

Appendix A ... segment VI

LEGISLATIVE REFERENCE BUREAU
DRAFTING HISTORY RESEARCH APPENDIX

☞ The drafting file for 2017 LRB-3907 (For: DOA)
has been copied/transferred to the drafting file for
2017 LRB-4050 (For: Gov. Office)



☞ Are These “Companion Bills” ?? ... No

RESEARCH APPENDIX -
PLEASE KEEP WITH THE DRAFTING FILE

☞ Request Made By: MPG

☞ Date: 07/26/2017



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-3907/P3 1P4
MES/MPG/JK/ZDW/emw&wlj

NIERT

MDK

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT *to renumber* 238.399 (4); *to renumber and amend* 30.195 (7); *to*
2 *amend* 30.123 (6m) (intro.), 66.1105 (2) (f) 1. (intro.), 66.1105 (4) (gm) 4. c.,
3 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4., 71.30
4 (3) (f), 71.34 (1k) (g), 180.0622 (2), 183.0304 (1), 196.491 (1) (f), 238.399 (3) (a),
5 238.399 (5m), 281.36 (3b) (b) and 281.36 (3m) (a); and *to create* 20.835 (2) (cp),
6 30.12 (1g) (m), 30.123 (6) (f), 30.19 (1m) (h), 30.195 (7) (b), 66.1105 (20), 71.07
7 (3w) (bm) 5., 71.07 (3wm), 71.28 (3w) (bm) 5., 71.28 (3wm), 73.0300, 77.54 (65),
8 196.49 (5g) (ar) 3., 238.396, 238.399 (3) (e), 238.399 (4) (b), 238.399 (5) (f) and
9 281.36 (4m) of the statutes; **relating to:** authorizing the creation of an
10 electronics and information technology manufacturing zone, creating an
11 income and franchise tax credit for businesses that begin operations in such a
12 zone, creating special provisions for tax incremental districts that include such
13 a zone, creating exemptions from wetland and waterway permits and Public
14 Service Commission certificates for certain activities in such a zone, making

authorizing grants to local governments for costs associated with development in such a zone

authorizing limited use of the design-build construction process,

The total amount of all tax credits WEDC administers under the bill is \$2,850,000.

1 changes to the enterprise zone tax credit program, and making an
2 appropriation.^S
^

Analysis by the Legislative Reference Bureau

This bill authorizes the Wisconsin Economic Development Corporation to create not more than one electronics and information technology manufacturing zone and makes changes to the enterprise zone tax credit program currently administered by WEDC.

TAX CREDITS

Electronics and information technology manufacturing zone

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. 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.

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.

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.

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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. 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.

INS ZL A1

WETLANDS AND WATERWAY PERMITS EXEMPTION

Under current ^{state} law, subject to ^{federal or non-federal} exceptions, no person may discharge dredged material or fill material into a 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 the Department of Natural Resources to issue wetland general permits for discharges of dredged or fill material into certain 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.

INS ZL A2

Federal and non-Federal

INS ZL A3

Under this bill, a person may, without a permit, discharge dredged material or fill material into a wetland that is located in an electronics and information

non-federal

in an electronics and information technology manufacturing zone

WS 24 A4

Federal or nonfederal

WS 24 A5

technology manufacturing zone if the discharge is related to the construction, access, or operation of a new manufacturing facility. The bill requires any adverse impacts to functional values of wetlands 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, 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 utility

PUBLIC SERVICE COMMISSION CERTIFICATES

This bill exempts projects for relocating existing public utility facilities within an electronics and information technology manufacturing zone from obtaining a certificate of authority from the Public Service Commission, which current law generally requires before beginning certain public utility projects, including construction and improvement projects. 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 before beginning construction of high-voltage transmission lines and associated facilities.

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.

of public utilities

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for

, and other ~~public utility~~

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

Insert MPJ 6-1

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

1 **SECTION 1.** 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.

