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Gallagher, Michael

From: Knickelbine, Mark
Sent: Thursday, December 03, 2015 2:08 PM
To: Gallagher, Michael
Subject: RE: LRB 3225/1 Question

Mike –

After discussing this with Rep. Barca's office, we'd like to go with the option of requiring the transitional plan be submitted in the 2019-21 biennial budget if the plan is not ready for the 2017-19 biennial budget. Please redraft the bill accordingly – I'll look at it when it's done and then we'll jacket it. Thanks!

Mark Knickelbine
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From: Gallagher, Michael
Sent: Wednesday, November 25, 2015 11:51 AM
To: Knickelbine, Mark <Mark.Knickelbine@legis.wisconsin.gov>
Cc: Egerer, Matt <Matt.Egerer@legis.wisconsin.gov>
Subject: RE: LRB 3225/1 Question

Mark:

I just left you a message, but I'll give a quick reply by e-mail. I'd be happy to discuss this with you next week, if possible.

We need to have a date certain by which the act is either effective or clearly and permanently ineffective. I could draft language requiring the transitional plan be submitted in the 2019-21 biennial budget if the plan is not ready for the 2017-19 biennial budget. That would at least limit the issues I describe below to the next two legislative sessions.

There are several issues with having an effective date conditioned upon some future act taking place. If there is no requirement that the act occur by a specific date, the law could remain in limbo indefinitely, enacted into law but not yet effective. We will sometimes do this for isolated provisions that will not create complications throughout the statutes, but in this case, the act affects a very great number of statutory provisions. Every time one of those provisions is treated in a future bill, that future bill will have to account for both the law as currently on the books and the law once the action occurs making the pending act effective, if it ever does occur. This will also require printing confusing notes throughout the statutes because the law could change at any time with this act hanging out there until some date that may or may not come.

Again, I'd be happy to discuss any of this next week, including potential solutions. One solution would be to require that proposed legislation that achieves everything this draft does be submitted with the transitional plan. That way, we avoid the effective date issues, as well as other issues related to law changes that will occur between now and 2019-21. Also, that would make the bill much simpler. All the

requirements remain the same, but we postpone a bill draft that effectuates those requirements until the appropriate time.

Thanks.

Mike

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

From: Knickelbine, Mark
Sent: Tuesday, November 24, 2015 10:39 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Cc: Egerer, Matt <Matt.Egerer@legis.wisconsin.gov>
Subject: LRB 3225/1 Question

Mike –

In reviewing the bill with Rep. Barca's office, a question has arisen. According to the analysis (pg 5) "If the transition plan is not enacted as a part of the 2017-2019 biennial budget act, this bill, in its entirety, is ineffective." It was our intent that WEDC would not be abolished unless and until the transition plan was approved as part of the budget process. However, it was not our intent that the 17-19 budget process itself would be a de facto deadline. In fact, given the usual timeline for the development of the executive budget bill, presuming that 3225 could not practically be passed before early 2016, it would be difficult to meet that deadline given that the bill gives the transition council at least a year to create the plan. Is there any reason that we could not leave this open-ended, so that if the plan is not completed as part of the 17-19 budget proposal it could be included in the 20-21 budget? This would still leave open the possibility that the Legislature might never approve such a plan, or that the Governor might veto whatever it did pass, but it wouldn't create a de facto deadline for the process. Let me know if this is possible, or why it's not. Thanks!

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State of Wisconsin
2015 - 2016 LEGISLATURE

