

Gallagher, Michael

From: Knickelbine, Mark
Sent: Wednesday, November 04, 2015 11:17 AM
To: Gallagher, Michael
Subject: RE: LRB 3225/P2

No, this replaces those appointments. There would only be four legislative appointees to the Transition Council. However, the legislative appointments to the Transition Council are not the same appointments as those to the BIC board – they're just made in the same manner.

I'll look at the final draft before I have it jacketed, thank you!

Mark

From: Gallagher, Michael
Sent: Wednesday, November 04, 2015 9:59 AM
To: Knickelbine, Mark <Mark.Knickelbine@legis.wisconsin.gov>
Subject: RE: LRB 3225/P2

Mark: Are the legislative members in addition to the members appointed jointly by majority and minority legislative leadership under 15.107 (20) (b) 2. An 3. (page 12, lines 6-9) in the draft? Or, is the intent to delete those appointments and replace them with the four legislative members specified for the BIC board?

I can get this out today. Do you want me to have it jacketed for introduction?

Thanks.

Mike

Michael P. Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Knickelbine, Mark
Sent: Wednesday, November 04, 2015 9:40 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Subject: LRB 3225/P2

Mike –

We found an issue with the bill that should be an easy fix. The Transition Council should have 4 legislative members, one majority and one minority from each house, who are appointed in the same manner as the legislative appointees to BIC board. Let me know if you need any further clarification.

After you've made this change, please do a draft for introduction. Please advise how quickly you think that could be done. Thank you!

Mark Knickelbine

Policy Analyst
Office of State Senator Julie Lassa
24th Senate District
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11/4 Today
Thomas
State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3225/P2
MPG&AJM:amn

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SAV

Insert

11

- see pages 5 and 12.

Regen.

1 AN ACT *to repeal* 13.48 (10) (b) 6., 13.48 (12) (b) 5., 15.107 (20), 16.35, 19.42 (10)
2 (sm), 19.42 (13) (om), 20.192 (intro.), 20.192 (1) (k), 40.02 (54) (m), 70.11 (38r),
3 chapter 238 (title), 238.01 (1), 238.01 (2), 238.02, 238.03 (4), 238.04, 238.045,
4 238.046, 238.05, 238.06, 238.07 (4), 238.08, 238.09 and 238.123; *to renumber*
5 16.295, 16.309, 20.192 (1) (title), subchapter I (title) of chapter 238 [precedes
6 238.01], 238.01 (intro.), 238.01 (3) and subchapter II (title) of chapter 238
7 [precedes 238.30]; *to renumber and amend* 20.192 (1) (a), 20.192 (1) (m),
8 20.192 (1) (r), 20.192 (1) (s), 20.505 (1) (fm), 238.03 (title) and (1) to (3), 238.07
9 (1), 238.07 (2), 238.07 (3), 238.10, 238.11, 238.115, 238.12, 238.125, 238.127,
10 238.13, 238.133, 238.135, 238.14, 238.145, 238.15, 238.16, 238.17, 238.23,
11 238.25, 238.26, 238.30, 238.301, 238.302, 238.303, 238.304, 238.3045, 238.305,
12 238.306, 238.308, 238.31, 238.315, 238.32, 238.325, 238.335, 238.34, 238.345,
13 238.35, 238.363, 238.365, 238.368, 238.37, 238.38, 238.385, 238.395, 238.397,
14 238.398, 238.399 and 238.3995; *to amend* 1.12 (1) (b), 13.172 (1), 13.48 (13) (a),
15 13.62 (2), 13.625 (9), 13.94 (1) (dr), 13.94 (1) (ms), 13.94 (1s) (c) 5., 13.94 (4) (a)

1 1., 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.045 (1) (a), 16.41 (4),
2 16.417 (1) (b), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.85 (2), 16.865
3 (8), 19.56 (2) (b) 6., 19.56 (3) (e) (intro.), 19.56 (3) (e) 1., 19.56 (3) (f), 19.57, 20.370
4 (2) (mr), 23.167 (2) (intro.), 23.169 (1), 23.169 (2), 25.17 (70) (d), 25.17 (72), 26.37
5 (1) (b), 26.37 (2), 30.121 (3w) (b), 36.09 (1) (am) (intro.), 36.11 (29r) (b) 1., 36.11
6 (29r) (b) 2., 36.25 (24), 38.04 (1m) (b) (intro.), 38.04 (10m) (a), 38.04 (10m) (b),
7 40.05 (4) (b), 40.05 (4) (bm), 40.05 (5) (b) 4., 40.62 (2), 40.95 (1) (a) 1., 41.11 (1g)
8 (b) (intro.), 41.11 (1r) (a), 41.11 (1r) (b), 59.57 (1) (a), 60.23 (4) (c), 66.1103 (4m)
9 (a) 1., 66.1103 (4m) (a) 2., 66.1103 (4m) (b), 66.1103 (4s) (a) 1., 66.1103 (4s) (b)
10 3., 66.1103 (4s) (b) 4., 66.1103 (4s) (d), 66.1103 (10) (c), 66.1103 (10) (g), 71.07
11 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (a) 4., 71.07 (2dm) (f) 1., 71.07 (2dm)
12 (f) 2., 71.07 (2dm) (i), 71.07 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07
13 (2dx) (a) 4., 71.07 (2dx) (b) (intro.), 2. and 3., 71.07 (2dx) (b) 4. and 5., 71.07 (2dx)
14 (be), 71.07 (2dx) (bg), 71.07 (2dx) (c), 71.07 (2dx) (d), 71.07 (2dy) (a), 71.07 (2dy)
15 (b), 71.07 (2dy) (c) 1., 71.07 (2dy) (c) 2., 71.07 (2dy) (d) 2., 71.07 (3g) (a) (intro.),
16 71.07 (3g) (b), 71.07 (3g) (e) 2., 71.07 (3g) (f) 1., 71.07 (3g) (f) 2., 71.07 (3q) (a) 1.,
17 71.07 (3q) (a) 2., 71.07 (3q) (b) (intro.), 71.07 (3q) (b) 1., 71.07 (3q) (b) 2., 71.07
18 (3q) (c) 2., 71.07 (3q) (c) 3., 71.07 (3w) (a) 2., 71.07 (3w) (a) 3., 71.07 (3w) (a) 4.,
19 71.07 (3w) (a) 5d., 71.07 (3w) (a) 5e., 71.07 (3w) (b) (intro.), 71.07 (3w) (b) 5.,
20 71.07 (3w) (bm) 1., 71.07 (3w) (bm) 2., 71.07 (3w) (bm) 3., 71.07 (3w) (bm) 4.,
21 71.07 (3w) (c) 3., 71.07 (3w) (d), 71.07 (3y) (a) 1., 71.07 (3y) (a) 2., 71.07 (3y) (b)
22 (intro.), 71.07 (3y) (b) 1., 71.07 (3y) (b) 2., 71.07 (3y) (b) 3., 71.07 (3y) (b) 4., 71.07
23 (3y) (b) 5., 71.07 (3y) (c) 2., 71.07 (5b) (a) 2., 71.07 (5b) (b) 1., 71.07 (5b) (b) 2.,
24 71.07 (5b) (d) 3., 71.07 (5d) (a) 1. (intro.), 71.07 (5d) (a) 2m., 71.07 (5d) (a) 3.,
25 71.07 (5d) (b) (intro.), 71.07 (5d) (b) 1., 71.07 (5d) (b) 2., 71.07 (5d) (c) 2., 71.07