5 **SECTION 2.** 30.12 (1g) (m) of the statutes is created to read:

6 30.12 (1g) (m) A structure or deposit that is related to the construction, access,
7 or operation of a new manufacturing facility in a navigable stream located in an
8 electronics and information technology manufacturing zone designated under s.
9 238.396 (1m).

10 **SECTION 3.** 30.123 (6) (f) of the statutes is created to read:

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

16 **SECTION 4.** 30.123 (6m) (intro.) of the statutes is amended to read:

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

1 and has determined that conditions specific to the site require restrictions on the
2 activity in order to prevent any of the following:

3 **SECTION 5.** 30.19 (1m) (h) of the statutes is created to read:

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

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

10 30.195 (7) APPLICATION OF SECTION. (intro.) This section does not apply to
11 municipal any of the following:

12 (a) Municipal or county-owned lands in counties having a population of
13 750,000 or more.

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

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

18 **SECTION 8.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

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

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1 be received by the city in connection with the implementation of the plan. For any
2 tax incremental district for which a project plan is approved on or after July 31, 1981,
3 only a proportionate share of the costs permitted under this subdivision may be
4 included as project costs to the extent that they benefit the tax incremental district,
5 except that expenditures made or estimated to be made or monetary obligations
6 incurred or estimated to be incurred by a 1st class city, to fund parking facilities
7 ancillary to and within one mile from public entertainment facilities, including a
8 sports and entertainment arena, shall be considered to benefit any tax incremental
9 district located in whole or in part within a one-mile radius of such parking facilities.
10 To the extent the costs benefit the municipality outside the tax incremental district,
11 a proportionate share of the cost is not a project cost. "Project costs" include:

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

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

25 **SECTION 10.** 66.1105 (20) of the statutes is created to read:

1 66.1105 (20) DISTRICTS WITHIN AN ELECTRONICS AND INFORMATION TECHNOLOGY
2 MANUFACTURING ZONE. (a) *Creation*. With regard to a tax incremental district that
3 is created in an area that includes an electronics and information technology
4 manufacturing zone that is created under s. 238.396, the district may only be a
5 district that is suitable for industrial sites or mixed-use development, as described
6 in sub. (4) (gm) 4. a., and all of the following apply:

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

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

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

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

1 (b) *Exception to the 12 percent limit.* Notwithstanding the 12 percent limit
2 findings requirement described under sub. (4) (gm) 4. c., the equalized value of
3 taxable property of a tax incremental district described under this subsection does
4 not count in the calculation of the 12 percent limit.

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

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

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

15 **SECTION 11.** 71.05 (6) (a) 15. of the statutes is amended to read:

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

22 **SECTION 12.** 71.07 (3w) (bm) 5. of the statutes is created to read:

23 71.07 (3w) (bm) 5. In addition to the credits under par. (b) and subds. 1. to 4.,
24 and subject to the limitations provided in this subsection and s. 238.399 or s. 560.799,
25 2009 stats., a claimant that has retained the minimum number of full-time

1 employees determined under s. 238.399 (5) (f) and maintained zone payroll for those
2 full-time employees for the taxable year equal to or greater than the base year may
3 claim as a credit against the tax imposed under s. 71.02 or 71.08 an amount equal
4 to the percentage, as determined by the Wisconsin Economic Development
5 Corporation, of the claimant's zone payroll paid in the 12 months prior to the
6 certification date to the claimant's full-time employees in the enterprise zone whose
7 annual wages are greater than the amount determined by multiplying 2,080 by 150
8 percent of the federal minimum wage in a tier I county or municipality or greater
9 than \$30,000 in a tier II county or municipality. The amount that the claimant may
10 claim as credit under this subdivision for a taxable year shall not exceed \$2,000,000.
11 A claimant may claim a credit under this subdivision for no more than 5 consecutive
12 taxable years.

