

1 **555.26 Report to investment board.** No later than September 30 of each
2 even-numbered year, the ~~corporation~~ department shall submit to the investment
3 board a report describing the types of investments in businesses in this state that will
4 have the greatest likelihood of enhancing economic development in this state.

5 **SECTION 379.** Subchapter II (title) of chapter 238 [precedes 238.30] of the
6 statutes is renumbered Subchapter II (title) of chapter 555 [precedes 555.30].

7 **SECTION 380.** 238.30 of the statutes, as affected by 2015 Wisconsin Act 55, is
8 renumbered 555.30, and 555.30 (intro.), (2g), (2m) (b) (intro.) and (7) (b) 1. and 2., (c),
9 (d) and (e), as renumbered, are amended to read:

10 **555.30 Definitions.** (intro.) In this section and ss. ~~238.301~~ 555.301 to ~~238.395~~
11 555.395 and ~~238.398~~ 555.398:

12 **(2g)** “Eligible activity” means an activity described under s. ~~238.302~~ 555.302.

13 **(2m)** (b) (intro.) The ~~corporation~~ department may grant exceptions to the
14 requirement under par. (a) that a full-time job means a position in which an
15 individual, as a condition of employment, is required to work at least 2,080 hours per
16 year if all of the following apply:

17 **(7)** (b) 1. Except as provided in subd. 2., in s. ~~238.395~~ 555.395, “tax benefits”
18 means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx),
19 and 76.636. With respect to the development opportunity zones under s. ~~238.395~~
20 555.395 (1) (e) and (f), “tax benefits” also means the development zones capital
21 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

22 2. With respect to the development opportunity zones under s. ~~238.395~~ 555.395
23 (1) (g), (h), and (i), “tax benefits” means the development zone credits under ss. 71.07
24 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones capital
25 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

1 (c) In s. ~~238.398~~ 555.398, “tax benefits” means the development zones capital
2 investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the
3 development zones credits under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636.

4 (d) In ss. ~~238.301~~ 555.301 to ~~238.306~~ 555.306, “tax benefits” means the
5 economic development tax credit under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and
6 76.637.

7 (e) In s. ~~238.308~~ 555.308, “tax benefits” means the business development tax
8 credit under ss. 71.07 (3y), 71.28 (3y), and 71.47 (3y).

9 **SECTION 381.** 238.301 of the statutes, as affected by 2015 Wisconsin Act 55, is
10 renumbered 555.301, and 555.301 (1) (intro.) and (e), (2) (a) and (b) and (3) (intro.),
11 (b), (c), (d) and (f), as renumbered, are amended to read:

12 555.301 (1) APPLICATION. (intro.) Any person may apply to the ~~corporation~~
13 department on a form prepared by the ~~corporation~~ department for certification under
14 this section. The application shall include all of the following:

15 (e) Other information required by the ~~corporation~~ department or the
16 department of revenue.

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

21 (b) The ~~corporation~~ department shall provide a person certified under this
22 section with a copy of the certification.

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

1 (b) Whether any of the eligible activities will occur in an economically
2 distressed area, as designated by the ~~corporation~~ department under s. ~~238.304~~
3 555.304 (1).

4 (c) Whether any of the eligible activities will benefit members of a targeted
5 group, as determined by the ~~corporation~~ department under s. ~~238.304~~ 555.304 (2).

6 (d) A compliance schedule that includes a sequence of anticipated actions to be
7 taken or goals to be achieved by the person before the person may receive tax benefits
8 under s. ~~238.303~~ 555.303.

9 (f) If feasible, a determination of the tax benefits the person will be authorized
10 to claim under s. ~~238.303~~ 555.303 (2) if the person fulfills the terms of the contract.

11 **SECTION 382.** 238.302 of the statutes is renumbered 555.302, and 555.302
12 (intro.), (1), (2) and (3), as renumbered, are amended to read:

13 **555.302 Eligible activities.** (intro.) A person who conducts or proposes to
14 conduct any of the following may be certified under s. ~~238.301~~ 555.301 (2):

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

18 (2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant
19 investment of capital, as defined by the ~~corporation~~ department by rule under s.
20 ~~238.306~~ 555.306 (2) (b), by the person in new equipment, machinery, real property,
21 or depreciable personal property.

22 (3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments
23 in the training or reeducation of employees, as defined by the ~~corporation~~
24 department by rule under s. ~~238.306~~ 555.306 (2) (c), by the person for the purpose
25 of improving the productivity or competitiveness of the business of the person.

1 **SECTION 383.** 238.303 of the statutes, as affected by 2015 Wisconsin Act 55, is
2 renumbered 555.303, and 555.303 (1) (a), (am) and (b), (2), (3) and (4), as
3 renumbered, are amended to read:

4 555.303 (1) (a) Except as provided in pars. (am) and (b), the total tax benefits
5 available to be allocated by the ~~corporation~~ department under ss. ~~238.301~~ 555.301
6 to ~~238.306~~ 555.306 may not exceed the sum of the tax benefits remaining to be
7 allocated under s. 560.71 to 560.785, 2009 stats., s. 560.797, 2009 stats., s. 560.798,
8 2009 stats., s. 560.7995, 2009 stats., and s. 560.96, 2009 stats., on March 6, 2009, plus
9 \$100,000,000.

10 (am) The ~~corporation~~ department may initially allocate only \$61,000,000 of the
11 additional \$100,000,000 in tax benefits specified in par. (a). Before the ~~corporation~~
12 department allocates the remaining \$39,000,000 in tax benefits specified in par. (a),
13 the ~~corporation~~ department shall submit its plan for such allocation, including a
14 report that describes the intended use of the tax benefits, to the joint committee on
15 finance. If the cochairpersons of the committee do not notify the ~~corporation~~
16 department within 14 working days after the date of the ~~corporation's~~ department's
17 submittal that the committee has scheduled a meeting for the purpose of reviewing
18 the plan, the plan may be implemented and the remaining amount may be allocated
19 as proposed by the ~~corporation~~ department. If, within 14 working days after the date
20 of the ~~corporation's~~ department's submittal, the cochairpersons of the committee
21 notify the ~~corporation~~ department that the committee has scheduled a meeting for
22 the purpose of reviewing the proposed plan, the plan may be implemented and the
23 remaining amount allocated only upon approval of the committee.

24 (b) The ~~corporation~~ department may submit to the joint committee on finance
25 a request in writing to exceed the total tax benefits specified in par. (a). The

1 ~~corporation~~ department shall submit with its request a justification for seeking an
2 increase under this paragraph. The joint committee on finance, following its review,
3 may approve or disapprove an increase in the total tax benefits available to be
4 allocated under ss. ~~238.301~~ 555.301 to ~~238.306~~ 555.306.

5 (2) AUTHORITY TO CLAIM TAX BENEFITS. The ~~corporation~~ department may
6 authorize a person certified under s. ~~238.301~~ 555.301 (2) to claim tax benefits only
7 after the person has submitted a report to the ~~corporation~~ department that
8 documents to the satisfaction of the ~~corporation~~ department that the person has
9 complied with the terms of the contract under s. ~~238.301~~ 555.301 (3) and the
10 requirements of any applicable rules adopted under s. ~~238.306~~ 555.306 (2).

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

14 (4) SUNSET. No tax benefits may be awarded under ss. ~~238.301~~ 555.301 to
15 ~~238.306~~ 555.306 after December 31, 2015, unless the tax benefits were allocated to
16 a taxpayer by the ~~corporation~~ Wisconsin Economic Development Corporation under
17 ss. 238.301 to 238.306, 2013 stats., in a contract that the ~~corporation~~ Wisconsin
18 Economic Development Corporation executed before that date or in a letter of intent
19 to enter into such a contract that the ~~corporation~~ Wisconsin Economic Development
20 Corporation issued before that date.

21 SECTION 384. 238.304 of the statutes is renumbered 555.304, and 555.304
22 (intro.) and (1), as renumbered, are amended to read:

23 **555.304 Eligible activities in economically distressed areas and**
24 **benefiting members of targeted groups.** (intro.) The ~~corporation~~ department
25 may authorize a person certified under s. ~~238.301~~ 555.301 (2) to claim additional tax

1 benefits under s. ~~238.303~~ 555.303 if, after conducting an investigation, the
2 ~~corporation~~ department determines any of the following:

3 (1) The person conducts at least one eligible activity in an area designated by
4 the ~~corporation~~ department as economically distressed. In designating an area as
5 economically distressed under this subsection, the ~~corporation~~ department shall
6 follow the methodology established by rule under s. ~~238.306~~ 555.306 (2) (e).

