2017 Au7 DRAFTING REQUEST

Senate Amendment (SA-SSA1-AB1)

For:	**Jennifer Shilling (608) 266-5490**	Drafter:	**mgallagh**
By:	**Danielle**	Secondary Drafters:	**jkreye**
			zwyatt
Date:	**9/6/2017**		

Same as LRB: May Contact:

Submit via email:	**YES**
Requester's email:	**Sen.Shilling@legis.wisconsin.gov**
Carbon copy (CC) to:	**michael.gallagher@legis.wisconsin.gov**
	rick.champagne@legis.wisconsin.gov
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Pre Topic:

No specific pre topic given

Topic:

EITM Zone, amendment package 1.

Instructions:

No specific instructions given

Drafting History:

Vers.	Drafted	Reviewed	Submitted	Jacketed	Required
/?	mgallagh 9/6/2017	kfollett 9/6/2017			
/P1	mgallagh 9/11/2017	kfollett 9/11/2017	dwalker 9/6/2017		
/P2	mgallagh 9/11/2017	jdyer 9/12/2017	lparisi 9/11/2017		
/P3	mgallagh	kmochal	mbarman		

Vers.	Drafted	Reviewed	Submitted	Jacketed	Required
	9/12/2017	9/12/2017	9/12/2017		
/1	mgallagh	anienaja	lparisi	lparisi	
	9/12/2017	9/12/2017	9/12/2017	9/12/2017	
/2			dwalker	dwalker	
			9/12/2017	9/12/2017	

FE Sent For: **\<END\>**

Vers.	Drafted	Reviewed	Submitted	Jacketed	Required
	9/12/2017	9/12/2017	9/12/2017		
/1			lparisi	lparisi	
			9/12/2017	9/12/2017	

FE Sent For: **\<END\>**

Amendment 1

✓ Prohibits jobs tax credits from being claimed for non-Wisconsin workers (based on income tax filing) and for those that earn less than average regional wage and/or that fail to be offered family health insurance.

✓ Requires WEDC to hire three economic development professionals for the other zones (outside of Milwaukee 7 region) and provide $252.4 million for other highway projects to ensure focus and investment on Foxconn does not inhibit economic growth in other areas of the state.

✓ Allows and requires WEDC to clawback all tax benefits extended to Foxconn if the MOU's provisions requiring the company to invest $10 billion in capital and hire at least 3,000 jobs are not met by end of the 15-year-term. Clarifies that the clawbacks are triggered, not only if the company leaves the zone to conduct the same business outside the zone, but also if it ceases operations and does not renew operation of the business or a similar business in the zone within 12 months.

✓ Prohibits WEDC from amending the contract for the EITM zone company.

✓ Requires DOR to report each taxpayer's contribution toward Foxconn deal on W-4 form.

✓ Makes all tax credits nonrefundable, but allows company to carry over for as long as necessary.

✓ Prohibits capital credit from being used for automation.

✓ Removes the right of immediate appeal to the Supreme Court and maintains current judicial process.

Amendment 2

✓ Deletes all exemptions for permits and Environmental Impact Statement and requires agencies to report on environmental impacts.

✓ Requires company to demo buildings and plant grass if it abandons the site.

✓ Specifies that the company must divest its interests exceeding 640 acres within four years if it does not begin using the land for manufacturing purposes within four years or ceases to use it for manufacturing purposes for four years.

✓ Requires the company to pay the site municipality 40% of costs if the company leaves the site within the contract.

✓ Maintains local County 0.5% Sales Tax.

✓ Requires a development agreement between local communities and the company so that the community can clawback portions of its investment.

9/h Today works!

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO SENATE BILL 1

ASSEMBLY

_9164/?)_

1   At the locations indicated, amend the substitute amendment as follows:

2   **1.** Page 5, line 21: delete the material beginning with that line and ending with

3   page 6, line 3.

4   **2.** Page 6, line 3: after that line insert:

5   "SECTION **6m.** 20.866 (2) (uum) of the statutes is amended to read:

6   20.866 **(2)** (uum) _Transportation; major highway and rehabilitation projects._

7   From the capital improvement fund, a sum sufficient for the department of

8   transportation to fund major highway and rehabilitation projects, as provided under

9   s. 84.555. The state may contract public debt in an amount not to exceed

10   $565,480,400 $817,880,400 for this purpose.".

