

2017 Au7 DRAFTING REQUEST

Senate Amendment (SA-AB1)

For: Legislative Fiscal Bureau

Drafter: mgallagh

By: Bob

Secondary Drafters:

Date: 9/5/2017

May Contact:

Same as LRB:

Submit via email: YES

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Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Electronics and information technology manufacturing zone changes

Instructions:

See attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|----------------------|----------------------|---------------------|---------------------|-----------------|
| /P1 | chanaman 9/5/2017 | anienaja 9/5/2017 | lparisi 9/5/2017 | | |
| /1 | | | | mbarman 9/5/2017 | |

FE Sent For:

<END>

SUMMARY OF AMENDMENT

I-94 NORTH-SOUTH CORRIDOR PROJECT (LRB 1087/P1 and 1088/P1)

The bill would authorize \$252,400,000 in general fund-supported, general obligation bonds, which could be used for the I-94 North-South corridor project in the southeast Wisconsin freeway megaprojects program. The bill would specify that DOT could not expend the proceeds of these bonds unless the state receives an award of federal moneys for the I-94 North-South corridor project section and submits a request to expend the bond proceeds to the Joint Committee on Finance. The Committee would have to meet to approve, or modify and approve, such a plan, no later than 14 days after having received the plan.

Modify the bill to specify that if, within 14 days of receiving the request, the Committee receives an objection to the request, the Committee would have to vote to approve or deny the request within 30 days following the date on the objection. Further, specify that if the Committee does not object to the request or vote to deny the request, the request is approved.

EXPENDITURE RESTRAINT BUDGET TEST (LRB 1099/P1 and LRB 1100/P1)

The amendment would modify the budget test under the expenditure restraint program to accommodate expenditures of payments from the grant program created under the bill. That program would make payments for local government expenditures associated with development occurring in an EITM zone. The expenditure restraint program provides state aid payments to municipalities that have a municipal purpose tax rate in excess of five mills (\$5.00 per thousand of full value) and limit the rate of year-to-year growth in their general fund budgets. For purposes of the latter requirement, certain expenditures, such as principal and interest payments on long-term debt, are excluded from municipal budgets. This amendment would also exclude expenditures made with payments from the grant program created under the bill.

PROHIBIT DONOR TIF DISTRICTS FOR EITM ZONE DISTRICTS (LRB 1106/P1 and 1107/P1)

Modify the bill to prohibit a city or village with an EITM TIF district from using that district as a donor district for another TIF district.

FINANCING COSTS AS ELIGIBLE TIF PROJECT COSTS (LRB 1101/P1 and 1102/P1)

Modify the bill to include payments made by a city or village to a county or other municipality that issue obligations to finance the project costs of a TIF districts within an electronics and informational technology manufacturing (EITM) zone as an financing cost that is a eligible project cost.

WETLAND MITIGATION ESCROW PROGRAM (LRBa1092/P1 and LRBa1093/P1)

The bill would authorize compensatory wetland mitigation through the following activities: (a) purchase of credits from a wetland mitigation bank located in Wisconsin; (b) participation in the Wisconsin Wetland Conservation Trust (WWCT) in-lieu fee (ILF) program; (c) completion of wetland mitigation in Wisconsin; or (d) participation in the escrow program. The escrow program under s. 281.36(3s) of the statutes allowed participants to deposit funds into an escrow account for future use in mitigation projects, prior to implementation of the WWCT. Under current law, the escrow program has been discontinued since the WWCT received federal approval from the U.S. Army Corps of Engineers in November, 2014. Participants now purchase mitigation credits through the ILF program instead of depositing funds into an escrow account.

The amendment would delete reference to the escrow program as an option for conducting compensatory wetland mitigation, clarifying language in the bill to exclude the now defunct program.

