



State of Wisconsin
2017 - 2018 LEGISLATURE

August 2017 Special Session

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 1**

August 11, 2017 - Offered by Representatives NEYLON, VOS, STEINEKE and NYGREN.

1 **AN ACT to renumber** 196.192 (2) and 238.399 (4); **to renumber and amend**
2 30.195 (7), 61.57, 62.155, 196.192 (1), 196.192 (3) (a), 196.192 (3) (b) and 196.192
3 (4); **to amend** 30.123 (6m) (intro.), 66.1105 (2) (f) 1. (intro.), 66.1105 (4) (gm) 4.
4 c., 67.05 (10), 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4) (a), 71.26
5 (2) (a) 4., 71.30 (3) (f), 71.34 (1k) (g), 77.70, 84.0145 (2), 180.0622 (2), 183.0304
6 (1), 196.491 (1) (f), 238.12 (1), 238.399 (3) (a), 238.399 (5m), 281.346 (4) (c) 2m.,
7 281.36 (3b) (b) and 281.36 (3m) (a); and **to create** 16.297, 20.395 (6) (ad), 20.445
8 (1) (bg), 20.505 (1) (fr), 20.835 (2) (cp), 20.866 (2) (uuz), 30.12 (1g) (m), 30.123
9 (6) (f), 30.19 (1m) (h), 30.195 (7) (b), 61.57 (1) and (2), 62.155 (1) and (2), 66.0203
10 (2) (bm), 66.0203 (10), 66.0215 (1m), 66.02162 (1m), 66.1105 (20), 67.05 (10m),
11 71.07 (3w) (bm) 5., 71.07 (3wm), 71.28 (3w) (bm) 5., 71.28 (3wm), 73.0300, 77.54
12 (65), 84.585, 106.271, 196.192 (1) (b), 196.192 (2m), 196.49 (5g) (ar) 3., 238.03
13 (5), 238.396, 238.399 (3) (e), 238.399 (4) (b), 238.399 (5) (f) and 281.36 (4m) of

1 the statutes; **relating to:** authorizing the creation of an electronics and
2 information technology manufacturing zone and, in connection with that zone,
3 authorizing certain tax benefits, creating special provisions for tax incremental
4 districts, creating exemptions from wetland and waterway permits and Public
5 Service Commission certificates; making changes to the enterprise zone tax
6 credit program; authorizing limited use of the design-build construction
7 process; authorizing certain counties to issue debt backed by sales and use tax
8 revenue; facilitating a worker training and employment program; making
9 changes to town incorporation procedures; granting contingent highway
10 bonding authority; and making appropriations.

Analysis by the Legislative Reference Bureau

ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

This substitute amendment authorizes the Wisconsin Economic Development Corporation to create not more than one electronics and information technology manufacturing zone.

Tax credits

Under the substitute amendment, WEDC may certify certain businesses to claim income and franchise tax credits if a business begins operations in the electronics and information technology manufacturing zone. WEDC may certify such a business for additional income and franchise tax credits, subject to certain limitations, if the business makes a significant capital expenditure in the zone. If the amount of the credit exceeds the taxpayer's tax liability, the taxpayer receives a refund equal to the excess amount. The total amount of all tax credits WEDC may certify under the substitute amendment is \$2,850,000,000. WEDC may seek repayment of tax credits under circumstances specified in the substitute amendment, and WEDC must revoke a certification to claim tax credits if a certified business does any of the following:

1. Supplies false or misleading information to obtain the tax credits.
2. Leaves the electronics and information technology manufacturing zone to conduct substantially the same business outside the zone.
3. Ceases operations in the electronics and information technology manufacturing zone and does not renew operation of the business or a similar business in the zone within 12 months.

Sales and use tax exemption

The substitute amendment creates a sales and use tax exemption for the sale of building materials, supplies, and equipment used to construct facilities located in an electronics and information technology manufacturing zone if the capital expenditures for constructing the facilities may be claimed as income and franchise tax credits as certified by WEDC.

Tax incremental financing districts

The substitute amendment creates special provisions that apply to certain tax incremental financing districts (TIDs) if WEDC creates an electronics and information technology manufacturing zone, and a city or village creates a TID that includes the zone.

Under the current tax incremental financing program, a city or village may create a TID in part of its territory to foster development under certain conditions. Currently, towns and counties also have a limited ability to create a TID under certain limited circumstances. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, adoption of a resolution, submission of documents to the Department of Revenue within specified time frames, and the preparation and adoption by the local planning commission of a proposed project plan for the TID.

Generally, if a resolution creating a TID is adopted between January 2 and September 30, the TID is considered to have been created on the previous January 1, and if a resolution creating a TID is adopted between October 1 and December 31, its creation date is considered to be the following January 1. In addition, forms required by DOR must be submitted to the department by October 31 of the year in which the TID is created.

Also under current law, once a TID has been created, DOR calculates the “tax incremental base” value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a value increment is created. That portion of taxes collected on the value increment in excess of the base value is called a “tax increment” and is placed in a fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.

Generally, under current law, expenditures for project costs must be spent within the boundaries of the TID, although limited exceptions allow expenditures to be made within a one-half-mile radius of the TID’s boundaries. Also, with regard

to TIDs created after September 30, 2004, the territory of which is mostly suitable for industrial sites or mixed-use development, the TIDs must generally terminate not later than 20 years after their creation.

Subject to a number of exceptions, under current law, the equalized value of taxable property of a new or amended TID plus the value increment of all existing TIDs may not exceed 12 percent of the total equalized value of taxable property in the city or village.

Under this substitute amendment, for TIDs that are created in an area that includes an electronics and information technology manufacturing zone (zone), a number of exceptions apply to the normal provisions governing TIDs, including the following:

1. The TID that is created must be an industrial site or mixed-use TID.
2. If the resolution creating the TID is adopted between January 1 and December 1, the creating city or village may decide if the TID is considered to have been created on the January 1 of the year in which the resolution is adopted or on the following January 1, and the forms required by DOR must be submitted before December 31 of the year in which the resolution is adopted or between the following April 1 and the following December 1, depending on the TID's creation date.
3. The 12 percent rule regarding the total equalized value for taxable property in the city or village does not apply to the creation of the TID that includes a zone, and if the creating city or village then creates another TID, the value increment of the TID that includes the zone is not included in the calculation under the 12 percent rule for that new TID.
4. Subject to a number of limitations, the city or village creating the TID may incur expenditures for project costs for any territory that is located in the same county in which the TID is located, provided that the expenditure benefits the TID, and may incur project costs for fire stations, police and fire equipment, and general government operations.
5. Instead of limiting to 20 years the period during which DOR may allocate positive tax increments, the allocation period is 30 years.
6. Instead of requiring the TID to terminate no later than 20 years after creation, the TID must terminate within 30 years after it is created.
7. Instead of limiting the time period during which expenditures may be made to no later than five years before the termination date of the TID, expenditures may be made up to the termination date.

County bonding

The substitute amendment authorizes a county in which a zone is located to issue bonds whose principal and interest are paid only through sales and use tax revenue. Currently, such county debt may be paid only by property tax revenue. Also under current law, county sales tax revenue may be used only for the purpose of directly reducing the county property tax levy.

Town incorporation as a city or village

Once residents of a town file with the circuit court, or the town clerk, a petition to incorporate as a city or village, and once certain town boards initiate a procedure to incorporate as a village, the substitute amendment prohibits any city or village

from annexing any of that town's territory until 30 days after the petition is dismissed, all appeals of the petition dismissal are exhausted, or an incorporation referendum is held in the town.

The substitute amendment also authorizes a town that is adjacent to a city or village that contains a zone to incorporate as a city or village if the town approves an incorporation referendum. None of the current law procedures, including hearings, circuit court review, and incorporation review board analysis, apply to such a town's incorporation procedure.

Environmental impact statements

Under current law, all state agencies are required to prepare environmental impact statements for every recommendation or report on proposals for legislation and other major actions significantly affecting the quality of the human environment. A state agency is required to consider an environmental impact statement in its decision-making process, but the statement has no regulatory consequence. Current federal law under the National Environmental Policy Act also requires federal agencies to prepare an environmental impact statement for any major federal action, including for federal permits that are necessary for actions in the state. Under the substitute amendment, a determination regarding the issuance of any permit or approval for a new manufacturing facility within an electronics and information technology manufacturing zone is not a major action for the purpose of the environmental impact statement requirement.