1 (5d) (d) 1., 71.07 (9m) (c) (intro.), 71.26 (1) (be), 71.28 (1dm) (a) 1., 71.28 (1dm)
2 (a) 3., 71.28 (1dm) (a) 4., 71.28 (1dm) (f) 1., 71.28 (1dm) (f) 2., 71.28 (1dm) (i),
3 71.28 (1dm) (j), 71.28 (1dm) (k), 71.28 (1dx) (a) 2., 71.28 (1dx) (a) 4., 71.28 (1dx)
4 (b) (intro.), 71.28 (1dx) (b) 2., 71.28 (1dx) (b) 3., 71.28 (1dx) (b) 4., 71.28 (1dx) (b)
5 5., 71.28 (1dx) (be), 71.28 (1dx) (bg), 71.28 (1dx) (c), 71.28 (1dx) (d), 71.28 (1dy)
6 (a), 71.28 (1dy) (b), 71.28 (1dy) (c) 1., 71.28 (1dy) (c) 2., 71.28 (1dy) (d) 2., 71.28
7 (3g) (a) (intro.), 71.28 (3g) (b), 71.28 (3g) (e) 2., 71.28 (3g) (f) 1., 71.28 (3g) (f) 2.,
8 71.28 (3q) (a) 1., 71.28 (3q) (a) 2., 71.28 (3q) (b), 71.28 (3q) (c) 2., 71.28 (3q) (c)
9 3., 71.28 (3w) (a) 2., 71.28 (3w) (a) 3., 71.28 (3w) (a) 4., 71.28 (3w) (a) 5d., 71.28
10 (3w) (a) 5e., 71.28 (3w) (b) (intro.), 71.28 (3w) (b) 5., 71.28 (3w) (bm) 1., 71.28
11 (3w) (bm) 2., 71.28 (3w) (bm) 3., 71.28 (3w) (bm) 4., 71.28 (3w) (c) 3., 71.28 (3w)
12 (d), 71.28 (3y) (a) 1., 71.28 (3y) (a) 2., 71.28 (3y) (b) (intro.), 71.28 (3y) (b) 1., 71.28
13 (3y) (b) 2., 71.28 (3y) (b) 3., 71.28 (3y) (b) 4., 71.28 (3y) (b) 5., 71.28 (3y) (c) 2.,
14 71.28 (4) (am) 1., 71.28 (4) (am) 2., 71.28 (5b) (a) 2., 71.28 (5b) (b) 1., 71.28 (5b)
15 (b) 2., 71.28 (5b) (d) 3., 71.28 (6) (c) (intro.), 71.47 (1dm) (a) 1., 71.47 (1dm) (a)
16 3., 71.47 (1dm) (a) 4., 71.47 (1dm) (f) 1., 71.47 (1dm) (f) 2., 71.47 (1dm) (i), 71.47
17 (1dm) (j), 71.47 (1dm) (k), 71.47 (1dx) (a) 2., 71.47 (1dx) (a) 4., 71.47 (1dx) (b)
18 (intro.), 71.47 (1dx) (b) 2., 71.47 (1dx) (b) 3., 71.47 (1dx) (b) 4., 71.47 (1dx) (b) 5.,
19 71.47 (1dx) (be), 71.47 (1dx) (bg), 71.47 (1dx) (c), 71.47 (1dx) (d), 71.47 (1dy) (a),
20 71.47 (1dy) (b), 71.47 (1dy) (c) 1., 71.47 (1dy) (c) 2., 71.47 (1dy) (d) 2., 71.47 (3g)
21 (a) (intro.), 71.47 (3g) (b), 71.47 (3g) (e) 2., 71.47 (3g) (f) 1., 71.47 (3g) (f) 2., 71.47
22 (3q) (a) 1., 71.47 (3q) (a) 2., 71.47 (3q) (b) (intro.), 71.47 (3q) (b) 1., 71.47 (3q) (b)
23 2., 71.47 (3q) (c) 2., 71.47 (3q) (c) 3., 71.47 (3w) (a) 2., 71.47 (3w) (a) 3., 71.47 (3w)
24 (a) 4., 71.47 (3w) (a) 5d., 71.47 (3w) (a) 5e., 71.47 (3w) (b) (intro.), 71.47 (3w) (b)
25 5., 71.47 (3w) (bm) 1., 71.47 (3w) (bm) 2., 71.47 (3w) (bm) 3., 71.47 (3w) (bm) 4.,