13 **SECTION 13.** 71.07 (3wm) of the statutes is created to read:

14 **71.07 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE**
15 **CREDIT.** (a) *Definitions.* In this subsection:

16 1. "Claimant" means a person who is certified to claim tax benefits under s.
17 238.396 (3) and who files a claim under this subsection.

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

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

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

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

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

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

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

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

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

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

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

24 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option
25 corporations may not claim the credit under this subsection, but the eligibility for,

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

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

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

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

18 **SECTION 14.** 71.08 (1) (intro.) of the statutes is amended to read:

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

SECTION 14

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 15.** 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 16.** 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 17.** 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 18.** 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 zone payroll for those
12 full-time employees for the taxable year equal to or greater than the base year may
13 claim as a credit against the tax imposed under s. 71.23 an amount equal to the
14 percentage, as determined by the Wisconsin Economic Development Corporation, of
15 the claimant's zone payroll paid in the 12 months prior to the certification date to the
16 claimant's full-time employees in the enterprise zone whose annual wages are
17 greater than the amount determined by multiplying 2,080 by 150 percent of the
18 federal minimum wage in a tier I county or municipality or greater than \$30,000 in
19 a tier II county or municipality. The amount that the claimant may claim as credit
20 under this subdivision for a taxable year shall not exceed \$2,000,000. A claimant
21 may claim a credit under this subdivision for no more than 5 consecutive taxable
22 years.

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

24 71.28 (3wm) ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE
25 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 a full-time employee, as defined in s. 238.399
4 (1) (am).

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

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

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

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

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

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

20 (b) *Filing claims; payroll.* Subject to the limitations provided in this subsection
21 and s. 238.396, a claimant may claim as a credit against the tax imposed under s.
22 71.23 an amount calculated as follows:

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

1 a tier II county or municipality and who the claimant employed in the zone in the
2 taxable year.

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

4 (bm) *Filing supplemental claims.* In addition to claiming the credit under par.
5 (b), and subject to the limitations under this subsection and s. 238.396, a claimant
6 may claim as a credit against the tax imposed under s. 71.23 an amount equal to ~~XX~~ 15
7 percent of the claimant's significant capital expenditures in the zone in the taxable
8 year, as determined under s. 238.396 (3m).

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

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

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

22 2. If the allowable amount of the claim under this subsection exceeds the taxes
23 otherwise due on the claimant's income under s. 71.23, the amount of the claim that
24 is not used to offset those taxes shall be certified by the department of revenue to the
25 department of administration for payment by check, share draft, or other draft

1 drawn from the appropriation under s. 20.835 (2) (cp). Notwithstanding s. 71.82, no
2 interest shall be paid on amounts certified under this subdivision.

3 **SECTION 20.** 71.30 (3) (f) of the statutes is amended to read:

4 71.30 (3) (f) The total of farmland preservation credit under subch. IX,
5 farmland tax relief credit under s. 71.28 (2m), dairy manufacturing facility
6 investment credit under s. 71.28 (3p), jobs credit under s. 71.28 (3q), meat processing
7 facility investment credit under s. 71.28 (3r), woody biomass harvesting and
8 processing credit under s. 71.28 (3rm), food processing plant and food warehouse
9 investment credit under s. 71.28 (3rn), enterprise zone jobs credit under s. 71.28
10 (3w), electronics and information technology manufacturing zone credit under s.
11 71.28 (3wm), business development credit under s. 71.28 (3y), film production
12 services credit under s. 71.28 (5f), film production company investment credit under
13 s. 71.28 (5h), beginning farmer and farm asset owner tax credit under s. 71.28 (8r),
14 and estimated tax payments under s. 71.29.

15 **SECTION 21.** 71.34 (1k) (g) of the statutes is amended to read:

16 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
17 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r),
18 (3rm), (3rn), (3t), (3w), (3wm), (3y), (4), (5), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r),
19 (5rm), (6n), and (8r) and passed through to shareholders.