Wetlands and waterway permits exemption

Under federal law, activities involving the discharge of dredged or fill material into "navigable waters" must comply with certain guidelines contained in regulations promulgated by the federal Environmental Protection Agency in order for a discharge permit to be issued by the U.S. Army Corps of Engineers (ACE). Before ACE may issue a permit, the Department of Natural Resources must determine that the project complies with state water quality standards, including those for wetlands (water quality certification). Federal law defines "navigable waters" to be "the waters of the United States." Generally, courts have interpreted "the waters of the United States" to exclude nonnavigable, isolated, intrastate waters (nonfederal wetlands).

Under current state law, subject to exceptions, no person may discharge dredged material or fill material into a federal or nonfederal wetland unless the discharge is authorized by a wetland general permit or individual permit or the discharge is exempt from permitting requirements. Current law requires DNR to issue wetland general permits for discharges of dredged or fill material into certain federal and nonfederal wetlands. For a discharge into a wetland that is not authorized under a wetland general permit, current law requires a person to apply for and obtain a wetland individual permit. Before DNR may issue a wetland individual permit, it must require the restoration, enhancement, creation, or preservation of other wetlands to compensate for adverse impacts to a wetland resulting from the discharge, also known as mitigation. Under current law, a wetland general or individual permit issued by DNR constitutes water quality certification.

Under this substitute amendment, a person may, without a permit, discharge dredged material or fill material into a nonfederal wetland that is located in an electronics and information technology manufacturing zone if the discharge is related to the construction, access, or operation of a new manufacturing facility that is also located in the zone. With respect to a federal wetland located in an electronics and information technology manufacturing zone, the substitute amendment provides that no state permit is required and that the state waives water quality certification. Under the substitute amendment, a federal permit for such a discharge is still required. The substitute amendment requires any adverse impacts to functional values of federal or nonfederal wetlands in an electronics and information technology manufacturing zone to be compensated at a ratio of two acres per each acre impacted through the purchase of credits from a mitigation bank, participation in the in lieu fee subprogram or escrow subprogram administered by DNR, or completion of mitigation within this state. Under current law, the general minimum ratio is 1.2 acres for each acre affected by the discharge. If compensation occurs through participation in the in lieu fee subprogram, the substitute amendment requires DNR to identify and consider mitigation that could be conducted within the same watershed and authorizes locating mitigation outside the watershed only upon agreement of DNR and the person exempt from wetland permitting.

Under current law, subject to exceptions, no person may do any of the following without a permit issued by DNR: 1) deposit any material or place any structure upon the bed of any navigable water where no bulkhead line has been established or beyond a lawfully established bulkhead line; 2) construct or maintain a bridge or construct, place, or maintain a culvert in, on, or over navigable waters; 3) construct, dredge, or enlarge any artificial water body that connects with an existing navigable waterway; 4) construct or enlarge any part of an artificial water body that is or will be located within 500 feet of the ordinary high-water mark of, but that does not or will not connect with, an existing navigable waterway; 5) grade or remove topsoil from the bank of any navigable waterway where the area exposed by the grading or removal will exceed 10,000 square feet; or 6) change the course of or straighten a navigable stream.

Under the substitute amendment, DNR generally may not require a permit for any of these activities if they relate to the construction, access, or operation of a new manufacturing facility located in an electronics and information technology manufacturing zone. However, the substitute amendment provides that DNR may require a permit for the construction or maintenance of bridges and the construction or placement and maintenance of culverts in a zone if DNR determines that conditions specific to the site require restrictions in order to prevent significant adverse impacts to the public rights and interests, environmental pollution, or material injury to the riparian rights of any riparian owner.

Department of Natural Resources oversight

Except as otherwise specifically provided, the substitute amendment requires DNR to ensure that the conditions of applicable permits, licenses, and approvals under DNR's jurisdiction are met for all activities related to the construction, access, or operation of a new manufacturing facility within an electronics and information

technology manufacturing zone, including permits, licenses, and approvals required under current law and any associated rules promulgated by DNR.

Public Service Commission certificates and market-based rates

This substitute amendment exempts public utility projects that primarily serve a new customer within an electronics and information technology manufacturing zone from obtaining a certificate of authority from the Public Service Commission, which current law generally requires for construction, improvement, and other projects of public utilities. The substitute amendment also exempts transmission line relocations within such a zone from obtaining a certificate of public convenience and necessity from the PSC, which current law generally requires before beginning construction of high-voltage transmission lines and associated facilities.

The substitute amendment also requires an electric public utility that provides service to an electronics and information technology manufacturing zone to file tariffs with the PSC for market-based pricing and options for a new retail customer within the zone that the PSC determines is eligible for the electronics and information technology manufacturing zone credit created by the substitute amendment. The substitute amendment requires the tariffs to be filed no later than January 1, 2020. The substitute amendment specifies requirements that must be included in the tariffs and requires the PSC to approve rates that are consistent with those requirements.

Grants to local governments

This substitute amendment authorizes the Department of Administration to make grants to local governmental units for costs associated with development in an electronics and information technology manufacturing zone, including costs related to infrastructure and public safety. DOA may require a local governmental unit to match a grant in whole or in part.

CONTINGENT HIGHWAY BONDING AUTHORIZATION

This substitute amendment authorizes the state to contract up to \$252,400,000 in general obligation public debt for the I 94 north-south corridor project. The Department of Transportation, however, may not expend the proceeds of these bonds unless the state receives an award of federal moneys for the project and the joint committee on finance approves the expenditure.

DESIGN-BUILD CONSTRUCTION

This substitute amendment authorizes a city or village in which an electronics and information technology manufacturing zone is located to contract for the acquisition of water and sewer systems and wastewater treatment facilities using the design-build system. Under this system, the city or village invites developers to submit proposals to provide completed projects in these areas without following the bidding requirements for public works projects that would otherwise apply. Current law authorizes the use of this system by any city, village, or county for the acquisition of recycling or resource recovery facilities.

ENTERPRISE ZONES

Under current law, WEDC may designate areas within the state as “enterprise zones.” WEDC may certify a business in an enterprise zone to receive income and

franchise tax credits if the business creates or retains jobs in the enterprise zone, subject to several limitations. The substitute amendment makes the following changes to the enterprise zone tax credit program:

1. Authorizes WEDC to increase from 30 to 35 the number of designated enterprise zones.

2. Authorizes WEDC to cancel the designation of an enterprise zone if WEDC revokes all certifications for tax credits within the zone. WEDC may designate a new enterprise zone if it cancels an existing zone designation.

3. Authorizes WEDC to designate a new enterprise zone if an existing enterprise zone expires. Under current law, an enterprise zone designation expires after 12 years.

4. Authorizes WEDC to certify for enterprise zone tax credits a financial services technology business that, after completing a competitive corporate relocation process, retains its corporate headquarters and at least 93 percent of its full-time employees, as determined by WEDC, in Wisconsin.

NEW POSITIONS RELATED TO ECONOMIC DEVELOPMENT

This substitute amendment creates an economic development liaison project position in the unclassified service of the state civil service. The substitute amendment also requires WEDC to hire a full-time employee to be known as the electronics manufacturing small business development director. The director's duties include coordinating with the economic development liaison in the department of administration and providing outreach to local economic development organizations. Both of those positions sunset as of December 31, 2022.

WORKER TRAINING AND EMPLOYMENT PROGRAM

This substitute amendment requires the Department of Workforce Development to allocate funding in the 2019-21 fiscal biennium for a program to facilitate worker training and employment. In implementing the program, DWD is required to consult the Technical College System Board and WEDC.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 2.** 16.297 of the statutes is created to read:

2 **16.297 Grants for local government expenditures; moral obligation**
3 **pledge. (1) DEFINITIONS.** In this section:

4 (a) "Local governmental unit" means a city, village, town, or county that
5 contains any part of an electronics and information technology manufacturing zone
6 designated under s. 238.396 (1m).

7 (b) "Municipal obligation" has the meaning given in s. 67.01 (6).

1 **(1m)** GRANTS. From the appropriation under s. 20.505 (1) (fr), the department
2 may make one or more grants to a local governmental unit for the local governmental
3 unit's expenditures for costs the department determines are associated with
4 development occurring in an electronics and information technology manufacturing
5 zone designated under s. 238.396 (1m), including costs related to infrastructure and
6 public safety.

7 **(2)** MATCH. The department may require a local governmental unit to match
8 in whole or in part a grant the department makes to the local governmental unit
9 under sub. (1m).

10 **(2m)** CONTRACT. The secretary may contract with a local governmental unit to
11 implement subs. (1m) and (2).