1 71.47 (3w) (c) 3., 71.47 (3w) (d), 71.47 (3y) (a) 1., 71.47 (3y) (a) 2., 71.47 (3y) (b)
2 (intro.), 71.47 (3y) (b) 1., 71.47 (3y) (b) 2., 71.47 (3y) (b) 3., 71.47 (3y) (b) 4., 71.47
3 (3y) (b) 5., 71.47 (3y) (c) 2., 71.47 (4) (am), 71.47 (5b) (a) 2., 71.47 (5b) (b) 1., 71.47
4 (5b) (b) 2., 71.47 (5b) (d) 3., 71.47 (6) (c) (intro.), 71.78 (4) (m), 73.03 (35), 73.03
5 (35m), 75.106 (1) (a), 76.636 (1) (b) 1., 76.636 (1) (b) 2., 76.636 (1) (b) 3., 76.636
6 (1) (b) 4., 76.636 (1) (d), 76.636 (2) (intro.), 76.636 (2) (b), 76.636 (2) (c), 76.636
7 (2) (d), 76.636 (2) (e), 76.636 (4) (intro.), 76.636 (5), 76.636 (6), 76.637 (1), 76.637
8 (2), 76.637 (3), 76.637 (4), 76.638 (1), 76.638 (2), 77.54 (9a) (a), 79.04 (7) (a),
9 84.01 (6m) (b) (intro.), 84.01 (11m) (a), 84.01 (11m) (b), 93.07 (3), 93.07 (18) (b)
10 (intro.), 93.07 (20) (a), 93.07 (20) (b), 93.33 (5) (intro.), 93.42 (5), 100.45 (1) (dm),
11 106.16 (3), 106.27 (2m), 114.31 (6), 196.49 (4), 196.491 (3) (a) 2m. b., 196.491 (3)
12 (d) 8., 230.03 (3), 230.81 (2), 234.02 (1), 234.032 (2) (intro.), 234.08 (5), 234.08
13 (6), 234.255 (1), 234.255 (2), 234.84 (1), 234.84 (3) (c), 234.84 (4) (a), 234.84 (5)
14 (a), 234.84 (5) (b), 234.932 (3) (c), 281.60 (6), 281.75 (4) (b) 3., 285.59 (1) (b),
15 292.11 (7) (d) 1m. b., 292.255 and 292.63 (4) (cc) 2. b.; and *to create* 13.94 (1)
16 (ds), 13.94 (1s) (c) 5m., 15.107 (20), 15.15, 15.155, 16.35, 20.143 (intro.), 20.143
17 (1) (g), 20.143 (1) (gm), 20.505 (1) (zr), 230.81 (4), chapter 555 (title), 555.01 (1),
18 555.01 (3), 555.07 (2) (i), 555.095, 555.12 (1) (a), 555.12 (2) (b), 555.12 (2) (c),
19 555.121, 555.122 and subchapter III of chapter 555 [precedes 555.40] of the
20 statutes; **relating to:** creating the Department of Economic Opportunity and
21 the Economic Development Policy Board, requiring the creation of a nonstock,
22 nonprofit corporation to be known as the Badger Innovation Corporation,
23 providing for the elimination of the Wisconsin Economic Development
24 Corporation and the transfer its functions to the Department of Economic

- 1 Opportunity and the Badger Innovation Corporation, granting rule-making
2 authority, and making appropriations.

Analysis by the Legislative Reference Bureau

This bill provides for the elimination of the Wisconsin Economic Development Corporation (WEDC) and the transfer of its functions to a new Department of Economic Opportunity (DEO) and a nonstock, nonprofit corporation to be known as the "Badger Innovation Corporation." The bill's provisions become effective only if a transition plan is enacted as a part of the 2017-19 biennial budget act.

Transition

The bill creates an Economic Development Transition Council (transition council) to effect the transition of WEDC's functions to DEO and the Badger Innovation Corporation. The transition council consists of the following members:

- Insert A
1. Five members appointed by the governor.
 2. One member appointed jointly by the speaker of the assembly and the minority leader of the assembly.
 3. One member appointed jointly by the majority leader and minority leader of the senate.
 4. The chief executive officer, chief operating officer, and chief financial officer of WEDC.
 5. The secretary of administration.
 6. The secretary of revenue.

The members appointed by the governor must include representatives of local and regional economic development agencies.

The bill requires the transition council to develop a detailed plan for the transfer of WEDC's duties, powers, and functions to DEO and the Badger Innovation Corporation. The transition council is required to submit the transition plan to the governor within 12 months after the bill is enacted, and the bill requires the governor to include the transition plan as a part of the executive budget for the 2017-19 fiscal biennium. If the transition plan or a version of it is enacted as a part of the 2017-19 biennial budget act, the transition plan takes effect approximately six months after enactment of the 2017-19 biennial budget act, unless the legislature specifies a different effective date. If the transition plan is not enacted as a part of the 2017-19 biennial budget act, this bill, in its entirety, is ineffective.

Department of Economic Opportunity

Under the bill, DEO assumes most of WEDC's functions related to economic development, including reporting requirements. The bill also includes new responsibilities for DEO, including the following:

1. DEO emphasizes economic development programs that encourage entrepreneurship, new business start-ups, and woman-owned, disabled-veteran owned, and minority businesses.
2. DEO must post on its Internet site DEO's job creation and retention goals; all amendments to contracts executed under an economic development program of

DEO; and all agendas, meeting minutes, and materials discussed for meetings of the Economic Development Policy Board, described below, and the board of directors of the Badger Innovation Corporation.

3. DEO's contract with a grant or loan recipient, or with a person DEO certifies to claim tax credits, must include a provision requiring the recipient to repay all or a portion of the grant, loan, or tax credits if, within five years after receiving the grant or loan or being certified to receive tax credits, the total number of employees the recipient employs in full-time jobs in Wisconsin falls below the average number of employees the recipient employed in full-time jobs in Wisconsin during the previous two years. DEO is required to refer any claim for damages with respect to that contract requirement to the Department of Justice for collection.

