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1	555.325 (title) Evaluation by corporation department. (1) The
2	corporation department shall evaluate applications received under s. 238.32 555.32
3	(2) and (3).
4	(2) Subject to s. 238.335 555.335 (5), the corporation department may reduce
5	the size of an area nominated as a development zone, if the corporation department
6	determines the boundaries as proposed by the local governing body in an application
7	under s. $\underline{238.32}$ $\underline{555.32}$ (2) or (3) are inconsistent with the purpose of the development
8	zone program. Any nominated area which is reduced under this subsection need not
9	comply with s. 238.335 <u>555.335</u> (1) and (4).
10	(3) After evaluating an application submitted under s. 238.32 555.32 (2) or (3),
11	the corporation department may approve the application, subject to any reduction
12	in the size of the nominated area under sub. (2). If the corporation department
13	approves the application, the corporation department shall designate the area as a
14	development zone, subject to s. 238.31 555.31, and notify the local governing body.
15	SECTION 396. 238.335 of the statutes is renumbered 555.335, and 555.335 (6)
16	(a) 2. and (c) and (7), as renumbered, are amended to read:
17	555.335 (6) (a) 2. Each area meets at least 3 of the criteria listed in s. 238.31
18	<u>555.31</u> (1) (e) 4.
19	(c) If an application is submitted by the governing body of a county under s.
20	$238.32 \ \underline{555.32}$ (2) or (3), up to 4 separate areas may be nominated or designated as
21	one development zone, if par. (a) 1. to 3. applies.
22	(7) The corporation department may waive the requirements of this section in
23	a particular case, if the corporation department determines that application of the

requirement is impractical with respect to a particular development zone.

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1	Section 397. 238.34 of the statutes is renumbered 555.34, and 555.34 (1), (2),
2	(3) (intro.) and (a), (4), (5) and (6), as renumbered, are amended to read:
3	555.34 (1) Except as provided under sub. (6), at any time after a development
4	zone is designated by the corporation department, a local governing body may submit
5	an application to change the boundaries of the development zone. If the boundary
6	change reduces the size of a development zone, the local governing body shall explain
7	why the area excluded should no longer be in a development zone. The corporation
8	department may require the local governing body to submit additional information.
9	(2) The corporation department may approve an application for a boundary
10	change if the development zone, as affected by the boundary changes, meets the
11	applicable requirements of s. $238.335 555.335$ and 3 of the criteria under s. 238.31
12	<u>555.31</u> (1) (e) 4.
13	(3) (intro.) If the corporation department approves an application for a
14	boundary change under sub. (2), it shall do all of the following:
15	(a) Redetermine the limit on the tax benefits for the development zone
16	established under s. $238.345 555.345 (2) (a)$.
17	(4) The change in the boundaries or tax benefits limit of a development zone
18	shall be effective on the day the corporation department notifies the local governing
19	body under sub. (3) (b).
20	(5) No change in the boundaries of a development zone may affect the duration
21	of an area as a development zone under s. $238.345 \pm 555.345 = (1)$ (a). The corporation
22	department may consider a change in the boundary of a development zone when
23	evaluating an application for an extension of the designation of an area as a

development zone under s. 238.345 555.345 (1) (b).

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1	(6) The <u>corporation department</u> may not accept any applications under sub. (1)
2	to change the boundaries of a development zone designated under s. 238.31 ± 555.31
3	on or after March 6, 2009.
4	SECTION 398. 238.345 of the statutes is renumbered 555.345, and 555.345 (1)
5	(a) and (b), (2) (a), (am), (b), (c) 1. and 2. and (d) and (3) (intro.), (a) and (b), as
6	renumbered, are amended to read:
7	555.345 (1) (a) The designation of an area as a development zone shall be
8	effective for 240 months, beginning on the day the corporation department notifies
9	the local governing body under s. 238.325 555.325 (3) of the designation.
10	(b) The local governing body may apply to the corporation department for one
11	60-month extension of the designation. The corporation department shall adopt
12	rules establishing criteria for approving an extension of a designation of an area as
13	a development zone under this subsection. No applications may be accepted by the
14	corporation department under this paragraph on or after March 6, 2009.
15	(2) (a) When the corporation department designates a development zone under
16	s. 238.31 555.31, it shall establish a limit for tax benefits for the development zone
17	determined by allocating to the development zone a portion of \$38,155,000.
18	(am) Notwithstanding par. (a), the corporation department may increase the
19	established limit for tax benefits for a development zone. The corporation
20	department may not increase the limit for tax benefits established for any
21	development zone designated under s. 238.31 555.31 on or after March 6, 2009.
22	(b) Annually the corporation department shall estimate the amount of forgone

state revenue because of tax benefits claimed by persons in each development zone.