12 **(3)** MORAL OBLIGATION PLEDGE. (a) Recognizing its moral obligation to do so, the
13 legislature expresses its expectation and aspiration that, if ever called upon to do so,
14 it shall make an appropriation to pay the principal and interest of a local
15 governmental unit's municipal obligations, if all of the following apply:

16 1. The local governmental unit's municipal obligation is issued to finance costs
17 related to development occurring in or for the benefit of an electronics and
18 information technology manufacturing zone designated under s. 238.396 (1m).

19 2. The secretary designates the moral obligation pledge for the local
20 governmental unit's municipal obligation before the municipal obligation is issued,
21 based on a plan that the local governmental unit shall submit to the department on
22 a form prescribed by the department.

23 (b) No more than 40 percent of a local governmental unit's aggregate municipal
24 obligations under par. (a) shall be subject to the moral obligation pledge under that
25 paragraph.

1 (c) The proceeds of municipal obligations issued by a local governmental unit
2 under this subsection shall be used to finance costs related to development occurring
3 in or for the benefit of an electronics and information technology manufacturing zone
4 designated under s. 238.396 (1m). The legislature determines that the provision of
5 assistance by state agencies to a local governmental unit under this section, any
6 appropriation of funds to a local governmental unit under this section, and the moral
7 obligation pledge under par. (a) serve a substantial statewide public purpose by
8 assisting the development of an electronics and information technology
9 manufacturing zone in the state, by encouraging economic development, by reducing
10 unemployment, and by bringing needed capital into the state for the benefit and
11 welfare of people throughout the state.

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

				2017-18	2018-19
14	20.445 Workforce development, department of				
15	(1) WORKFORCE DEVELOPMENT				
16	(bg) Worker training and employ-				
17	ment program	GPR	C	-0-	-0-

18 **20.505 Administration, department of**

19	(1) SUPERVISION AND MANAGEMENT				
20	(fr) Grants for local government				
21	expenditures	GPR	C	10,000,000	-0-

22 **SECTION 4.** 20.395 (6) (ad) of the statutes is created to read:

1 20.395 (6) (ad) *Principal repayment and interest, contingent funding of*
2 *southeast Wisconsin freeway megaprojects, state funds.* From the general fund, a sum
3 sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs
4 incurred in financing southeast Wisconsin freeway megaprojects, as provided under
5 ss. 20.866 (2) (uuz) and 84.585 and 2017 Wisconsin Act (this act), section 60 (1),
6 and to make payments under an agreement or ancillary arrangement entered into
7 under s. 18.06 (8) (a).

8 **SECTION 4m.** 20.445 (1) (bg) of the statutes is created to read:

9 20.445 (1) (bg) *Worker training and employment program.* As a continuing
10 appropriation, the amounts in the schedule for the worker training and employment
11 program under s. 106.271.

12 **SECTION 5.** 20.505 (1) (fr) of the statutes is created to read:

13 20.505 (1) (fr) *Grants for local government expenditures.* As a continuing
14 appropriation, the amounts in the schedule for grants to local governmental units
15 under s. 16.297.

16 **SECTION 6.** 20.835 (2) (cp) of the statutes is created to read:

17 20.835 (2) (cp) *Electronics and information technology manufacturing zone*
18 *credit.* A sum sufficient to make the payments under ss. 71.07 (3wm) (d) 2. and 71.28
19 (3wm) (d) 2.

20 **SECTION 7.** 20.866 (2) (uuz) of the statutes is created to read:

21 20.866 (2) (uuz) *Transportation; southeast Wisconsin freeway megaprojects*
22 *subject to contingency.* From the capital improvement fund, a sum sufficient for the
23 department of transportation to fund southeast Wisconsin freeway megaprojects as
24 provided under s. 84.585. Subject to 2017 Wisconsin Act (this act), section 60 (1),

1 the state may contract public debt in an amount not to exceed \$252,400,000 for these
2 purposes.

3 **SECTION 9.** 30.12 (1g) (m) of the statutes is created to read:

4 30.12 **(1g)** (m) A structure or deposit that is related to the construction, access,
5 or operation of a new manufacturing facility in a navigable stream located in an
6 electronics and information technology manufacturing zone designated under s.
7 238.396 (1m).

8 **SECTION 10.** 30.123 (6) (f) of the statutes is created to read:

9 30.123 **(6)** (f) The construction or maintenance of bridges and the construction
10 or placement and maintenance of culverts that are related to the construction,
11 access, or operation of a new manufacturing facility and that affect a portion of a
12 navigable stream within an electronics and information technology manufacturing
13 zone designated under s. 238.396 (1m).

14 **SECTION 11.** 30.123 (6m) (intro.) of the statutes is amended to read:

15 30.123 **(6m)** PERMITS IN LIEU OF EXEMPTIONS. (intro.) The department may
16 decide to require that a person engaged in an activity that is exempt under sub. (6)
17 (d) or (f) apply for an individual permit or seek authorization under a general permit
18 if the department has conducted an investigation and visited the site of the activity
19 and has determined that conditions specific to the site require restrictions on the
20 activity in order to prevent any of the following:

21 **SECTION 12.** 30.19 (1m) (h) of the statutes is created to read:

22 30.19 **(1m)** (h) Any activity that affects a portion of a navigable stream and that
23 is related to the construction, access, or operation of a new manufacturing facility
24 within an electronics and information technology manufacturing zone designated
25 under s. 238.396 (1m).

1 **SECTION 13.** 30.195 (7) of the statutes is renumbered 30.195 (7) (intro.) and
2 amended to read:

3 30.195 (7) APPLICATION OF SECTION. (intro.) This section does not apply to
4 municipal any of the following:

5 (a) Municipal or county-owned lands in counties having a population of
6 750,000 or more.

7 **SECTION 14.** 30.195 (7) (b) of the statutes is created to read:

8 30.195 (7) (b) Activity related to the construction, access, or operation of a new
9 manufacturing facility located in an electronics and information technology
10 manufacturing zone designated under s. 238.396 (1m).

11 **SECTION 15.** 61.57 of the statutes is renumbered 61.57 (intro.) and amended
12 to read:

13 **61.57 Acquisition of recycling or resource recovery facilities without**
14 **bids.** (intro.) A village may contract for the acquisition of any element of ~~a recycling~~
15 ~~or resource recovery facility~~ the following without submitting the contract for bids
16 as required under s. 61.54 if the village invites developers to submit proposals to
17 provide a completed project and evaluates proposals according to site, cost, design
18 and the developers' experience in other similar projects.:

19 **SECTION 16.** 61.57 (1) and (2) of the statutes are created to read:

20 61.57 (1) A recycling or resource recovery facility.

21 (2) If the village contains an electronics and information technology
22 manufacturing zone that is designated under s. 238.396 (1m):

23 (a) Water and sewer systems.

24 (b) Wastewater treatment facilities.

1 **SECTION 17.** 62.155 of the statutes is renumbered 62.155 (intro.) and amended
2 to read:

3 **62.155 Acquisition of recycling or resource recovery facilities without**
4 **bids.** (intro.) A city may contract for the acquisition of any element of ~~a recycling~~
5 ~~or resource recovery facility~~ the following without submitting the contract for bids
6 as required under s. 62.15 if the city invites developers to submit proposals to provide
7 a completed project and evaluates proposals according to site, cost, design and the
8 developers' experience in other similar projects.;

9 **SECTION 18.** 62.155 (1) and (2) of the statutes are created to read:

10 62.155 (1) A recycling or resource recovery facility.

11 (2) If the city contains an electronics and information technology
12 manufacturing zone that is designated under s. 238.396 (1m):

13 (a) Water and sewer systems.

14 (b) Wastewater treatment facilities.

15 **SECTION 18d.** 66.0203 (2) (bm) of the statutes is created to read:

16 66.0203 (2) (bm) Once a petition is filed under par. (b), no territory within the
17 town may be annexed by any city or village under s. 66.0217 or 66.0219 until 30 days
18 after one of the following occurs:

19 1. Subject to subd. 2., the petition is dismissed by the court under sub. (8) or
20 the board under sub. (9).

21 2. If the petition is dismissed as described under subd. 1. and the dismissal is
22 appealed as described under s. 66.0209, all appeals are exhausted.

23 3. An incorporation referendum is held in the town.