7 **SECTION 385.** 238.3045 of the statutes, as affected by 2015 Wisconsin Act 55,
8 is renumbered 555.3045, and 555.3045 (1) (title), (a), (b) (intro.) and 4. and (c) 1., (2)
9 (a), (3) and (4) (a) and (b), as renumbered, are amended to read:

10 555.3045 (1) (title) APPLICATION AND ~~CORPORATION~~ DEPARTMENT APPROVAL. (a) An
11 applicant for certification for tax benefits under s. ~~238.301~~ 555.301 may submit with
12 its application under s. ~~238.301~~ 555.301 (1) an application to the ~~corporation~~
13 department on a form prescribed by the ~~corporation~~ department to transfer those tax
14 benefits to another person under this section. The application shall include the
15 name, address, and tax identification number of the person to whom the applicant
16 intends to transfer the tax benefits and any other information the ~~corporation~~
17 department requires. The ~~corporation~~ department shall notify the applicant of the
18 ~~corporation's~~ department's determination concerning the transfer of tax benefits
19 when the ~~corporation~~ department notifies the applicant of the ~~corporation's~~
20 department's certification determination under s. ~~238.301~~ 555.301.

21 (b) (intro.) The ~~corporation~~ department may approve the transfer of tax
22 benefits under this section if the ~~corporation~~ department certifies the applicant
23 under par. (a) for tax benefits under s. ~~238.301~~ 555.301 and finds that the applicant
24 meets at least one of the following conditions:

1 4. Intends to expand its operations in this state, and that expansion will result
2 in the applicant making a significant capital investment in property located in this
3 state, as determined by the ~~corporation~~ department.

4 (c) 1. Subject to subd. 2., a person that receives an approval under par. (b) shall
5 transfer tax benefits in accordance with the terms of the application under par. (a)
6 after the ~~corporation~~ department authorizes the person to claim tax benefits under
7 s. ~~238.303~~ 555.303 (2) and provides the notice of eligibility under s. ~~238.303~~ 555.303
8 (3). The notice of eligibility shall contain all relevant information concerning a
9 transfer of tax benefits under this section. The person to whom tax benefits are
10 transferred may carry forward, beginning on the date of the notice of eligibility, any
11 unused amount of the value of those tax benefits as provided under the appropriate
12 provision in ch. 71 or in s. 76.636.

13 (2) (a) If the ~~corporation~~ department revokes a person's certification for tax
14 benefits under s. ~~238.305~~ 555.305, and, at the time of revocation, that person has
15 transferred those tax benefits under this section, that person shall be liable for the
16 full value of the tax benefits, and the person to whom the tax benefits were
17 transferred may not claim any tax benefits that were not claimed prior to revocation.

18 (3) ANNUAL REPORT. Annually, the ~~corporation~~ department shall submit a report
19 to the joint committee on finance that provides a detailed assessment of the progress
20 to date of the program under this section.

21 (4) (a) Except as provided in par. (b), the ~~corporation~~ department may not
22 authorize the transfer of tax benefits under this section that total more than
23 \$15,000,000, and the ~~corporation~~ department may not authorize the transfer of tax
24 benefits after 36 months after April 4, 2014.

1 (b) Upon expiration of the 36-month period under par. (a), the ~~corporation~~
2 department may continue to authorize the transfer of tax benefits under this section
3 for up to an additional 36 months, and the ~~corporation~~ department may authorize
4 the transfer of up to an additional \$15,000,000 in tax benefits, if the ~~corporation~~
5 department determines that a continuation of the program under this section will
6 promote significant economic development in this state. Before the ~~corporation~~
7 department authorizes the transfer of tax benefits under this paragraph, the ~~chief~~
8 ~~executive officer of the corporation~~ secretary shall notify the joint committee on
9 finance in writing that the ~~corporation~~ department intends to continue authorizing
10 the transfer of tax benefits under this section. That notice shall state the reasons
11 supporting the ~~corporation's~~ department's determination that the transfer of
12 additional tax benefits will promote significant economic development in this state.
13 If, within 14 working days after the date of that notice, the cochairpersons of the
14 committee do not notify the ~~corporation~~ department that the committee has
15 scheduled a meeting to review the ~~corporation's~~ department's proposed continuation
16 of the program, the ~~corporation~~ department may proceed to authorize the transfer
17 of additional tax benefits under this section. If, within 14 working days after the date
18 of that notice, the cochairpersons of the committee notify the ~~corporation~~ department
19 that the committee has scheduled a meeting to review the proposed continuation of
20 the program, the ~~corporation~~ department may proceed to authorize the transfer of
21 additional tax benefits only upon approval of the committee.

22 **SECTION 386.** 238.305 of the statutes is renumbered 555.305, and 555.305
23 (intro.), (1) and (2), as renumbered, are amended to read:

24 **555.305 Revocation of certification.** (intro.) The ~~corporation~~ department
25 shall revoke the certification of a person who does any of the following:

1 (1) Supplies false or misleading information to obtain certification under s.
2 ~~238.301~~ 555.301 (2).

3 (2) Supplies false or misleading information to obtain tax benefits under s.
4 ~~238.303~~ 555.303.

5 **SECTION 387.** 238.306 of the statutes is renumbered 555.306, and 555.306
6 (intro.), (1) (a) and (b), (2) (a), (b), (c), (d), (e) (intro.), (f), (g), (h), (i) and (k) and (3),
7 as renumbered, are amended to read:

8 **555.306 Responsibilities of the ~~corporation~~ department.** (intro.) The
9 ~~corporation~~ department shall do all of the following:

10 (1) (a) Annually verify information submitted to the department of revenue
11 under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637 by persons certified under
12 s. ~~238.301~~ 555.301 (2) and eligible to receive tax benefits under s. ~~238.303~~ 555.303.

13 (b) Notify and obtain written approval from the ~~chief executive officer of the~~
14 ~~corporation~~ secretary for any certification under sub. (2) (j).

15 (2) (a) A schedule of hourly wage ranges to be paid, and health insurance
16 benefits to be provided, to an employee by a person certified under s. ~~238.301~~ 555.301
17 (2) and the corresponding per employee tax benefit for which a person certified under
18 s. ~~238.301~~ 555.301 (2) may be eligible.

19 (b) A definition of “significant investment of capital” for purposes of s. ~~238.302~~
20 555.302 (2), together with a corresponding schedule of tax benefits for which a person
21 who is certified under s. ~~238.301~~ 555.301 (2) and who conducts a project described
22 in s. ~~238.302~~ 555.302 (2) may be eligible. The ~~corporation~~ department shall include
23 in the definition required under this paragraph a schedule of investments that takes
24 into consideration the size or nature of the business.

1 (c) A definition of “significant investments in the training or reeducation of
2 employees” for purposes of s. ~~238.302~~ 555.302 (3), together with a corresponding
3 schedule of tax benefits for which a person who is certified under s. ~~238.301~~ 555.301
4 (2) and who conducts a project under s. ~~238.302~~ 555.302 (3) may be eligible.

5 (d) A schedule of tax benefits for which a person who is certified under s.
6 ~~238.301~~ 555.301 (2) and who conducts a project that will result in the location or
7 retention of a person’s corporate headquarters in Wisconsin may be eligible.

8 (e) (intro.) The methodology for designating an area as economically distressed
9 under s. ~~238.304~~ 555.304 (1). The methodology under this paragraph shall require
10 the ~~corporation~~ department to consider the most current data available for the area
11 and for the state on the following indicators:

12 (f) A schedule of additional tax benefits for which a person who is certified
13 under s. ~~238.301~~ 555.301 (2) and who conducts an eligible activity described under
14 s. ~~238.304~~ 555.304 may be eligible.

15 (g) Reporting requirements, minimum benchmarks, and outcomes expected of
16 a person certified under s. ~~238.301~~ 555.301 (2) before that person may receive tax
17 benefits under s. ~~238.303~~ 555.303.

18 (h) Policies, criteria, and methodology for allocating a portion of the tax benefits
19 available under s. ~~238.303~~ 555.303 to rural areas.

20 (i) Policies, criteria, and methodology for allocating a portion of the tax benefits
21 available under s. ~~238.303~~ 555.303 to small businesses.

22 (k) Procedures for implementing ss. ~~238.301~~ 555.301 to ~~238.306~~ 555.306.

23 **(3) REPORTING.** Annually, 6 months after the report has been submitted under
24 s. ~~238.07~~ 555.07 (2), submit to the joint legislative audit committee and to the
25 appropriate standing committees of the legislature under s. 13.172 (3) a

1 comprehensive report assessing the program under ss. ~~238.301~~ 555.301 to ~~238.306~~
2 555.306. The report under this subsection shall update the applicable information
3 provided in the report under s. ~~238.07~~ 555.07 (2).

4 **SECTION 388.** 238.308 of the statutes, as created by 2015 Wisconsin Act 55, is
5 renumbered 555.308, and 555.308 (2) (a) (intro.) and 2., (3), (4) (a) (intro.), 2. and 5.
6 and (b) and (5) (a), (b) and (c), as renumbered, are amended to read:

7 555.308 (2) (a) (intro.) The ~~corporation~~ department may certify a person to
8 receive tax benefits under this section if all of the following apply:

9 2. The person applies under this section and enters into a contract with the
10 ~~corporation~~ department.