17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16, 103, 109; 2003 a. 33, 64, 91, 129; 2005 a. 1, 22, 25, 102, 300; 2007 a. 5; 2007 a. 20 ss. 582 to 597s, 9121 (6) (a); 2007 a. 226; 2009 a. 28, 361; 2011 a. 13, 32, 158; 2013 a. 20; 2015 a. 55.

1   **3.** Page 15, line 16: after "individual" insert "who is required to file a Wisconsin

2   income tax return for the same taxable year for which the employee's employer

3   claims a credit under par. (b) and".

4   **4.** Page 15, line 17: delete "$30,000" and substitute "the average annual wage

5   for an employee employed in the same region".

6   **5.** Page 15, line 17: after "health," insert "including family health,".

7   **6.** Page 15, line 18: after "health," insert "including family health,".

8   **7.** Page 17, line 4: delete "1. Section" and substitute "Section".

9   **8.** Page 17, line 4: delete "(g) and" and substitute "(e) to".

10   **9.** Page 17, line 6: delete lines 6 to 11.

11   **10.** Page 17, line 22: delete the material beginning with that line and ending

12   with on page 18, line 12, and substitute:

13   "**SECTION 26d.** 71.10 (4) (fc) of the statutes is created to read:

14   71.10 **(4)** (fc)   Electronics and information technology manufacturing zone

15   credit under s. 71.07 (3wm).".

16   **11.** Page 19, line 20: after "individual" insert "who is required to file a

17   Wisconsin income tax return for the same taxable year for which the employee's

18   employer claims a credit under par. (b) and".

19   **12.** Page 19, line 21: delete "$30,000" and substitute "the average annual

20   wage for an employee employed in the same region".

21   **13.** Page 19, line 21: after "health," insert "including family health,".

1   **14.** Page 19, line 22: after "health," insert "including family health,".

2   **15.** Page 21, line 7: delete "1.".

3   **16.** Page 21, line 7: delete "(g) and" and substitute "(e) to".

4   **17.** Page 21, line 9: delete lines 9 to 14 and substitute:

5   "**SECTION 30d.** 71.30 (3) (da) of the statutes is created to read:

6   71.30 **(3)** (da) Electronics and information technology manufacturing zone

7 credit under s. 71.28 (3wm).".

8   **18.** Page 22, line 7: after that line insert:

9   "**SECTION 32m.** 73.03 (73) of the statutes is created to read:

10   73.03 **(73)** To provide an annual statement to each individual required to file

11 a Wisconsin income tax return specifying the proportionate share of the amount of

12 the state taxes withheld from the individuals pay during that year that are used to

13 fund the tax benefits paid under s. 238.396.".

14   **19.** Page 32, line 1: after "(3)." insert "Once a contract is executed under this

15 paragraph, it may not be amended.".

16   **20.** Page 32, line 4: after that line insert:

17   "(h) The corporation shall hire at least 3 economic development professionals

18 who shall work with local economic development organizations located across the

19 state outside of the electronics and information technology manufacturing zone.".

20   **21.** Page 32, line 8: after that line insert:

21   "**(6d)** CLAWBACK. A business certified under sub. (3) shall repay the total

22 amount of tax benefits the business has claimed if any of the following occur:

23   (a) The business has a certification revoked under par. (a).

1   (b) The business fails to employ at least 3,000 full-time employees in this state

2   on January 1, 2021, or at any time thereafter during the effective period under sub.

3   (2).

4   (c) The business fails to make at least $10,000,000,000 in capital expenditures

5   in this state during the effective period under sub. (2).".

6   **(6m)** AUTOMATION. The corporation may not certify a business to claim tax

7   benefits under sub. (3m) for a capital expenditure if any part of that expenditure was

8   made for purposes of automation, as determined by the corporation.".

9   **22.** Page 35, line 4: delete the material beginning with that line and ending

10   with on page 36, line 6.

11   **(END)**

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

1   At the locations indicated, amend the substitute amendment as follows:

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4   **2.** Page 6, line 3: after that line insert:

5   "SECTION **6m.** 20.866 (2) (uum) of the statutes is amended to read:

6   20.866 **(2)** (uum) *Transportation; major highway and rehabilitation projects.*

7 From the capital improvement fund, a sum sufficient for the department of

8 transportation to fund major highway and rehabilitation projects, as provided under

9 s. 84.555.   The state may contract public debt in an amount not to exceed

10 $565,480,400 $817,880,400 for this purpose.".