24 **SECTION 18e.** 66.0203 (10) of the statutes is created to read:

1 66.0203 **(10)** CERTAIN TOWNS MAY BECOME A CITY OR VILLAGE. A town that is
2 adjacent to a city or village that contains an electronics and information technology
3 manufacturing zone that is designated under s. 238.396 (1m) may become a city or
4 village if the town holds, and approves, an incorporation referendum as described in
5 s. 66.0211 (3). None of the other procedures contained in ss. 66.0201 to 66.0213 need
6 to be fulfilled, and no approval by the board under s. 66.0207 is necessary for the town
7 to become a city or village.

8 **SECTION 18g.** 66.0215 (1m) of the statutes is created to read:

9 66.0215 **(1m)** ANNEXATION LIMITATION. Once a petition is filed under sub. (1),
10 no territory within the town may be annexed by any city or village under s. 66.0217
11 or 66.0219 until 30 days after the referendum is held in the town.

12 **SECTION 18i.** 66.02162 (1m) of the statutes is created to read:

13 66.02162 **(1m)** ANNEXATION LIMITATION. Once a resolution is adopted under sub.
14 (1), no territory within the town may be annexed by any city or village under s.
15 66.0217 or 66.0219 until 30 days after the referendum is held in the town.

16 **SECTION 19.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

17 66.1105 **(2)** (f) 1. (intro.) "Project costs" mean any expenditures made or
18 estimated to be made or monetary obligations incurred or estimated to be incurred
19 by the city which are listed in a project plan as costs of public works or improvements
20 within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or
21 subds. 1. k., 1. m., and 1. n., or sub. (20) (c), without the district, plus any incidental
22 costs, diminished by any income, special assessments, or other revenues, including
23 user fees or charges, other than tax increments, received or reasonably expected to
24 be received by the city in connection with the implementation of the plan. For any
25 tax incremental district for which a project plan is approved on or after July 31, 1981,

1 only a proportionate share of the costs permitted under this subdivision may be
2 included as project costs to the extent that they benefit the tax incremental district,
3 except that expenditures made or estimated to be made or monetary obligations
4 incurred or estimated to be incurred by a 1st class city, to fund parking facilities
5 ancillary to and within one mile from public entertainment facilities, including a
6 sports and entertainment arena, shall be considered to benefit any tax incremental
7 district located in whole or in part within a one-mile radius of such parking facilities.
8 To the extent the costs benefit the municipality outside the tax incremental district,
9 a proportionate share of the cost is not a project cost. "Project costs" include:

10 **SECTION 20.** 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

11 66.1105 (4) (gm) 4. c. Except as provided in subs. (10) (c), (16) (d), (17), and (18)
12 (c) 3., and (20) (b), the equalized value of taxable property of the district plus the
13 value increment of all existing districts does not exceed 12 percent of the total
14 equalized value of taxable property within the city. In determining the equalized
15 value of taxable property under this subd. 4. c. or sub. (17) (c), the department of
16 revenue shall base its calculations on the most recent equalized value of taxable
17 property of the district that is reported under s. 70.57 (1m) before the date on which
18 the resolution under this paragraph is adopted. If the department of revenue
19 determines that a local legislative body exceeds the 12 percent limit described in this
20 subd. 4. c. or sub. (17) (c), the department shall notify the city of its noncompliance,
21 in writing, not later than December 31 of the year in which the department receives
22 the completed application or amendment forms described in sub. (5) (b).

23 **SECTION 21.** 66.1105 (20) of the statutes is created to read:

24 66.1105 (20) DISTRICTS WITHIN AN ELECTRONICS AND INFORMATION TECHNOLOGY
25 MANUFACTURING ZONE. (a) *Creation.* With regard to a tax incremental district that

1 is created in an electronics and information technology manufacturing zone that is
2 designated under s. 238.396 (1m), the district may only be a district that is suitable
3 for industrial sites or mixed-use development, as described in sub. (4) (gm) 4. a., and
4 all of the following apply:

5 1. Notwithstanding the dates specified in sub. (4) (gm) 2., if the resolution
6 described under sub. (4) (gm) is adopted during the period between January 1 and
7 December 1, the creation date shall be either the January 1 of the year in which the
8 resolution is adopted or the next subsequent January 1, as specified by the local
9 legislative body in the resolution. If a resolution is adopted during the period
10 between December 2 and December 31, the creation date shall be the next
11 subsequent January 1.

12 2. Notwithstanding the October 31 deadline for the city clerk's submission of
13 the forms described in sub. (5) (b), the city clerk shall complete and submit the
14 required forms for a tax incremental district described in this subsection either:

15 a. On or before December 31 of the year the resolution under subd. 1. is adopted
16 if the resolution is adopted between January 1 and December 1, and the resolution
17 specifies that the district's creation date is January 1 of the year in which the
18 resolution is adopted.

19 b. On or after the next subsequent April 1 and before the next subsequent
20 December 1 of the year the resolution under subd. 1. is adopted if the resolution is
21 adopted between January 1 and December 1 and the resolution specifies that the
22 district's creation date is the next subsequent January 1 or the resolution is adopted
23 between December 2 and December 31.

24 (b) *Exception to the 12 percent limit.* Notwithstanding the 12 percent limit
25 findings requirement described under sub. (4) (gm) 4. c.:

1 1. That findings requirement does not apply to a local legislative body's
2 resolution which relates to a district described under this subsection.

3 2. After a local legislative body's creation of a district described under this
4 subsection, if that body makes the calculation under sub. (4) (gm) 4. c. for a tax
5 incremental district created under this section but not under this subsection, that
6 findings requirement may not include the value increment of the district created
7 under this subsection, provided that the district created under this subsection has
8 not terminated.

9 (c) *Expenditures.* With regard to a tax incremental district described under this
10 subsection, and subject to par. (ce), the creating city may incur project costs for any
11 of the following, provided that the expenditures benefit the district:

12 1. Territory that is located in the same county as the district.

13 2. Notwithstanding the provisions of sub. (2) (f) 2. a. and c., the cost of
14 constructing or expanding fire stations, purchasing police and fire equipment, and
15 the cost of general government operating expenses, provided that the total of such
16 expenditures do not exceed, over the district's lifetime, 15 percent of the total positive
17 tax increments received by the creating city over the district's lifetime. With regard
18 to capital expenditures that may be made under this subdivision, such expenditures
19 may be made only for the first 84 months following the district's creation, and any
20 expenditures made under this subdivision for constructing or expanding fire stations
21 may be made only for fire stations located within a one-mile radius of the electronics
22 and information technology manufacturing zone that is designated under s. 238.396
23 (1m).

24 (ce) *Certification.* Before the creating city may incur project costs for any
25 territory that is located outside the district but in the same county as the district, the

1 city must obtain certification from the department of administration that the
2 department believes such a proposed expenditure benefits the district.

3 (cm) *Expenditure period.* Notwithstanding the limitation on expenditures
4 described in sub. (6) (am) 1., expenditures for a district described under this
5 subsection may be made up to the unextended termination date described in par. (e).

6 (d) *Allocation of positive increments.* Notwithstanding the 20-year limit for
7 allocating positive tax increments described in sub. (6) (a) 7., for a tax incremental
8 district described under this subsection, that limit shall be 30 years for purposes of
9 sub. (6) (a) 7.

10 (e) *Termination.* Notwithstanding the 20-year termination requirement
11 specified in sub. (7) (am) 2., for a tax incremental district described under this
12 subsection, that limit shall be 30 years for purposes of sub. (7) (am) 2.

13 **SECTION 21m.** 67.05 (10) of the statutes is amended to read:

14 67.05 (10) DIRECT, ANNUAL, IRREPEALABLE TAX. ~~The~~ Except as provided in sub.
15 (10m), the governing body of every municipality proceeding under this chapter shall,
16 at the time of or after the adoption of an initial resolution in compliance with sub.
17 (1) or (2), or, after the approval of the resolution by popular vote when such approval
18 is required, and before issuing any of the contemplated bonds, levy by recorded
19 resolution a direct, annual tax sufficient in amount to pay and for the express
20 purpose of paying the interest on such bonds as it falls due, and also to pay and
21 discharge the principal thereof at maturity. The municipality shall be and continue
22 without power to repeal such levy or obstruct the collection of the tax until all such
23 payments have been made or provided for. After the issue of the bonds, the tax shall
24 be from year to year carried into the tax roll of the municipality and collected as other
25 taxes are collected, provided that the amount of tax carried into the tax roll may be

1 reduced in any year by the amount of any surplus money in the debt service fund
2 created under s. 67.11, and provided further that the municipality issuing the bonds
3 may make an appropriation in advance of the authorization of the bonds to provide
4 funds for any payment coming due on the bonds prior to the first collection of taxes
5 levied for that payment. The amount of the appropriation shall be based on
6 estimates of the amount of bonds to be sold and the rate of interest the bonds will
7 bear. The appropriation shall not be used for any purpose other than that for which
8 appropriated and any surplus in the appropriation shall be transferred to the
9 general fund of the municipality. The municipality is not required to levy a tax equal
10 to the amount of that appropriation.