DIRECT REVIEW OF DECISIONS RELATING TO ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE (LRBa1112/P1)

The amendment would modify the bill to specify that the Wisconsin Supreme Court take direct jurisdiction of an appeal related to a decision related to electronics and information technology manufacturing zones. Specifically, any party has the right of immediate appeal to the Supreme Court from any order of a Circuit Court vacating, enjoining, reviewing, or otherwise relating to a decision by a state or local official, board, commission, condemnor, authority, or department concerning an electronics and information technology manufacturing zone. Under the amendment, the parties and the court are generally required to proceed according to the rules governing procedure in the Court of Appeals, except as otherwise ordered by the Supreme Court in a particular case. Unless otherwise ordered by the Supreme Court, the parties are required to comply with the requirements for form of papers specified in statutes (s. 809.81).

Further, any order of a Circuit Court vacating, enjoining, reviewing, or otherwise relating to a decision by a state or local official, board, commission, condemnor, authority, or department concerning an electronics and information technology manufacturing zone designated must be stayed automatically upon the filing of an appeal. Any party to the proceeding may apply to the Supreme Court to request that the stay be modified or vacated.

Under current law, Supreme Court review is a matter of judicial discretion, not of right, and is granted only when special and important reasons are presented. Statutes specify that the "following, while neither controlling nor fully measuring the court's discretion, indicate criteria that will be considered:" (a) a real and significant question of federal or state constitutional law is presented; (b) the petition for review demonstrates a need for the Supreme Court to consider establishing, implementing or changing a policy within its authority; (c) a decision by the Supreme Court will help develop, clarify or harmonize the law, and 1. the case calls for the application of a new doctrine rather than merely the application of well-settled principles to the factual situation, or 2. the question presented is a novel one, the resolution of which will have statewide impact, or 3. the question presented is not factual in nature but rather is a question of law of the type that is

likely to recur unless resolved by the supreme court; (d) the Court of Appeals' decision is in conflict with controlling opinions of the United States Supreme Court or the Wisconsin Supreme Court or other Court of Appeals' decisions; or (e) the Court of Appeals' decision is in accord with opinions of the Supreme Court or the Court of Appeals but due to the passage of time or changing circumstances, such opinions are ripe for reexamination.

APPEALS PROCESS, DECISIONS RELATING TO ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE (LRBa1124/P1)

The amendment would establish a specific appeals process for the appeal of a judgment or order vacating, enjoining, reviewing, or otherwise relating to a decision by a state or local official, board, commission, condemnor, authority, or department concerning an electronics and information technology manufacturing zone. The appeals process created would supersede all inconsistent provisions under current law.

The amendment specifies:

1. *An appeal from a judgment or order of the trial court vacating, enjoining, reviewing, or otherwise relating to a decision by a state or local official, board, commission, condemnor, authority, or department concerning an electronics and information technology manufacturing zone may be taken to as a matter of right.*

2. *A party may initiate an appeal by filing a notice of appeal with the clerk of the trial court in which the order or judgment appealed from was entered, must specify in the notice of appeal the order or judgment which is being appealed, and pay the filing fee with the notice of appeal. The clerk of the Circuit Court is then required to transmit to the Court of Appeals, within three days of the filing of the notice of appeal, a copy of the notice of appeal, the filing fee, and a copy of the circuit court record of the case. The clerk of the Court of Appeals must then file the appeal.*

3. *The appellant must request a copy of the transcript of the reporter's notes of the proceedings for each of the parties to the appeal and make arrangements to pay for the transcript and copies within five days after the filing of the notice of appeal. The appellant must file a statement on transcript with the clerk of the Court of Appeals, file a copy of the statement on transcript with the clerk of the Circuit Court, and serve a copy of the statement on transcript on the other parties to the appeal within five days after the filing of the notice of appeal in the Circuit Court. The amendment specifies that the statement on transcript must either designate the portions of the transcript that have been requested by the appellant or contain a statement by the appellant that a transcript is not necessary for prosecution of the appeal. If a transcript is necessary for prosecution of the appeal, the statement on transcript must also contain a statement by the court reporter that the appellant has requested copies of the transcript or designated portions for each of the other parties; that the appellant has made arrangements to pay for the original transcript and for all copies for the other parties; the date on which the appellant requested the transcript and made arrangements to pay for it; and the date on which the transcript must be served on the parties. The court reporter is required to serve copies of the transcript on the parties indicated in the statement on transcript within five days after the date the appellant requested copies of the*

transcript.

