



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4050/P1
MS/MG/JK/ZW/MK:emw&wlj

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EM (1/15)
PMA

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 AN ACT *to renumber* 238.399 (4); *to renumber and amend* 30.195 (7), 61.57
2 and 62.155; *to amend* 30.123 (6m) (intro.), 66.1105 (2) (f) 1. (intro.), 66.1105 (4)
3 (gm) 4. c., 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4) (a), 71.26 (2)
4 (a) 4., 71.30 (3) (f), 71.34 (1k) (g), 180.0622 (2), 183.0304 (1), 196.491 (1) (f),
5 238.399 (3) (a), 238.399 (5m), 281.346 (4) (c) 2m., 281.36 (3b) (b) and 281.36 (3m)
6 (a); and *to create* 16.004 (23), 16.297, 20.505 (1) (fr), 20.835 (2) (cp), 20.923 (4)
7 (c) 2m., 30.12 (1g) (m), 30.123 (6) (f), 30.19 (1m) (h), 30.195 (7) (b), 61.57 (1) to
8 (3), 62.155 (1) to (3), 66.1105 (20), 71.07 (3w) (bm) 5., 71.07 (3wm), 71.28 (3w)
9 (bm) 5., 71.28 (3wm), 73.0300, 77.54 (65), 196.49 (5g) (ar) 3., 230.08 (2) (xt),
10 238.396, 238.399 (3) (e), 238.399 (4) (b), 238.399 (5) (f) and 281.36 (4m) of the
11 statutes; **relating to:** authorizing the creation of an electronics and
12 information technology manufacturing zone, making changes to the enterprise

1 zone tax credit program, authorizing limited use of the design-build
2 construction process, and making appropriations.

Analysis by the Legislative Reference Bureau

ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

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

Tax credits

Under the bill, 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 bill is \$2,850,000,000. WEDC may seek repayment of tax credits under circumstances specified in the bill, 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 bill 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 bill 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 bill, for TIDs that are created in an area that includes an electronics and information technology manufacturing zone, a number of exceptions apply to the normal provisions that apply to 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.

4. 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 the expenditure benefits the TID.

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.

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 bill, 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 bill, 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 bill provides that no state permit is required and that the state waives water quality certification. Under the bill, a federal permit for such a discharge is still required. The bill 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.

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; and 6) change the course of or straighten a navigable stream.

Under the bill, 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 bill provides that DNR may require a permit for the construction or maintenance of bridges and the construction or placement and maintenance of culverts 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.

Public Service Commission certificates *and market-based rates*

This bill exempts public utility projects 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 bill 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

in which an electronics and information technology zone is located
manufacturing

before beginning construction of high-voltage transmission lines and associated facilities. INSERT 6-MOK

Grants to local governments

This bill 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.

DESIGN-BUILD CONSTRUCTION

This bill authorizes a city or village 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 for the acquisition of recycling or resource recovery facilities.

by any city, village, or county

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 bill 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.

ECONOMIC DEVELOPMENT LIAISON

This bill requires the secretary of administration to appoint an economic development liaison in the unclassified service of the state civil service to perform economic development-related services.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

Insert AMG

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

1 SECTION 1. 16.004 (23) of the statutes is created to read:

2 16.004 (23) ECONOMIC DEVELOPMENT LIAISON. The secretary shall appoint an
3 economic development liaison to perform services related to economic development.

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

moral obligation
pledge

5 **16.297 Grants for local government expenditures.** (1) From the
6 appropriation under s. 20.505 (1) (fr), the department may make one or more grants
7 to a local governmental unit for the local governmental unit's expenditures for costs
8 the department determines are associated with development occurring in an
9 electronics and information technology manufacturing zone designated under s.
10 238.396 (1m), including costs related to infrastructure and public safety.

Materials

From s. 16.297

11 (2) The department may require a local governmental unit to match in whole
12 or in part a grant the department makes to the local governmental unit under sub.
13 (1).