11 **SECTION 21n.** 67.05 (10m) of the statutes is created to read:

12 **67.05 (10m)** COUNTIES MAY ISSUE SALES TAX REVENUE BONDS. A county in which
13 an electronics and information technology manufacturing zone that is designated
14 under s. 238.396 (1m) exists may issue bonds under this chapter whose principal and
15 interest are paid only through sales and use tax revenues imposed by the county
16 under s. 77.70. The county shall be and continue without power to repeal such tax
17 or obstruct the collection of the tax until all such payments have been made or
18 provided for.

19 **SECTION 22.** 71.05 (6) (a) 15. of the statutes is amended to read:

20 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
21 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
22 (3rm), (3rn), (3s), (3t), (3w), (~~3wm~~), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
23 (5rm), (6n), and (8r) and not passed through by a partnership, limited liability
24 company, or tax-option corporation that has added that amount to the partnership's,
25 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

1 **SECTION 23.** 71.07 (3w) (bm) 5. of the statutes is created to read:

2 71.07 (**3w**) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,
3 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,
4 2009 stats., a claimant that has retained the minimum number of full-time
5 employees determined under s. 238.399 (5) (f) and maintained average zone payroll
6 for the taxable year equal to or greater than the base year may claim as a credit
7 against the tax imposed under s. 71.02 or 71.08 an amount equal to the percentage,
8 as determined by the Wisconsin Economic Development Corporation, of the
9 claimant's zone payroll paid in the 12 months prior to the certification date to the
10 claimant's full-time employees in the enterprise zone whose annual wages are
11 greater than the amount determined by multiplying 2,080 by 150 percent of the
12 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
13 a tier II county or municipality. The amount that the claimant may claim as credit
14 under this subdivision for a taxable year shall not exceed \$2,000,000. A claimant
15 may claim a credit under this subdivision for no more than 5 consecutive taxable
16 years.

17 **SECTION 24.** 71.07 (3wm) of the statutes is created to read:

18 71.07 (**3wm**) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE
19 CREDIT. (a) *Definitions.* In this subsection:

20 1. "Claimant" means a person who is certified to claim tax benefits under s.
21 238.396 (3) and who files a claim under this subsection.

22 2. "Full-time employee" means an individual who is employed in a job for which
23 the annual pay is at least \$30,000 and who is offered retirement, health, and other
24 benefits that are equivalent to the retirement, health, and other benefits offered to
25 an individual who is required to work at least 2,080 hours per year.

1 3. “State payroll” means the amount of payroll apportioned to this state, as
2 determined under s. 71.25 (8).

3 6. “Wages” means wages under section 3306 (b) of the Internal Revenue Code,
4 determined without regard to any dollar limitations.

5 7. “Zone” means a zone designated under s. 238.396 (1m).

6 8. “Zone payroll” means the amount of state payroll that is attributable to
7 wages paid by the claimant to full-time employees for services that are performed
8 in the zone or that are performed outside the zone, but within the state, and for the
9 benefit of the operations within the zone, as determined by the Wisconsin Economic
10 Development Corporation. “Zone payroll” does not include the amount of wages paid
11 to any full-time employees that exceeds \$100,000.

12 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
13 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
14 71.02 or 71.08 an amount calculated as follows:

15 1. Determine the zone payroll for the taxable year for full-time employees
16 employed by the claimant.

17 2. Multiply the amount determined under subd. 1. by 17 percent.

18 (bm) *Filing supplemental claims.* In addition to claiming the credit under par.
19 (b), and subject to the limitations under this subsection and s. 238.396, a claimant
20 may claim as a credit against the tax imposed under s. 71.02 or 71.08 up to 15 percent
21 of the claimant’s significant capital expenditures in the zone in the taxable year, as
22 determined under s. 238.396 (3m).

23 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
24 corporations may not claim the credit under this subsection, but the eligibility for,
25 and the amount of, the credit are based on their payment of amounts described under

1 pars. (b) and (bm). A partnership, limited liability company, or tax-option
2 corporation shall compute the amount of credit that each of its partners, members,
3 or shareholders may claim and shall provide that information to each of them.
4 Partners, members of limited liability companies, and shareholders of tax-option
5 corporations may claim the credit in proportion to their ownership interests.

6 2. No credit may be allowed under this subsection unless the claimant includes
7 with the claimant's return a copy of the claimant's certification for tax benefits under
8 s. 238.396 (3).

9 (d) *Administration.* 1. Section 71.28 (4) (g) and (h), as it applies to the credit
10 under s. 71.28 (4), applies to the credit under this subsection.

11 2. If the allowable amount of the claim under this subsection exceeds the taxes
12 otherwise due on the claimant's income under s. 71.02, the amount of the claim that
13 is not used to offset those taxes shall be certified by the department of revenue to the
14 department of administration for payment by check, share draft, or other draft
15 drawn from the appropriation under s. 20.835 (2) (cp). Notwithstanding s. 71.82, no
16 interest shall be paid on amounts certified under this subdivision.

17 **SECTION 25.** 71.08 (1) (intro.) of the statutes is amended to read:

18 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
19 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
20 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
21 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8r), (9e), (9m), and
22 (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), (3wm), and (3y), 71.47 (1dx), (1dy),
23 (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and
24 payments to other states under s. 71.07 (7), is less than the tax under this section,

1 there is imposed on that natural person, married couple filing jointly, trust or estate,
2 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

3 **SECTION 26.** 71.10 (4) (i) of the statutes is amended to read:

4 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
5 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
6 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
7 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
8 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
9 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
10 71.07 (3rm), food processing plant and food warehouse investment credit under s.
11 71.07 (3rn), business development credit under s. 71.07 (3y), film production services
12 credit under s. 71.07 (5f), film production company investment credit under s. 71.07
13 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),
14 enterprise zone jobs credit under s. 71.07 (3w), electronics and information
15 technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and
16 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.
17 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.
18 X.

19 **SECTION 27.** 71.21 (4) (a) of the statutes is amended to read:

20 71.21 (4) (a) The amount of the credits computed by a partnership under s.
21 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
22 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and
23 passed through to partners shall be added to the partnership's income.

24 **SECTION 28.** 71.26 (2) (a) 4. of the statutes is amended to read:

1 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
2 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (5e), (5f),
3 (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), and (9s) and not passed through by a
4 partnership, limited liability company, or tax-option corporation that has added that
5 amount to the partnership's, limited liability company's, or tax-option corporation's
6 income under s. 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 29.** 71.28 (3w) (bm) 5. of the statutes is created to read:

8 71.28 (3w) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,
9 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,
10 2009 stats., a claimant that has retained the minimum number of full-time
11 employees determined under s. 238.399 (5) (f) and maintained average zone payroll
12 for the taxable year equal to or greater than the base year may claim as a credit
13 against the tax imposed under s. 71.23 an amount equal to the percentage, as
14 determined by the Wisconsin Economic Development Corporation, of the claimant's
15 zone payroll paid in the 12 months prior to the certification date to the claimant's
16 full-time employees in the enterprise zone whose annual wages are greater than the
17 amount determined by multiplying 2,080 by 150 percent of the federal minimum
18 wage in a tier I county or municipality or greater than \$30,000 in a tier II county or
19 municipality. The amount that the claimant may claim as credit under this
20 subdivision for a taxable year shall not exceed \$2,000,000. A claimant may claim a
21 credit under this subdivision for no more than 5 consecutive taxable years.

22 **SECTION 30.** 71.28 (3wm) of the statutes is created to read:

23 71.28 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE
24 CREDIT. (a) *Definitions.* In this subsection:

1 1. “Claimant” means a person who is certified to claim tax benefits under s.
2 238.396 (3) and who files a claim under this subsection.

3 2. “Full-time employee” means an individual who is employed in a job for which
4 the annual pay is at least \$30,000 and who is offered retirement, health, and other
5 benefits that are equivalent to the retirement, health, and other benefits offered to
6 an individual who is required to work at least 2,080 hours per year.

7 3. “State payroll” means the amount of payroll apportioned to this state, as
8 determined under s. 71.25 (8).