4. Subsequent to the above procedures, proceedings in the appeal are governed by the procedures for civil appeals and the procedures under Chapter 809 subch. VI (Rules of Appellate Procedure, Appellate Procedure in the Supreme Court) except as follows: (a) the appellant must file a brief within 15 days after the filing of the record on appeal; (b) the respondent must file a brief within 10 days after the service of the appellant's brief; (c) the appellant must file within 10 days after the service of the respondent's brief a reply brief or statement that a reply brief will not be filed; (d) within three days of receipt of the appellant's reply brief or statement that a reply brief will not be filed, the Court of Appeals must certify the appeal to the Supreme Court. The Supreme Court is required to give preference to this certification from the Court of Appeals. If the Supreme Court refuses to take jurisdiction of the appeal, the appeal continues in the Court of Appeals as though the certification had not been made.

5. Any judgment or order of a Circuit Court vacating, enjoining, reviewing, or otherwise relating to a decision by a state or local official, board, commission, condemnor, authority, or department concerning an electronics and information technology manufacturing zone must be stayed automatically upon the filing of an appeal under the process identified above. Any party to the proceeding may apply to the appellate court in which the case is pending at the time to request that the stay be modified or vacated.

CONTRACT AND CLAWBACK REQUIREMENTS FOR EITM ZONE CREDITS 1129

The amendment would require WEDC to contract with a business certified to receive refundable EITM zone tax credits.

GEOGRAPHIC LIMIT FOR AN EITM ZONE - 1118 / 1119

Under the bill, WEDC could not designate more than one EITM zone. The amendment would specify that the zone would be located in this state and could not include any area outside this state.

GEOGRAPHIC LIMIT FOR EITM ZONE PAYROLL CREDITS - 1120

The amendment would prohibit WEDC from certifying a business to claim EITM zone payroll credits for services performed outside this state.

HIRING GOALS FOR EITM ZONE CAPITAL EXPENDITURES CREDITS - 1122

The amendment would specify that, before certifying a business to receive EITM zone capital expenditure credits, WEDC would have to attempt to ensure that the business has sought, and is seeking, to satisfy certain hiring goals in this state, as identified by WEDC, in connection with the business's capital expenditures in the zone.

LAB EVALUATION OF EITM ZONE CREDITS

- 1141

The amendment would require that, beginning in 2018, annually for five years, the Legislative Audit Bureau (LAB) evaluate the process used by WEDC to verify information eligible for EITM zone credits and evaluate whether WEDC appropriately verified, in accordance with statutory and contractual requirements, the amount of EITM zone credits eligible claimants may claim. The amendment would require WEDC to cooperate with the LAB for purposes of performing this audit.

MORAL OBLIGATION PLEDGE

- 1086

Under the bill, the Secretary of Administration is authorized to contract with a local governmental unit to implement the proposed \$10 million in state grants and related local matching funds for local government costs associated with development occurring in an EITM. The amendment would extend this authorization to contract to the moral obligation pledge that would be created under the bill.

COUNTY SALES TAX REVENUE BONDS

- 1111

The bill would authorize a county in which an EITM zone is designated to issue bonds whose principal and interest are paid only through the county sales tax. The bill would also modify current law that specifies that the county sales tax may only be imposed for the purpose of reducing the property tax levy to allow for the issuance of such bonds. In addition, the bill would specify that if such bonds are issued, the county would be without power to repeal the local sales tax or obstruct the collection of the tax until the principal and interest payments have been made or provided for.

The amendment would modify this provision to provide that the bonds would be issued under the current law statutes governing municipal revenue obligations (Chapter 66 of the statutes), rather than the current law statutes governing municipal bonds (Chapter 67 of the statutes). Under the amendment the bonds could have up to a 40-year maturity, while under the bill the bonds could have up to a 20-year maturity, with certain exceptions for sewerage bonds that could have a longer maturity (50 years).

INCREASE THE NUMBER OF ENTERPRISE ZONES

- 1113

The bill would allow WEDC to designate up to 35 enterprise zones, instead of 30 under current law. The amendment would delete this provision and maintain current law.