1	(c) 1. Ninety days after the day on which the corporation department
2	determines that the forgone tax revenues under par. (b) will equal or exceed the limit
3	for the development zone established under par. (a) or (am).
4	2. The day that the corporation department withdraws its designation of an
5	area as a development zone under sub. (3).
6	(d) The corporation department shall immediately notify the local governing
7	body of a change in the expiration date of the development zone under par. (c).
8	(3) (intro.) The corporation department may withdraw the designation of an
9	area as a development zone if any of the following applies:
10	(a) No person is certified as eligible to receive tax benefits under s. 238.365
11	555.365 (3) during the 12-month period beginning on the day the area is designated
12	as a development zone and the corporation department determines that the local
13	governing body that nominated the zone is not in compliance with s238.363 <u>555.363</u> .
14	(b) No person is certified as eligible to receive tax benefits under s. 238.365
15	555.365 (3) during the 24-month period beginning on the day the area is designated
16	a development zone.
17	Section 399. 238.35 of the statutes is renumbered 555.35, and 555.35 (intro.),
18	(6), (7), (8) and (10), as renumbered, are amended to read:
19	555.35 Additional duties of the corporation department. (intro.) The
20	corporation department shall do all of the following:
21	(6) Notify University of Wisconsin small business development centers, the
22	Wisconsin housing and development centers, the central administration of all
23	University of Wisconsin campuses and regional planning commissions about the
24	development zone program and encourage those entities to provide advice to the

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shall do all of the following:

1	corporation department or local governing bodies on ways to improve the
2	development zone program.
3	(7) Prepare forms for the certification described under s. 238.365 555.365 (5).
4	(8) Annually verify information submitted to the corporation department
5	under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.
6	(10) Enter into an agreement with the local governing body of a 1st class city
7	where a development zone is designated under s. 238.31 555.31 (3) (c) 1. to provide
8	efficient administration of the development zone program within the development
9	zone.
10	SECTION 400. 238.363 of the statutes is renumbered 555.363, and 555.363 (1)
11	(intro.) and (c) and (4), as renumbered, are amended to read:
12	555.363 (1) (intro.) If an area nominated by a local governing body is designated
13	as a development zone under s. 238.31 555.31, the local governing body shall do all
14	of the following:
15	(c) Assist the corporation department in the administration of the development
16	zone program.
17	(4) The local governing body of a 1st class city where a development zone is
18	designated under s. 238.31 555.31 (3) (c) 1. shall enter into an agreement with the
19	corporation department to provide efficient administration of the development zone
20	program within the development zone.
21	Section 401. 238.365 of the statutes is renumbered 555.365, and 555.365
22	(intro.), (2), (3) (intro.), (b) and (j) and (5) (g) and (h), as renumbered, are amended
23	to read:
24	555.365 Certification for tax benefits. (intro.) The corporation department

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1	(2) Determine whether a person applying for tax benefits engages or will
2	engage in economic activity that violates s. 238.38 ± 555.38 (1).
3	(3) (intro.) Subject to s. 238.38 555.38, certify persons who are eligible to claim
4	tax benefits while an area is designated as a development zone, according to the
5	following criteria:
6	(b) The person's commitment not to engage in economic activity that violates
7	s. 238.38 <u>555.38</u> (1).
8	(j) Any other criteria established under rules adopted by the corporation
9	department.
10	(5) (g) The limit under s. 238.368 555.368 on tax benefits the person may claim
11	while an area is designated as a development zone.
12	(h) Other information required by the corporation department or the
13	department of revenue.
14	SECTION 402. 238.368 of the statutes is renumbered 555.368, and 555.368 (1)
15	(a) and (b) (intro.), 1. and 2., (2) (intro.) and (b) and (3) (a) (intro.) and 1. and (b), as
16	renumbered, are amended to read:
17	555.368 (1) (a) The corporation department shall establish a limit on the
18	maximum amount of tax benefits a person certified under s. 238.365 555.365 (3) may
19	claim while an area is designated as a development zone.
20	(b) (intro.) When establishing a limit on tax benefits under par. (a), the
21	corporation department shall do all of the following:
22	1. Consider all of the criteria described in s. <u>238.365</u> <u>555.365</u> (3) (a) to (e).
23	2. Establish a limit which does not greatly exceed a recommended limit,
24	established under rules adopted by the corporation department based on the cost,

number and types of full-time jobs that will be created, retained, or upgraded,

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1	including full-time jobs available to members of the targeted population, as a result
2	of the economic activity of the person certified under s. 238.365 555.365 (3).
3	(2) (intro.) The corporation department may, upon request, increase a limit on
4	tax benefits established under sub. (1) if the corporation department does all of the
5	following:
6	(b) Revises the certification required under s. 238.365 555.365 (5) and provides
7	a copy of the revised form to the department of revenue and the person whose limit
8	is increased under this subsection.
9	(3) (a) (intro.) The corporation department may reduce a limit established
10	under sub. (1) or (2) if the corporation department determines that any of the
11	following applies:
12	1. The limit is not consistent with the criteria listed under s. 238.365 555.365
13	(3) (a) to (e).
14	(b) The corporation department shall notify the department of revenue and the
15	person whose limit on tax benefits is reduced under par. (a) and provide a written
16	explanation to the person of the reasons for reducing the limit.
17	SECTION 403. 238.37 of the statutes is renumbered 555.37, and 555.37 (1)
18	(intro.) and (b) and (2), as renumbered, are amended to read:
19	555.37 (1) (intro.) The corporation department shall revoke the certification of
20	a person certified under s. 238.365 ± 555.365 (3) if the person does any of the following:
21	(b) Becomes subject to revocation under s. 238.38 555.38 (1).
22	(2) The corporation department shall notify the department of revenue within

30 days of revoking a certification under sub. (1).