9 6. “Wages” means wages under section 3306 (b) of the Internal Revenue Code,
10 determined without regard to any dollar limitations.

11 7. “Zone” means a zone designated under s. 238.396 (1m).

12 8. “Zone payroll” means the amount of state payroll that is attributable to
13 wages paid by the claimant to full-time employees for services that are performed
14 in the zone or that are performed outside the zone, but within the state, and for the
15 benefit of the operations within the zone, as determined by the Wisconsin Economic
16 Development Corporation. “Zone payroll” does not include the amount of wages paid
17 to any full-time employees that exceeds \$100,000.

18 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
19 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
20 71.23 an amount calculated as follows:

21 1. Determine the zone payroll for the taxable year for full-time employees
22 employed by the claimant.

23 2. Multiply the amount determined under subd. 1. by 17 percent.

24 (bm) *Filing supplemental claims.* In addition to claiming the credit under par.
25 (b), and subject to the limitations under this subsection and s. 238.396, a claimant

1 may claim as a credit against the tax imposed under s. 71.23 up to 15 percent of the
2 claimant's significant capital expenditures in the zone in the taxable year, as
3 determined under s. 238.396 (3m).

4 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
5 corporations may not claim the credit under this subsection, but the eligibility for,
6 and the amount of, the credit are based on their payment of amounts described under
7 pars. (b) and (bm). A partnership, limited liability company, or tax-option
8 corporation shall compute the amount of credit that each of its partners, members,
9 or shareholders may claim and shall provide that information to each of them.
10 Partners, members of limited liability companies, and shareholders of tax-option
11 corporations may claim the credit in proportion to their ownership interests.

12 2. No credit may be allowed under this subsection unless the claimant includes
13 with the claimant's return a copy of the claimant's certification for tax benefits under
14 s. 238.396 (3).

15 (d) *Administration.* 1. Subsection (4) (g) and (h), as it applies to the credit
16 under sub. (4), applies to the credit under this subsection.

17 2. If the allowable amount of the claim under this subsection exceeds the taxes
18 otherwise due on the claimant's income under s. 71.23, the amount of the claim that
19 is not used to offset those taxes shall be certified by the department of revenue to the
20 department of administration for payment by check, share draft, or other draft
21 drawn from the appropriation under s. 20.835 (2) (cp). Notwithstanding s. 71.82, no
22 interest shall be paid on amounts certified under this subdivision.

23 **SECTION 31.** 71.30 (3) (f) of the statutes is amended to read:

24 71.30 (3) (f) The total of farmland preservation credit under subch. IX,
25 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility

1 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
2 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
3 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
4 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
5 (3w), electronics and information technology manufacturing zone credit under s.
6 71.28 (3wm), business development credit under s. 71.28 (3y), film production
7 services credit under s. 71.28 (5f), film production company investment credit under
8 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),
9 and estimated tax payments under s. 71.29.

10 **SECTION 32.** 71.34 (1k) (g) of the statutes is amended to read:

11 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
12 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
13 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
14 (5rm), (6n), and (8r) and passed through to shareholders.

15 **SECTION 33.** 73.0300 of the statutes is created to read:

16 **73.0300 Disregarded entities.** With regard to a single-owner entity that is
17 disregarded as a separate entity under section 7701 of the Internal Revenue Code,
18 any notice that the department of revenue sends to the owner or to the entity is
19 considered a notice sent to both and both are liable for any amounts due as specified
20 in the notice. This section applies to all laws administered by the department.

21 **SECTION 34.** 77.54 (65) of the statutes is created to read:

22 77.54 (65) The sales price from the sale of building materials, supplies, and
23 equipment and the sale of services described in s. 77.52 (2) (a) 20. to; and the storage,
24 use, or other consumption of the same property and services by; owners, lessees,
25 contractors, subcontractors, or builders if that property or service is acquired solely

1 for or used solely in, the construction or development of facilities located in an
2 electronics and information technology manufacturing zone designated under s.
3 238.396 (1m) and if the capital expenditures for the construction or development of
4 such facilities may be claimed as a credit under s. 71.07 (3wm) (bm) or 71.28 (3wm)
5 (bm), as certified by the Wisconsin Economic Development Corporation.

6 **SECTION 34e.** 77.70 of the statutes, as affected by 2017 Wisconsin Act 17, is
7 amended to read:

8 **77.70 Adoption by county ordinance.** Any county desiring to impose county
9 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
10 stating its purpose and referring to this subchapter. The rate of the tax imposed
11 under this section is 0.5 percent of the sales price or purchase price. The Except as
12 provided in s. 67.05 (10m), the county sales and use taxes may be imposed only for
13 the purpose of directly reducing the property tax levy and only in their entirety as
14 provided in this subchapter. That ordinance shall be effective on the first day of
15 January, the first day of April, the first day of July or the first day of October. A
16 certified copy of that ordinance shall be delivered to the secretary of revenue at least
17 120 days prior to its effective date. The repeal of any such ordinance shall be effective
18 on December 31. A certified copy of a repeal ordinance shall be delivered to the
19 secretary of revenue at least 120 days before the effective date of the repeal. Except
20 as provided under s. 77.60 (9), the department of revenue may not issue any
21 assessment nor act on any claim for a refund or any claim for an adjustment under
22 s. 77.585 after the end of the calendar year that is 4 years after the year in which the
23 county has enacted a repeal ordinance under this section.

24 **SECTION 35.** 84.0145 (2) of the statutes is amended to read:

1 84.0145 (2) Subject to sub. (3) and s. 86.255, any southeast Wisconsin freeway
2 megaproject may be funded only from the appropriations under ss. 20.395 (3) (aq),
3 (av), (ax), and (ct) and 20.866 (2) (uup) ~~and~~, (uur), and (uuz).

4 **SECTION 36.** 84.585 of the statutes is created to read:

5 **84.585 Additional contingent funding for southeast Wisconsin freeway**
6 **megaprojects.** Subject to 2017 Wisconsin Act (this act), section 60 (1), the
7 proceeds of general obligation bonds issued under s. 20.866 (2) (uuz) may be used to
8 fund southeast Wisconsin freeway megaprojects under s. 84.0145 (3) (b) 1.

9 **SECTION 36m.** 106.271 of the statutes is created to read:

10 **106.271 Worker training and employment program. (1) PROGRAM.** Of the
11 amounts appropriated under s. 20.445 (1) (bg) in the 2019-21 fiscal biennium, the
12 department shall allocate \$20,000,000 to provide funding, through grants or other
13 means, to facilitate worker training and employment in this state.

14 **(2) POWERS OF DEPARTMENT.** The department shall have all other powers
15 necessary and convenient to implement this section, including the power to audit and
16 inspect the records of grant recipients.

17 **(3) CONSULTATION.** The department shall consult with the technical college
18 system board and the Wisconsin Economic Development Corporation in
19 implementing this section.

20 **(4) APPROVAL OF JOINT FINANCE COMMITTEE.** Prior to expending any funds
21 appropriated under s. 20.445 (1) (bg), the department shall submit to the joint
22 committee on finance a plan for implementing the program under this section. The
23 department may not expend any funds appropriated under s. 20.445 (1) (bg) except
24 in accordance with the plan as approved by the committee.

1 **(5) ANNUAL REPORT.** Annually, by December 31, the department shall submit
2 a report to the governor and the cochairpersons of the joint committee on finance
3 providing an account of the department's activities and expenditures under this
4 section during the preceding fiscal year.

5 **SECTION 37.** 180.0622 (2) of the statutes is amended to read:

6 180.0622 **(2)** Unless otherwise provided in the articles of incorporation, a
7 shareholder of a corporation is not personally liable for the acts or debts of the
8 corporation, except for a shareholder in a corporation defined under s. 71.365 (7), and
9 only to the extent provided for under s. 73.0300, and except that a shareholder may
10 become personally liable by his or her acts or conduct other than as a shareholder.

11 **SECTION 38.** 183.0304 (1) of the statutes is amended to read:

12 183.0304 **(1)** The debts, obligations and liabilities of a limited liability
13 company, whether arising in contract, tort or otherwise, shall be solely the debts,
14 obligations and liabilities of the limited liability company. Except as provided in ss.
15 73.0300, 183.0502, and 183.0608, a member or manager of a limited liability
16 company is not personally liable for any debt, obligation or liability of the limited
17 liability company, except that a member or manager may become personally liable
18 by his or her acts or conduct other than as a member or manager.