Insert 7-13

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

	2017-18	2018-19

INS 7-15 4/18

16 **20.505 Administration, department of**

17 (1) SUPERVISION AND MANAGEMENT

18 (fr) Grants for local government
19 expenditures

GPR C 10,000,000 -0-

20 SECTION 4. 20.505 (1) (fr) of the statutes is created to read:

21 20.505 (1) (fr) *Grants for local government expenditures.* As a continuing
22 appropriation, the amounts in the schedule for grants to local governmental units
23 under s. 16.297.

INS 7-19 5/18

1 SECTION 5. 20.835 (2) (cp) of the statutes is created to read:

2 20.835 (2) (cp) *Electronics and information technology manufacturing zone*
3 *credit*. A sum sufficient to make the payments under ss. 71.07 (3wm) (d) 2. and 71.28
4 (3wm) (d) 2.

INS
8-4
sum

5 SECTION 6. 20.923 (4) (c) 2m. of the statutes is created to read:

6 20.923 (4) (c) 2m. Administration, department of: economic development
7 liaison.

8 SECTION 7. 30.12 (1g) (m) of the statutes is created to read:

9 30.12 (1g) (m) A structure or deposit that is related to the construction, access,
10 or operation of a new manufacturing facility in a navigable stream located in an
11 electronics and information technology manufacturing zone designated under s.
12 238.396 (1m).

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

14 30.123 (6) (f) The construction or maintenance of bridges and the construction
15 or placement and maintenance of culverts that are required for the construction,
16 access, or operation of a new manufacturing facility and that affect a portion of a
17 navigable stream within an electronics and information technology manufacturing
18 zone designated under s. 238.396 (1m).

19 SECTION 9. 30.123 (6m) (intro.) of the statutes is amended to read:

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

1 **SECTION 10.** 30.19 (1m) (h) of the statutes is created to read:

2 30.19 **(1m)** (h) Any activity that affects a portion of a navigable stream and that
3 is required for the construction, access, and operation of a new manufacturing
4 facility within an electronics and information technology manufacturing zone
5 designated under s. 238.396 (1m).

6 **SECTION 11.** 30.195 (7) of the statutes is renumbered 30.195 (7) (intro.) and
7 amended to read:

8 30.195 **(7)** APPLICATION OF SECTION. (intro.) This section does not apply to
9 municipal any of the following:

10 (a) Municipal or county-owned lands in counties having a population of
11 750,000 or more.

12 **SECTION 12.** 30.195 (7) (b) of the statutes is created to read:

13 30.195 **(7)** (b) Activity related to the construction, access, or operation of a new
14 manufacturing facility located in an electronics and information technology
15 manufacturing zone designated under s. 238.396 (1m).

16 **SECTION 13.** 61.57 of the statutes is renumbered 61.57 (intro.) and amended
17 to read:

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

24 **SECTION 14.** 61.57 (1) ^{and (2)} to **(3)** of the statutes are created to read:

25 61.57 **(1)** A recycling or resource recovery facility.

INS 10-1

(a)

1
2

- (2) Water and sewer systems.
- (3) Wastewater treatment facilities.

3 SECTION 15. 62.155 of the statutes is renumbered 62.155 (intro.) and amended
4 to read:

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

11

SECTION 16. 62.155 (1) ^{and (2)} to (3) of the statutes are created to read:

12 62.155 (1) A recycling or resource recovery facility.

INS 10-113

13
14

- (2) Water and sewer systems.
- (3) Wastewater treatment facilities.