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1	Section 404. 238.38 of the statutes is renumbered 555.38, and 555.38 (1)
2	(intro.), (1m), (2) (intro.) and (a) and (3) (a) and (b), as renumbered, are amended to
3	read:
4	555.38 (1) (intro.) Except as provided in subs. (2) and (3), no person may be
5	certified under s. 238.365 555.365 (3), or a person's certification may be revoked
6	under s. 238.37 555.37, if the proposed new business, expansion of an existing
7	business, or other proposed economic activity in a development zone would do or does
8	any of the following:
9	(1m) No person may be certified under s. 238.365 ± 555.365 (3) on or after March
10	6, 2009.
11	(2) (intro.) Subsection (1) does not apply if, after a hearing, the corporation
12	department, or the local governing body under sub. (3) (a), determines that any of the
13	following applies:
14	(a) The total number of full-time jobs provided by the person in this state would
15	be reduced if the person were not certified under s. 238.365 555.365 (3) or if the
16	person's certification were revoked.
17	(3) (a) Except as provided in pars. (b) and (c), if the economic activity for which
18	a person is seeking certification under s. 238.365 555.365 (3) is the relocation of a
19	business into a development zone from a location that is outside the development
20	zone but within the limits of a city, village, town, or federally recognized American
21	Indian reservation in which that development zone is located, the local governing
22	body that nominated that area as a development zone under s. $238.32555.32$ shall
23	determine whether sub. (2) (a) or (b) applies.
24	(b) Only the corporation department may determine whether sub. (2) (a) or (b)

applies to a business relocation described in par. (a) if the business relocation would

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

SECTION 405. 238.385 of the statutes is renumbered 555.385, and 555.385 (1) (intro.) and (bm) and (2) (intro.), (b) and (c), as renumbered, are amended to read:

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

- (bm) Allow a person to claim up to \$8,000 in tax benefits during the time that an area is designated as an enterprise development zone for retaining a full—time job if the corporation department determines that the person made a significant capital investment to retain the full—time job.
- (2) (intro.) The corporation <u>department</u> may by rule specify circumstances under which the corporation <u>department</u> may grant exceptions to any of the following:
- (b) The requirement under ss. 238.30 555.30 (2m) and 238.397 555.397 (1) (am) that an individual's pay must equal at least 150% of the federal minimum wage.
- (c) The requirement under ss. 238.30 555.30 (2m) and 238.397 555.397 (1) (am) that an individual's position must be regular, nonseasonal, and full-time and that the individual must be required to work at least 2,080 hours per year, including paid leave and holidays.

	SECTION 406. 238.395 of the statutes, as affected by 2015 Wisconsin Act 55, is
	$renumbered\ 555.395, and\ 555.395\ (1)\ (a), (b), (c), (d), (e), (f), (g), (h)\ and\ (i), (2)\ (c), (d)$
	1. and 2. and (e) 1., 2. and 3., (3) (a) 1., 2., 3. and 4., (b) 9. and (d), (4) (intro.) and (5)
	(a) (intro.), 2. and 3., (b), (c), (d), (e) (intro.) and 3. and (f), as renumbered, are
	amended to read:
	555.395 (1) (a) An area in the city of Beloit, the legal description of which is
	provided to the corporation department by the local governing body of the city of
	Beloit.
	(b) An area in the city of West Allis, the legal description of which is provided
	to the corporation department by the local governing body of the city of West Allis.
	(c) An area in the city of Eau Claire, the legal description of which is provided
	to the corporation department by the local governing body of the city of Eau Claire.
	(d) An area in the city of Kenosha, the legal description of which is provided to
	the corporation department by the local governing body of the city of Kenosha.
	(e) An area in the city of Milwaukee, the legal description of which is provided
	to the corporation department by the local governing body of the city of Milwaukee.
	(f) For the Gateway Project, an area in the city of Beloit, the legal description
	of which is provided to the corporation department by the local governing body of the
	city of Beloit.
	(g) An area in the city of Janesville, the legal description of which is provided
	to the corporation department by the local governing body of the city of Janesville.
-	(h) An area in the city of Kenosha, the legal description of which is provided to
	the corporation department by the local governing body of the city of Kenosha.
	(i) An area in the city of Beloit, the legal description of which is provided to the

corporation department by the local governing body of the city of Beloit.

- (2) (c) Annually, the corporation department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each development opportunity zone.
- (d) 1. Notwithstanding pars. (a) and (e), the designation of an area as a development opportunity zone shall expire 90 days after the day on which the corporation department determines that the forgone tax revenues under par. (c) will equal or exceed the limit for the development opportunity zone.
- 2. The corporation department shall immediately notify the local governing body of the city in which the development opportunity zone is located of a change in the expiration date of the development opportunity zone under this paragraph.
- (e) 1. The corporation department may extend the designation of an area under sub. (1) (g) as a development opportunity zone for an additional 60 months if the corporation department determines that an extension under this subdivision would support economic development within the city. If the corporation department extends the designation of the area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (g) is increased by \$5,000,000.
- 2. The corporation department may extend the designation of an area under sub. (1) (h) as a development opportunity zone for an additional 60 months if the corporation department determines that an extension under this subdivision would support economic development within the city. If the corporation department extends the designation of the area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (h) is increased by \$5,000,000.