19 **SECTION 39.** 196.192 (1) of the statutes is renumbered 196.192 (1) (intro.) and
20 amended to read:

21 196.192 **(1)** (intro.) In this section, ~~“electric;~~

22 (a) “Electric public utility” means a public utility whose purpose is the
23 generation, distribution and sale of electric energy.

24 **SECTION 40.** 196.192 (1) (b) of the statutes is created to read:

1 196.192 (1) (b) “Electronics and information technology manufacturing zone”
2 means a zone designated under s. 238.396 (1m).

3 **SECTION 41.** 196.192 (2) of the statutes is renumbered 196.192 (2) (am).

4 **SECTION 42.** 196.192 (2m) of the statutes is created to read:

5 196.192 (2m) (a) No later than January 1, 2020, an electric public utility
6 providing service to an electronics and information technology manufacturing zone
7 shall file with the commission tariffs that include market-based pricing and options
8 that allow a new retail customer that is within the electronics and information
9 technology manufacturing zone and that the commission determines is eligible for
10 a credit under s. 71.07 (3wm) to receive market benefits and take market risks for
11 some or all of the customer’s purchases of capacity or energy, subject to the maximum
12 capacity or energy purchase limits that shall be established by the commission. The
13 electric public utility shall include the following requirements in the tariffs:

14 1. The customer shall annually nominate the amount of capacity and energy
15 subject to the market-based tariff.

16 2. The customer shall provide not less than 12 months’ notice to terminate
17 service under the market-based tariff.

18 3. The term of the market-based tariff may not be less than 10 years.

19 4. The customer shall pay the difference, if any, between the otherwise
20 applicable retail rate and the market-based tariff rate if the customer does any of
21 the following:

22 a. Supplies false or misleading information regarding its applicability for the
23 market-based tariff.

1 b. Leaves the electronics and information technology manufacturing zone to
2 conduct substantially the same business outside the electronics and information
3 technology manufacturing zone.

4 c. Ceases operations in the electronics and information technology
5 manufacturing zone and does not renew operation of the business or a similar
6 business within the electronics and information technology manufacturing zone
7 within 12 months.

8 (b) The commission shall approve market-based rates that are consistent with
9 par. (a).

10 **SECTION 43.** 196.192 (3) (a) of the statutes is renumbered 196.192 (2) (bm) and
11 amended to read:

12 196.192 (2) (bm) The commission shall approve market-based rates that are
13 consistent with the options specified in ~~sub. (2) par. (am)~~, except that the commission
14 may not approve a market-based rate unless the commission determines that the
15 rate will not harm shareholders of the investor-owned electric public utility or
16 customers who are not subject to the rate.

17 **SECTION 44.** 196.192 (3) (b) of the statutes is renumbered 196.192 (3m) and
18 amended to read:

19 196.192 (3m) Nothing in s. 196.20, 196.22, 196.37, 196.60 or 196.604 prohibits
20 the commission from approving a filing under sub. (2) (am) or (2m) (a) or approving
21 market-based rates under ~~par. (a) sub. (2) (bm) or (2m) (b)~~.

22 **SECTION 45.** 196.192 (4) of the statutes is renumbered 196.192 (2) (c) and
23 amended to read:

24 196.192 (2) (c) Subject to any approval of the commission that is necessary, an
25 electric public utility that is not an investor-owned electric public utility may

1 implement market-based rates approved under ~~sub. (3) (a)~~ par. (bm) or implement
2 the options in filings under ~~sub. (2)~~ par. (am) that are approved by the commission.

3 **SECTION 46.** 196.49 (5g) (ar) 3. of the statutes is created to read:

4 196.49 **(5g)** (ar) 3. The project is primarily to provide service to a new customer
5 within an electronics and information technology manufacturing zone designated
6 under s. 238.396 (1m).

7 **SECTION 47.** 196.491 (1) (f) of the statutes is amended to read:

8 196.491 **(1)** (f) Except as provided in subs. (2) (b) 8. and (3) (d) 3m.,
9 “high-voltage transmission line” means a conductor of electric energy exceeding one
10 mile in length designed for operation at a nominal voltage of 100 kilovolts or more,
11 together with associated facilities, and does not include transmission line relocations
12 that are within an electronics and information technology manufacturing zone
13 designated under s. 238.396 (1m) or that the commission determines are necessary
14 to facilitate highway or airport projects.

15 **SECTION 48m.** 238.03 (5) of the statutes is created to read:

16 238.03 **(5)** The board shall hire a full-time employee who shall be known as the
17 electronics manufacturing small business development director. The director’s
18 duties shall include coordinating with the economic development liaison in the
19 department of administration and providing outreach to local economic development
20 organizations. This subsection has no effect after December 31, 2022.

21 **SECTION 48s.** 238.12 (1) of the statutes is amended to read:

22 238.12 **(1)** In this section, “tax benefits” means the credits under ss. 71.07
23 (2dm), (2dx), (3g), ~~and (3t), and (3wm)~~, 71.28 (1dm), (1dx), (3g), ~~and (3t), and (3wm)~~,
24 71.47 (1dm), (1dx), (3g), and (3t), and 76.636.

25 **SECTION 49.** 238.396 of the statutes is created to read:

1 **238.396 Electronics and information technology manufacturing zone.**

2 **(1) DEFINITION.** In this section, “tax benefits” means the income and franchise tax
3 credits under ss. 71.07 (3wm) and 71.28 (3wm).

4 **(1m) DESIGNATION OF ZONE; CRITERIA.** (a) The corporation may designate not
5 more than one electronics and information technology manufacturing zone.

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

8 1. Indicators of the area’s economic need, which may include data regarding
9 household income, average wages, the condition of property, housing values,
10 population decline, job losses, infrastructure and energy support, the rate of business
11 development, and the existing resources available to the area.

12 2. The effect of designation on other initiatives and programs to promote
13 economic and community development in the area, including job retention, job
14 creation, job training, and creating high-paying jobs.

15 (d) The corporation shall, to the extent possible, give preference to the greatest
16 economic need.

17 **(2) TIME LIMIT.** A designation under sub. (1m) shall remain in effect for no more
18 than 15 years.

19 **(3) CERTIFICATION.** The corporation may certify for tax benefits a business that
20 begins operations in an electronics and information technology manufacturing zone.

21 **(3m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.** If the
22 corporation determines that a business certified under sub. (3) makes a significant
23 capital expenditure in the electronics and information technology manufacturing
24 zone, the corporation may certify the business to receive additional tax benefits in
25 an amount to be determined by the corporation, but not exceeding 15 percent of the

1 business's capital expenditures. The corporation shall, in a manner determined by
2 the corporation, allocate the tax benefits a business is certified to receive under this
3 subsection over a period of 7 years.

4 **(3s) LIMITATIONS ON TAX BENEFITS.** (a) The corporation may not issue
5 certifications to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) that
6 total more than \$1,500,000,000.

7 (b) The corporation may not issue certifications to claim tax benefits under ss.
8 71.07 (3wm) (bm) and 71.28 (3wm) (bm) that total more than \$1,350,000,000.

9 **(4) OTHER DUTIES.** (a) The corporation shall revoke a certification under sub.
10 (3) if the business does any of the following:

11 1. Supplies false or misleading information to obtain tax benefits.

12 2. Leaves the electronics and information technology manufacturing zone to
13 conduct substantially the same business outside the zone.

14 3. Ceases operations in the electronics and information technology
15 manufacturing zone and does not renew operation of the business or a similar
16 business in the zone within 12 months.

17 (b) The corporation may require a business to repay any tax benefits the
18 business claims for a year in which the business failed to maintain employment
19 levels or a significant capital investment in property required by an agreement
20 between the business and the corporation.

21 (c) The corporation shall determine the maximum amount of the tax benefits
22 that a certified business may claim and shall notify the department of revenue of this
23 amount.

24 (d) The corporation shall annually verify the information submitted to the
25 corporation under ss. 71.07 (3wm) and 71.28 (3wm).

1 (f) The corporation shall adopt policies and procedures defining “significant
2 capital expenditure” for purposes of sub. (3m).

3 (g) The corporation shall, to the extent possible, attempt to include terms in any
4 agreement negotiated between the corporation and a business certified under sub.
5 (3) that encourage the business’s hiring of Wisconsin residents.

6 **(5) NO ENVIRONMENTAL IMPACT STATEMENT REQUIRED.** The issuance of any permit
7 or approval for a new manufacturing facility within an electronics and information
8 technology manufacturing zone designated under this section is not a major action
9 for the purposes of s. 1.11 (2) (c).