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4   **4.** Page 15, line 17: delete "$30,000" and substitute "the average annual wage

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11   **10.** Page 17, line 22: delete the material beginning with that line and ending

12 with page 18, line 12, and substitute:

13   "**SECTION 26d.** 71.10 (4) (fc) of the statutes is created to read:

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1   **16.** Page 21, line 7: delete "(g) and" and substitute "(e) to".

2   **17.** Page 21, line 9: delete the material beginning with that line and ending

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4   "**SECTION 30d.** 71.30 (3) (da) of the statutes is created to read:

5   71.30 **(3)** (da) Electronics and information technology manufacturing zone

6 credit under s. 71.28 (3wm).".

7   **18.** Page 22, line 7: after that line insert:

8   "**SECTION 32m.** 73.03 (73) of the statutes is created to read:

9   73.03 **(73)** To provide an annual statement to each individual required to file

10 a Wisconsin income tax return specifying the proportionate share of the amount of

11 the state taxes withheld from the individual's pay during that year that are used to

12 fund the tax benefits paid under s. 238.396.".

13   **19.** Page 32, line 1: after "(3)." insert "Once a contract is executed under this

14 paragraph, it may not be amended.".

15   **20.** Page 32, line 4: after that line insert:

16   "(h) The corporation shall hire at least 3 economic development professionals

17 who shall work with local economic development organizations located across the

18 state outside of the electronics and information technology manufacturing zone.".

19   **21.** Page 32, line 8: after that line insert:

20   "**(6d)** CLAWBACK. A business certified under sub. (3) shall repay the total

21 amount of tax benefits the business has claimed if any of the following occurs:

22   (a) The business has a certification revoked under sub. (4) (a).

1 (b) The business fails to employ at least 3,000 full−time employees in this state

2 on January 1, 2021, or at any time thereafter during the effective period under sub.

3 (2).

4 (c) The business fails to make at least $10,000,000,000 in capital expenditures

5 in this state during the effective period under sub. (2).

6 **(6m)** AUTOMATION. The corporation may not certify a business to claim tax

7 benefits under sub. (3m) for a capital expenditure if any part of that expenditure was

8 made for purposes of automation, as determined by the corporation.".

9 **22.** Page 35, line 4: delete the material beginning with that line and ending

10 with page 36, line 6.

11   **(END)**

9/12 ASAP Thanks!

State of Wisconsin
2017 - 2018 LEGISLATURE
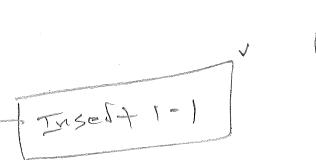August 2017 Special Session

LRBa1164/P2
MPG/JK/ZDW/SWB:kjf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

Inserts

Insert 1-1

1   At the locations indicated, amend the substitute amendment as follows:

2   **1.** Page 5, line 21: delete the material beginning with that line and ending with

3   page 6, line 3.

4   **2.** Page 17, line 4: delete "1. Section" and substitute "Section".

5   **3.** Page 17, line 4: delete "(g) and" and substitute "(e) to".

6   **4.** Page 17, line 6: delete lines 6 to 11.

7   **5.** Page 17, line 22: delete the material beginning with that line and ending

8   with page 18, line 12, and substitute:

9   "SECTION 26d. 71.10 (4) (fc) of the statutes is created to read:

1   71.10 **(4)** (fc)   Electronics and information technology manufacturing zone

2   credit under s. 71.07 (3wm).".

3   **6.** Page 21, line 7: delete "1.".

4   **7.** Page 21, line 7: delete "(g) and" and substitute "(e) to".

5   **8.** Page 21, line 9: delete the material beginning with that line and ending with

6   page 22, line 2, and substitute:

7   "**SECTION 30d.** 71.30 (3) (da) of the statutes is created to read:

8   71.30 **(3)** (da)   Electronics and information technology manufacturing zone

9   credit under s. 71.28 (3wm).".