- 3. The corporation department may extend the designation of an area under sub. (1) (i) as a development opportunity zone for an additional 60 months if the corporation department determines that an extension will support economic development within the city. If the corporation department grants an extension under this subdivision, the limit for tax benefits for the development opportunity zone under sub. (1) (i) is increased by \$5,000,000.
- (3) (a) 1. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (a) or (b) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation department no later than 6 months after April 23, 1994, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.
- 2. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (c) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation department no later than 6 months after April 28, 1995, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.
- 3. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (d) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation department no later than July 1, 2000, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

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- 4. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (e), (f), (g), (h), or (i) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the corporation department shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.
- (b) 9. Other information required by the corporation department or the department of revenue.
- (d) The corporation department annually shall verify information submitted to the corporation department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.
- (4) (intro.) The corporation department shall revoke the entitlement of a person to claim tax benefits under sub. (3) if the person does any of the following:
- (5) (a) (intro.) The corporation department may certify for tax benefits a person that is conducting economic activity in the development opportunity zone under sub.

 (1) (e) or (f) and that is not otherwise entitled to claim tax benefits if all of the following apply:
- 2. The <u>corporation department</u> determines that the economic activity of the other person under subd. 1. would not have occurred but for the involvement of the person to be certified for tax benefits under this subsection.
- 3. The person to be certified for tax benefits under this subsection will pass the benefits through to the other person conducting the economic activity under subd.

 1., as determined by the corporation department.
- (b) A person intending to claim tax benefits under this subsection shall submit to the <u>corporation</u> <u>department</u> an application, in the form required by the <u>corporation</u>

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1 department, containing information required by the corporation department and by 2 the department of revenue. 3 (c) The corporation department shall notify the department of revenue of all persons certified to claim tax benefits under this subsection. 4 5 (d) The corporation department annually shall verify information submitted 6 to the corporation department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 7 71.47 (1dm) or (1dx), or 76.636. 8 (e) (intro.) The corporation department shall revoke the entitlement of a person 9 to claim tax benefits under this subsection if the person does any of the following: 10 3. Does not pass the benefits through to the other person conducting the 11 economic activity under par. (a) 1., as determined by the corporation department. 12 (f) The corporation department shall notify the department of revenue within 13 30 days after revoking an entitlement under par. (e). 14 **Section 407.** 238.397 of the statutes is renumbered 555.397, and 555.397 (1) 15 (am), (c) and (d), (2) (a) (intro.), 3. and 4. a. and d., (b) (intro.) and 8., (bg) (intro.) and 16 2. and (br) (intro.), (c), (d) and (e), (3) (a), (b) 11. and (c), (4) (a), (c), (d) and (g), (5) (a), 17 (b), (c) and (d) 1. and 2. and (6) (a) (intro.) and (b), as renumbered, are amended to 18 read: 19 555.397 (1) (am) "Full-time job" has the meaning given in s. 238.30 555.30 20 (2m). 21 (c) "Target population" has the meaning given in s. 238.30 555.30 (6). 22 (d) "Tax benefits" has the meaning given in s. 238.30 555.30 (7). 23 (2) (a) (intro.) Subject to pars. (c), (d), and (e), the corporation department may

designate an area as an enterprise development zone for a project if the corporation

department determines all of the following:

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1	3. That the project is not likely to occur or continue without the corporation's
2	department's designation of the area as an enterprise development zone.
3	4. a. The unemployment rate in the area is higher than the state average for
4	the 18 months immediately preceding the date on which the application under sub.
5	(3) was submitted to the corporation department.
6	d. In the 36 months immediately preceding the date on which the application
7	under sub. (3) was submitted to the corporation department, a number of workers
8	in the area were permanently laid off by their employer or became unemployed as
9	a result of a business action subject to s. 109.07 (1m).
10	(b) (intro.) In making a determination under par. (a), the corporation
11	department shall consider all of the following:
12	8. Any other factors that the corporation department considers relevant.
13	(bg) (intro.) Notwithstanding par. (a) and subject to pars. (c), (d), and (e), the
14	corporation department may designate an area as an enterprise development zone
15	for a project if the corporation department determines all of the following:
16	2. That the project is not likely to occur or continue without the corporation's
17	department's designation of the area as an enterprise development zone.
18	(br) (intro.) In making a determination under par. (bg), the corporation
19	department shall consider all of the following:
20	(c) The corporation department may not designate as an enterprise
21	development zone, or as any part of an enterprise development zone, an area that is

located within the boundaries of an area that is designated as a development

development zones unless the corporation department obtains the approval of the

(d) The corporation department may not designate more than 98 enterprise

opportunity zone under s. 238.395 555.395, the designation of which is in effect.