4. DEO's contract with a grant or loan recipient, or with a person DEO certifies to claim tax credits, must include a provision requiring the recipient to repay all or a portion of the grant, loan, or tax credits if, within five years after the contract terms have been completed, the person eliminates any full-time job in this state that was created as a result of the grant, loan, or tax credits. DEO is also required to refer any claim for damages with respect to that contract requirement to the Department of Justice for collection.

5. In its annual report to the legislature, DEO must include the number of businesses or other persons against whom DEO, or WEDC under previous law, has initiated an action because the business or other person was not in compliance with contract requirements under an economic development program administered by DEO, or WEDC under previous law, and the total dollar amount that has been recovered to date as a result of those actions.

6. Before DEO executes a contract awarding a grant, loan, or tax credit to a person, DEO must conduct a thorough background check of the person that includes information concerning the person's business performance and a review of any legal proceedings in which the person is or was a party.

7. DEO must cooperate with the Badger Innovation Corporation to carry out the corporation's economic development duties, described below.

The bill also creates the Economic Development Policy Board (board), attached to DEO for limited purposes. The board consists of 12 members nominated by the governor and appointed with senate confirmation for staggered three-year terms. The members must have expertise in banking, business financing, and public economic development administration, and must represent private business and related stakeholder groups. At least four of the members must have public economic development administration experience. The board's function is to assist DEO in setting major economic development policy goals for the state.

Badger Innovation Corporation

Finally, under the bill, the transition council is required to draft and file articles of incorporation creating the Badger Innovation Corporation as a private nonstock, nonprofit corporation and draft bylaws for adoption by the board of directors of the corporation. The composition of the board of directors for the Badger Innovation Corporation is as follows:

1. The secretary of DEO, who acts as chairperson.

2. One representative to the assembly appointed by the speaker of the assembly.
3. One representative to the assembly appointed by the minority leader of the assembly.
4. One senator appointed by the majority leader of the senate.
5. One senator appointed by the minority leader of the senate.
6. Nine members nominated by the governor and appointed with senate confirmation for staggered three-year terms. The members so appointed must represent regional and local economic development agencies, private business, and other related stakeholder groups.
7. The secretaries of administration, revenue, and workforce development, who shall serve as nonvoting members.

The bill contains a number of requirements imposed on the Badger Innovation Corporation as a condition for the corporation to receive aid under a state appropriation. Among other things, the Badger Innovation Corporation must do the following:

1. Develop and implement economic programs to provide business support and expertise and financial assistance to companies that are investing and creating jobs in Wisconsin and to support new business start-ups and business expansion and growth in Wisconsin.
2. Conduct foreign trade missions, business siting promotion, international business development, and marketing.
3. Create industry cluster development strategies.
4. Adopt the bylaws for the corporation drafted by the transition council and maintain the required composition and method of selection of the corporation's board of directors.
5. Provide public access to its records consistent with the state public records law.
6. Provide public access to its meetings consistent with the state open meetings law.
7. Fully cooperate with the Legislative Audit Bureau for purposes of a biennial financial audit and program evaluation audit of the corporation.

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:

- 1 **SECTION 1.** 1.12 (1) (b) of the statutes is amended to read:
- 2 1.12 (1) (b) “State agency” means an office, department, agency, institution of
- 3 higher education, the legislature, a legislative service agency, the courts, a judicial

1 branch agency, an association, society, or other body in state government that is
2 created or authorized to be created by the constitution or by law, for which
3 appropriations are made by law, ~~excluding the Wisconsin Economic Development~~
4 ~~Corporation.~~

5 **SECTION 2.** 13.172 (1) of the statutes is amended to read:

6 13.172 (1) In this section, “agency” means an office, department, agency,
7 institution of higher education, association, society, or other body in state
8 government created or authorized to be created by the constitution or any law, that
9 is entitled to expend moneys appropriated by law, including the legislature and the
10 courts, and any authority created in subch. II of ch. 114 or in ch. 231, 233, 234, ~~238,~~
11 or 279.

12 **SECTION 3.** 13.48 (10) (b) 6. of the statutes is repealed.

13 **SECTION 4.** 13.48 (12) (b) 5. of the statutes is repealed.

14 **SECTION 5.** 13.48 (13) (a) of the statutes is amended to read:

15 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
16 facility that is constructed for the benefit of or use of the state, any state agency,
17 board, commission or department, the University of Wisconsin Hospitals and Clinics
18 Authority, the Fox River Navigational System Authority, ~~the Wisconsin Economic~~
19 ~~Development Corporation,~~ or any local professional baseball park district created
20 under subch. III of ch. 229 if the construction is undertaken by the department of
21 administration on behalf of the district, shall be in compliance with all applicable
22 state laws, rules, codes and regulations but the construction is not subject to the
23 ordinances or regulations of the municipality in which the construction takes place
24 except zoning, including without limitation because of enumeration ordinances or

1 regulations relating to materials used, permits, supervision of construction or
2 installation, payment of permit fees, or other restrictions.

3 **SECTION 6.** 13.62 (2) of the statutes is amended to read:

4 13.62 (2) “Agency” means any board, commission, department, office, society,
5 institution of higher education, council, or committee in the state government, or any
6 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, or 279,
7 except that the term does not include a council or committee of the legislature.

8 **SECTION 7.** 13.625 (9) of the statutes is amended to read:

9 13.625 (9) This section does not apply to the solicitation, acceptance, or
10 furnishing of anything of pecuniary value by the ~~Wisconsin Economic Development~~
11 ~~Corporation~~ department of economic opportunity, or to a principal furnishing
12 anything of pecuniary value to the ~~Wisconsin Economic Development Corporation~~
13 department of economic opportunity, under s. 19.56 (3) (e) or (f) for the activities
14 specified in s. 19.56 (3) (e).