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11   "**SECTION 32m.** 73.03 (73) of the statutes is created to read:

12   73.03 **(73)** To provide an annual statement to each individual required to file

13   a Wisconsin income tax return specifying the proportionate share of the amount of

14   the state taxes withheld from the individual's pay during that year that are used to

15   fund the tax benefits paid under s. 238.396.".

16   **10.** Page 32, line 1: after "(3)." insert "Once a contract is executed under this

17   paragraph, it may not be amended.".

18   **11.** Page 32, line 8: after that line insert:

19   "**(6d)** CLAWBACK. A business certified under sub. (3) shall repay the total

20   amount of tax benefits the business has claimed if any of the following occurs:

21   (a) The business has a certification revoked under sub. (4) (a).

22   (b) The business fails to employ at least 3,000 full-time employees in this state

23   on January 1, 2021, or at any time thereafter during the effective period under sub.

24   (2).

[handwritten margin notes:]

Insert 1-2-15

Insert 1-2

If letter

(bm) The business fails to employ at least 13,000 full time employees in this state before the end of the effective period under sub. (2) B

1   (c) The business fails to make at least $10,000,000,000 in capital expenditures

2 in this state during the effective period under sub. (2).

3   **(6m)** AUTOMATION. The corporation may not certify a business to claim tax

4 benefits under sub. (3m) for a capital expenditure if any part of that expenditure was

5 made for purposes of automation, as determined by the corporation.".

6   **12.** Page 35, line 4: delete the material beginning with that line and ending

7 with page 36, line 6.

8   **(END)**

INSERT 3-2

1   **(6m)** AUTOMATION. (a) A business the corporation certifies for additional tax

2   benefits under sub. (3m) may not claim any tax benefits under ss. 71.07 (3wm) (bm)

3   or 71.28 (3wm) for a capital expenditure if any part of that expenditure was made for

4   purposes of automation, as determined by the corporation.

5   (b) A business the corporation certifies for additional tax benefits under sub.

6   (3m) may not use any tax benefits it claims under ss. 71.07 (3wm) (bm) or 71.28 (3wm)

7   for purposes of automation, as determined by the corporation".

END INSERT 3-2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

[handwritten: This is Insert 1-1]

1   At the locations indicated, amend the substitute amendment as follows:

2   **1.** Page 2, line 10: after "procedures;" insert "duties of the Legislative Audit

3   Bureau".

4   **2.** Page 2, line 17: after that line insert:

5   "**SECTION 1n.** 13.94 (1) (v) of the statutes is created to read:

6   13.94 **(1)** (v) Annually, evaluate at a minimum each grant, loan, and tax credit

7   award of $5,000,000 or more made by the Wisconsin Economic Development

8   Corporation and submit a report to the joint legislative audit committee that at least

9   includes information concerning all of the following:

10   1. Whether the Wisconsin Economic Development Corporation appropriately

11   assessed the eligibility of the recipient of each award.

1   2. Whether the Wisconsin Economic Development Corporation appropriately

2   determined the number of jobs created or retained in relation to each award and how

3   many of those jobs were held by residents of this state.

4   3. The number of instances in which a contract between the Wisconsin

5   Economic Development Corporation and a recipient of a grant, loan, or tax credit was

6   amended and the reason for each amendment.

7   4. Whether the Wisconsin Economic Development Corporation determined in

8   accordance with statutory, contractual, and program policy requirements the

9   amount of each grant, loan, and tax credit that each recipient of the grant, loan, or

10   tax credit was eligible to receive or claim.".

11   **(END)**

This is Insert 1 – 1 End

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

This is Insert 2-15

1   At the locations indicated, amend the substitute amendment as follows:

2   **1.** Page 2, line 10: after "procedures;" insert "review of contracts executed by

3   the Wisconsin Economic Development Corporation awarding grants, loans, or tax

4   credits;".

5   **2.** Page 29, line 8: after that line insert:

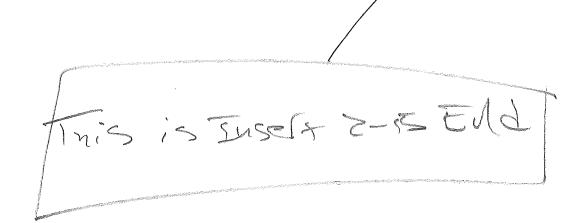6   "SECTION 48o. 238.043 of the statutes is created to read:

7   **238.043 Contract review. (1)** Prior to executing each contract awarding a

8   grant, loan, or tax credit of at least $5,000,000, the corporation shall submit the

9   proposed contract to the legislative audit bureau for review. The legislative audit

10   bureau shall review the proposed contract and submit to the joint committee on

11   finance, the joint legislative audit committee, and the corporation a report that

1   evaluates the terms of the contract and determines the extent to which the contract

2   conforms to all applicable statutory and program policy requirements.