WORKFORCE DEVELOPMENT

- 1083

The bill would create a continuing GPR appropriation under the Department of Workforce Development (DWD) for a worker training and employment program. Under the bill, of the amounts appropriated in the 2019-21 biennium, DWD must allocate \$20,000,000 to provide funding, through grants or other means, to facilitate worker training and employment in the state.

The bill provides no funding for the program in the 2017-19 biennium. DWD would be required to consult with the Wisconsin Technical College System Board and the WEDC in implementing the worker training and employment program. Prior to spending any appropriated funds, DWD would be required to submit to the Joint Committee on Finance a plan for implementing the program and DWD could not expend any funds appropriated for the program except in accordance with the plan as approved by the Joint Committee on Finance. DWD would have all other powers necessary to implement a worker training and employment program, including the power to audit and inspect the records of grant recipients. The Department would be required to submit, annually, by December 31, a report to the Governor and the co-chairs of the Joint Committee on Finance providing an account of DWD's activities and expenditures for the worker training and employment program during the preceding year.

The amendment would specify that institutions of higher education, as defined in s. 106.57 (1) (c), would be eligible to apply for and receive worker training and employment program grants made by DWD. Under s. 106.57, an institution of higher education includes campuses in the UW System, campuses within the Technical College System, and private, nonprofit institutions that are members of the Wisconsin Association of Independent Colleges and Universities.

GRANTS FOR LOCAL GOVERNMENT EXPENDITURES — 1090

Modify the bill to increase funding for grants for local government expenditures from \$10 million GPR in 2017-18 to \$15 million GPR. In addition, include technical college districts in the definition of local governmental units eligible to receive grants.

INCORPORATION OF TOWNS

~~The bill would authorize a town that is adjacent to a city or village that contains an EITM zone to incorporate as a city or village if the town approves an incorporation referendum. Under the bill, no other current law procedures (including hearings, circuit court review, and Incorporation Review Board analysis) would apply to such incorporation of a town adjacent to a city or village that contains an EITM zone.~~

~~The amendment would limit the provision to a town that is located in Racine County.~~



State of Wisconsin
2017 - 2018 LEGISLATURE
August 2017 Special Session

LRBa1140/P1

Y:... ~~amend~~ all
MPG

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO ASSEMBLY BILL 1

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 8, line 1: before that line insert:

3 **"SECTION 1m.** 13.94 (1) (u) of the statutes is created to read:

4 13.94 (1) (u) Beginning in 2018, annually for 5 years, evaluate the process used
5 by the Wisconsin Economic Development Corporation to verify information under s.
6 238.396 (4) (d) and evaluate whether the corporation appropriately verified, in
7 accordance with statutory and contractual requirements, the amount of tax credits
8 eligible claimants may claim under ss. 71.07 (3wm) and 71.28 (3wm)."

9 **2.** Page 9, line 1: delete "or county" and substitute "county, or technical college
10 district".

11 **3.** Page 9, line 14: delete lines 14 and 15.

12 **4.** Page 10, line 4: after "(a)" insert "1."

engrossed

1 **5.** Page 10, line 16: after that line insert:

2 “(4) CONTRACT. The secretary may contract with a local governmental unit to
3 implement this section.”.

4 **6.** Page 11, line 4: substitute “15,000,000” for “10,000,000”.

5 **7.** Page 15, line 24: after that line insert:

6 “SECTION 18k. 66.0621 (3m) of the statutes is created to read:

7 66.0621 (3m) A county in which an electronics and information technology
8 manufacturing zone designated under s. 238.396 (1m) exists may issue bonds under
9 this section whose principal and interest are paid only through sales and use tax
10 revenues imposed by the county under s. 77.70. The county shall be and continue
11 without power to repeal such tax or obstruct the collection of the tax until all such
12 payments have been made or provided for.”.