15 SECTION 17. 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

16 66.1105 (2) (f) 1. (intro.) "Project costs" mean any expenditures made or
17 estimated to be made or monetary obligations incurred or estimated to be incurred
18 by the city which are listed in a project plan as costs of public works or improvements
19 within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or
20 subds. 1. k., 1. m., and 1. n., or sub. (20) (c), without the district, plus any incidental
21 costs, diminished by any income, special assessments, or other revenues, including
22 user fees or charges, other than tax increments, received or reasonably expected to
23 be received by the city in connection with the implementation of the plan. For any
24 tax incremental district for which a project plan is approved on or after July 31, 1981,
25 only a proportionate share of the costs permitted under this subdivision may be

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

9 **SECTION 18.** 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

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

22 **SECTION 19.** 66.1105 (20) of the statutes is created to read:

23 66.1105 (20) DISTRICTS WITHIN AN ELECTRONICS AND INFORMATION TECHNOLOGY
24 MANUFACTURING ZONE. (a) *Creation.* With regard to a tax incremental district that
25 is created in an electronics and information technology manufacturing zone that is

1 ^{redesignated} created under s. 238.396^(m), the district may only be a district that is suitable for
2 industrial sites or mixed-use development, as described in sub. (4) (gm) 4. a., and all
3 of the following apply:

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

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

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

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

23 (b) *Exception to the 12 percent limit.* Notwithstanding the 12 percent limit
24 findings requirement described under sub. (4) (gm) 4. c., the equalized value of

1 taxable property of a tax incremental district described under this subsection does
2 not count in the calculation of the 12 percent limit.

3 (c) *Expenditures.* With regard to a tax incremental district described under this
4 subsection, the creating city may incur project costs for any territory that is located
5 in the same county as the district, provided that the expenditure benefits the district.

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 20.** 71.05 (6) (a) 15. of the statutes is amended to read:

14 71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the
15 credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
16 (3rm), (3rn), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5f), (5h), (5i), (5j), (5k), (5r),
17 (5rm), (6n), and (8r) and not passed through by a partnership, limited liability
18 company, or tax-option corporation that has added that amount to the partnership's,
19 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

20 **SECTION 21.** 71.07 (3w) (bm) 5. of the statutes is created to read:

21 71.07 (3w) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,
22 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,
23 2009 stats., a claimant that has retained the minimum number of full-time
24 employees determined under s. 238.399 (5) (f) and maintained zone payroll for those
25 full-time employees for the taxable year equal to or greater than the base year may

1 claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount equal
2 to the percentage, as determined by the Wisconsin Economic Development
3 Corporation, of the claimant's zone payroll paid in the 12 months prior to the
4 certification date to the claimant's full-time employees in the enterprise zone whose
5 annual wages are greater than the amount determined by multiplying 2,080 by 150
6 percent of the federal minimum wage in a tier I county or municipality or greater
7 than \$30,000 in a tier II county or municipality. The amount that the claimant may
8 claim as credit under this subdivision for a taxable year shall not exceed \$2,000,000.
9 A claimant may claim a credit under this subdivision for no more than 5 consecutive
10 taxable years.

11 **SECTION 22.** 71.07 (3wm) of the statutes is created to read:

12 **71.07 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE**
13 **CREDIT.** (a) *Definitions.* In this subsection:

14 1. "Claimant" means a person who is certified to claim tax benefits under s.
15 238.396 (3) and who files a claim under this subsection.

16 2. "Full-time employee" means a full-time employee, as defined in s. 238.399
17 (1) (am).

18 3. "State payroll" means the amount of payroll apportioned to this state, as
19 determined under s. 71.25 (8).

20 4. "Tier I county or municipality" means a tier I county or municipality, as
21 determined under s. 238.396 (4) (e).

22 5. "Tier II county or municipality" means a tier II county or municipality, as
23 determined under s. 238.396 (4) e).

24 6. "Wages" means wages under section 3306 (b) of the Internal Revenue Code,
25 determined without regard to any dollar limitations.

1 7. "Zone" means a zone designated under s. 238.396 (1m).

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

8 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
9 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
10 71.02 or 71.08 an amount calculated as follows:

11 1. Determine the zone payroll for the taxable year for full-time employees
12 whose annual wages are greater than the amount determined by multiplying 2,080
13 by 150 percent of the federal minimum wage in a tier I county or municipality or
14 greater than \$30,000 in a tier II county or municipality.

15 2. Multiply the amount determined under subd. 1. by ~~XX~~ percent.

