent years, not more than $485,000 in each year.

(b) The association shall use grant moneys awarded under this subsection to do all of the following:

1. Pay salaries and fringe benefits to staff employed by the association, provided the staff are employed exclusively to carry out the purposes of sub. (2).

2. Purchase equipment and pay operating expenses for a marketing and outreach office.

3. Create and maintain an Internet Web site to carry out the purposes of sub. (2).

4. Pay fees and costs of not more than 2 of the staff described under subd. 1. to travel to and participate in trade shows on behalf of eligible businesses.

5. Pay the costs associated with constructing, repairing, and transporting a display booth used at trade shows under subd. 4.

6. Pay the costs for travel to follow up on contacts made at trade shows under subd. 4.

7. Pay the costs of creating and producing brochures, catalogs, or other advertising material used to carry out the purposes of sub. (2).
(c) An association that receives an award under this subsection shall enter into a contract with the department that contains all of the following:

1. Conditions imposed by the department on the association’s use of grant moneys.

2. The manner in which the department will reduce the amount of grant moneys received by the association on an annual basis over the 5-year contract term.

3. A requirement that the association submit annually a report to the department that includes all of the following:
   a. A detailed statement of the association’s grant receipts and expenditures for the fiscal year.
   b. A detailed statement of manufacturing sales generated by the association for eligible businesses as a result of the manufacturing marketing program established under this section.
   c. Any other information the department considers relevant.

(END)