11 (3) **ELIGIBILITY FOR TAX BENEFITS.** A person is eligible to receive tax benefits if,
12 in each year for which the person claims tax benefits under this section, the person
13 increases net employment in this state in the person's business above the net
14 employment in this state in the person's business during the year before the person
15 was certified under sub. (2), as determined by the ~~corporation~~ department under its
16 ~~policies and procedures~~ rules.

17 (4) (a) (intro.) The ~~corporation~~ department may award all of the following tax
18 benefits to a person certified under sub. (2):

19 2. In addition to any tax benefits awarded for an eligible employee under subd.
20 1., an amount equal to up to 5 percent of the amount of wages that the person paid
21 to the eligible employee in the taxable year, if the eligible employee is employed in
22 an economically distressed area, as determined by the ~~corporation~~ department.

23 5. An amount, as determined by the ~~corporation~~ department, equal to a
24 percentage of the amount of wages that the person paid to an eligible employee in the
25 taxable year, if the position in which the eligible employee was employed was created

1 or retained in connection with the person's location or retention of the person's
2 corporate headquarters in Wisconsin and the job duties associated with the eligible
3 employee's position involve the performance of corporate headquarters functions.

4 (b) Subject to a reallocation by the ~~corporation~~ department under s. ~~238.15~~
5 555.15 (3) (d), the ~~corporation~~ department may allocate up to \$17,000,000 in tax
6 benefits under this section in 2016 and up to \$22,000,000 per year thereafter. Any
7 unused allocation may be carried forward.

8 (5) (a) The ~~corporation~~ department may require a person to repay any tax
9 benefits the person claims for a year in which the person failed to employ an eligible
10 employee required by an agreement under sub. (2) (b).

11 (b) The ~~corporation~~ department shall annually verify the information
12 submitted to it by the person claiming tax benefits under ss. 71.07 (3y), 71.28 (3y),
13 and 71.47 (3y).

14 (c) The ~~corporation~~ department shall ~~adopt policies and procedures~~ promulgate
15 rules for the implementation and operation of this section.

16 **SECTION 389.** 238.31 of the statutes is renumbered 555.31, and 555.31 (1)
17 (intro.), (ac), (am), (b), (d) and (e) (intro.), 3. and 4. a. and d., (1m) (intro.) and (h), (2)
18 and (3) (intro.), as renumbered, are amended to read:

19 555.31 (1) (intro.) The ~~corporation~~ department may designate an area as a
20 development zone if all of the following apply:

21 (ac) The ~~corporation~~ department has invited a local governing body to nominate
22 the area under s. ~~238.315~~ 555.315.

23 (am) A local governing body nominates the area as described in s. ~~238.32~~
24 555.32.

1 (b) The ~~corporation~~ department has evaluated the local governing body's
2 application as described in s. ~~238.325~~ 555.325.

3 (d) The area meets the applicable requirements under s. ~~238.335~~ 555.335.

4 (e) (intro.) The ~~corporation~~ department determines all of the following:

5 3. That economic development in the area is not likely to occur or continue
6 without the ~~corporation's~~ department's designation of the area as a development
7 zone.

8 4. a. The unemployment rate in the area is higher than the state average for
9 the 18 months immediately preceding the date on which the application under s.
10 ~~238.32~~ 555.32 (2) or (3) was submitted to the ~~corporation~~ department.

11 d. In the 36 months immediately preceding the date on which the application
12 under s. ~~238.32~~ 555.32 (2) or (3) was submitted to the ~~corporation~~ department, a
13 number of workers in the area were permanently laid off by their employer or became
14 unemployed as a result of a business action subject to s. 109.07 (1m).

15 **(1m)** (intro.) In making a determination under sub. (1) (e), the ~~corporation~~
16 department shall consider all of the following:

17 (h) Any other factors that the ~~corporation~~ department considers relevant.

18 **(2)** In determining whether an area meets the requirements under sub. (1) (e)
19 or s. ~~238.335~~ 555.335, the ~~corporation~~ department may rely on any data provided by
20 the local governing body that the ~~corporation~~ department determines is relevant.

21 **(3)** (intro.) The ~~corporation~~ department shall do all of the following:

22 **SECTION 390.** 238.315 of the statutes is renumbered 555.315 and amended to
23 read:

24 **555.315 Invitation to nominate area.** If the ~~corporation~~ department
25 determines that an area has experienced or is about to experience economic distress,

1 the ~~corporation~~ department may invite local governing bodies in the area to
2 nominate the area as a development zone.

3 **SECTION 391.** 238.32 of the statutes is renumbered 555.32, and 555.32 (1)
4 (intro.), (2) (intro.), (c), (d) and (i), (3) and (5), as renumbered, are amended to read:

5 555.32 (1) (intro.) A local governing body may nominate an area as a
6 development zone, if the ~~corporation~~ department has invited the governing body to
7 nominate the area under s. ~~238.315~~ 555.315 and if the governing body does all of the
8 following:

9 (2) (intro.) A local governing body may nominate the area as a development
10 zone by submitting an application to the ~~corporation~~ department in a form prescribed
11 by the ~~corporation~~ department. The application shall include all of the following:

12 (c) Evidence that the area meets at least 3 of the criteria under s. ~~238.31~~ 555.31
13 (1) (e) 4.

14 (d) Evidence that the area meets the applicable requirements of s. ~~238.335~~
15 555.335.

16 (i) Any other information required by the ~~corporation~~ department.

17 (3) Two or more local governing bodies may submit a joint application
18 nominating an area as a development zone, subject to s. ~~238.335~~ 555.335 (2), if each
19 local governing body complies with subs. (1) and (2).

20 (5) The ~~corporation~~ department may permit a local governing body to revise an
21 application that the ~~corporation~~ department determines is inadequate or
22 incomplete.

23 **SECTION 392.** 238.325 of the statutes is renumbered 555.325 and amended to
24 read:

1 **555.325** (title) **Evaluation by corporation department.** (1) The
2 corporation department shall evaluate applications received under s. ~~238.32~~ 555.32
3 (2) and (3).

4 (2) Subject to s. ~~238.335~~ 555.335 (5), the corporation department may reduce
5 the size of an area nominated as a development zone, if the corporation department
6 determines the boundaries as proposed by the local governing body in an application
7 under s. ~~238.32~~ 555.32 (2) or (3) are inconsistent with the purpose of the development
8 zone program. Any nominated area which is reduced under this subsection need not
9 comply with s. ~~238.335~~ 555.335 (1) and (4).

10 (3) After evaluating an application submitted under s. ~~238.32~~ 555.32 (2) or (3),
11 the corporation department may approve the application, subject to any reduction
12 in the size of the nominated area under sub. (2). If the corporation department
13 approves the application, the corporation department shall designate the area as a
14 development zone, subject to s. ~~238.31~~ 555.31, and notify the local governing body.

15 **SECTION 393.** ~~238.335~~ of the statutes is renumbered 555.335, and 555.335 (6)
16 (a) 2. and (c) and (7), as renumbered, are amended to read:

17 555.335 (6) (a) 2. Each area meets at least 3 of the criteria listed in s. ~~238.31~~
18 555.31 (1) (e) 4.

19 (c) If an application is submitted by the governing body of a county under s.
20 ~~238.32~~ 555.32 (2) or (3), up to 4 separate areas may be nominated or designated as
21 one development zone, if par. (a) 1. to 3. applies.

22 (7) The corporation department may waive the requirements of this section in
23 a particular case, if the corporation department determines that application of the
24 requirement is impractical with respect to a particular development zone.

1 **SECTION 394.** 238.34 of the statutes is renumbered 555.34, and 555.34 (1), (2),
2 (3) (intro.) and (a), (4), (5) and (6), as renumbered, are amended to read:

3 555.34 (1) Except as provided under sub. (6), at any time after a development
4 zone is designated by the ~~corporation~~ department, a local governing body may submit
5 an application to change the boundaries of the development zone. If the boundary
6 change reduces the size of a development zone, the local governing body shall explain
7 why the area excluded should no longer be in a development zone. The ~~corporation~~
8 department may require the local governing body to submit additional information.

9 (2) The ~~corporation~~ department may approve an application for a boundary
10 change if the development zone, as affected by the boundary changes, meets the
11 applicable requirements of s. ~~238.335~~ 555.335 and 3 of the criteria under s. ~~238.31~~
12 555.31 (1) (e) 4.

13 (3) (intro.) If the ~~corporation~~ department approves an application for a
14 boundary change under sub. (2), it shall do all of the following:

15 (a) Redetermine the limit on the tax benefits for the development zone
16 established under s. ~~238.345~~ 555.345 (2) (a).

17 (4) The change in the boundaries or tax benefits limit of a development zone
18 shall be effective on the day the ~~corporation~~ department notifies the local governing
19 body under sub. (3) (b).

20 (5) No change in the boundaries of a development zone may affect the duration
21 of an area as a development zone under s. ~~238.345~~ 555.345 (1) (a). The ~~corporation~~
22 department may consider a change in the boundary of a development zone when
23 evaluating an application for an extension of the designation of an area as a
24 development zone under s. ~~238.345~~ 555.345 (1) (b).