20 **SECTION 22.** 73.0300 of the statutes is created to read:

21 **73.0300 Disregarded entities.** With regard to a single-owner entity that is
22 disregarded as a separate entity under section 7701 of the Internal Revenue Code,
23 any notice that the department of revenue sends to the owner or to the entity is
24 considered a notice sent to both and both are liable for any amounts due as specified
25 in the notice. This section applies to all laws administered by the department.

1 **SECTION 23.** 77.54 (65) of the statutes is created to read:

2 77.54 (65) The sales price from the sale of building materials, supplies, and
3 equipment and the sale of services described in s. 77.52 (2) (a) 20. to; and the storage,
4 use, or other consumption of the same property and services by; owners, lessees,
5 contractors, subcontractors, or builders if that property or service is acquired solely
6 for or used solely in, the construction or development of facilities located in an
7 electronics and information technology manufacturing zone created under s. 238.396
8 and if the capital expenditures for the construction or development of such facilities
9 may be claimed as a credit under s. 71.07 (3wm) (bm) or 71.28 (3wm) (bm), as certified
10 by the Wisconsin Economic Development Corporation.

11 **SECTION 24.** 180.0622 (2) of the statutes is amended to read:

12 180.0622 (2) Unless otherwise provided in the articles of incorporation, a
13 shareholder of a corporation is not personally liable for the acts or debts of the
14 corporation, except for a shareholder in a corporation defined under s. 71.365 (7), and
15 only to the extent provided for under s. 73.0300, and except that a shareholder may
16 become personally liable by his or her acts or conduct other than as a shareholder.

17 **SECTION 25.** 183.0304 (1) of the statutes is amended to read:

18 183.0304 (1) The debts, obligations and liabilities of a limited liability
19 company, whether arising in contract, tort or otherwise, shall be solely the debts,
20 obligations and liabilities of the limited liability company. Except as provided in ss.
21 73.0300, 183.0502, and 183.0608, a member or manager of a limited liability
22 company is not personally liable for any debt, obligation or liability of the limited
23 liability company, except that a member or manager may become personally liable
24 by his or her acts or conduct other than as a member or manager.

25 **SECTION 26.** 196.49 (5g) (ar) 3. of the statutes is created to read:

1 196.49 (5g) (ar) 3. The project is a relocation of existing public utility facilities
2 within an electronics and information technology manufacturing zone designated
3 under s. 238.396 (1m).

4 **SECTION 27.** 196.491 (1) (f) of the statutes is amended to read:

5 196.491 (1) (f) Except as provided in subs. (2) (b) 8. and (3) (d) 3m.,
6 “high-voltage transmission line” means a conductor of electric energy exceeding one
7 mile in length designed for operation at a nominal voltage of 100 kilovolts or more,
8 together with associated facilities, and does not include transmission line relocations
9 that are within an electronics and information technology manufacturing zone
10 designated under s. 238.396 (1m) or that the commission determines are necessary
11 to facilitate highway or airport projects.

12 **SECTION 28.** 238.396 of the statutes is created to read:

13 **238.396 Electronics and information technology manufacturing zone.**

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

16 **(1m) DESIGNATION OF ZONES; CRITERIA.** (a) The corporation may designate not
17 more than one electronics and information technology manufacturing zone.

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

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

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

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

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

9 (2) TIME LIMIT. A designation under sub. (1m) shall remain in effect for no more
10 than XX years.

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

13 (3m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES. If the
14 corporation determines that a business certified under sub. (3) makes a significant
15 capital expenditure in the electronics and information technology manufacturing
16 zone, the corporation may certify the business to receive additional tax benefits in
17 an amount to be determined by the corporation, but not exceeding ¹⁵~~XX~~ percent of the
18 business's capital expenditures. The corporation shall, in a manner determined by
19 the corporation, allocate the tax benefits a business is certified to receive under this
20 subsection over the remainder of the time limit of the enterprise zone under sub. (2)

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Share 2 for period of 7 years

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

- 23 1. Supplies false or misleading information to obtain tax benefits.
- 24 2. Leaves the electronics and information technology manufacturing zone to
25 conduct substantially the same business outside the zone.