Today Thanks

LRB-3225/1
MPG&AJM:amn

2015 BILL

SAV

Insert

12

Repeal

See pp. 5, 16, 17, and 174

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),

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1 13.62 (2), 13.625 (9), 13.94 (1) (dr), 13.94 (1) (ms), 13.94 (1s) (c) 5., 13.94 (4) (a)
2 1., 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.045 (1) (a), 16.41 (4),
3 16.417 (1) (b), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a) 1., 16.85 (2), 16.865
4 (8), 19.56 (2) (b) 6., 19.56 (3) (e) (intro.), 19.56 (3) (e) 1., 19.56 (3) (f), 19.57, 20.370
5 (2) (mr), 23.167 (2) (intro.), 23.169 (1), 23.169 (2), 25.17 (70) (d), 25.17 (72), 26.37
6 (1) (b), 26.37 (2), 30.121 (3w) (b), 36.09 (1) (am) (intro.), 36.11 (29r) (b) 1., 36.11
7 (29r) (b) 2., 36.25 (24), 38.04 (1m) (b) (intro.), 38.04 (10m) (a), 38.04 (10m) (b),
8 40.05 (4) (b), 40.05 (4) (bm), 40.05 (5) (b) 4., 40.62 (2), 40.95 (1) (a) 1., 41.11 (1g)
9 (b) (intro.), 41.11 (1r) (a), 41.11 (1r) (b), 59.57 (1) (a), 60.23 (4) (c), 66.1103 (4m)
10 (a) 1., 66.1103 (4m) (a) 2., 66.1103 (4m) (b), 66.1103 (4s) (a) 1., 66.1103 (4s) (b)
11 3., 66.1103 (4s) (b) 4., 66.1103 (4s) (d), 66.1103 (10) (c), 66.1103 (10) (g), 71.07
12 (2dm) (a) 1., 71.07 (2dm) (a) 3., 71.07 (2dm) (a) 4., 71.07 (2dm) (f) 1., 71.07 (2dm)
13 (f) 2., 71.07 (2dm) (i), 71.07 (2dm) (j), 71.07 (2dm) (k), 71.07 (2dx) (a) 2., 71.07
14 (2dx) (a) 4., 71.07 (2dx) (b) (intro.), 2. and 3., 71.07 (2dx) (b) 4. and 5., 71.07 (2dx)
15 (be), 71.07 (2dx) (bg), 71.07 (2dx) (c), 71.07 (2dx) (d), 71.07 (2dy) (a), 71.07 (2dy)
16 (b), 71.07 (2dy) (c) 1., 71.07 (2dy) (c) 2., 71.07 (2dy) (d) 2., 71.07 (3g) (a) (intro.),
17 71.07 (3g) (b), 71.07 (3g) (e) 2., 71.07 (3g) (f) 1., 71.07 (3g) (f) 2., 71.07 (3q) (a) 1.,
18 71.07 (3q) (a) 2., 71.07 (3q) (b) (intro.), 71.07 (3q) (b) 1., 71.07 (3q) (b) 2., 71.07
19 (3q) (c) 2., 71.07 (3q) (c) 3., 71.07 (3w) (a) 2., 71.07 (3w) (a) 3., 71.07 (3w) (a) 4.,
20 71.07 (3w) (a) 5d., 71.07 (3w) (a) 5e., 71.07 (3w) (b) (intro.), 71.07 (3w) (b) 5.,
21 71.07 (3w) (bm) 1., 71.07 (3w) (bm) 2., 71.07 (3w) (bm) 3., 71.07 (3w) (bm) 4.,
22 71.07 (3w) (c) 3., 71.07 (3w) (d), 71.07 (3y) (a) 1., 71.07 (3y) (a) 2., 71.07 (3y) (b)
23 (intro.), 71.07 (3y) (b) 1., 71.07 (3y) (b) 2., 71.07 (3y) (b) 3., 71.07 (3y) (b) 4., 71.07
24 (3y) (b) 5., 71.07 (3y) (c) 2., 71.07 (5b) (a) 2., 71.07 (5b) (b) 1., 71.07 (5b) (b) 2.,
25 71.07 (5b) (d) 3., 71.07 (5d) (a) 1. (intro.), 71.07 (5d) (a) 2m., 71.07 (5d) (a) 3.,

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

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

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- 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:

1. Five members appointed by the governor.
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. The chief executive officer, chief operating officer, and chief financial officer of WEDC.
7. The secretary of administration.
8. 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.

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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

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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:

BILL**SECTION 1**

1 1.12 (1) (b) “State agency” means an office, department, agency, institution of
2 higher education, the legislature, a legislative service agency, the courts, a judicial
3 branch agency, an association, society, or other body in state government that is
4 created or authorized to be created by the constitution or by law, for which
5 appropriations are made by law, ~~excluding the Wisconsin Economic Development~~
6 ~~Corporation.~~

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

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

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

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

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

17 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
18 facility that is constructed for the benefit of or use of the state, any state agency,
19 board, commission or department, the University of Wisconsin Hospitals and Clinics
20 Authority, the Fox River Navigational System Authority, ~~the Wisconsin Economic~~
21 ~~Development Corporation,~~ or any local professional baseball park district created
22 under subch. III of ch. 229 if the construction is undertaken by the department of
23 administration on behalf of the district, shall be in compliance with all applicable
24 state laws, rules, codes and regulations but the construction is not subject to the
25 ordinances or regulations of the municipality in which the construction takes place

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1 except zoning, including without limitation because of enumeration ordinances or
2 regulations relating to materials used, permits, supervision of construction or
3 installation, payment of permit fees, or other restrictions.