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1 (6) The ~~corporation~~ department may not accept any applications under sub. (1)
2 to change the boundaries of a development zone designated under s. ~~238.31~~ 555.31
3 on or after March 6, 2009.

4 **SECTION 395.** 238.345 of the statutes is renumbered 555.345, and 555.345 (1)
5 (a) and (b), (2) (a), (am), (b), (c) 1. and 2. and (d) and (3) (intro.), (a) and (b), as
6 renumbered, are amended to read:

7 555.345 (1) (a) The designation of an area as a development zone shall be
8 effective for 240 months, beginning on the day the ~~corporation~~ department notifies
9 the local governing body under s. ~~238.325~~ 555.325 (3) of the designation.

10 (b) The local governing body may apply to the ~~corporation~~ department for one
11 60-month extension of the designation. The ~~corporation~~ department shall adopt
12 rules establishing criteria for approving an extension of a designation of an area as
13 a development zone under this subsection. No applications may be accepted by the
14 ~~corporation~~ department under this paragraph on or after March 6, 2009.

15 (2) (a) When the ~~corporation~~ department designates a development zone under
16 s. ~~238.31~~ 555.31, it shall establish a limit for tax benefits for the development zone
17 determined by allocating to the development zone a portion of \$38,155,000.

18 (am) Notwithstanding par. (a), the ~~corporation~~ department may increase the
19 established limit for tax benefits for a development zone. The ~~corporation~~
20 department may not increase the limit for tax benefits established for any
21 development zone designated under s. ~~238.31~~ 555.31 on or after March 6, 2009.

22 (b) Annually the ~~corporation~~ department shall estimate the amount of forgone
23 state revenue because of tax benefits claimed by persons in each development zone.

1 (c) 1. Ninety days after the day on which the ~~corporation~~ department
2 determines that the forgone tax revenues under par. (b) will equal or exceed the limit
3 for the development zone established under par. (a) or (am).

4 2. The day that the ~~corporation~~ department withdraws its designation of an
5 area as a development zone under sub. (3).

6 (d) The ~~corporation~~ department shall immediately notify the local governing
7 body of a change in the expiration date of the development zone under par. (c).

8 **(3)** (intro.) The ~~corporation~~ department may withdraw the designation of an
9 area as a development zone if any of the following applies:

10 (a) No person is certified as eligible to receive tax benefits under s. ~~238.365~~
11 555.365 (3) during the 12-month period beginning on the day the area is designated
12 as a development zone and the ~~corporation~~ department determines that the local
13 governing body that nominated the zone is not in compliance with s. ~~238.363~~ 555.363.

14 (b) No person is certified as eligible to receive tax benefits under s. ~~238.365~~
15 555.365 (3) during the 24-month period beginning on the day the area is designated
16 a development zone.

17 **SECTION 396.** 238.35 of the statutes is renumbered 555.35, and 555.35 (intro.),
18 (6), (7), (8) and (10), as renumbered, are amended to read:

19 **555.35 Additional duties of the ~~corporation~~ department.** (intro.) The
20 ~~corporation~~ department shall do all of the following:

21 **(6)** Notify University of Wisconsin small business development centers, the
22 Wisconsin housing and development centers, the central administration of all
23 University of Wisconsin campuses and regional planning commissions about the
24 development zone program and encourage those entities to provide advice to the

1 ~~corporation~~ department or local governing bodies on ways to improve the
2 development zone program.

3 (7) Prepare forms for the certification described under s. ~~238.365~~ 555.365 (5).

4 (8) Annually verify information submitted to the ~~corporation~~ department
5 under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.

6 (10) Enter into an agreement with the local governing body of a 1st class city
7 where a development zone is designated under s. ~~238.31~~ 555.31 (3) (c) 1. to provide
8 efficient administration of the development zone program within the development
9 zone.

10 **SECTION 397.** 238.363 of the statutes is renumbered 555.363, and 555.363 (1)
11 (intro.) and (c) and (4), as renumbered, are amended to read:

12 555.363 (1) (intro.) If an area nominated by a local governing body is designated
13 as a development zone under s. ~~238.31~~ 555.31, the local governing body shall do all
14 of the following:

15 (c) Assist the ~~corporation~~ department in the administration of the development
16 zone program.

17 (4) The local governing body of a 1st class city where a development zone is
18 designated under s. ~~238.31~~ 555.31 (3) (c) 1. shall enter into an agreement with the
19 ~~corporation~~ department to provide efficient administration of the development zone
20 program within the development zone.

21 **SECTION 398.** 238.365 of the statutes is renumbered 555.365, and 555.365
22 (intro.), (2), (3) (intro.), (b) and (j) and (5) (g) and (h), as renumbered, are amended
23 to read:

24 **555.365 Certification for tax benefits.** (intro.) The ~~corporation~~ department
25 shall do all of the following:

1 (2) Determine whether a person applying for tax benefits engages or will
2 engage in economic activity that violates s. ~~238.38~~ 555.38 (1).

3 (3) (intro.) Subject to s. ~~238.38~~ 555.38, certify persons who are eligible to claim
4 tax benefits while an area is designated as a development zone, according to the
5 following criteria:

6 (b) The person's commitment not to engage in economic activity that violates
7 s. ~~238.38~~ 555.38 (1).

8 (j) Any other criteria established under rules adopted by the ~~corporation~~
9 department.

10 (5) (g) The limit under s. ~~238.368~~ 555.368 on tax benefits the person may claim
11 while an area is designated as a development zone.

12 (h) Other information required by the ~~corporation~~ department or the
13 department of revenue.

14 **SECTION 399.** 238.368 of the statutes is renumbered 555.368, and 555.368 (1)
15 (a) and (b) (intro.), 1. and 2., (2) (intro.) and (b) and (3) (a) (intro.) and 1. and (b), as
16 renumbered, are amended to read:

17 555.368 (1) (a) The ~~corporation~~ department shall establish a limit on the
18 maximum amount of tax benefits a person certified under s. ~~238.365~~ 555.365 (3) may
19 claim while an area is designated as a development zone.

20 (b) (intro.) When establishing a limit on tax benefits under par. (a), the
21 ~~corporation~~ department shall do all of the following:

22 1. Consider all of the criteria described in s. ~~238.365~~ 555.365 (3) (a) to (e).

23 2. Establish a limit which does not greatly exceed a recommended limit,
24 established under rules adopted by the ~~corporation~~ department based on the cost,
25 number and types of full-time jobs that will be created, retained, or upgraded,

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1 including full-time jobs available to members of the targeted population, as a result
2 of the economic activity of the person certified under s. ~~238.365~~ 555.365 (3).

3 (2) (intro.) The ~~corporation~~ department may, upon request, increase a limit on
4 tax benefits established under sub. (1) if the ~~corporation~~ department does all of the
5 following:

6 (b) Revises the certification required under s. ~~238.365~~ 555.365 (5) and provides
7 a copy of the revised form to the department of revenue and the person whose limit
8 is increased under this subsection.

9 (3) (a) (intro.) The ~~corporation~~ department may reduce a limit established
10 under sub. (1) or (2) if the ~~corporation~~ department determines that any of the
11 following applies:

12 1. The limit is not consistent with the criteria listed under s. ~~238.365~~ 555.365
13 (3) (a) to (e).

14 (b) The ~~corporation~~ department shall notify the department of revenue and the
15 person whose limit on tax benefits is reduced under par. (a) and provide a written
16 explanation to the person of the reasons for reducing the limit.

17 **SECTION 400.** 238.37 of the statutes is renumbered 555.37, and 555.37 (1)
18 (intro.) and (b) and (2), as renumbered, are amended to read:

19 555.37 (1) (intro.) The ~~corporation~~ department shall revoke the certification of
20 a person certified under s. ~~238.365~~ 555.365 (3) if the person does any of the following:

21 (b) Becomes subject to revocation under s. ~~238.38~~ 555.38 (1).

22 (2) The ~~corporation~~ department shall notify the department of revenue within
23 30 days of revoking a certification under sub. (1).

1 **SECTION 401.** 238.38 of the statutes is renumbered 555.38, and 555.38 (1)
2 (intro.), (1m), (2) (intro.) and (a) and (3) (a) and (b), as renumbered, are amended to
3 read:

4 555.38 (1) (intro.) Except as provided in subs. (2) and (3), no person may be
5 certified under s. ~~238.365~~ 555.365 (3), or a person's certification may be revoked
6 under s. ~~238.37~~ 555.37, if the proposed new business, expansion of an existing
7 business, or other proposed economic activity in a development zone would do or does
8 any of the following:

9 **(1m)** No person may be certified under s. ~~238.365~~ 555.365 (3) on or after March
10 6, 2009.

11 **(2)** (intro.) Subsection (1) does not apply if, after a hearing, the ~~corporation~~
12 department, or the local governing body under sub. (3) (a), determines that any of the
13 following applies:

14 (a) The total number of full-time jobs provided by the person in this state would
15 be reduced if the person were not certified under s. ~~238.365~~ 555.365 (3) or if the
16 person's certification were revoked.