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

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

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

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

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

17 1. Unemployment rate.

18 2. Percentage of families with incomes below the poverty line established under
19 42 USC 9902 (2).

20 3. Median family income.

21 4. Median per capita income.

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

24 (f) The corporation shall adopt policies and procedures defining "significant
25 capital expenditure" for purposes of sub. (3m).

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

5 **SECTION 29.** 238.399 (3) (a) of the statutes is amended to read:

6 238.399 (3) (a) The corporation may designate not more than ~~30~~ 35 enterprise
7 zones.

8 **SECTION 30.** 238.399 (3) (e) of the statutes is created to read:

9 238.399 (3) (e) If the corporation revokes all certifications for tax benefits
10 within a designated enterprise zone, the corporation may cancel the designation of
11 that enterprise zone. After canceling the designation of an enterprise zone, the
12 corporation may designate a new enterprise zone subject to the limits of this
13 subsection.

14 **SECTION 31.** 238.399 (4) of the statutes is renumbered 238.399 (4) (a).

15 **SECTION 32.** 238.399 (4) (b) of the statutes is created to read:

16 238.399 (4) (b) If an enterprise zone designation expires under par. (a), the
17 corporation may designate a new enterprise zone subject to the limits of sub. (3).

18 **SECTION 33.** 238.399 (5) (f) of the statutes is created to read:

19 238.399 (5) (f) A financial services technology business that, after completing
20 a competitive corporate relocation process, retains its corporate headquarters in this
21 state and retains at least 93 percent of its full-time employees in this state who were
22 identified as being full-time employees of the business in the base year, as
23 determined by the corporation.

24 **SECTION 34.** 238.399 (5m) of the statutes is amended to read:

1 238.399 (5m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.
2 If the corporation determines that a business certified under sub. (5) makes a
3 significant capital expenditure in the enterprise zone, the corporation may certify
4 the business to receive additional tax benefits in an amount to be determined by the
5 corporation, but not exceeding 10 percent of the business' capital expenditures. The
6 corporation shall, in a manner determined by the corporation, allocate the tax
7 benefits a business is certified to receive under this subsection over the remainder
8 of the time limit of the enterprise zone under sub. (4) (a).

NS 24 24-9

9 **SECTION 35.** 281.36 (3b) (b) of the statutes is amended to read:

10 281.36 (3b) (b) No person may discharge dredged material or fill material into
11 a wetland unless the discharge is authorized by a wetland general permit or
12 individual permit issued by the department under this section or the discharge is
13 exempt under sub. (4) or (4m).^(a) No person may violate any condition contained in a
14 wetland general or individual permit issued by the department under this section.
15 The department may not issue a wetland general or individual permit under this
16 section unless it determines that the discharge authorized pursuant to the wetland
17 general or individual permit will comply with all applicable water quality standards.

18 **SECTION 36.** 281.36 (3m) (a) of the statutes is amended to read:

19 281.36 (3m) (a) *When permit required.* Any person wishing to proceed with a
20 discharge into any wetland shall submit an application for a wetland individual
21 permit under this subsection unless the discharge has been authorized under a
22 wetland general permit as provided in sub. (3g) or is exempt under sub. (4) or (4m).^(a)
23 Before submitting the application, the department shall hold a meeting with the
24 applicant to discuss the details of the proposed discharge and the requirements for
25 submitting the application and for delineating the wetland. An applicant may

1 include in the application a request for a public informational hearing. The
2 application shall be accompanied by the applicable fee specified in sub. (11) or (12)
3 (a).