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

21 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
22 corporations may not claim the credit under this subsection, but the eligibility for,
23 and the amount of, the credit are based on their payment of amounts described under
24 pars. (b) and (bm). A partnership, limited liability company, or tax-option
25 corporation shall compute the amount of credit that each of its partners, members,

1 or shareholders may claim and shall provide that information to each of them.
2 Partners, members of limited liability companies, and shareholders of tax-option
3 corporations may claim the credit in proportion to their ownership interests.

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

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

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

15 **SECTION 23.** 71.08 (1) (intro.) of the statutes is amended to read:

16 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
17 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
18 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
19 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8r), (9e), (9m), and
20 (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), (3wm), and (3y), 71.47 (1dx), (1dy),
21 (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and
22 payments to other states under s. 71.07 (7), is less than the tax under this section,
23 there is imposed on that natural person, married couple filing jointly, trust or estate,
24 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

25 **SECTION 24.** 71.10 (4) (i) of the statutes is amended to read:

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

16 **SECTION 25.** 71.21 (4) (a) of the statutes is amended to read:

17 71.21 (4) (a) The amount of the credits computed by a partnership under s.
18 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
19 (3wm), (3y), (4k), (4n), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (8r) and
20 passed through to partners shall be added to the partnership's income.

21 **SECTION 26.** 71.26 (2) (a) 4. of the statutes is amended to read:

22 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
23 (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (3wm), (5e), (5f),
24 (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), (8r), and (9s) and not passed through by a
25 partnership, limited liability company, or tax-option corporation that has added that

1 amount to the partnership's, limited liability company's, or tax-option corporation's
2 income under s. 71.21 (4) or 71.34 (1k) (g).

3 **SECTION 27.** 71.28 (3w) (bm) 5. of the statutes is created to read:

4 71.28 (3w) (bm) 5. In addition to the credits under par. (b) and subsds. 1. to 4.,
5 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,
6 2009 stats., a claimant that has retained the minimum number of full-time
7 employees determined under s. 238.399 (5) (f) and maintained zone payroll for those
8 full-time employees for the taxable year equal to or greater than the base year may
9 claim as a credit against the tax imposed under s. 71.23 an amount equal to the
10 percentage, as determined by the Wisconsin Economic Development Corporation, of
11 the claimant's zone payroll paid in the 12 months prior to the certification date to the
12 claimant's full-time employees in the enterprise zone whose annual wages are
13 greater than the amount determined by multiplying 2,080 by 150 percent of the
14 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
15 a tier II county or municipality. The amount that the claimant may claim as credit
16 under this subdivision for a taxable year shall not exceed \$2,000,000. A claimant
17 may claim a credit under this subdivision for no more than 5 consecutive taxable
18 years.

19 **SECTION 28.** 71.28 (3wm) of the statutes is created to read:

20 71.28 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE
21 CREDIT. (a) *Definitions.* In this subsection:

22 1. "Claimant" means a person who is certified to claim tax benefits under s.
23 238.396 (3) and who files a claim under this subsection.

24 2. "Full-time employee" means a full-time employee, as defined in s. 238.399
25 (1) (am).

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

3 4. "Tier I county or municipality" means a tier I county or municipality, as
4 determined under s. 238.396 (4) (e).

5 5. "Tier II county or municipality" means a tier II county or municipality, as
6 determined under s. 238.396 (4) e).

7 6. "Wages" means wages under section 3306 (b) of the Internal Revenue Code,
8 determined without regard to any dollar limitations.

9 7. "Zone" means a zone designated under s. 238.396 (1m).

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

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

19 1. Determine the zone payroll for the taxable year for full-time employees
20 whose annual wages are greater than the amount determined by multiplying 2,080
21 by 150 percent of the federal minimum wage in a tier I county or municipality or
22 greater than \$30,000 in a tier II county or municipality.