- joint committee on finance to do so. Of the enterprise development zones that the corporation department designates, at least 10 shall be designated under par. (bg).
 - (e) The <u>corporation department</u> may not designate any area as an enterprise development zone on or after March 6, 2009.
 - (3) (a) A person that conducts or that intends to conduct a project and that desires to have the area in which the project is or is to be conducted designated as an enterprise development zone for the purpose of claiming tax benefits may submit to the corporation department an application and a project plan.
 - (b) 11. Any other information required by the corporation <u>department</u> or the department of revenue.
 - (c) The <u>corporation department</u> may not accept or approve any applications or project plans submitted under par. (a) on or after March 6, 2009.
 - (4) (a) Except as provided in par. (h), if the corporation department approves a project plan under sub. (3) and designates the area in which the person submitting the project plan conducts or intends to conduct the project as an enterprise development zone under the criteria under sub. (2), the corporation department shall certify the person as eligible for tax benefits.
 - (c) When the corporation department designates an area as an enterprise development zone for a project, the corporation department shall notify the governing body of any city, village, town, or federally recognized American Indian tribe or band in which the area is located of the area's designation.
 - (d) The corporation department shall notify the department of revenue of all persons entitled to claim tax benefits under this section, except that the corporation department shall notify the office of the commissioner of insurance of all persons entitled to claim the credit under s. 76.636.

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- (g) The <u>corporation department</u> annually shall verify information submitted to the <u>corporation department</u> under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.
- (5) (a) When the corporation department designates an area as an enterprise development zone under this section, the corporation department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d) and sub. (6).
- (b) When the corporation department designates an area as an enterprise development zone under this section, the corporation department shall establish a limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.
- (c) Annually, the <u>corporation department</u> shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each enterprise development zone.
- (d) 1. Notwithstanding the length of time specified by the corporation department under par. (a), the designation of an area as an enterprise development zone shall expire 90 days after the day on which the corporation department determines that the forgone tax revenues under par. (c) will equal or exceed the limit established for the enterprise development zone.
- 2. The corporation department shall immediately notify the department of revenue and the governing body of any city, village, town, or federally recognized American Indian tribe or band in which the enterprise development zone is located of a change in the expiration date of the enterprise development zone under this paragraph.

- (6) (a) (intro.) The corporation department shall revoke the entitlement of a person to claim tax benefits under this section, and the designation of the area as an enterprise development zone shall expire, if the person does any of the following:
- (b) The <u>corporation department</u> shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

SECTION 408. 238.398 of the statutes is renumbered 555.398, and 555.398 (2) (a) and (b), (3) (a) and (b), (4) (a) (intro.) and (b) and (5) (intro.) and (e), as renumbered, are amended to read:

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

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

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

- (b) When the corporation department certifies an agricultural business under this subsection, the corporation department shall establish a limit on the amount of tax benefits that the business may claim. The corporation department shall enter into an agreement with the business that specifies the limit on the amount of tax benefits that the business may claim and reporting requirements with which the business must comply.
- (4) (a) (intro.) The corporation department shall notify the department of revenue of all the following:
- (b) The corporation department shall annually verify information submitted to the corporation department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.
- (5) (intro.) The <u>corporation department</u> shall adopt rules for the operation of this section, including rules related to all the following:
- (e) The exchange of information between the corporation department and the department of revenue.

SECTION 409. 238.399 of the statutes, as affected by 2015 Wisconsin Act 55, is renumbered 555.399, and 555.399 (1) (am) 2. (intro.), (3) (a), (b) (intro.), (bm), (c) and (d), (5) (intro.), (b), (c) 1. a. and b. and 2. b. and c., (d) 1. and (e), (5m) and (6) (b) (intro.), (d), (e), (f) and (g) (intro.) and 1. (intro.), as renumbered, are amended to read:

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1	555.399 (1) (am) 2. (intro.) The corporation department may grant exceptions
2	to the requirement under subd. 1. that a full-time employee means an individual
3	who, as a condition of employment, is required to work at least 2,080 hours per year
4	if all of the following apply:
5	(3) (a) The corporation department may designate not more than 30 enterprise
6	zones.
7	(b) (intro.) In determining whether to designate an area under par. (a), the
8	corporation department shall consider all of the following:
9	(bm) The corporation department shall specify whether an enterprise zone
10	designated under par. (a) is located in a tier I county or municipality or a tier II county
11	or municipality.
12	(c) The corporation department shall, to the extent possible, give preference to
13	the greatest economic need.
14	(d) Notwithstanding pars. (b) and (c), the corporation department shall
15	designate as enterprise zones at least 3 areas comprising political subdivisions
16	whose populations total less than 5,000 and at least 2 areas comprising political
17	subdivisions whose populations total 5,000 or more but less than 30,000. In
18	designating an enterprise zone under this paragraph, the corporation department
19	may consider indicators of an area's economic need and the effect of designation on
20	other economic development activities.
21	(5) CERTIFICATION. (intro.) The corporation department may certify for tax
22	benefits any of the following:
23	(b) A business that relocates to an enterprise zone from outside this state, if the

business offers compensation and benefits to its employees working in the zone for