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

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

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

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

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

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

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

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

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

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

9 13.94 (1) (ms) No later than July 1, 2014, prepare a financial and performance
10 evaluation audit of the economic development tax benefit program under ss. ~~238.301~~
11 555.301 to ~~238.306~~ 555.306. The legislative audit bureau shall file a copy of the
12 report of the audit under this paragraph with the distributees specified in par. (b).

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

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

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

18 13.94 (1s) (c) 5m. The Badger Innovation Corporation for the cost of the audit
19 required to be performed under sub. (1) (ds).

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

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

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

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

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

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

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

5 (b) The council consists of the following members:

6 1. Five members appointed by the governor.

7 2. One representative to the assembly appointed by the speaker of the
8 assembly.

9 3. One representative to the assembly appointed by the minority leader of the
10 assembly.

11 4. One senator appointed by the majority leader of the senate.

12 5. One senator appointed by the minority leader of the senate.

13 6. The chief executive officer, chief operating officer, and chief financial officer
14 of the Wisconsin Economic Development Corporation.

15 7. The secretary of administration.

16 8. The secretary of revenue.

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

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

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

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

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

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1 **15.15 Department of economic opportunity; creation.** There is created
2 a department of economic opportunity under the direction and supervision of the
3 secretary of economic opportunity.

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

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

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

14 (c) The economic development policy board shall assist the department of
15 economic opportunity in setting major economic development policy goals for the
16 state.

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

18 16.002 (2) “Departments” means constitutional offices, departments, and
19 independent agencies and includes all societies, associations, and other agencies of
20 state government for which appropriations are made by law, but not including
21 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, ~~238~~, or 279.

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

23 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
24 department as the secretary designates may enter into the offices of state agencies
25 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,

BILL**SECTION 20**

1 238, and 279, and may examine their books and accounts and any other matter that
2 in the secretary's judgment should be examined and may interrogate the agency's
3 employees publicly or privately relative thereto.

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

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

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

10 16.045 (1) (a) "Agency" means an office, department, independent agency,
11 institution of higher education, association, society, or other body in state
12 government created or authorized to be created by the constitution or any law, that
13 is entitled to expend moneys appropriated by law, including the legislature and the
14 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,
15 233, 234, 237, ~~238,~~ or 279.

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

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

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

19 **16.35 Economic development transition council. (1) DEFINITIONS.** In this
20 section:

21 (a) "Badger Innovation Corporation" means the corporation specified in sub.
22 (3).

23 (b) "Department" means the department of economic opportunity, as created
24 in 2015 Wisconsin Act (this act).

25 (c) "Transition council" means the economic development transition council.

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

2 (2) TRANSITION PLAN. (a) The transition council shall develop a detailed plan
3 for the transfer of the Wisconsin Economic Development Corporation’s duties,
4 powers, and functions to the department and the Badger Innovation Corporation.
5 The plan shall include all of the following:

6 1. An organizational plan for the department and the Badger Innovation
7 Corporation.

8 2. A plan for the transfer of all assets and liabilities of the Wisconsin Economic
9 Development Corporation to the department and the Badger Innovation
10 Corporation

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

13 4. A plan for the transfer of tangible personal property of the Wisconsin
14 Economic Development Corporation to the department or the Badger Innovation
15 Corporation.

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

22 6. A plan for the transfer of all contracts entered into by the Wisconsin
23 Economic Development Corporation, and all contracts entered into by the former
24 department of commerce and maintained by the Wisconsin Economic Development
25 Corporation, to the department or the Badger Innovation Corporation. The plan

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1 under this subdivision shall provide that the contracts remain in effect and that the
 2 department or the Badger Innovation Corporation, as appropriate, shall carry out
 3 any obligations under such a contract until the contract is modified or rescinded by
 4 the department or the Badger Innovation Corporation, as appropriate, to the extent
 5 allowed under the contract.