23 2. Multiply the amount determined under subd. 1. by ~~XX~~ 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 an amount equal to 15
2 percent of the claimant's significant capital expenditures in the zone in the taxable
3 year, as 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 29.** 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 30.** 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 31.** 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 32.** 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} ~~created~~ under s. 238.396 (1m)
 3 and if the capital expenditures for the construction or development of such facilities
 4 may be claimed as a credit under s. 71.07 (3wm) (bm) or 71.28 (3wm) (bm), as certified
 5 by the Wisconsin Economic Development Corporation.

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6 **SECTION 33.** 180.0622 (2) of the statutes is amended to read:

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

12 **SECTION 34.** 183.0304 (1) of the statutes is amended to read:

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

20 **SECTION 35.** 196.49 (5g) (ar) 3. of the statutes is created to read:

21 196.49 (5g) (ar) 3. The project is within an electronics and information
 22 technology manufacturing zone designated under s. 238.396 (1m).

23 **SECTION 36.** 196.491 (1) (f) of the statutes is amended to read:

24 196.491 (1) (f) Except as provided in subs. (2) (b) 8. and (3) (d) 3m.,
 25 "high-voltage transmission-line" means a conductor of electric energy exceeding one

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1 mile in length designed for operation at a nominal voltage of 100 kilovolts or more,
2 together with associated facilities, and does not include transmission line relocations
3 that are within an electronics and information technology manufacturing zone
4 designated under s. 238.396 (1m) or that the commission determines are necessary
5 to facilitate highway or airport projects.

6 **SECTION 37.** 230.08 (2) (xt) of the statutes is created to read:

7 230.08 (2) (xt) The economic development liaison in the department of
8 administration.

9 **SECTION 38.** 238.396 of the statutes is created to read:

10 **238.396 Electronics and information technology manufacturing zone.**

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

13 (1m) DESIGNATION OF ZONES; CRITERIA. (a) The corporation may designate not
14 more than one electronics and information technology manufacturing zone.

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

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

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

1 (c) The corporation shall specify whether an electronics and information
2 technology manufacturing zone designated under par. (a) is located in a tier I county
3 or municipality or a tier II county or municipality.

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

6 (2) TIME LIMIT. A designation under sub. (1m) shall remain in effect for no more
7 than ~~XX~~ years. 15

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

10 (3m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES. If the
11 corporation determines that a business certified under sub. (3) makes a significant
12 capital expenditure in the electronics and information technology manufacturing
13 zone, the corporation may certify the business to receive additional tax benefits in
14 an amount to be determined by the corporation, but not exceeding 15 percent of the
15 business's capital expenditures. The corporation shall, in a manner determined by
16 the corporation, allocate the tax benefits a business is certified to receive under this
17 subsection over a period of 7 years.

18 (3s) LIMITATIONS ON TAX BENEFITS. (a) The corporation may not issue
19 certifications to claim tax benefits under ss. 71.07 (3wm) (b) and 71.28 (3wm) (b) that
20 total more than \$1,350,000,000. Switch

21 (b) The corporation may not issue certifications to claim tax benefits under ss.
22 71.07 (3wm) (bm) and 71.28 (3wm) (bm) that total more than \$1,500,000,000.

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

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

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

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

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

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

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

15 (e) The corporation shall adopt policies and procedures defining a tier I county
16 or municipality and a tier II county or municipality. The corporation may consider
17 all of the following information when establishing the definitions required under this
18 paragraph:

19 1. Unemployment rate.

20 2. Percentage of families with incomes below the poverty line established under
21 42 USC 9902 (2).

22 3. Median family income.

23 4. Median per capita income.

24 5. Other significant or irregular indicators of economic distress, such as a
25 natural disaster or mass layoff.

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

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

7 **SECTION 39.** 238.399 (3) (a) of the statutes is amended to read:

8 238.399 (3) (a) The corporation may designate not more than ~~30~~ 35 enterprise
9 zones.

10 **SECTION 40.** 238.399 (3) (e) of the statutes is created to read:

11 238.399 (3) (e) If the corporation revokes all certifications for tax benefits
12 within a designated enterprise zone, the corporation may cancel the designation of
13 that enterprise zone. After canceling the designation of an enterprise zone, the
14 corporation may designate a new enterprise zone subject to the limits of this
15 subsection.