3   **(2)** The corporation may not execute a contract subject to review under sub. (1)

4   unless it first notifies the joint committee on finance in writing of the proposed

5   contract. The notification shall include the proposed contract. If the cochairpersons

6   of the committee do not notify the corporation within 14 working days after the date

7   of the corporation's notification that the committee has scheduled a meeting for the

8   purpose of reviewing the proposed contract, the corporation may execute the

9   proposed contract. If, within 14 working days after the date of the corporation's

10   notification, the cochairpersons of the committee notify the corporation that the

11   committee has scheduled a meeting for the purpose of reviewing the proposed

12   contract, the corporation may execute the proposed contract only upon approval of

13   the committee.".

14   **(END)**

This is Insert 2-13 End

Page 32, line 4: after that line insert:

1   "(hm) Before the corporation executes a contract with a business under par. (fs),

2   the corporation shall ensure that the business meets strict financial solvency

3   standards.

4   **(6)** SITE ABANDONMENT. If a business certified by the corporation under sub. (3)

5   abandons a manufacturing facility in an electronics and information technology

6   manufacturing zone, the business shall demolish all buildings and other structures

7   located on the land occupied by the facility and shall plant grass and perform other

8   necessary site remediation.

9   **(7)** DIVESTMENT OF LAND INTEREST. If a manufacturing business that has an

10 ownership interest in land in the electronics and information technology

11 manufacturing zone does not begin using that land for manufacturing purposes

12 within 4 years after the date the business first owned the land, or such a business

13 ceases to use land in the zone for manufacturing purposes for at least 4 consecutive

14 years, the business shall divest itself of the land, except that the business may

15 maintain an interest in 640 contiguous acres within the zone.

16   **(8)** PARTIAL REIMBURSEMENT OF LOCAL GOVERNMENTS. (a) In this subsection,

17 "local governmental unit" has the meaning given in s. 16.297 (1) (a).

18   (b) If a business certified by the corporation under sub. (3) substantially ceases

19 operations, as determined by the corporation, in an electronics and information

20 technology manufacturing zone while the zone is in effect under sub. (2), the business

21 shall pay an amount equal to 40 percent of the principal and interest of each local

22 governmental unit's obligation if the obligation was issued to finance costs related

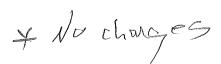23 to development occurring in or for the benefit of the zone.".

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

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✗ No changes

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2   **1.** Page 2, line 10: after "procedures;" insert "duties of the Legislative Audit

3   Bureau".

4   **2.** Page 2, line 17: after that line insert:

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6   13.94 **(1)** (v) Annually, evaluate at a minimum each grant, loan, and tax credit

7   award of $5,000,000 or more made by the Wisconsin Economic Development

8   Corporation and submit a report to the joint legislative audit committee that at least

9   includes information concerning all of the following:

10   1. Whether the Wisconsin Economic Development Corporation appropriately

11   assessed the eligibility of the recipient of each award.

1   2. Whether the Wisconsin Economic Development Corporation appropriately

2 determined the number of jobs created or retained in relation to each award and how

3 many of those jobs were held by residents of this state.

4   3. The number of instances in which a contract between the Wisconsin

5 Economic Development Corporation and a recipient of a grant, loan, or tax credit was

6 amended and the reason for each amendment.

7   4. Whether the Wisconsin Economic Development Corporation determined in

8 accordance with statutory, contractual, and program policy requirements the

9 amount of each grant, loan, and tax credit that each recipient of the grant, loan, or

10 tax credit was eligible to receive or claim.".

11   **3.** Page 5, line 21: delete the material beginning with that line and ending with

12 page 6, line 3.

13   **4.** Page 17, line 4: delete "1. Section" and substitute "Section".

14   **5.** Page 17, line 4: delete "(g) and" and substitute "(e) to".

15   **6.** Page 17, line 6: delete lines 6 to 11.