13 **8.** Page 16, line 18: after that line insert:

14 “SECTION 19d. 66.1105 (2) (f) 1. b. of the statutes is amended to read:

15 66.1105 (2) (f) 1. b. Financing costs, including, but not limited to, all interest
16 paid to holders of evidences of indebtedness issued to pay for project costs and, any
17 premium paid over the principal amount of the obligations because of the redemption
18 of the obligations prior to maturity, and payments made by the city or village to a
19 county or other municipality that issues obligations to finance project costs of a
20 district pursuant to sub. (20).”.

21 **9.** Page 19, line 15: after “*increments.*” insert “1.”.

22 **10.** Page 19, line 18: after that line insert:

23 “2. No tax incremental district described under this subsection may allocate
24 positive tax increments as provided under sub. (4e) or (6) (d), (dm), (e), or (f).”.

1 **11.** Page 19, line 22: delete the material beginning with that line and ending
2 with page 21, line 2.

3 **12.** Page 29, line 22: delete “67.05 (10m)” and substitute “66.0621 (3m)”.

4 **13.** Page 30, line 8: after that line insert:

5 “**SECTION 34m.** 79.05 (2) (c) of the statutes is amended to read:

6 79.05 (2) (c) Its municipal budget; exclusive of principal and interest on
7 long-term debt and exclusive of revenue sharing payments under s. 66.0305,
8 recycling fee payments under s. 289.645, expenditures of grant payments under s.
9 16.297 (1m), unreimbursed expenses related to an emergency declared under s.
10 323.10, expenditures from moneys received pursuant to P.L. 111-5, and expenditures
11 made pursuant to a purchasing agreement with a school district whereby the
12 municipality makes purchases on behalf of the school district; for the year of the
13 statement under s. 79.015 increased over its municipal budget as adjusted under
14 sub. (6); exclusive of principal and interest on long-term debt and exclusive of
15 revenue sharing payments under s. 66.0305, recycling fee payments under s.
16 289.645, expenditures of grant payments under s. 16.297 (1m), unreimbursed
17 expenses related to an emergency declared under s. 323.10, expenditures from
18 moneys received pursuant to P.L. 111-5, and expenditures made pursuant to a
19 purchasing agreement with a school district whereby the municipality makes
20 purchases on behalf of the school district; for the year before that year by less than
21 the sum of the inflation factor and the valuation factor, rounded to the nearest 0.10
22 percent.”.

23 **14.** Page 30, line 22: after that line insert:

1 “(1m) ELIGIBLE GRANT RECIPIENTS. The persons eligible to apply for and receive
2 grants made by the department under this section shall include institutions of higher
3 education, as defined in s. 106.57 (1) (c).”.

4 **15.** Page 35, line 12: delete “zone.” and substitute “zone in this state. The zone
5 may not include any area outside this state.”.

6 **16.** Page 35, line 12: delete “zone.” and substitute “zone in this state. The zone
7 may not include any area outside this state.”.

8 **17.** Page 36, line 10: after “years.” insert “Before certifying a business to
9 receive tax benefits under this subsection, the corporation shall attempt to ensure
10 that the business has sought and is seeking to satisfy certain hiring goals in this
11 state, as identified by the corporation, in connection with the business’s capital
12 expenditures in the zone.”.

13 **18.** Page 36, line 15: after that line insert:

14 “(c) The corporation may not certify a business to claim tax benefits under ss.
15 71.07 (3wm) (b) and 71.28 (3wm) (b) for services performed outside this state.”.

16 **19.** Page 37, line 9: after that line insert:

17 “(fm) The corporation shall cooperate with the legislative audit bureau for
18 purposes of the audit bureau’s performance of its duties under s. 13.94 (1) (u).”.

19 **20.** Page 37, line 9: after that line insert:

20 “(fs) The corporation shall contract with a business certified under sub. (3).”.

21 **21.** Page 37, line 11: delete the material beginning with “certified” and ending
22 with “(3)” on line 12 and substitute “under par. (fs)”.

23 **22.** Page 37, line 17: delete lines 17 to 19.

1 **23.** Page 40, line 12: delete that line.