16 **SECTION 41.** 238.399 (4) of the statutes is renumbered 238.399 (4) (a).

17 **SECTION 42.** 238.399 (4) (b) of the statutes is created to read:

18 238.399 (4) (b) If an enterprise zone designation expires under par. (a), the
19 corporation may designate a new enterprise zone subject to the limits of sub. (3).

20 **SECTION 43.** 238.399 (5) (f) of the statutes is created to read:

21 238.399 (5) (f) A financial services technology business that, after completing
22 a competitive corporate relocation process, retains its corporate headquarters in this
23 state and retains at least 93 percent of its full-time employees in this state who were
24 identified as being full-time employees of the business in the base year, as
25 determined by the corporation.

1 **SECTION 44.** 238.399 (5m) of the statutes is amended to read:

2 **238.399 (5m)** ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.

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

10 **SECTION 45.** 281.346 (4) (c) 2m. of the statutes is amended to read:

11 281.346 (4) (c) 2m. The proposal is consistent with an approved water supply
12 service area plan under s. 281.348 that covers the public water supply system unless
13 the proposal is to provide water to a straddling community that includes an
14 electronics and information technology manufacturing zone designated under s.
15 238.396 (1m).

16 **SECTION 46.** 281.36 (3b) (b) of the statutes is amended to read:

17 281.36 **(3b)** (b) No person may discharge dredged material or fill material into
18 a wetland unless the discharge is authorized by a wetland general permit or
19 individual permit issued by the department under this section or the discharge is
20 exempt under sub. (4) or (4m) (a). No person may violate any condition contained in
21 a wetland general or individual permit issued by the department under this section.
22 The department may not issue a wetland general or individual permit under this
23 section unless it determines that the discharge authorized pursuant to the wetland
24 general or individual permit will comply with all applicable water quality standards.

25 **SECTION 47.** 281.36 (3m) (a) of the statutes is amended to read:

1 281.36 **(3m)** (a) *When permit required.* Any person wishing to proceed with a
2 discharge into any wetland shall submit an application for a wetland individual
3 permit under this subsection unless the discharge has been authorized under a
4 wetland general permit as provided in sub. (3g) or is exempt under sub. (4) or (4m)
5 (a). Before submitting the application, the department shall hold a meeting with the
6 applicant to discuss the details of the proposed discharge and the requirements for
7 submitting the application and for delineating the wetland. An applicant may
8 include in the application a request for a public informational hearing. The
9 application shall be accompanied by the applicable fee specified in sub. (11) or (12)
10 (a).

11 **SECTION 48.** 281.36 (4m) of the statutes is created to read:

12 281.36 **(4m)** EXEMPTION AND WAIVER; ELECTRONICS AND INFORMATION TECHNOLOGY
13 MANUFACTURING ZONE. (a) The permitting requirement under sub. (3b) does not apply
14 to any discharge into a wetland located in an electronics and information technology
15 manufacturing zone designated under s. 238.396 (1m) if the discharge is related to
16 the construction, access, or operation of a new manufacturing facility in the zone and
17 all adverse impacts to functional values of wetlands are compensated at a ratio of 2
18 acres per each acre impacted through any of the following methods, consistent with
19 the rules promulgated under this section:

- 20 1. Purchasing credits from a mitigation bank located in this state.
- 21 2. Participating in the in lieu fee subprogram under sub. (3r).
- 22 3. Completing mitigation within this state.
- 23 4. Participating in the escrow subprogram under sub. (3s).

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

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

1

INSERT 6-MDK:

The bill 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 new retail customers within the zone. The bill requires the tariffs to be filed no later than January 1, 2020. The bill specifies requirements that must be included in the tariffs and requires the PSC to approve tariffs that are consistent with those requirements.

2

rates

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3

SECTION 1. 196.192 (1) of the statutes is renumbered 196.192 (1) (intro.) and

4

amended to read:

5

196.192 (1) ^(Intro.) In this section, "electric:

6

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

7

8

History: 1999 a 9; 2013 a. 125.