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

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

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

22 3. If the transition plan or a version of it is enacted as a part of the 2017-19
 23 biennial budget act, and unless a different effective date is provided in the 2017-19
 24 biennial budget act, the transition plan as enacted shall take effect on the first day
 25 of the 7th month beginning after publication of the 2017-19 biennial budget act. The

Insert 16-14
 Insert 16-12

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1 chairperson of the transition council shall send a notice to the legislative reference
2 bureau for publication in the Wisconsin Administrative Register that confirms
3 enactment of the transition plan and states the effective date of the transition plan
4 as enacted.

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

7 (a) Draft and file articles of incorporation for a nonstock corporation under ch.
8 181 and take all actions necessary to exempt the corporation from federal taxation
9 under section 501 (c) (3) of the Internal Revenue Code.

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

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

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

16 16.41 (4) In this section, "authority" means a body created under subch. II of
17 ch. 114 or under ch. 231, 233, 234, 237, ~~238~~, or 279.

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

19 16.417 (1) (b) "Authority" means a body created under subch. II of ch. 114 or
20 ch. 231, 232, 233, 234, 237, ~~238~~, or 279.

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

22 16.52 (7) **PETTY CASH ACCOUNT.** With the approval of the secretary, each agency
23 that is authorized to maintain a contingent fund under s. 20.920 may establish a
24 petty cash account from its contingent fund. The procedure for operation and
25 maintenance of petty cash accounts and the character of expenditures therefrom

BILL**SECTION 29**

1 shall be prescribed by the secretary. In this subsection, “agency” means an office,
2 department, independent agency, institution of higher education, association,
3 society, or other body in state government created or authorized to be created by the
4 constitution or any law, that is entitled to expend moneys appropriated by law,
5 including the legislature and the courts, but not including an authority created in
6 subch. II of ch. 114 or in ch. 231, 233, 234, 237, ~~238~~, or 279.

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

8 16.528 (1) (a) “Agency” means an office, department, independent agency,
9 institution of higher education, association, society, or other body in state
10 government created or authorized to be created by the constitution or any law, that
11 is entitled to expend moneys appropriated by law, including the legislature and the
12 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
13 234, 237, ~~238~~, or 279.

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

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

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

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1 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
2 institution of higher education, association, society or other body in state
3 government created or authorized to be created by the constitution or any law, which
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
6 234, 237, ~~238~~, or 279.

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

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

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

19 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
20 proportionate share of the estimated costs attributable to programs administered by
21 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
22 may charge premiums to agencies to finance costs under this subsection and pay the
23 costs from the appropriation on an actual basis. The department shall deposit all
24 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
25 Costs assessed under this subsection may include judgments, investigative and

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1 adjustment fees, data processing and staff support costs, program administration
2 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
3 subsection, “agency” means an office, department, independent agency, institution
4 of higher education, association, society, or other body in state government created
5 or authorized to be created by the constitution or any law, that is entitled to expend
6 moneys appropriated by law, including the legislature and the courts, but not
7 including an authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237,
8 238, or 279.

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

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

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

12 19.56 (2) (b) 6. Is made available to the official by the ~~Wisconsin Economic~~
13 ~~Development Corporation~~ department of economic opportunity or the department of
14 tourism in accordance with sub. (3) (e), (em) or (f).

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

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

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

21 19.56 (3) (e) 1. The sponsorship by the ~~Wisconsin Economic Development~~
22 ~~Corporation~~ department of economic opportunity of a trip to a foreign country
23 primarily to promote trade between that country and this state that the ~~Wisconsin~~
24 ~~Economic Development Corporation~~ department of economic opportunity can

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1 demonstrate through clear and convincing evidence is primarily for the benefit of
2 this state.

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

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

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

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

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

21 **2015-16** **2016-17**

22 **20.505 Administration, department of**

23 (1) SUPERVISION AND MANAGEMENT

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

BILL**SECTION 43**

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

2 **20.143 Economic opportunity; department of.** (intro.) There is
3 appropriated to the department of economic opportunity for the following programs:

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

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

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

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

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

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

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

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

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