15 **SECTION 8.** 13.94 (1) (dr) of the statutes is amended to read:

16 13.94 (1) (dr) Biennially, ~~beginning in 2013~~, conduct a financial audit of the
17 ~~Wisconsin Economic Development Corporation~~ department of economic opportunity
18 and a program evaluation audit of the economic development programs
19 administered by the ~~Wisconsin Economic Development Corporation~~ department of
20 economic opportunity under ch. ~~238~~ 555. The legislative audit bureau shall file a
21 copy of each audit report under this paragraph with the distributees specified in par.
22 (b).

23 **SECTION 9.** 13.94 (1) (ds) of the statutes is created to read:

24 13.94 (1) (ds) 1. In this paragraph and in sub. (1s) (c) 5m., “Badger Innovation
25 Corporation” means the corporation specified in s. 16.35 (3).

1 2. Each odd-numbered year, conduct a financial audit of the Badger Innovation
2 Corporation and a program evaluation audit of the economic development programs
3 conducted by the Badger Innovation Corporation under its contract with the
4 department of economic opportunity. The legislative audit bureau shall file a copy
5 of each audit report under this subdivision with the distributees specified in par. (b).

6 **SECTION 10.** 13.94 (1) (ms) of the statutes is amended to read:

7 13.94 (1) (ms) No later than July 1, 2014, prepare a financial and performance
8 evaluation audit of the economic development tax benefit program under ss. ~~238.301~~
9 555.301 to ~~238.306~~ 555.306. The legislative audit bureau shall file a copy of the
10 report of the audit under this paragraph with the distributees specified in par. (b).

11 **SECTION 11.** 13.94 (1s) (c) 5. of the statutes is amended to read:

12 13.94 (1s) (c) 5. The ~~Wisconsin Economic Development Corporation~~
13 department of economic opportunity for the cost of the audit required to be performed
14 under sub. (1) (dr).

15 **SECTION 12.** 13.94 (1s) (c) 5m. of the statutes is created to read:

16 13.94 (1s) (c) 5m. The Badger Innovation Corporation for the cost of the audit
17 required to be performed under sub. (1) (ds).

18 **SECTION 13.** 13.94 (4) (a) 1. of the statutes is amended to read:

19 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
20 credentialing board, commission, independent agency, council or office in the
21 executive branch of state government; all bodies created by the legislature in the
22 legislative or judicial branch of state government; any public body corporate and
23 politic created by the legislature including specifically the Fox River Navigational
24 System Authority, the Lower Fox River Remediation Authority, the Wisconsin
25 Aerospace Authority, ~~the Wisconsin Economic Development Corporation,~~ a

1 professional baseball park district, a local professional football stadium district, a
2 local cultural arts district and a long-term care district under s. 46.2895; every
3 Wisconsin works agency under subch. III of ch. 49; every provider of medical
4 assistance under subch. IV of ch. 49; technical college district boards; every county
5 department under s. 51.42 or 51.437; every nonprofit corporation or cooperative or
6 unincorporated cooperative association to which moneys are specifically
7 appropriated by state law; and every corporation, institution, association or other
8 organization which receives more than 50% of its annual budget from appropriations
9 made by state law, including subgrantee or subcontractor recipients of such funds.

10 **SECTION 14.** 13.95 (intro.) of the statutes is amended to read:

11 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
12 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
13 shall be strictly nonpartisan and shall at all times observe the confidential nature
14 of the research requests received by it; however, with the prior approval of the
15 requester in each instance, the bureau may duplicate the results of its research for
16 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
17 designated employees shall at all times, with or without notice, have access to all
18 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
19 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
20 ~~Wisconsin Economic Development Corporation~~, and the Fox River Navigational
21 System Authority, and to any books, records, or other documents maintained by such
22 agencies or authorities and relating to their expenditures, revenues, operations, and
23 structure.

24 **SECTION 15.** 15.107 (20) of the statutes is created to read:

Insert 12-5

1 15.107 (20) ECONOMIC DEVELOPMENT TRANSITION COUNCIL. (a) There is created
2 an economic development transition council, attached to the department of
3 administration under s. 15.03.

the following

4 (b) The council consists of 12 members as follows:

- 5 1. Five members appointed by the governor.
- 6 2. One member appointed jointly by the speaker of the assembly and the
- 7 minority leader of the assembly.
- 8 3. One member appointed jointly by the majority leader and the minority
- 9 leader of the senate.

10 6 4. The chief executive officer, chief operating officer, and chief financial officer
11 of the Wisconsin Economic Development Corporation.

12 5. The secretary of administration.

13 7 6. The secretary of revenue.

14 8 (c) The members appointed under par. (b) 1. shall include representatives of
15 local and regional economic development agencies.

16 (d) The Wisconsin Economic Development Corporation shall provide staffing
17 and facilities for the council.

18 (e) The council shall be dissolved on January 1, 2019.

19 SECTION 16. 15.107 (20) of the statutes, as created by 2015 Wisconsin Act ...
20 (this act), is repealed.

21 SECTION 17. 15.15 of the statutes is created to read:

22 15.15 Department of economic opportunity; creation. There is created
23 a department of economic opportunity under the direction and supervision of the
24 secretary of economic opportunity.

25 SECTION 18. 15.155 of the statutes is created to read:

1 **15.155 Same; attached boards and commissions.** (1) ECONOMIC
2 DEVELOPMENT POLICY BOARD. (a) There is created an economic development policy
3 board attached to the department of economic opportunity under s. 15.03 consisting
4 of 12 members nominated by the governor and, with the advice and consent of the
5 senate, appointed for staggered 3-year terms.

6 (b) The members appointed under par. (a) shall have expertise in banking,
7 business financing, and public economic development administration, and shall
8 represent private business and related stakeholder groups. At least 4 of those
9 members shall have public economic development administration experience.

10 (c) The economic development policy board shall assist the department of
11 economic opportunity in setting major economic development policy goals for the
12 state.