2 **24.** Page 40, line 14: after that line insert:

3 “SECTION 59p. 808.055 of the statutes is created to read:

4 **808.055 Direct review of decisions relating to electronics and**
5 **information technology manufacturing zone. (1) SUPREME COURT APPEAL AS OF**
6 RIGHT. (a) The supreme court shall take jurisdiction of an appeal filed under this
7 section.

8 (b) Notwithstanding s. 808.03, any party may immediately appeal as of right
9 to the supreme court from any order of a circuit court vacating, enjoining, reviewing,
10 or otherwise relating to a decision by a state or local official, board, commission,
11 condemnor, authority, or department concerning an electronics and information
12 technology manufacturing zone designated under s. 238.396 (1m).

13 (c) The parties and the court shall proceed according to the rules governing
14 procedure in the court of appeals, except as described under this section or as
15 otherwise ordered by the supreme court in a particular case. Unless otherwise
16 ordered by the supreme court, the parties shall comply with the requirements for
17 form of papers under s. 809.81.

18 **(2) STAY PENDING APPEAL.** Any order of a circuit court vacating, enjoining,
19 reviewing, or otherwise relating to a decision by a state or local official, board,
20 commission, condemnor, authority, or department concerning an electronics and
21 information technology manufacturing zone designated under s. 238.396 (1m) shall
22 be stayed automatically upon the filing of an appeal as provided under this section.
23 Any party to the proceeding may apply to the supreme court to request that the stay
24 be modified or vacated.

1 **SECTION 59r.** 809.62 (1r) (intro.) of the statutes is amended to read:

2 809.62 (1r) CRITERIA FOR GRANTING REVIEW. (intro.) ~~Supreme~~ Except as provided
3 under s. 808.055, supreme court review is a matter of judicial discretion, not of right,
4 and will be granted only when special and important reasons are presented. The
5 following, while neither controlling nor fully measuring the court's discretion,
6 indicate criteria that will be considered:".

7 **25.** Page 40, line 16: delete lines 16 to 23 and substitute:

8 “(1c) The department of transportation may not expend the proceeds of general
9 obligation bonds issued under section 20.866 (2) (uuz) of the statutes unless the state
10 receives an award of federal moneys for the I 94 north-south corridor project under
11 section 84.0145 (3) (b) 1. of the statutes and submits a request to expend the proceeds
12 to the joint committee on finance. The department may not expend the proceeds of
13 general obligation bonds issued under section 20.866 (2) (uuz) of the statutes if,
14 within 14 days of receiving the request to expend proceeds, the joint committee on
15 finance objects to the request and, within 30 days of objecting, the joint committee
16 on finance votes to deny the request to expend proceeds.”.

17 **(END)**



State of Wisconsin
2017 - 2018 LEGISLATURE
August 2017 Special Session

LRBa1140/P1
MPG:all

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**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO ASSEMBLY BILL 1**

No
changes

1 At the locations indicated, amend the engrossed bill as follows:

2 **1.** Page 8, line 1: before that line insert:

3 “**SECTION 1m.** 13.94 (1) (u) of the statutes is created to read:

4 13.94 (1) (u) Beginning in 2018, annually for 5 years, evaluate the process used
5 by the Wisconsin Economic Development Corporation to verify information under s.
6 238.396 (4) (d) and evaluate whether the corporation appropriately verified, in
7 accordance with statutory and contractual requirements, the amount of tax credits
8 eligible claimants may claim under ss. 71.07 (3wm) and 71.28 (3wm).”.

9 **2.** Page 9, line 1: delete “or county” and substitute “county, or technical college
10 district”.

11 **3.** Page 9, line 14: delete lines 14 and 15.

12 **4.** Page 10, line 4: after “(a)” insert “1.”.

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2 indicate criteria that will be considered.”.

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7 section 84.0145 (3) (b) 1. of the statutes and submits a request to expend the proceeds
8 to the joint committee on finance. The department may not expend the proceeds of
9 general obligation bonds issued under section 20.866 (2) (uuz) of the statutes if,
10 within 14 days of receiving the request to expend proceeds, the joint committee on
11 finance objects to the request and, within 30 days of objecting, the joint committee
12 on finance votes to deny the request to expend proceeds.”.

13 (END)