10 **SECTION 50.** 238.399 (3) (a) of the statutes is amended to read:

11 238.399 (3) (a) The corporation may designate not more than ~~30~~ 35 enterprise
12 zones.

13 **SECTION 51.** 238.399 (3) (e) of the statutes is created to read:

14 238.399 (3) (e) If the corporation revokes all certifications for tax benefits
15 within a designated enterprise zone, the corporation may cancel the designation of
16 that enterprise zone. After canceling the designation of an enterprise zone, the
17 corporation may designate a new enterprise zone subject to the limits of this
18 subsection.

19 **SECTION 52.** 238.399 (4) of the statutes is renumbered 238.399 (4) (a).

20 **SECTION 53.** 238.399 (4) (b) of the statutes is created to read:

21 238.399 (4) (b) If an enterprise zone designation expires under par. (a), the
22 corporation may designate a new enterprise zone subject to the limits of sub. (3).

23 **SECTION 54.** 238.399 (5) (f) of the statutes is created to read:

24 238.399 (5) (f) No more than one financial services technology business that,
25 after completing a competitive corporate relocation process, retains its corporate

1 headquarters in this state and retains at least 93 percent of its full-time employees
2 in this state who were identified as being full-time employees of the business in the
3 base year, as determined by the corporation.

4 **SECTION 55.** 238.399 (5m) of the statutes is amended to read:

5 238.399 (5m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.

6 If the corporation determines that a business certified under sub. (5) makes a
7 significant capital expenditure in the enterprise zone, the corporation may certify
8 the business to receive additional tax benefits in an amount to be determined by the
9 corporation, but not exceeding 10 percent of the business' capital expenditures. The
10 corporation shall, in a manner determined by the corporation, allocate the tax
11 benefits a business is certified to receive under this subsection over the remainder
12 of the time limit of the enterprise zone under sub. (4) (a).

13 **SECTION 56.** 281.346 (4) (c) 2m. of the statutes is amended to read:

14 281.346 (4) (c) 2m. The proposal is consistent with an approved water supply
15 service area plan under s. 281.348 that covers the public water supply system unless
16 the proposal is to provide water to a straddling community that includes an
17 electronics and information technology manufacturing zone designated under s.
18 238.396 (1m).

19 **SECTION 57.** 281.36 (3b) (b) of the statutes is amended to read:

20 281.36 (3b) (b) No person may discharge dredged material or fill material into
21 a wetland unless the discharge is authorized by a wetland general permit or
22 individual permit issued by the department under this section or the discharge is
23 exempt under sub. (4) or (4m) (a). No person may violate any condition contained in
24 a wetland general or individual permit issued by the department under this section.
25 The department may not issue a wetland general or individual permit under this

1 section unless it determines that the discharge authorized pursuant to the wetland
2 general or individual permit will comply with all applicable water quality standards.

3 **SECTION 58.** 281.36 (3m) (a) of the statutes is amended to read:

4 281.36 **(3m)** (a) *When permit required.* Any person wishing to proceed with a
5 discharge into any wetland shall submit an application for a wetland individual
6 permit under this subsection unless the discharge has been authorized under a
7 wetland general permit as provided in sub. (3g) or is exempt under sub. (4) or (4m)
8 (a). Before submitting the application, the department shall hold a meeting with the
9 applicant to discuss the details of the proposed discharge and the requirements for
10 submitting the application and for delineating the wetland. An applicant may
11 include in the application a request for a public informational hearing. The
12 application shall be accompanied by the applicable fee specified in sub. (11) or (12)
13 (a).

14 **SECTION 59.** 281.36 (4m) of the statutes is created to read:

15 281.36 **(4m)** EXEMPTION AND WAIVER; ELECTRONICS AND INFORMATION TECHNOLOGY
16 MANUFACTURING ZONE. (a) The permitting requirement under sub. (3b) does not apply
17 to any discharge into a wetland located in an electronics and information technology
18 manufacturing zone designated under s. 238.396 (1m) if the discharge is related to
19 the construction, access, or operation of a new manufacturing facility in the zone and
20 all adverse impacts to functional values of wetlands are compensated at a ratio of 2
21 acres per each acre impacted through any of the following methods, consistent with
22 the rules promulgated under this section:

23 1. Purchasing credits from a mitigation bank located in this state.

24 2. Participating in the in lieu fee subprogram under sub. (3r), under which the
25 department shall identify and consider mitigation that could be conducted within the

1 same watershed and may locate mitigation outside the watershed only upon
2 agreement of the department and the person exempt from permitting under this
3 subsection.

4 3. Completing mitigation within this state.

5 4. Participating in the escrow subprogram under sub. (3s).

6 (b) The department shall waive water quality certification under 33 USC 1341

7 (a) (1) for a discharge under par. (a).

8 **SECTION 60. Nonstatutory provision.**

9 (1) The department of transportation may not expend the proceeds of general
10 obligation bonds issued under section 20.866 (2) (uuz) of the statutes unless the state
11 receives an award of federal moneys for the I 94 north-south corridor project under
12 section 84.0145 (3) (b) 1. of the statutes and the joint committee on finance approves
13 the expenditure. No later than 14 days after receiving a plan from the department
14 of transportation to make an expenditure under this subsection, the cochairpersons
15 of the joint committee on finance shall convene a meeting of the joint committee on
16 finance to approve or modify and approve the plan.

17 (2c) Except as otherwise specifically provided, the department of natural
18 resources shall ensure that the conditions of applicable permits, licenses, and
19 approvals under the department's jurisdiction are met for all activities related to the
20 construction, access, or operation of a new manufacturing facility within an
21 electronics and information technology manufacturing zone designated under
22 section 238.396 (1m) of the statutes, including but not limited to permits, licenses,
23 and approvals required under chapters 23, 24, 26, 27, 28, 29, 30, 31, 33, 44, 77, 160,
24 167, 254, 280, 281, 283, 285, 287, 289, 291, 292, 293, 295, and 299 of the statutes and
25 any associated rules promulgated by the department of natural resources.

1 (2d) The Board of Regents of the University of Wisconsin System and the
2 Technical College System Board shall consult together on strategies to address
3 long-term workforce development issues for the future economy, including
4 strategies for the fields of engineering, computer science, and electronic technology
5 manufacturing. No later than December 1, 2017, the boards shall submit a joint
6 report to the joint committee on finance and the appropriate legislative standing
7 committees generally responsible for legislation related to higher education and
8 workforce development that includes recommendations to address long-term
9 workforce development issues.

10 (3m) Section 13.52 (6) of the statutes shall not apply to the actions of the
11 legislature in enacting this act.

12 **SECTION 61. Fiscal changes.**

13 (1) ECONOMIC DEVELOPMENT LIAISON. In the schedule under section 20.005 (3)
14 of the statutes for the appropriation to the department of administration under
15 section 20.505 (1) (a) of the statutes, the dollar amount for fiscal year 2017-18 is
16 increased by \$183,500 and the dollar amount for fiscal year 2018-19 is increased by
17 \$177,500 to increase the authorized FTE positions for the department by 1.0 GPR
18 unclassified economic development liaison project position. The project position
19 shall be assigned to executive salary group 4. Notwithstanding section 230.27 (1) of
20 the statutes, the project position shall expire on December 31, 2022.

21 (1c) ELECTRONICS MANUFACTURING SMALL BUSINESS DEVELOPMENT DIRECTOR. In the
22 schedule under section 20.005 (3) of the statutes for the appropriation to the
23 Wisconsin Economic Development Corporation under section 20.192 (1) (r) of the
24 statutes, the dollar amount for fiscal year 2017-18 is increased by \$110,000 and the
25 dollar amount for fiscal year 2018-19 is increased by \$110,000 to provide funding for

1 the electronics manufacturing small business development director position
2 required under section 238.03 (5) of the statutes.

3 **SECTION 62. Initial applicability.**

4 (1) SALES AND USE TAX EXEMPTION. The treatment of section 77.54 (65) of the
5 statutes first applies to purchases made after the Wisconsin Economic Development
6 Corporation enters into a contract with a business to locate in an electronics and
7 information technology manufacturing zone.

8 **SECTION 63. Effective dates.** This act takes effect on the day after publication,
9 except as follows:

10 (1) The treatment of section 20.505 (1) (fr) of the statutes and SECTION 61 (1)
11 and (1c) of this act take effect on the day after publication, or on the 2nd day after
12 publication of the 2017 biennial budget act, whichever is later.

13 (END)