13 **SECTION 19.** 16.002 (2) of the statutes is amended to read:

14 16.002 (2) “Departments” means constitutional offices, departments, and
15 independent agencies and includes all societies, associations, and other agencies of
16 state government for which appropriations are made by law, but not including
17 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, ~~238~~, or 279.

18 **SECTION 20.** 16.004 (4) of the statutes is amended to read:

19 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
20 department as the secretary designates may enter into the offices of state agencies
21 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,
22 ~~238~~, and 279, and may examine their books and accounts and any other matter that
23 in the secretary’s judgment should be examined and may interrogate the agency’s
24 employees publicly or privately relative thereto.

25 **SECTION 21.** 16.004 (5) of the statutes is amended to read:

1 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
2 authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237, ~~238~~,
3 and 279, and their officers and employees, shall cooperate with the secretary and
4 shall comply with every request of the secretary relating to his or her functions.

5 **SECTION 22.** 16.045 (1) (a) of the statutes is amended to read:

6 16.045 (1) (a) “Agency” means an office, department, independent agency,
7 institution of higher education, association, society, or other body in state
8 government created or authorized to be created by the constitution or any law, that
9 is entitled to expend moneys appropriated by law, including the legislature and the
10 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,
11 233, 234, 237, ~~238~~, or 279.

12 **SECTION 23.** 16.295 of the statutes is renumbered 555.155.

13 **SECTION 24.** 16.309 of the statutes is renumbered 555.129.

14 **SECTION 25.** 16.35 of the statutes is created to read:

15 **16.35 Economic development transition council. (1) DEFINITIONS.** In this
16 section:

17 (a) “Badger Innovation Corporation” means the corporation specified in sub.
18 (3).

19 (b) “Department” means the department of economic opportunity, as created
20 in 2015 Wisconsin Act (this act).

21 (c) “Transition council” means the economic development transition council.

22 (d) “Transition plan” means the plan created under sub. (2) (a).

23 **(2) TRANSITION PLAN.** (a) The transition council shall develop a detailed plan
24 for the transfer of the Wisconsin Economic Development Corporation’s duties,

1 powers, and functions to the department and the Badger Innovation Corporation.

2 The plan shall include all of the following:

3 1. An organizational plan for the department and the Badger Innovation
4 Corporation.

5 2. A plan for the transfer of all assets and liabilities of the Wisconsin Economic
6 Development Corporation to the department and the Badger Innovation
7 Corporation

8 3. A plan for the transfer of employees of the Wisconsin Economic Development
9 Corporation to the department or the Badger Innovation Corporation.

10 4. A plan for the transfer of tangible personal property of the Wisconsin
11 Economic Development Corporation to the department or the Badger Innovation
12 Corporation.

13 5. A plan for the transfer of all matters pending with the Wisconsin Economic
14 Development Corporation to the department or the Badger Innovation Corporation.
15 The plan under this subdivision shall provide that all materials submitted to or
16 actions taken by the Wisconsin Economic Development Corporation with respect to
17 the pending matter are considered as having been submitted to or taken by the
18 department or the Badger Innovation Corporation, as appropriate.

19 6. A plan for the transfer of all contracts entered into by the Wisconsin
20 Economic Development Corporation, and all contracts entered into by the former
21 department of commerce and maintained by the Wisconsin Economic Development
22 Corporation, to the department or the Badger Innovation Corporation. The plan
23 under this subdivision shall provide that the contracts remain in effect and that the
24 department or the Badger Innovation Corporation, as appropriate, shall carry out
25 any obligations under such a contract until the contract is modified or rescinded by

1 the department or the Badger Innovation Corporation, as appropriate, to the extent
2 allowed under the contract.

3 7. A plan for the transfer of policies and procedures and orders of the Wisconsin
4 Economic Development Corporation to the department or the Badger Innovation
5 Corporation. The plan under this subdivision shall provide that the transferred
6 policies and procedures remain in effect until their specified expiration dates or until
7 amended or repealed by the department or the Badger Innovation Corporation, as
8 appropriate, and that all orders issued by the Wisconsin Economic Development
9 Corporation remain in effect until their specified expiration dates or until modified
10 or rescinded by the department or the Badger Innovation Corporation, as
11 appropriate.

12 (b) 1. The transition council shall submit the transition plan to the governor
13 within 12 months after the effective date of this subdivision [LRB inserts date].
14 The joint committee on finance may approve an extension of that deadline if
15 requested by the transition council.

16 2. The governor shall include the transition plan submitted by the transition
17 council under subd. 1. as a part of the governor's executive budget for the 2017–19
18 fiscal biennium.

19 3. If the transition plan or a version of it is enacted as a part of the 2017–19
20 biennial budget act, and unless a different effective date is provided in the 2017–19
21 biennial budget act, the transition plan as enacted shall take effect on the first day
22 of the 7th month beginning after publication of the 2017–19 biennial budget act. The
23 chairperson of the transition council shall send a notice to the legislative reference
24 bureau for publication in the Wisconsin Administrative Register that confirms

1 enactment of the transition plan and states the effective date of the transition plan
2 as enacted.

3 (3) **BADGER INNOVATION CORPORATION; CREATION.** The transition council shall do
4 all of the following:

5 (a) Draft and file articles of incorporation for a nonstock corporation under ch.
6 181 and take all actions necessary to exempt the corporation from federal taxation
7 under section 501 (c) (3) of the Internal Revenue Code.

8 (b) Draft bylaws for adoption by the initial board of directors of the Badger
9 Innovation Corporation under s. 181.0206 (2). The bylaws shall specify the method
10 of selection and composition of the board of directors required under s. 555.42.

11 **SECTION 26.** 16.35 of the statutes, as created by 2015 Wisconsin Act (this
12 act), is repealed.

13 **SECTION 27.** 16.41 (4) of the statutes is amended to read:

14 16.41 (4) In this section, “authority” means a body created under subch. II of
15 ch. 114 or under ch. 231, 233, 234, 237, ~~238~~, or 279.