16   **7.** Page 17, line 22: delete the material beginning with that line and ending

17 with page 18, line 12, and substitute:

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6   contract, the corporation may execute the proposed contract only upon approval of

7   the committee.".

8   **13.** Page 32, line 1: after "(3)." insert "Once a contract is executed under this

9   paragraph, it may not be amended.".

10   **14.** Page 32, line 4: after that line insert:

11   "(hm) Before the corporation executes a contract with a business under par. (fs),

12   the corporation shall ensure that the business meets strict financial solvency

13   standards.".

14   **15.** Page 32, line 8: after that line insert:

15   "**(6d)** Clawback. A business certified under sub. (3) shall repay the total

16   amount of tax benefits the business has claimed if any of the following occurs:

17   (a) The business has a certification revoked under sub. (4) (a).

18   (b) The business fails to employ at least 3,000 full–time employees in this state

19   on January 1, 2021, or at any time thereafter during the effective period under sub.

20   (2).

21   (bm) The business fails to employ at least 13,000 full–time employees in this

22   state before the end of the effective period under sub. (2).

23   (c) The business fails to make at least $10,000,000,000 in capital expenditures

24   in this state during the effective period under sub. (2).

1   **(6m)** AUTOMATION. (a) A business the corporation certifies for additional tax

2   benefits under sub. (3m) may not claim any tax benefits under s. 71.07 (3wm) (bm)

3   or 71.28 (3wm) for a capital expenditure if any part of that expenditure was made for

4   purposes of automation, as determined by the corporation.

5   (b) A business the corporation certifies for additional tax benefits under sub.

6   (3m) may not use any tax benefits it claims under s. 71.07 (3wm) (bm) or 71.28 (3wm)

7   for purposes of automation, as determined by the corporation.".

8   **16.** Page 35, line 4: delete the material beginning with that line and ending

9   with page 36, line 6.

10   **(END)**

Now

State of Wisconsin
2017 - 2018 LEGISLATURE

August 2017 Special Session

LRBa1164/12
MPG/JK/ZDW/SWB:all

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

1   At the locations indicated, amend the substitute amendment as follows:

2   **1.** Page 2, line 10: after "procedures;" insert "duties of the Legislative Audit

3   Bureau".

4   **2.** Page 2, line 17: after that line insert:

5   "**SECTION 1n.** 13.94 (1) (v) of the statutes is created to read:

6   13.94 **(1)** (v) Annually, evaluate at a minimum each grant, loan, and tax credit

7   award of $5,000,000 or more made by the Wisconsin Economic Development

8   Corporation and submit a report to the joint legislative audit committee that at least

9   includes information concerning all of the following:

10   1. Whether the Wisconsin Economic Development Corporation appropriately

11   assessed the eligibility of the recipient of each award.

1   2. Whether the Wisconsin Economic Development Corporation appropriately

2 determined the number of jobs created or retained in relation to each award and how

3 many of those jobs were held by residents of this state.

4   3. The number of instances in which a contract between the Wisconsin

5 Economic Development Corporation and a recipient of a grant, loan, or tax credit was

6 amended and the reason for each amendment.

7   4. Whether the Wisconsin Economic Development Corporation determined in

8 accordance with statutory, contractual, and program policy requirements the

9 amount of each grant, loan, and tax credit that each recipient of the grant, loan, or

10 tax credit was eligible to receive or claim.".

11   **3.** Page 5, line 21: delete the material beginning with that line and ending with

12 page 6, line 3.

13   **4.** Page 17, line 4: delete "1. Section" and substitute "Section".

14   **5.** Page 17, line 4: delete "(g) and" and substitute "(e) to".

15   **6.** Page 17, line 6: delete lines 6 to 11.

16   **7.** Page 17, line 22: delete the material beginning with that line and ending

17 with page 18, line 12, and substitute:

18   "**SECTION 26d.** 71.10 (4) (fc) of the statutes is created to read:

19   71.10 **(4)** (fc) Electronics and information technology manufacturing zone

20 credit under s. 71.07 (3wm).".

21   **8.** Page 21, line 7: delete "1.".

22   **9.** Page 21, line 7: delete "(g) and" and substitute "(e) to".