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

- (c) 1. a. The business enters into an agreement with the corporation department to claim tax benefits only for years during which the business maintains the increased level of personnel.
- b. The business offers compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the corporation department.
- 2. b. The business enters into an agreement with the corporation department to claim tax benefits only for years during which the business maintains the capital investment.
- c. The business offers compensation and benefits for the same type of work to its employees working in the zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the corporation department.
- (d) 1. The business is a manufacturer with a significant supply chain in the state, as determined by the corporation department.
- (e) A business located in an enterprise zone if the business purchases tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined by the corporation department.
- (5m) Additional tax benefits for significant capital expenditures. If the corporation department determines that a business certified under sub. (5) makes a significant capital expenditure in the enterprise zone, the corporation department may certify the business to receive additional tax benefits in an amount to be

determined by the corporation department, but not exceeding 10 percent of the
business' capital expenditures. The corporation department shall, in a manner
determined by the corporation department, allocate the tax benefits a business is
certified to receive under this subsection over the remainder of the time limit of the
enterprise zone under sub. (4).
(6) (b) (intro.) The corporation department shall revoke a certification under
sub. (5) if the business does any of the following:
(d) The corporation department may require a business to repay any tax
benefits the business claims for a year in which the business failed to maintain
employment levels or a significant capital investment in property required by an
agreement under sub. (5) (c).
(e) The corporation department shall determine the maximum amount of the
tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w) that a certified business
may claim and shall notify the department of revenue of this amount.
(f) The corporation department shall annually verify the information
submitted to the corporation department under ss. 71.07 (3w), 71.28 (3w), or 71.47
(3w).
(g) (intro.) The corporation department shall adopt policies and procedures
promulgate rules specifying all of the following:
1. (intro.) The definitions of a tier I county or municipality and a tier II county
or municipality. The corporation department may consider all of the following
information when establishing the definitions required under this subdivision:
SECTION 410. 238.3995 of the statutes is renumbered 555.3995, and 555.3995

(1) (b) and (c), (2) (a) (intro.) and 4., (b) (intro.) and 8., (c) 1. and 2. and (d), (3) (a), (b),

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- 1 (c) and (d) 1. and 2., (4) (a) (intro.) and 10., (am), (ar), (b) 1., (c) (intro.) and (d) and (5), as renumbered, are amended to read:
- 3 555.3995 (1) (b) "Full-time job" has the meaning given in s. 238.30 555.30 (2m).
- 4 (c) "Target population" has the meaning given in s. 238.30 <u>555.30</u> (6).
 - (2) (a) (intro.) Subject to pars. (c) and (e), the corporation department may designate an area as an airport development zone if the corporation department determines all of the following:
 - 4. That the airport development project is not likely to occur or continue without the corporation department designation of the area as an airport development zone.
 - (b) (intro.) In making a determination under par. (a), the corporation department shall consider all of the following:
 - 8. Any other factors that the corporation department considers relevant.
 - (c) 1. The corporation department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 238.31 555.31, as a development opportunity zone under s. 238.395 555.395, or as an enterprise development zone under s. 238.397 555.397.
 - 2. The corporation department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection and the department of transportation may deny any such designation if the department of transportation determines that the designation would compromise the airport's safety or utility. The department of transportation may also review and comment on any land use or compatibility issues related to any proposed designation under this subsection.

- (d) Notwithstanding pars. (a) to (c), and except as provided in par. (e), the corporation department shall designate as an airport development zone the area within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade, Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Taylor, Waupaca, Waushara, Winnebago, Wood, and Vilas counties.
- (3) (a) When the corporation department designates an area as an airport development zone, the corporation department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d). The corporation department shall notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of the designation of and expiration date of the airport development zone.
- (b) When the corporation department designates an area as an airport development zone, the corporation department shall establish a limit, not to exceed \$3,000,000, for tax benefits applicable to the airport development zone, except that the corporation department shall limit the amount of tax benefits applicable to the airport development zone designated under sub. (2) (d) to \$750,000. The total tax benefits applicable to all airport development zones may not exceed \$9,000,000, less any amount allocated to technology zones under s. 238.23 555.23 (2) (b) and to agricultural development zones under s. 238.398 555.398 (2) (b), and except that the total amount allocated to all technology zones under s. 238.23 555.23 (2) (b) and to all agricultural development zones under s. 238.398 555.398 (2) (b), may not exceed \$6,000,000. The corporation department may not reallocate amounts as provided

- under this paragraph on or after January 1, 2010, except that the corporation department may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.
- (c) Annually, the <u>corporation department</u> shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each airport development zone.
- (d) 1. Notwithstanding the length of time specified by the eorporation department under par. (a), the designation of an area as an airport development zone shall expire 90 days after the day on which the eorporation department determines that the forgone tax revenues estimated under par. (c) will equal or exceed the limit established for the airport development zone.
- 2. The corporation department shall immediately notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of a change in the expiration date of the airport development zone under this paragraph.
- (4) (a) (intro.) A person that intends to operate a place of business in an airport development zone may submit to the corporation department an application and a business plan. The business plan shall include all of the following:
- 10. Any other information required by the corporation <u>department</u> or the department of revenue.