17 **(3)** (a) Except as provided in pars. (b) and (c), if the economic activity for which
18 a person is seeking certification under s. ~~238.365~~ 555.365 (3) is the relocation of a
19 business into a development zone from a location that is outside the development
20 zone but within the limits of a city, village, town, or federally recognized American
21 Indian reservation in which that development zone is located, the local governing
22 body that nominated that area as a development zone under s. ~~238.32~~ 555.32 shall
23 determine whether sub. (2) (a) or (b) applies.

24 (b) Only the ~~corporation~~ department may determine whether sub. (2) (a) or (b)
25 applies to a business relocation described in par. (a) if the business relocation would

1 likely result in the loss of full-time jobs at or transfer of employees from a business
2 location that is in this state but outside the limits of any city, village, town, or
3 federally recognized American Indian reservation in which the development zone is
4 located.

5 **SECTION 402.** 238.385 of the statutes is renumbered 555.385, and 555.385 (1)
6 (intro.) and (bm) and (2) (intro.), (b) and (c), as renumbered, are amended to read:

7 555.385 (1) (intro.) For the development zone program under ss. ~~238.30~~ 555.30
8 and ~~238.31~~ 555.31 to ~~238.38~~ 555.38, the development opportunity zone program
9 under s. ~~238.395~~ 555.395, and the enterprise development zone program under s.
10 ~~238.397~~ 555.397, the ~~corporation~~ department shall adopt rules that further define
11 a person's eligibility for tax benefits. The rules shall do at least all of the following:

12 (bm) Allow a person to claim up to \$8,000 in tax benefits during the time that
13 an area is designated as an enterprise development zone for retaining a full-time job
14 if the ~~corporation~~ department determines that the person made a significant capital
15 investment to retain the full-time job.

16 (2) (intro.) The ~~corporation~~ department may by rule specify circumstances
17 under which the ~~corporation~~ department may grant exceptions to any of the
18 following:

19 (b) The requirement under ss. ~~238.30~~ 555.30 (2m) and ~~238.397~~ 555.397 (1) (am)
20 that an individual's pay must equal at least 150% of the federal minimum wage.

21 (c) The requirement under ss. ~~238.30~~ 555.30 (2m) and ~~238.397~~ 555.397 (1) (am)
22 that an individual's position must be regular, nonseasonal, and full-time and that
23 the individual must be required to work at least 2,080 hours per year, including paid
24 leave and holidays.

1 **SECTION 403.** 238.395 of the statutes, as affected by 2015 Wisconsin Act 55, is
2 renumbered 555.395, and 555.395 (1) (a), (b), (c), (d), (e), (f), (g), (h) and (i), (2) (c), (d)
3 1. and 2. and (e) 1., 2. and 3., (3) (a) 1., 2., 3. and 4., (b) 9. and (d), (4) (intro.) and (5)
4 (a) (intro.), 2. and 3., (b), (c), (d), (e) (intro.) and 3. and (f), as renumbered, are
5 amended to read:

6 555.395 (1) (a) An area in the city of Beloit, the legal description of which is
7 provided to the ~~corporation~~ department by the local governing body of the city of
8 Beloit.

9 (b) An area in the city of West Allis, the legal description of which is provided
10 to the ~~corporation~~ department by the local governing body of the city of West Allis.

11 (c) An area in the city of Eau Claire, the legal description of which is provided
12 to the ~~corporation~~ department by the local governing body of the city of Eau Claire.

13 (d) An area in the city of Kenosha, the legal description of which is provided to
14 the ~~corporation~~ department by the local governing body of the city of Kenosha.

15 (e) An area in the city of Milwaukee, the legal description of which is provided
16 to the ~~corporation~~ department by the local governing body of the city of Milwaukee.

17 (f) For the Gateway Project, an area in the city of Beloit, the legal description
18 of which is provided to the ~~corporation~~ department by the local governing body of the
19 city of Beloit.

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

22 (h) An area in the city of Kenosha, the legal description of which is provided to
23 the ~~corporation~~ department by the local governing body of the city of Kenosha.

24 (i) An area in the city of Beloit, the legal description of which is provided to the
25 ~~corporation~~ department by the local governing body of the city of Beloit.

1 (2) (c) Annually, the ~~corporation~~ department shall estimate the amount of
2 forgone state revenue because of tax benefits claimed by persons in each
3 development opportunity zone.

4 (d) 1. Notwithstanding pars. (a) and (e), the designation of an area as a
5 development opportunity zone shall expire 90 days after the day on which the
6 ~~corporation~~ department determines that the forgone tax revenues under par. (c) will
7 equal or exceed the limit for the development opportunity zone.

8 2. The ~~corporation~~ department shall immediately notify the local governing
9 body of the city in which the development opportunity zone is located of a change in
10 the expiration date of the development opportunity zone under this paragraph.

11 (e) 1. The ~~corporation~~ department may extend the designation of an area under
12 sub. (1) (g) as a development opportunity zone for an additional 60 months if the
13 ~~corporation~~ department determines that an extension under this subdivision would
14 support economic development within the city. If the ~~corporation~~ department
15 extends the designation of the area as a development opportunity zone, the limit for
16 tax benefits for the development opportunity zone under sub. (1) (g) is increased by
17 \$5,000,000.

18 2. The ~~corporation~~ department may extend the designation of an area under
19 sub. (1) (h) as a development opportunity zone for an additional 60 months if the
20 ~~corporation~~ department determines that an extension under this subdivision would
21 support economic development within the city. If the ~~corporation~~ department
22 extends the designation of the area as a development opportunity zone, the limit for
23 tax benefits for the development opportunity zone under sub. (1) (h) is increased by
24 \$5,000,000.

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

7 **(3)** (a) 1. Any person that is conducting or that intends to conduct economic
8 activity in a development opportunity zone under sub. (1) (a) or (b) and that, in
9 conjunction with the local governing body of the city in which the development
10 opportunity zone is located, submits a project plan as described in par. (b) to the
11 ~~corporation~~ department no later than 6 months after April 23, 1994, shall be entitled
12 to claim tax benefits while the area is designated as a development opportunity zone.

13 2. Any person that is conducting or that intends to conduct economic activity
14 in a development opportunity zone under sub. (1) (c) and that, in conjunction with
15 the local governing body of the city in which the development opportunity zone is
16 located, submits a project plan as described in par. (b) to the ~~corporation~~ department
17 no later than 6 months after April 28, 1995, shall be entitled to claim tax benefits
18 while the area is designated as a development opportunity zone.

19 3. Any person that is conducting or that intends to conduct economic activity
20 in a development opportunity zone under sub. (1) (d) and that, in conjunction with
21 the local governing body of the city in which the development opportunity zone is
22 located, submits a project plan as described in par. (b) to the ~~corporation~~ department
23 no later than July 1, 2000, shall be entitled to claim tax benefits while the area is
24 designated as a development opportunity zone.

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

7 (b) 9. Other information required by the ~~corporation~~ department or the
8 department of revenue.

9 (d) The ~~corporation~~ department annually shall verify information submitted
10 to the ~~corporation~~ department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx),
11 71.47 (1dm) or (1dx), or 76.636.

12 (4) (intro.) The ~~corporation~~ department shall revoke the entitlement of a
13 person to claim tax benefits under sub. (3) if the person does any of the following:

14 (5) (a) (intro.) The ~~corporation~~ department may certify for tax benefits a person
15 that is conducting economic activity in the development opportunity zone under sub.
16 (1) (e) or (f) and that is not otherwise entitled to claim tax benefits if all of the
17 following apply:

18 2. The ~~corporation~~ department determines that the economic activity of the
19 other person under subd. 1. would not have occurred but for the involvement of the
20 person to be certified for tax benefits under this subsection.

21 3. The person to be certified for tax benefits under this subsection will pass the
22 benefits through to the other person conducting the economic activity under subd.
23 1., as determined by the ~~corporation~~ department.

24 (b) A person intending to claim tax benefits under this subsection shall submit
25 to the ~~corporation~~ department an application, in the form required by the ~~corporation~~

1 department, containing information required by the ~~corporation~~ department and by
2 the department of revenue.

3 (c) The ~~corporation~~ department shall notify the department of revenue of all
4 persons certified to claim tax benefits under this subsection.

5 (d) The ~~corporation~~ department annually shall verify information submitted
6 to the ~~corporation~~ department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx),
7 71.47 (1dm) or (1dx), or 76.636.

8 (e) (intro.) The ~~corporation~~ department shall revoke the entitlement of a person
9 to claim tax benefits under this subsection if the person does any of the following:

10 3. Does not pass the benefits through to the other person conducting the
11 economic activity under par. (a) 1., as determined by the ~~corporation~~ department.

12 (f) The ~~corporation~~ department shall notify the department of revenue within
13 30 days after revoking an entitlement under par. (e).