SECTION 2. 196.192 (1) (b) of the statutes is created to read:

9

196.192 (1) (b) "Electronics and information technology manufacturing zone"

10

means a zone designated under s. 238.396(1).

11

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

12

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

13

196.192 (2m) (a) No later than January 1, 2020, an electric public utility

14

providing service to an electronics and information technology manufacturing zone

15

shall file with the commission tariffs that include market-based pricing and options

16

that allow a new retail customer within the electronics and information technology

17

manufacturing zone to receive market benefits and take market risks for some or all

18

of the customer's purchases of capacity or energy, subject to any maximum capacity

the

that shall be

1 or energy purchase limits established by the commission, and shall include the
2 following requirements in the tariffs:

3 1. The electric public utility shall verify that the customer is eligible for an
4 electronics and information technology manufacturing zone credit under s. 71.07
5 (3wm).

****NOTE: The instructions state that the customer "shall be eligible" for the credit,
which could imply that the tariff itself makes a customer eligible for the credit. I don't
think you want that result, so I changed the language. Is that okay? (MDK)

6 2. The customer shall annually nominate the amount of capacity and energy
7 subject to the market-based tariff.

8 3. The customer shall provide not less than 12 months' notice to terminate
9 service under the market-based tariff.

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

11 5. The customer shall pay the difference, if any, between the otherwise
12 applicable retail rate and the market-based tariff rate if the customer does any of
13 the following:

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

16 b. Leaves the electronics and information technology manufacturing zone to
17 conduct substantially the same business outside the electronics and information
18 technology manufacturing zone.

19 c. Ceases operations in the electronics and information technology
20 manufacturing zone and does not renew operation of the business or a similar
21 business within the electronics and information technology manufacturing zone
22 within 12 months.

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

3 **SECTION 5.** 196.192 (3) (a) of the statutes is renumbered 196.192 (2) (bm) and
4 amended to read:

5 196.192 (2) (bm) The commission shall approve market-based rates that are
6 consistent with the options specified in sub. (2) par. (am), except that the commission
7 may not approve a market-based rate unless the commission determines that the
8 rate will not harm shareholders of the investor-owned electric public utility or
9 customers who are not subject to the rate.

History: 1999 a 9; 2013 a. 125.

10 **SECTION 6.** 196.192 (3) (b) of the statutes is renumbered 196.192 (3m) and
11 amended to read:

12 196.192 (3m) Nothing in s. 196.20, 196.22, 196.37, 196.60 or 196.604 prohibits
13 the commission from approving a filing under sub. (2) (am) or (2m) (a) or approving
14 market-based rates under par. (a) sub. (2) (bm) or (2) (b).

History: 1999 a 9; 2013 a. 125.

15 **SECTION 7.** 196.192 (4) of the statutes is renumbered 196.192 (2) (c) and
16 amended to read:

17 196.192 (2) (c) Subject to any approval of the commission that is necessary, an
18 electric public utility that is not an investor-owned electric public utility may
19 implement market-based rates approved under sub. (3) (a) par. (bm) or implement
20 the options in filings under sub. (2) par. (am) that are approved by the commission.

History: 1999 a 9; 2013 a. 125.

2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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MS/MG/JK/ZW/MK:emw&wlj

INS 10-1

If the village contains an electronics and information technology manufacturing zone that is ^{redesignated} ~~created~~ under s. 238.396: (m)

INS 10-13

If the city contains an electronics and information technology manufacturing zone that is ~~created~~ under s. 238.396: (m)
designated

**2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4050/P2insmg
MPG:...

INSERT AMG

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.

END INSERT AMG

INSERT 7-13

1 **(3) MORAL OBLIGATION PLEDGE.** Recognizing its moral obligation to do so, the
2 legislature expresses its expectation and aspiration that, if ever called upon to do so,
3 it shall make an appropriation to pay a creditor of a local governmental unit up to
4 40 percent of the local governmental unit's outstanding debt obligations issued,
5 including principal and interest, to the creditor if all of the following apply: ✓

6 (a) The local governmental unit's debt obligation is associated with
7 development occurring in or for the benefit of an electronics and information
8 technology manufacturing zone designated under s. 238.396 (1m).