(am) A person that intends to operate a business in the airport development
zone designated under sub. (2) (d) may submit to the corporation department an
application and a business plan that includes all of the information required under
par. (a). In approving business plans submitted under this paragraph, the
corporation department shall give higher priority to airport development projects
located or proposed to be located in areas that have a low median household income,
as determined by the corporation <u>department</u> .
(ar) The corporation department may not accept or approve any applications
or business plans submitted under par. (a) on or after March 6, 2009.
(b) 1. Except as provided in subd. 2., if the corporation department approves
a business plan under par. (a) or (am), the corporation department shall certify the
person as eligible for tax benefits. The corporation department shall notify the
department of revenue within 30 days of certifying a person under this paragraph.
(c) (intro.) The corporation department shall revoke a person's certification
under par. (b) when the designation of the applicable airport development zone
expires or if the person does any of the following:
(d) The corporation department shall notify the department of revenue within
30 days after revoking a certification under par. (c).
(5) Verification of information. The corporation department annually shall
verify information submitted to the corporation department under ss. 71.07 (2dm)
and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport
development zones.
SECTION 411. 281.60 (6) of the statutes is amended to read:

281.60 (6) PRIORITY LIST. The department shall establish a priority list that

ranks each land recycling loan program project. The department shall promulgate

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

SECTION 412. 281.75 (4) (b) 3. of the statutes is amended to read:

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

SECTION 413. 285.59 (1) (b) of the statutes is amended to read:

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

SECTION 414. 292.11 (7) (d) 1m. b. of the statutes is amended to read:

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

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a result of those actions.

Section 415. 292.255 of the statutes is amended to read: 1 2 Report on brownfield efforts. The department of natural 292.255 3 resources, the department of administration, and the Wisconsin Economic 4 Development Corporation department of economic opportunity shall submit a report 5 evaluating the effectiveness of this state's efforts to remedy the contamination of, 6 and to redevelop, brownfields, as defined in s. 238.13 555.13 (1) (a). 7 **SECTION 416.** 292.63 (4) (cc) 2. b. of the statutes is amended to read: 8 292.63 (4) (cc) 2. b. An applicant that is engaged in the expansion or redevelopment of brownfields, as defined in s. 238.13 555.13 (1) (a), if federal or state 9 financial assistance other than under this section, has been provided for that 10 11 expansion or redevelopment. 12 **Section 417.** Chapter 555 (title) of the statutes is created to read: 13 CHAPTER 555 14 DEPARTMENT OF ECONOMIC OPPORTUNITY 15 **Section 418.** 555.01 (1) of the statutes is created to read: 555.01 (1) "Department" means the department of economic opportunity. 16 **SECTION 419.** 555.01 (3) of the statutes is created to read: 17 555.01 (3) "Secretary" means the secretary of economic opportunity. 18 **Section 420.** 555.07 (2) (i) of the statutes is created to read: 19 20 555.07 (2) (i) The number of businesses or other persons against whom the 21department, or the Wisconsin Economic Development Corporation under ch. 238, 22 2013 stats., has initiated an action because the business or other person is not in 23 compliance with contract requirements under an economic development program 24 under this chapter, and the total dollar amount that has been recovered to date as

SECTION 421.	555 095	of the	statutes is	created to	read.
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555.095 Contract terms. All terms of each contract the department executes shall be in compliance with state law at the time the contract is executed.

SECTION 422. 555.12 (1) (a) of the statutes is created to read:

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

SECTION 423. 555.12 (2) (b) of the statutes is created to read:

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

SECTION 424. 555.12 (2) (c) of the statutes is created to read:

555.12 (2) (c) Requires the person to repay all or a portion of, as specified in the agreement, the grant, loan, or tax benefits if, within 5 years after the contract terms related to the grant, loan, or tax benefits 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 benefits. The department shall refer any claim for damages under this paragraph to the department of justice for collection.

SECTION 425. 555.121 of the statutes is created to read:

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

1	relevant records, including, if applicable, payroll records and audited statements of
2	capital expenditures.
3	Section 426. 555.122 of the statutes is created to read:
4	555.122 Background checks. (1) Before the department executes a contract
5	awarding a grant or loan or tax benefits to a person under this chapter, the
6	department shall conduct a background check of the person that includes
7	information concerning the person's business performance and a review of any legal
8	proceedings in which the person is or was a party.
9	(2) If within 90 days after completing the background check under sub. (1) the
10	department has not executed the contract awarding a grant or loan or tax benefits
11	to the person, the department shall conduct another background check of the person
12	under sub. (1) before executing that contract.
13	Section 427. Subchapter III of chapter 555 [precedes 555.40] of the statutes
14	is created to read:
15	CHAPTER 555
16	SUBCHAPTER III
17	BADGER INNOVATION CORPORATION
18	555.40 Definitions. In this subchapter:
19	(1) "Badger Innovation Corporation" or, unless the context requires otherwise,
20	"corporation," means the corporation specified in 16.35 (3).
21	(2) "Board" means the board of directors of the Badger Innovation Corporation.
22	555.41 Department duties. The department shall cooperate with the Badger
23	Innovation Corporation to carry out the corporation's duties under s. 555.43.
24	555.42 Board of directors. (1) The members of the board shall consist of the
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(a)	The secretary,	who	shall	act as	chairperson.
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- (b) One representative to the assembly appointed by the speaker of the assembly.
 - (c) One representative to the assembly appointed by the minority leader of the assembly.
 - (d) One senator appointed by the majority leader of the senate.
 - (e) One senator appointed by the minority leader of the senate.
 - (f) Nine members nominated by the governor and, with the advice and consent of the senate, appointed for staggered 3-year terms. The members appointed under this subsection shall represent regional and local economic development agencies, private business, and other related stakeholder groups.
 - (g) The secretaries of administration, revenue, and workforce development, who shall serve as nonvoting members.
 - (2) The board shall select a chief executive officer subject to the approval of the governor. The chief executive officer shall serve at the pleasure of the board and shall receive such compensation as may be determined by the board. The chief executive officer shall select a chief operating officer and chief financial officer who shall serve at the pleasure of the chief executive officer.
 - **555.43 Corporation duties.** The Badger Innovation Corporation shall, as a condition of receiving the payments under s. 555.44 (2), contract with the department to do all of 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.