14 **SECTION 404.** 238.397 of the statutes is renumbered 555.397, and 555.397 (1)
15 (am), (c) and (d), (2) (a) (intro.), 3. and 4. a. and d., (b) (intro.) and 8., (bg) (intro.) and
16 2. and (br) (intro.), (c), (d) and (e), (3) (a), (b) 11. and (c), (4) (a), (c), (d) and (g), (5) (a),
17 (b), (c) and (d) 1. and 2. and (6) (a) (intro.) and (b), as renumbered, are amended to
18 read:

19 555.397 (1) (am) “Full-time job” has the meaning given in s. ~~238.30~~ 555.30
20 (2m).

21 (c) “Target population” has the meaning given in s. ~~238.30~~ 555.30 (6).

22 (d) “Tax benefits” has the meaning given in s. ~~238.30~~ 555.30 (7).

23 (2) (a) (intro.) Subject to pars. (c), (d), and (e), the ~~corporation~~ department may
24 designate an area as an enterprise development zone for a project if the ~~corporation~~
25 department determines all of the following:

1 3. That the project is not likely to occur or continue without the ~~corporation's~~
2 department's designation of the area as an enterprise development zone.

3 4. a. The unemployment rate in the area is higher than the state average for
4 the 18 months immediately preceding the date on which the application under sub.
5 (3) was submitted to the ~~corporation~~ department.

6 d. In the 36 months immediately preceding the date on which the application
7 under sub. (3) was submitted to the ~~corporation~~ department, a number of workers
8 in the area were permanently laid off by their employer or became unemployed as
9 a result of a business action subject to s. 109.07 (1m).

10 (b) (intro.) In making a determination under par. (a), the ~~corporation~~
11 department shall consider all of the following:

12 8. Any other factors that the ~~corporation~~ department considers relevant.

13 (bg) (intro.) Notwithstanding par. (a) and subject to pars. (c), (d), and (e), the
14 ~~corporation~~ department may designate an area as an enterprise development zone
15 for a project if the ~~corporation~~ department determines all of the following:

16 2. That the project is not likely to occur or continue without the ~~corporation's~~
17 department's designation of the area as an enterprise development zone.

18 (br) (intro.) In making a determination under par. (bg), the ~~corporation~~
19 department shall consider all of the following:

20 (c) The ~~corporation~~ department may not designate as an enterprise
21 development zone, or as any part of an enterprise development zone, an area that is
22 located within the boundaries of an area that is designated as a development
23 opportunity zone under s. 238.395 ~~555.395~~, the designation of which is in effect.

24 (d) The ~~corporation~~ department may not designate more than 98 enterprise
25 development zones unless the ~~corporation~~ department obtains the approval of the

1 joint committee on finance to do so. Of the enterprise development zones that the
2 ~~corporation~~ department designates, at least 10 shall be designated under par. (bg).

3 (e) The ~~corporation~~ department may not designate any area as an enterprise
4 development zone on or after March 6, 2009.

5 (3) (a) A person that conducts or that intends to conduct a project and that
6 desires to have the area in which the project is or is to be conducted designated as
7 an enterprise development zone for the purpose of claiming tax benefits may submit
8 to the ~~corporation~~ department an application and a project plan.

9 (b) 11. Any other information required by the ~~corporation~~ department or the
10 department of revenue.

11 (c) The ~~corporation~~ department may not accept or approve any applications or
12 project plans submitted under par. (a) on or after March 6, 2009.

13 (4) (a) Except as provided in par. (h), if the ~~corporation~~ department approves
14 a project plan under sub. (3) and designates the area in which the person submitting
15 the project plan conducts or intends to conduct the project as an enterprise
16 development zone under the criteria under sub. (2), the ~~corporation~~ department shall
17 certify the person as eligible for tax benefits.

18 (c) When the ~~corporation~~ department designates an area as an enterprise
19 development zone for a project, the ~~corporation~~ department shall notify the
20 governing body of any city, village, town, or federally recognized American Indian
21 tribe or band in which the area is located of the area's designation.

22 (d) The ~~corporation~~ department shall notify the department of revenue of all
23 persons entitled to claim tax benefits under this section, except that the ~~corporation~~
24 department shall notify the office of the commissioner of insurance of all persons
25 entitled to claim the credit under s. 76.636.

1 (g) The ~~corporation~~ department annually shall verify information submitted
2 to the ~~corporation~~ department under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or
3 76.636.

4 (5) (a) When the ~~corporation~~ department designates an area as an enterprise
5 development zone under this section, the ~~corporation~~ department shall specify the
6 length of time, not to exceed 84 months, that the designation is effective, subject to
7 par. (d) and sub. (6).

8 (b) When the ~~corporation~~ department designates an area as an enterprise
9 development zone under this section, the ~~corporation~~ department shall establish a
10 limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.

11 (c) Annually, the ~~corporation~~ department shall estimate the amount of forgone
12 state revenue because of tax benefits claimed by persons in each enterprise
13 development zone.

14 (d) 1. Notwithstanding the length of time specified by the ~~corporation~~
15 department under par. (a), the designation of an area as an enterprise development
16 zone shall expire 90 days after the day on which the ~~corporation~~ department
17 determines that the forgone tax revenues under par. (c) will equal or exceed the limit
18 established for the enterprise development zone.

19 2. The ~~corporation~~ department shall immediately notify the department of
20 revenue and the governing body of any city, village, town, or federally recognized
21 American Indian tribe or band in which the enterprise development zone is located
22 of a change in the expiration date of the enterprise development zone under this
23 paragraph.

1 (6) (a) (intro.) The ~~corporation~~ department shall revoke the entitlement of a
2 person to claim tax benefits under this section, and the designation of the area as an
3 enterprise development zone shall expire, if the person does any of the following:

4 (b) The ~~corporation~~ department shall notify the department of revenue within
5 30 days after revoking an entitlement under par. (a).

6 **SECTION 405.** 238.398 of the statutes is renumbered 555.398, and 555.398 (2)
7 (a) and (b), (3) (a) and (b), (4) (a) (intro.) and (b) and (5) (intro.) and (e), as renumbered,
8 are amended to read:

9 555.398 (2) (a) Except as provided under par. (c), the ~~corporation~~ department
10 may designate one area in the state as an agricultural development zone. The area
11 must be located in a rural municipality. An agricultural business that is located in
12 an agricultural development zone and that is certified by the ~~corporation~~ department
13 under sub. (3) is eligible for tax benefits as provided in sub. (3).

14 (b) The designation of an area as an agricultural development zone shall be in
15 effect for 10 years from the time that the ~~corporation~~ department first designates the
16 area. Not more than \$5,000,000 in tax benefits may be claimed in an agricultural
17 development zone, except that the ~~corporation~~ department may allocate the amount
18 of unallocated airport development zone tax credits, as provided under s. ~~238.3995~~
19 555.3995 (3) (b), to agricultural development zones for which the \$5,000,000
20 maximum allocation is insufficient. The ~~corporation~~ department may change the
21 boundaries of an agricultural development zone during the time that its designation
22 is in effect. A change in the boundaries of an agricultural development zone does not
23 affect the duration of the designation of the area or the maximum tax benefit amount
24 that may be claimed in the agricultural development zone.

SECTION 405

1 (3) (a) Except as provided under par. (c), the ~~corporation~~ department may
2 certify for tax benefits in an agricultural development zone a new or expanding
3 agricultural business that is located in the agricultural development zone. In
4 determining whether to certify a business under this subsection, the ~~corporation~~
5 department shall consider, among other things, the number of jobs that will be
6 created or retained by the business.

7 (b) When the ~~corporation~~ department certifies an agricultural business under
8 this subsection, the ~~corporation~~ department shall establish a limit on the amount of
9 tax benefits that the business may claim. The ~~corporation~~ department shall enter
10 into an agreement with the business that specifies the limit on the amount of tax
11 benefits that the business may claim and reporting requirements with which the
12 business must comply.

13 (4) (a) (intro.) The ~~corporation~~ department shall notify the department of
14 revenue of all the following:

15 (b) The ~~corporation~~ department shall annually verify information submitted
16 to the ~~corporation~~ department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx),
17 71.47 (1dm) or (1dx), or 76.636.

18 (5) (intro.) The ~~corporation~~ department shall adopt rules for the operation of
19 this section, including rules related to all the following:

20 (e) The exchange of information between the ~~corporation~~ department and the
21 department of revenue.

22 **SECTION 406.** 238.399 of the statutes, as affected by 2015 Wisconsin Act 55, is
23 renumbered 555.399, and 555.399 (1) (am) 2. (intro.), (3) (a), (b) (intro.), (bm), (c) and
24 (d), (5) (intro.), (b), (c) 1. a. and b. and 2. b. and c., (d) 1. and (e), (5m) and (6) (b) (intro.),
25 (d), (e), (f) and (g) (intro.) and 1. (intro.), as renumbered, are amended to read:

1 555.399 (1) (am) 2. (intro.) The ~~corporation~~ department may grant exceptions
2 to the requirement under subd. 1. that a full-time employee means an individual
3 who, as a condition of employment, is required to work at least 2,080 hours per year
4 if all of the following apply:

5 (3) (a) The ~~corporation~~ department may designate not more than 30 enterprise
6 zones.