16 **SECTION 28.** 16.417 (1) (b) of the statutes is amended to read:

17 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
18 ch. 231, 232, 233, 234, 237, ~~238~~, or 279.

19 **SECTION 29.** 16.52 (7) of the statutes is amended to read:

20 16.52 (7) **PETTY CASH ACCOUNT.** With the approval of the secretary, each agency
21 that is authorized to maintain a contingent fund under s. 20.920 may establish a
22 petty cash account from its contingent fund. The procedure for operation and
23 maintenance of petty cash accounts and the character of expenditures therefrom
24 shall be prescribed by the secretary. In this subsection, “agency” means an office,
25 department, independent agency, institution of higher education, association,

1 society, or other body in state government created or authorized to be created by the
2 constitution or any law, that is entitled to expend moneys appropriated by law,
3 including the legislature and the courts, but not including an authority created in
4 subch. II of ch. 114 or in ch. 231, 233, 234, 237, ~~238~~, or 279.

5 **SECTION 30.** 16.528 (1) (a) of the statutes is amended to read:

6 16.528 (1) (a) "Agency" means an office, department, independent agency,
7 institution of higher education, association, society, or other body in state
8 government created or authorized to be created by the constitution or any law, that
9 is entitled to expend moneys appropriated by law, including the legislature and the
10 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
11 234, 237, ~~238~~, or 279.

12 **SECTION 31.** 16.53 (2) of the statutes is amended to read:

13 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
14 invoice, the agency shall notify the sender of the invoice within 10 working days after
15 it receives the invoice of the reason it is improperly completed. In this subsection,
16 "agency" means an office, department, independent agency, institution of higher
17 education, association, society, or other body in state government created or
18 authorized to be created by the constitution or any law, that is entitled to expend
19 moneys appropriated by law, including the legislature and the courts, but not
20 including an authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 237, ~~238~~,
21 or 279.

22 **SECTION 32.** 16.54 (9) (a) 1. of the statutes is amended to read:

23 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,
24 institution of higher education, association, society or other body in state
25 government created or authorized to be created by the constitution or any law, which

1 is entitled to expend moneys appropriated by law, including the legislature and the
2 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
3 234, 237, 238, or 279.

4 **SECTION 33.** 16.85 (2) of the statutes is amended to read:

5 16.85 (2) To furnish engineering, architectural, project management, and other
6 building construction services whenever requisitions therefor are presented to the
7 department by any agency. The department may deposit moneys received from the
8 provision of these services in the account under s. 20.505 (1) (kc) or in the general
9 fund as general purpose revenue — earned. In this subsection, “agency” means an
10 office, department, independent agency, institution of higher education, association,
11 society, or other body in state government created or authorized to be created by the
12 constitution or any law, which is entitled to expend moneys appropriated by law,
13 including the legislature and the courts, but not including an authority created in
14 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, or 279.

15 **SECTION 34.** 16.865 (8) of the statutes is amended to read:

16 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
17 proportionate share of the estimated costs attributable to programs administered by
18 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
19 may charge premiums to agencies to finance costs under this subsection and pay the
20 costs from the appropriation on an actual basis. The department shall deposit all
21 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
22 Costs assessed under this subsection may include judgments, investigative and
23 adjustment fees, data processing and staff support costs, program administration
24 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
25 subsection, “agency” means an office, department, independent agency, institution

1 of higher education, association, society, or other body in state government created
2 or authorized to be created by the constitution or any law, that is entitled to expend
3 moneys appropriated by law, including the legislature and the courts, but not
4 including an authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237,
5 238, or 279.

6 SECTION 35. 19.42 (10) (sm) of the statutes is repealed.

7 SECTION 36. 19.42 (13) (om) of the statutes is repealed.

8 SECTION 37. 19.56 (2) (b) 6. of the statutes is amended to read:

9 19.56 (2) (b) 6. Is made available to the official by the ~~Wisconsin Economic~~
10 ~~Development Corporation~~ department of economic opportunity or the department of
11 tourism in accordance with sub. (3) (e), (em) or (f).

12 SECTION 38. 19.56 (3) (e) (intro.) of the statutes is amended to read:

13 19.56 (3) (e) (intro.) A state public official who is an officer or employee of the
14 ~~Wisconsin Economic Development Corporation~~ department of economic opportunity
15 may solicit, receive and retain on behalf of the state anything of value for the purpose
16 of any of the following:

17 SECTION 39. 19.56 (3) (e) 1. of the statutes is amended to read:

18 19.56 (3) (e) 1. The sponsorship by the ~~Wisconsin Economic Development~~
19 ~~Corporation~~ department of economic opportunity of a trip to a foreign country
20 primarily to promote trade between that country and this state that the ~~Wisconsin~~
21 ~~Economic Development Corporation~~ department of economic opportunity can
22 demonstrate through clear and convincing evidence is primarily for the benefit of
23 this state.

24 SECTION 40. 19.56 (3) (f) of the statutes is amended to read:

1 19.56 (3) (f) A state public official may receive and retain from the ~~Wisconsin~~
2 ~~Economic Development Corporation~~ department of economic opportunity anything
3 of value which the ~~Wisconsin Economic Development Corporation~~ department of
4 economic opportunity is authorized to provide under par. (e) and may receive and
5 retain from the department of tourism anything of value which the department of
6 tourism is authorized to provide under par. (em).

7 **SECTION 41.** 19.57 of the statutes is amended to read:

8 **19.57 Conferences, visits and economic development activities.** The
9 ~~Wisconsin Economic Development Corporation~~ department of economic opportunity
10 shall file a report with the board no later than April 30 annually, specifying the
11 source and amount of anything of value received by the ~~Wisconsin Economic~~
12 ~~Development Corporation~~ department of economic opportunity during the preceding
13 calendar year for a purpose specified in s. 19.56 (3) (e), and the program or activity
14 in connection with which the thing is received, together with the location and date
15 of that program or activity.