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1 (2) Conduct foreign trade missions, business siting promotion, international 2 business development, and marketing. 3 (3) Create industry cluster development strategies. 4 555.44 State aid. (1) The Badger Innovation Corporation may receive the payments under sub. (2) if each of the following is satisfied: 5 6 (a) The articles of incorporation state that the purpose of the corporation is to 7 carry out the economic development activities specified under s. 555.43 and that, if 8 the corporation dissolves or discontinues economic development activities in this 9 state, the corporation shall in good faith take all reasonable measures to transfer or 10 assign the corporation's assets to an entity whose purpose is to advance economic 11 development in this state. 12 (b) The corporation initially adopts the bylaws drafted under s. 16.35 (3) (b) and 13 maintains the method of selection and composition of the board of directors required 14 under s. 555.42. 15 (c) The requirements under sections 555.42 and 555.43 are met. 16 (d) The corporation permits public inspection and copying of any record of the corporation, as defined in s. 19.32 (2), to the same extent as is required of, and subject 17 to the same terms and enforcement provisions that apply to, an authority under 18 19 subch. II of ch. 19. 20 (e) The corporation provides public access to its meetings to the same extent 21as is required of, and subject to the same terms and enforcement provisions that 22 apply to, a governmental body under subch. V of ch. 19. 23 The corporation fully cooperates with the legislative audit bureau for 24purposes of the audits under s. 13.94 (1) (ds), including by providing the employees

of the legislative audit bureau with access to all of the corporation's records.

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(2) The secretary of administration shall pay aid under s. 20.505 (1) (zr) to the
corporation in installments, as determined by the secretary and authorized under
this subchapter.

SECTION 428. Effective dates. This act takes effect on the effective date of the transition plan stated in the notice provided to the legislative reference bureau under section 16.35 (2) (b) 3. of the statutes, as created by this act, except as follows:

- (1) CREATION OF ECONOMIC DEVELOPMENT TRANSITION COUNCIL. The creation of sections 15.107 (20) and 16.35 of the statutes takes effect on the day after publication.
- (2) ACT INEFFECTIVE. If the notice specified in section 16.35 (2) (b) 3. of the statutes is not provided to the legislative reference bureau before July 1, 2018, the repeal of sections 15.107 (20) and 16.35 of the statutes takes effect on July 1, 2018, and this act, except for this subsection, shall be ineffective in its entirety.

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2015–2016 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

INSERT A

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, except that the Joint Comittee on Finance may approve an extension of that deadline.

The bill requires the governor to include the transition plan as a part of the executive budget for the 2017–19 fiscal biennium, unless the transition plan is not ready at that time, in which case the governor must include the transition plan as a part of the executive budget for the 2019–21 fiscal biennium. If the transition plan or a version of it is enacted as a part of the 2017–19 or 2019–21 biennial budget act, the transition plan takes effect approximately six months after enactment of the biennial budget act, unless the legislature specifies a different effective date.

The transition council is required to send a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register that confirms enactment of the transition plan and states the effective date of the transition plan as enacted. If that notice is not provided before July 1, 2020, the transition plan does not take effect.

END INSERT A

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8. Proposed legislation reconciling the acts of 2015, 2017, and 2019, as appropriate, with 2015 Wisconsin Act (this act). The transition council shall use the drafting services of the legislative reference bureau to draft the proposed legislation.

END INSERT 16-14

INSERT 16-18

- 2. Except as provided in subd. 4., the governor shall include the transition plan submitted by the transition council under subd. 1. as a part of the governor's executive budget for the 2017–19 fiscal biennium.
- 3. If the transition plan or a version of it is enacted as a part of the 2017–19 biennial budget act, and unless a different effective date is provided in the 2017–19

- biennial budget act, the transition plan as enacted shall take effect on the first day of the 7th month beginning after publication of the 2017–19 biennial budget act.
- 4. If the transition council does not submit the transition plan to the governor in time for inclusion as a part of the governor's executive budget for the 2017–19 fiscal biennium, the governor shall include the transition plan submitted by the transition council under subd. 1. as a part of the governor's executive budget for the 2019–21 fiscal biennium.
- 5. If the transition plan or a version of it is enacted as a part of the 2019–21 biennial budget act, and unless a different effective date is provided in the 2019–21 biennial budget act, the transition plan as enacted shall take effect on the first day of the 7th month beginning after publication of the 2019–21 biennial budget act.
- 6. The chairperson of the transition council shall send a notice to the legislative reference bureau for publication in the Wisconsin Administrative Register that confirms enactment of the transition plan and states the effective date of the transition plan as enacted.

END INSERT 16-18

Basford, Sarah

From:

Knickelbine, Mark

Sent:

Wednesday, December 09, 2015 11:08 AM LRB.Legal Draft Review: LRB -3225/2

To:

Subject:

Please Jacket LRB -3225/2 for the SENATE.