7 (b) (intro.) In determining whether to designate an area under par. (a), the
8 ~~corporation~~ department shall consider all of the following:

9 (bm) The ~~corporation~~ department shall specify whether an enterprise zone
10 designated under par. (a) is located in a tier I county or municipality or a tier II county
11 or municipality.

12 (c) The ~~corporation~~ department shall, to the extent possible, give preference to
13 the greatest economic need.

14 (d) Notwithstanding pars. (b) and (c), the ~~corporation~~ department shall
15 designate as enterprise zones at least 3 areas comprising political subdivisions
16 whose populations total less than 5,000 and at least 2 areas comprising political
17 subdivisions whose populations total 5,000 or more but less than 30,000. In
18 designating an enterprise zone under this paragraph, the ~~corporation~~ department
19 may consider indicators of an area's economic need and the effect of designation on
20 other economic development activities.

21 (5) CERTIFICATION. (intro.) The ~~corporation~~ department may certify for tax
22 benefits any of the following:

23 (b) A business that relocates to an enterprise zone from outside this state, if the
24 business offers compensation and benefits to its employees working in the zone for

1 the same type of work that are at least as favorable as those offered to its employees
2 working outside the zone, as determined by the ~~corporation~~ department.

3 (c) 1. a. The business enters into an agreement with the ~~corporation~~
4 department to claim tax benefits only for years during which the business maintains
5 the increased level of personnel.

6 b. The business offers compensation and benefits for the same type of work to
7 its employees working in the enterprise zone that are at least as favorable as those
8 offered to its employees working in this state but outside the zone, as determined by
9 the ~~corporation~~ department.

10 2. b. The business enters into an agreement with the ~~corporation~~ department
11 to claim tax benefits only for years during which the business maintains the capital
12 investment.

13 c. The business offers compensation and benefits for the same type of work to
14 its employees working in the zone that are at least as favorable as those offered to
15 its employees working in this state but outside the zone, as determined by the
16 ~~corporation~~ department.

17 (d) 1. The business is a manufacturer with a significant supply chain in the
18 state, as determined by the ~~corporation~~ department.

19 (e) A business located in an enterprise zone if the business purchases tangible
20 personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or
21 services from Wisconsin vendors, as determined by the ~~corporation~~ department.

22 **(5m)** ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES. If the
23 ~~corporation~~ department determines that a business certified under sub. (5) makes
24 a significant capital expenditure in the enterprise zone, the ~~corporation~~ department
25 may certify the business to receive additional tax benefits in an amount to be

1 determined by the ~~corporation~~ department, but not exceeding 10 percent of the
2 business' capital expenditures. The ~~corporation~~ department shall, in a manner
3 determined by the ~~corporation~~ department, allocate the tax benefits a business is
4 certified to receive under this subsection over the remainder of the time limit of the
5 enterprise zone under sub. (4).

6 (6) (b) (intro.) The ~~corporation~~ department shall revoke a certification under
7 sub. (5) if the business does any of the following:

8 (d) The ~~corporation~~ department may require a business to repay any tax
9 benefits the business claims for a year in which the business failed to maintain
10 employment levels or a significant capital investment in property required by an
11 agreement under sub. (5) (c).

12 (e) The ~~corporation~~ department shall determine the maximum amount of the
13 tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w) that a certified business
14 may claim and shall notify the department of revenue of this amount.

15 (f) The ~~corporation~~ department shall annually verify the information
16 submitted to the ~~corporation~~ department under ss. 71.07 (3w), 71.28 (3w), or 71.47
17 (3w).

18 (g) (intro.) The ~~corporation~~ department shall ~~adopt policies and procedures~~
19 promulgate rules specifying all of the following:

20 1. (intro.) The definitions of a tier I county or municipality and a tier II county
21 or municipality. The ~~corporation~~ department may consider all of the following
22 information when establishing the definitions required under this subdivision:

23 **SECTION 407.** 238.3995 of the statutes is renumbered 555.3995, and 555.3995
24 (1) (b) and (c), (2) (a) (intro.) and 4., (b) (intro.) and 8., (c) 1. and 2. and (d), (3) (a), (b),

1 (c) and (d) 1. and 2., (4) (a) (intro.) and 10., (am), (ar), (b) 1., (c) (intro.) and (d) and
2 (5), as renumbered, are amended to read:

3 555.3995 (1) (b) “Full-time job” has the meaning given in s. ~~238.30~~ 555.30 (2m).

4 (c) “Target population” has the meaning given in s. ~~238.30~~ 555.30 (6).

5 (2) (a) (intro.) Subject to pars. (c) and (e), the ~~corporation~~ department may
6 designate an area as an airport development zone if the ~~corporation~~ department
7 determines all of the following:

8 4. That the airport development project is not likely to occur or continue
9 without the ~~corporation~~ department designation of the area as an airport
10 development zone.

11 (b) (intro.) In making a determination under par. (a), the ~~corporation~~
12 department shall consider all of the following:

13 8. Any other factors that the ~~corporation~~ department considers relevant.

14 (c) 1. The ~~corporation~~ department may not designate as an airport development
15 zone, or as any part of an airport development zone, an area that is located within
16 the boundaries of an area that is designated as a development zone under s. ~~238.31~~
17 555.31, as a development opportunity zone under s. ~~238.395~~ 555.395, or as an
18 enterprise development zone under s. ~~238.397~~ 555.397.

19 2. The ~~corporation~~ department shall give the department of transportation the
20 opportunity to review and comment on any proposed designation under this
21 subsection and the department of transportation may deny any such designation if
22 the department of transportation determines that the designation would
23 compromise the airport’s safety or utility. The department of transportation may
24 also review and comment on any land use or compatibility issues related to any
25 proposed designation under this subsection.

1 (d) Notwithstanding pars. (a) to (c), and except as provided in par. (e), the
2 ~~corporation~~ department shall designate as an airport development zone the area
3 within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade,
4 Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano,
5 Taylor, Waupaca, Waushara, Winnebago, Wood, and Vilas counties.

6 (3) (a) When the ~~corporation~~ department designates an area as an airport
7 development zone, the ~~corporation~~ department shall specify the length of time, not
8 to exceed 84 months, that the designation is effective, subject to par. (d). The
9 ~~corporation~~ department shall notify each person certified for tax benefits in an
10 airport development zone, the department of revenue, the department of
11 transportation, the Wisconsin Housing and Economic Development Authority, and
12 the governing body of each county, city, village, town, and federally recognized
13 American Indian tribe or band in which territory of the airport development zone is
14 located of the designation of and expiration date of the airport development zone.

15 (b) When the ~~corporation~~ department designates an area as an airport
16 development zone, the ~~corporation~~ department shall establish a limit, not to exceed
17 \$3,000,000, for tax benefits applicable to the airport development zone, except that
18 the ~~corporation~~ department shall limit the amount of tax benefits applicable to the
19 airport development zone designated under sub. (2) (d) to \$750,000. The total tax
20 benefits applicable to all airport development zones may not exceed \$9,000,000, less
21 any amount allocated to technology zones under s. ~~238.23~~ 555.23 (2) (b) and to
22 agricultural development zones under s. ~~238.398~~ 555.398 (2) (b), and except that the
23 total amount allocated to all technology zones under s. ~~238.23~~ 555.23 (2) (b) and to
24 all agricultural development zones under s. ~~238.398~~ 555.398 (2) (b), may not exceed
25 \$6,000,000. The ~~corporation~~ department may not reallocate amounts as provided

1 under this paragraph on or after January 1, 2010, except that the ~~corporation~~
2 department may, after 48 months from the month of any designation under this
3 section, evaluate the area designated as an airport development zone and reallocate
4 the amount of available tax benefits.

5 (c) Annually, the ~~corporation~~ department shall estimate the amount of forgone
6 state revenue because of tax benefits claimed by persons in each airport development
7 zone.

8 (d) 1. Notwithstanding the length of time specified by the ~~corporation~~
9 department under par. (a), the designation of an area as an airport development zone
10 shall expire 90 days after the day on which the ~~corporation~~ department determines
11 that the forgone tax revenues estimated under par. (c) will equal or exceed the limit
12 established for the airport development zone.

13 2. The ~~corporation~~ department shall immediately notify each person certified
14 for tax benefits in an airport development zone, the department of revenue, the
15 department of transportation, the Wisconsin Housing and Economic Development
16 Authority, and the governing body of each county, city, village, town, and federally
17 recognized American Indian tribe or band in which territory of the airport
18 development zone is located of a change in the expiration date of the airport
19 development zone under this paragraph.

20 (4) (a) (intro.) A person that intends to operate a place of business in an airport
21 development zone may submit to the ~~corporation~~ department an application and a
22 business plan. The business plan shall include all of the following:

23 10. Any other information required by the ~~corporation~~ department or the
24 department of revenue.