16 **SECTION 42.** 20.005 (3) (schedule) of the statutes: at the appropriate place,
17 insert the following amounts for the purposes indicated:

| | 2015-16 | 2016-17 |
|----|---------|---------|
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |

20.505 Administration, department of

(1) SUPERVISION AND MANAGEMENT

| | | | | | |
|------|-------------------------------|-----|---|-----|-----|
| (zr) | Badger Innovation Corporation | SEG | C | -0- | -0- |
|------|-------------------------------|-----|---|-----|-----|

SECTION 43. 20.143 (intro.) of the statutes is created to read:

20.143 Economic opportunity; department of. (intro.) There is
appropriated to the department of economic opportunity for the following programs:

1 **SECTION 44.** 20.143 (1) (g) of the statutes is created to read:

2 20.143 (1) (g) *Gifts, grants, and proceeds.* All moneys received from gifts,
3 donations, grants, bequests, and devises and all proceeds from services, conferences,
4 and sales of publications and promotional materials, for the purposes for which made
5 or collected.

6 **SECTION 45.** 20.143 (1) (gm) of the statutes is created to read:

7 20.143 (1) (gm) *Administration of grants, loans, and tax credits.* All moneys
8 received from loan origination fees or other fees charged by the department of
9 economic opportunity under a grant, loan, or tax credit program administered by the
10 department of economic opportunity under ch. 555, all moneys received from
11 repayment of grants and loans, and all moneys received under s. 555.12, for
12 administering the grant, loan, and tax credit programs under ch. 555.

13 **SECTION 46.** 20.192 (intro.) of the statutes is repealed.

14 **SECTION 47.** 20.192 (1) (title) of the statutes is renumbered 20.143 (1) (title).

15 **SECTION 48.** 20.192 (1) (a) of the statutes is renumbered 20.143 (1) (a) and
16 amended to read:

17 20.143 (1) (a) *Operations and programs.* As a continuing appropriation, the
18 amounts in the schedule for the operations of the ~~Wisconsin Economic Development~~
19 ~~Corporation~~ department of economic opportunity and for funding economic
20 development programs developed and implemented under s. ~~238.03~~ 555.03.

21 **SECTION 49.** 20.192 (1) (k) of the statutes is repealed.

22 **SECTION 50.** 20.192 (1) (m) of the statutes is renumbered 20.143 (1) (m) and
23 amended to read:

24 20.143 (1) (m) *Federal aid; programs.* All moneys received from the federal
25 government as authorized by the governor under s. 16.54 ~~and all moneys transferred~~

1 ~~under 2011 Wisconsin Act 32, section 9210 (3), for the purposes of funding programs~~
2 ~~administered by the Wisconsin Economic Development Corporation~~ department of
3 economic opportunity.

4 **SECTION 51.** 20.192 (1) (r) of the statutes, as affected by 2015 Wisconsin Act 55,
5 is renumbered 20.143 (1) (r) and amended to read:

6 20.143 (1) (r) *Economic development fund; operations and programs.* From the
7 economic development fund, as a continuing appropriation, the amounts in the
8 schedule for the operations of the ~~Wisconsin Economic Development Corporation~~
9 department of economic opportunity and for funding the economic development
10 programs it administers.

11 **SECTION 52.** 20.192 (1) (s) of the statutes is renumbered 20.143 (1) (s) and
12 amended to read:

13 20.143 (1) (s) *Brownfield site assessment grants.* Biennially, from the
14 environmental fund, the amounts in the schedule for brownfield site assessment
15 grants under s. ~~238.133~~ 555.133.

16 **SECTION 53.** 20.370 (2) (mr) of the statutes is amended to read:

17 20.370 (2) (mr) *General program operations — brownfields.* From the
18 environmental fund, the amounts in the schedule for administration of activities
19 related to brownfields, as defined in s. ~~238.13~~ 555.13 (1) (a).

20 **SECTION 54.** 20.505 (1) (fm) of the statutes is renumbered 20.143 (1) (fm) and
21 amended to read:

22 20.143 (1) (fm) *Fund of funds investment program.* The amounts in the
23 schedule for the venture capital investment program under s. ~~16.295~~ 555.155.

24 **SECTION 55.** 20.505 (1) (zr) of the statutes is created to read:

1 20.505 (1) (zr) *Badger Innovation Corporation*. As a continuing appropriation,
2 from the economic development fund, the amounts in the schedule for the payments
3 to the Badger Innovation Corporation under s. 555.44 (2).

4 **SECTION 56.** 23.167 (2) (intro.) of the statutes is amended to read:

5 23.167 (2) (intro.) The department, in consultation with the ~~Wisconsin~~
6 ~~Economic Development Corporation~~ department of economic opportunity, shall do
7 all of the following for each economic development program administered by the
8 department:

9 **SECTION 57.** 23.169 (1) of the statutes is amended to read:

10 23.169 (1) The department shall coordinate any economic development
11 assistance with the ~~Wisconsin Economic Development Corporation~~ department of
12 economic opportunity.

13 **SECTION 58.** 23.169 (2) of the statutes is amended to read:

14 23.169 (2) Annually, no later than October 1, the department shall submit to
15 the joint legislative audit committee and to the appropriate standing committees of
16 the legislature under s. 13.172 (3) a comprehensive report assessing economic
17 development programs, as defined in s. 23.167 (1), administered by the department.
18 The report shall include all of the information required under s. ~~238.07 (2)~~ 555.07 (2).
19 The department shall collaborate with the ~~Wisconsin Economic Development~~
20 ~~Corporation~~ department of economic opportunity to make readily accessible to the
21 public on an Internet-based system the information required under this section.

22 **SECTION 59.** 25.17 (70) (d) of the statutes is amended to read:

23 25.17 (70) (d) Comments solicited from the ~~chief executive officer of the~~
24 ~~Wisconsin Economic Development Corporation~~ secretary of economic opportunity
25 and received by the board on or before November 30 of the year of submittal.