4 **SECTION 37.** 281.36 (4m) of the statutes is created to read:

5 281.36 (4m) ^{AND WAIVER} EXEMPTION; ELECTRONICS AND INFORMATION TECHNOLOGY

6 MANUFACTURING ZONE. ^(a) The permitting requirement under sub. (3b) does not apply to
7 any discharge into a wetland that is related to the construction, access, or operation
8 of a new manufacturing facility in an electronics and information technology
9 manufacturing zone designated under s. 238.396 (1m) if all adverse impacts to
10 functional values of wetlands are compensated at a ratio of 2 acres per each acre
11 impacted through any of the following methods, consistent with the rules
12 promulgated under this section:

- 13 1. (a) Purchasing credits from a mitigation bank located in this state.
- 14 2. (b) Participating in the in lieu fee subprogram under sub. (3r).
- 15 3. (c) Completing mitigation within this state.
- 16 4. (d) Participating in the escrow subprogram under sub. (3s).

LI 52 17 5m

17 **SECTION 38. Fiscal changes.**

18 (1) **ECONOMIC DEVELOPMENT LIAISON ACTIVITIES.** In the schedule under section
19 20.005 (3) of the statutes for the appropriation to the department of administration
20 under section 20.505 (1) (a) of the statutes, the dollar amount for fiscal year 2017-18
21 is increased by \$250,000 and the dollar amount for fiscal year 2018-19 is increased
22 by \$250,000 for economic development liaison activities under an agreement with
23 the Wisconsin Economic Development Corporation.

24 **SECTION 39. Initial applicability.**

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DESIGN-BUILD CONSTRUCTION

^{This}
The 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.

INS 7-17

SECTION 1. 61.57 (title) of the statutes is amended to read:

61.57 (title) **Acquisition of recycling or resource recovery facilities without bids.**

History: 1983 a. 425; 2009 a. 173.

SECTION 2. 61.57 of the statutes is renumbered 61.57 (intro.) and amended to read:

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

History: 1983 a. 425; 2009 a. 173.

SECTION 3. 61.57 (1) of the statutes ^{to (3)} ~~is~~ ^{are} created to read:

61.57 (1) A recycling or resource recovery facility.

SECTION 4. 61.57 (2) of the statutes is created to read:

61.57 (2) Water and sewer systems.

SECTION 5. 61.57 (3) of the statutes is created to read:

61.57 (3) Wastewater treatment facilities.

SECTION 6. 62.155 (title) of the statutes is amended to read:

62.155 (title) Acquisition of recycling or resource recovery facilities without bids.

History: 1983 a. 425.

SECTION 7. 62.155 of the statutes is renumbered 62.155 (intro.) and amended to read:

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

History: 1983 a. 425.

SECTION 8. 62.155 (1) of the statutes ^{to (3)} ~~is~~ ^{are} created to read:

62.155 (1) A recycling or resource recovery facility.

SECTION 9. 62.155 (2) of the statutes is created to read:

62.155 (2) Water and sewer systems.

SECTION 10. 62.155 (3) of the statutes is created to read:

62.155 (3) Wastewater treatment facilities.

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GRANTS TO LOCAL GOVERNMENTS

^{e This} The bill authorizes the department of administration to make grants to local governmental units for costs associated with development occurring 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.

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

2 16.297 Grants for local government expenditures. (a) From the
3 appropriation under s. 20.505 (1) (fr), the department may make one or more grants
4 to a local governmental unit for the local governmental unit's expenditures for costs
5 the department determines are associated with development occurring in an
6 electronics and information technology manufacturing zone designated under s.
7 238.396 (1m), including costs related to infrastructure and public safety.

8 (b) The department may require a local governmental unit to match in whole
9 or in part a grant the department makes to the local governmental unit under par.

10 (a) sub. (1)

11 SECTION 2. 20.505 (1) (fr) of the statutes is created to read:

12 20.505 (1) (fr) Grants for local government expenditures. A sum sufficient not
13 to exceed \$10,000 for grants to local governmental units under s. 16.297.

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14 (3s) LIMITATIONS ON TAX BENEFITS. (a) The corporation may not issue
15 certifications to claim tax benefits under ss. 71.07 (3wm) and (b) 71.28 (3wm) (b) that
16 total more than \$1,350,000,000.