1 (am) A person that intends to operate a business in the airport development
2 zone designated under sub. (2) (d) may submit to the ~~corporation~~ department an
3 application and a business plan that includes all of the information required under
4 par. (a). In approving business plans submitted under this paragraph, the
5 ~~corporation~~ department shall give higher priority to airport development projects
6 located or proposed to be located in areas that have a low median household income,
7 as determined by the ~~corporation~~ department.

8 (ar) The ~~corporation~~ department may not accept or approve any applications
9 or business plans submitted under par. (a) on or after March 6, 2009.

10 (b) 1. Except as provided in subd. 2., if the ~~corporation~~ department approves
11 a business plan under par. (a) or (am), the ~~corporation~~ department shall certify the
12 person as eligible for tax benefits. The ~~corporation~~ department shall notify the
13 department of revenue within 30 days of certifying a person under this paragraph.

14 (c) (intro.) The ~~corporation~~ department shall revoke a person's certification
15 under par. (b) when the designation of the applicable airport development zone
16 expires or if the person does any of the following:

17 (d) The ~~corporation~~ department shall notify the department of revenue within
18 30 days after revoking a certification under par. (c).

19 **(5) VERIFICATION OF INFORMATION.** The ~~corporation~~ department annually shall
20 verify information submitted to the ~~corporation~~ department under ss. 71.07 (2dm)
21 and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport
22 development zones.

23 **SECTION 408.** 281.60 (6) of the statutes is amended to read:

24 281.60 **(6) PRIORITY LIST.** The department shall establish a priority list that
25 ranks each land recycling loan program project. The department shall promulgate

1 rules for determining project rankings based on the potential of projects to reduce
2 environmental pollution and threats to human health and, for sites and facilities
3 that are not landfills, the extent to which projects will prevent the development of
4 undeveloped land by making land available for redevelopment after a cleanup is
5 conducted. Before the department establishes the priority list, the department shall
6 consider the recommendations of the department of administration and the
7 ~~Wisconsin Economic Development Corporation~~ department of economic opportunity.

8 **SECTION 409.** 281.75 (4) (b) 3. of the statutes is amended to read:

9 281.75 (4) (b) 3. An authority created under subch. II of ch. 114 or ch. 231, 233,
10 234, or 237, ~~or 238.~~

11 **SECTION 410.** 285.59 (1) (b) of the statutes is amended to read:

12 285.59 (1) (b) “State agency” means any office, department, agency, institution
13 of higher education, association, society, or other body in state government created
14 or authorized to be created by the constitution or any law which is entitled to expend
15 moneys appropriated by law, including the legislature and the courts, the Wisconsin
16 Housing and Economic Development Authority, the Bradley Center Sports and
17 Entertainment Corporation, the University of Wisconsin Hospitals and Clinics
18 Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace
19 Authority, ~~the Wisconsin Economic Development Corporation,~~ and the Wisconsin
20 Health and Educational Facilities Authority.

21 **SECTION 411.** 292.11 (7) (d) 1m. b. of the statutes is amended to read:

22 292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the
23 area consists of 2 or more properties affected by a contiguous region of groundwater
24 contamination or contains 2 or more properties that are brownfields, as defined in
25 s. ~~238.13~~ 555.13 (1) (a).

1 **SECTION 418.** 555.095 of the statutes is created to read:

2 **555.095 Contract terms.** All terms of each contract the department executes
3 shall be in compliance with state law at the time the contract is executed.

4 **SECTION 419.** 555.12 (1) (a) of the statutes is created to read:

5 555.12 (1) (a) “Full-time job” has the meaning given in s. 555.30 (2m).

6 **SECTION 420.** 555.12 (2) (b) of the statutes is created to read:

7 555.12 (2) (b) Requires the person to repay all or a portion of, as specified in
8 the agreement, the grant, loan, or tax benefits if, within 5 years after receiving the
9 grant or loan or being certified to receive tax benefits, the total number of employees
10 the person employs in full-time jobs in this state falls below the average number of
11 employees the person employed in full-time jobs in this state during the 2 years
12 immediately prior to the person receiving the grant or loan or certification to receive
13 tax benefits. The department shall refer any claim for damages under this
14 paragraph to the department of justice for collection.

15 **SECTION 421.** 555.12 (2) (c) of the statutes is created to read:

16 555.12 (2) (c) Requires the person to repay all or a portion of, as specified in the
17 agreement, the grant, loan, or tax benefits if, within 5 years after the contract terms
18 related to the grant, loan, or tax benefits have been completed, the person eliminates
19 any full-time job in this state that was created as a result of the grant, loan, or tax
20 benefits. The department shall refer any claim for damages under this paragraph
21 to the department of justice for collection.

22 **SECTION 422.** 555.121 of the statutes is created to read:

23 **555.121 Verification of information.** If the department is required under
24 this chapter to verify information submitted to it by a person who has been awarded
25 a grant, loan, or tax credit, the department shall independently review the person’s

1 relevant records, including, if applicable, payroll records and audited statements of
2 capital expenditures.

3 **SECTION 423.** 555.122 of the statutes is created to read:

4 **555.122 Background checks.** (1) Before the department executes a contract
5 awarding a grant or loan or tax benefits to a person under this chapter, the
6 department shall conduct a background check of the person that includes
7 information concerning the person’s business performance and a review of any legal
8 proceedings in which the person is or was a party.

9 (2) If within 90 days after completing the background check under sub. (1) the
10 department has not executed the contract awarding a grant or loan or tax benefits
11 to the person, the department shall conduct another background check of the person
12 under sub. (1) before executing that contract.

13 **SECTION 424.** Subchapter III of chapter 555 [precedes 555.40] of the statutes
14 is created to read:

15 **CHAPTER 555**

16 **SUBCHAPTER III**

17 **BADGER INNOVATION CORPORATION**

18 **555.40 Definitions.** In this subchapter:

19 (1) “Badger Innovation Corporation” or, unless the context requires otherwise,
20 “corporation,” means the corporation specified in 16.35 (3).

21 (2) “Board” means the board of directors of the Badger Innovation Corporation.

22 **555.41 Department duties.** The department shall cooperate with the Badger
23 Innovation Corporation to carry out the corporation’s duties under s. 555.43.

24 **555.42 Board of directors.** (1) The members of the board shall consist of the
25 following:

1 (a) The secretary, who shall act as chairperson.

2 (b) One representative to the assembly appointed by the speaker of the
3 assembly.

4 (c) One representative to the assembly appointed by the minority leader of the
5 assembly.

6 (d) One senator appointed by the majority leader of the senate.

7 (e) One senator appointed by the minority leader of the senate.

8 (f) Nine members nominated by the governor and, with the advice and consent
9 of the senate, appointed for staggered 3-year terms. The members appointed under
10 this subsection shall represent regional and local economic development agencies,
11 private business, and other related stakeholder groups.

12 (g) The secretaries of administration, revenue, and workforce development,
13 who shall serve as nonvoting members.

14 (2) The board shall select a chief executive officer subject to the approval of the
15 governor. The chief executive officer shall serve at the pleasure of the board and shall
16 receive such compensation as may be determined by the board. The chief executive
17 officer shall select a chief operating officer and chief financial officer who shall serve
18 at the pleasure of the chief executive officer.

19 **555.43 Corporation duties.** The Badger Innovation Corporation shall, as a
20 condition of receiving the payments under s. 555.44 (2), contract with the
21 department to do all of the following:

22 (1) Develop and implement economic programs to provide business support
23 and expertise and financial assistance to companies that are investing and creating
24 jobs in Wisconsin and to support new business start-ups and business expansion and
25 growth in Wisconsin.

1 (2) Conduct foreign trade missions, business siting promotion, international
2 business development, and marketing.

3 (3) Create industry cluster development strategies.

4 **555.44 State aid.** (1) The Badger Innovation Corporation may receive the
5 payments under sub. (2) if each of the following is satisfied:

6 (a) The articles of incorporation state that the purpose of the corporation is to
7 carry out the economic development activities specified under s. 555.43 and that, if
8 the corporation dissolves or discontinues economic development activities in this
9 state, the corporation shall in good faith take all reasonable measures to transfer or
10 assign the corporation's assets to an entity whose purpose is to advance economic
11 development in this state.

12 (b) The corporation initially adopts the bylaws drafted under s. 16.35 (3) (b) and
13 maintains the method of selection and composition of the board of directors required
14 under s. 555.42.

15 (c) The requirements under sections 555.42 and 555.43 are met.

16 (d) The corporation permits public inspection and copying of any record of the
17 corporation, as defined in s. 19.32 (2), to the same extent as is required of, and subject
18 to the same terms and enforcement provisions that apply to, an authority under
19 subch. II of ch. 19.

20 (e) The corporation provides public access to its meetings to the same extent
21 as is required of, and subject to the same terms and enforcement provisions that
22 apply to, a governmental body under subch. V of ch. 19.

23 (f) The corporation fully cooperates with the legislative audit bureau for
24 purposes of the audits under s. 13.94 (1) (ds), including by providing the employees
25 of the legislative audit bureau with access to all of the corporation's records.