9 (b) The secretary ✓ approves the local governmental unit's debt obligation before
10 it is incurred.

END INSERT 7-13

EIM

1 INS 7-15

2017-18 2018-19

2 **20.395 Transportation, department of**

3 (6) DEBT SERVICES

4 (ad) Principal repayment and inter-
5 est, contingent funding of south-
6 east Wisconsin freeway megapro-
7 jects, state funds

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10 INS 7-19

11

12 **SECTION 1.** 20.395 (6) (ad) of the statutes is created to read:

13 20.395 (6) (ad) *Principal repayment and interest, contingent funding of*
14 *southeast Wisconsin freeway megaprojects, state funds.* From the general fund, a sum
15 sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs
16 incurred in financing major highway and rehabilitation projects, as provided under
17 ss. 20.866 (2) (uuz) and 84.585 and 2017 Wisconsin Act ... (this act), section ?? (1),
18 and to make payments under an agreement or ancillary arrangement entered into
19 under s. 18.06 (8) (a).

20

21 INS 8-4

22

southeast Wisconsin freeway megaprojects

1 X
SECTION 2. 20.866 (2) (uuz) of the statutes is created to read:

2 20.866 (2) (uuz) *Transportation; southeast Wisconsin freeway megaprojects*
3 *subject to joint committee on finance approval.* From the capital improvement fund,
4 a sum sufficient for the department of transportation to fund southeast Wisconsin
5 freeway megaprojects as provided under s. 84.585. Subject to 2017 Wisconsin Act

6 ((this act))^{NS#} section ?? (1), the state may contract public debt in an amount not to exceed
7 \$252,400,000
\$202,400,000 for these purposes.

8
9 INS 22-5

10
11 X
SECTION 3. 84.0145 (2) of the statutes is amended to read:

12 84.0145 (2) Subject to sub. (3) and s. 86.255, any southeast Wisconsin freeway
13 megaproject may be funded only from the appropriations under ss. 20.395 (3) (aq),
14 (av), (ax), and (ct) and 20.866 (2) (uup) and , (uur), and (uuz).

15 X
History: 2011 a. 32; 2013 a. 20.
SECTION 4. 84.585 of the statutes is created to read:

16 **84.585 Additional contingent funding for southeast Wisconsin freeway**
17 **megaprojects.** Subject to 2017 Wisconsin Act ... ((this act))^{NS#} section ?? (1), the
18 proceeds of general obligation bonds issued under s. 20.866 (2) (uuz) may be used to
19 fund southeast Wisconsin freeway megaprojects under s. 84.0145 (3) (b) 1.

20
21 INS 29-1

22
23 **SECTION 5. Nonstatutory provisions.**

any or all of

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(1) (a) The department of transportation may submit a request to use the proceeds of general obligation bonds issued under section 20.866 (2) (uuz) of the statutes to the joint committee on finance. If the cochairpersons of the joint committee on finance do not notify the department of transportation within 14 working days after the submission of the request that the committee intends to schedule a meeting to review the request, the department of transportation may expend the bond proceeds as requested. If, within 14 working days after the date of the submission of the request, the cochairpersons of the committee notify the department that the committee intends to schedule a meeting for the purpose of reviewing the request, the department of transportation may not expend the bond proceeds, except as the committee determines.

(b) Notwithstanding paragraph (a), proceeds of general obligation bonds issued under section 20.866 (2) (uuz) of the statutes may not be used unless the state receives an award of federal moneys for the I 94 north-south corridor project under section 84.0145 (3) (b) 1. of the statutes.

If the state receives an award of federal moneys for the I 94 north-south corridor project under section 84.0145 (3) of the statutes, the department of transportation may expend the proceeds of general obligation bonds issued under section 20.866 (2) (uuz) of the statutes. (b) 1.