1   **10.** Page 21, line 9: delete the material beginning with that line and ending

2   with page 22, line 2, and substitute:

3   "**SECTION 30d.** 71.30 (3) (da) of the statutes is created to read:

4   71.30 **(3)** (da) Electronics and information technology manufacturing zone

5   credit under s. 71.28 (3wm).".

6   **11.** Page 22, line 7: after that line insert:

7   "**SECTION 32m.** 73.03 (73) of the statutes is created to read:

8   73.03 **(73)** To provide an annual statement to each individual required to file

9   a Wisconsin income tax return specifying the proportionate share of the amount of

10   the state taxes withheld from the individual's pay during that year that are used to

11   fund the tax benefits paid under s. 238.396.".

12   **12.** Page 29, line 8: after that line insert:

13   "**SECTION 48o.** 238.043 of the statutes is created to read:

14   **238.043 Contract review. (1)** Prior to executing each contract awarding a

15   grant, loan, or tax credit of at least $5,000,000, the corporation shall submit the

16   proposed contract to the legislative audit bureau for review. The legislative audit

17   bureau shall review the proposed contract and submit to the joint committee on

18   finance, the joint legislative audit committee, and the corporation a report that

19   evaluates the terms of the contract and determines the extent to which the contract

20   conforms to all applicable statutory and program policy requirements.

21   **(2)** The corporation may not execute a contract subject to review under sub. (1)

22   unless it first notifies the joint committee on finance in writing of the proposed

23   contract. The notification shall include the proposed contract. If the cochairpersons

24   of the committee do not notify the corporation within 14 working days after the date

1 of the corporation's notification that the committee has scheduled a meeting for the

2 purpose of reviewing the proposed contract, the corporation may execute the

3 proposed contract. If, within 14 working days after the date of the corporation's

4 notification, the cochairpersons of the committee notify the corporation that the

5 committee has scheduled a meeting for the purpose of reviewing the proposed

6 contract, the corporation may execute the proposed contract only upon approval of

7 the committee.".

8 **13.** Page 32, line 1: after "(3)." insert "Once a contract is executed under this

9 paragraph, it may not be amended.".

10 **14.** Page 32, line 4: after that line insert:

11 "(hm) Before the corporation executes a contract with a business under par. (fs),

12 the corporation shall ensure that the business meets strict financial solvency

13 standards.".

14 **15.** Page 32, line 8: after that line insert:

15 "**(6d)** CLAWBACK. A business certified under sub. (3) shall repay the total

16 amount of tax benefits the business has claimed if any of the following occurs:

17 (a) The business has a certification revoked under sub. (4) (a).

18 (b) The business fails to employ at least 3,000 full-time employees in this state

19 on January 1, 2021, or at any time thereafter during the effective period under sub.

20 (2).

21 (bm) The business fails to employ at least 13,000 full-time employees in this

22 state before the end of the effective period under sub. (2).

23 (c) The business fails to make at least $10,000,000,000 in capital expenditures

24 in this state during the effective period under sub. (2).

1 **(6m)** AUTOMATION. (a) A business the corporation certifies for additional tax

2 benefits under sub. (3m) may not claim any tax benefits under s. 71.07 (3wm) (bm)

3 or 71.28 (3wm) for a capital expenditure if any part of that expenditure was made for

4 purposes of automation, as determined by the corporation.

5 (b) A business the corporation certifies for additional tax benefits under sub.

6 (3m) may not use any tax benefits it claims under s. 71.07 (3wm) (bm) or 71.28 (3wm)

7 for purposes of automation, as determined by the corporation.".

8 **16.** Page 35, line 4: delete the material beginning with that line and ending

9 with page 36, line 6.

10   **(END)**

INSERT 2-10

1   **SECTION 1o.** 13.94 (1) (vm) of the statutes is created to read:

2   13.94 **(1)** (vm)   Annually, evaluate each determination of the Wisconsin

3   Economic Development Corporation under s. 238.396 (6m) that an expenditure was

4   or was not for purposes of automation and determine the number of jobs any business

5   certified under s. 238.396 (3) eliminates as a result of the business's automation. The

6   legislative audit bureau shall include its findings under this paragraph in its report

7   under par. (v). Each business certified under s. 238.396 (3) shall, as a condition of

8   that certification, share information with the legislative audit bureau necessary for

9   the audit bureau to carry out its duties under this paragraph.".

END INSERT 2-10