1 (b) The corporation may not issue certifications to claim tax benefits under ss.
and
2 71.07 (3wm) (bm) 71.28 (3wm) (bm) that total more than \$1,500,000,000.
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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.

INSERT ZW A2

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).

INSERT ZW A3

Under current law, a wetland general or individual permit issued by DNR constitutes water quality certification.

INSERT ZW A4

With respect to a federal wetland located in an electronics and information technology manufacturing zone, the bill provides that ~~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.

INSERT ZW A5

Under current law, the general minimum ratio is 1.2 acres for each acre affected by the discharge.

1 **INSERT ZW 24-9**

2 **SECTION 1.** 281.346 (4) (c) 2m. of the statutes is amended to read:

1 281.346 (4) (c) 2m. The proposal is consistent with an approved water supply
2 service area plan under s. 281.348 that covers the public water supply system unless
3 the proposal is to provide water to a straddling community that includes an
4 electronics and information technology manufacturing zone designated under s.
5 238.396 (1m).

History: 2007 a. 227; 2009 a. 28, 180, 276; 2011 a. 32, 167; 2015 a. 177; 2017 a. 21.

6 **INSERT ZW 25-17**

7 (b) The department waives water quality certification under 33 USC 1341 (a)
8 1. for a discharge under par. (a).

Wyatt, Zachary

From: Cramer, Megan J - DOA
Sent: Friday, July 21, 2017 5:28 PM
To: Kreye, Joseph; Shovers, Marc; Gallagher, Michael; Wyatt, Zachary
Subject: RE: Electronics and IT Manufacturing Zone - P4 Draft

Hi all,

Below are the first round of drafting instructions for the p4. More items will be figured out and sent your way by Monday COB. Please note under item 3, I'm open to some ideas as to how this truncated process could work. Whoever ends up working on this portion, please feel free to call me to discuss ideas/concepts as to how to shorten the timeline for a cooperative agreement.

Thanks,
Megan

1. Establish a grant program housed at DOA with \$10 million. Limit the grant program to assistance for local government expenditures related to infrastructure, public safety and other costs, as deemed allowable by DOA, associated with development occurring in the Electronics and Information Technology Manufacturing Zone. Create a permissive local match requirement for the grant program.
2. Pg. 20, Line 1: Delete "a relocation of existing public utility facilities"
3. Under the cooperative agreements under 66.0307 – is there a way to shorten the time lines related to these without changing any of the public notices/hearings requirements? Perhaps, a notwithstanding clause that requires any cooperative agreements for the purposes of the Electronics and Information Technology Manufacturing Zone, all steps under 66.0307 must be completed within at total of 120 (or different amount) days?
4. Allow the design/build process instead of the normal State bid process, as is allowed for Recycling Centers under 62.155, for the construction of water and waste water treatment systems
5. Language for the capital expenditures tax credits for the zone under 238.296 that WEDC may certify the credits over a period of not more than 7 years
6. Limit the capital expenditures tax credit for the zone under 238.396 to \$1.35 billion. Limit the jobs tax credits available for the zone under 238.396 to \$1.5 billion.
7. Amend 281.346(4)(c)2m:
 - a. 2m. The proposal is consistent with an approved water supply service area plan under s. 281.348 that covers the public water supply system unless the proposal is to provide water to a straddling community that includes an electronics and information technology zone designated under s. 238.396(1)
8. Pg. 21, Line 20 – "Enterprise Zone" should be the Electronics and Information Technology Manufacturing Zone
9. Pg. 12, Line 13: "~~Annually~~ Determine the zone payroll...."
10. Pg. 12, Line 16-17: Delete: "And who the claimant employed in the zone in the taxable year"
11. Pg. 16, Line 23: "~~Annually~~ Determine the zone payroll...."
12. Pg. 17, Lines 1-2: Delete: "and who the claimant employed in the zone in the taxable year"