

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:

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Pre Topic:

No specific pre topic given

Topic:

EITM Zone, amendment package 2.

Instructions:

No specific instructions given

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 9/6/2017	anienaja 9/6/2017			
/P1	mgallagh 9/11/2017	anienaja 9/11/2017	mbarman 9/6/2017		
/P2	mgallagh 9/11/2017	jdyer 9/12/2017	dwalker 9/11/2017		
/P3	mgallagh	kmochal	mbarman		

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



~~Bills~~ 9/7 9/6 Today
State of Wisconsin
2017 - 2018 LEGISLATURE

August 2017 Special Session

LRB 1162/?
MPG/JK/ZDW:... Ann

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

9/16/17

ASSEMBLY

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 6, line 11: delete the material beginning with that line and ending with
- 3 page 7, line 18.
- 4 **2.** Page 29, line 15: after "Corporation." insert "Notwithstanding s. 77.79, this
- 5 subsection does not apply to the taxes imposed by a county under subch. V."
- 6 **3.** Page 32, line 5: delete lines 5 to 8 and substitute:
- 7 "(6) SITE ABANDONMENT. If a business certified by the corporation under sub.
- 8 (3) abandons a manufacturing facility in an electronics and information technology
- 9 manufacturing zone, the business shall demolish all buildings and other structures
- 10 located on the land occupied by the facility and shall plant grass and perform other
- 11 necessary site remediation.

1 **(7) DIVESTMENT OF LAND INTEREST.** If a manufacturing business that has an
2 ownership interest in land in the electronics and information technology
3 manufacturing zone does not begin using that land for manufacturing purposes
4 within the within 4 years after the date the business first owned the land, or such
5 a business ceases to use land in the zone for manufacturing purposes for at least 4
6 consecutive years, the business shall divest itself of the land, except that the business
7 may maintain an interest in 640 contiguous acres within the zone.

8 **(8) PARTIAL REIMBURSEMENT OF LOCAL GOVERNMENTS.** (a) In this subsection,
9 “local governmental unit” has the meaning given in s. 16.297 (1).^(a)

10 (b) If a business certified by the corporation under sub. (3) substantially ceases
11 operations, as determined by the corporation, in an electronics and information
12 technology manufacturing zone while the zone is in effect under sub. (2), the business
13 shall pay an amount equal to 40 percent of the principal and interest of each local
14 governmental unit’s obligation if the obligation was issued to finance costs related
15 to development occurring in or for the benefit of the zone.

16 (c) A business certified by the corporation under sub. (3) shall enter into a
17 development agreement with local governmental units that requires the business to
18 make the payments specified under par. (b).”

19 **4.** Page 33, line 15: delete the material beginning with that line and ending
20 with page 35, line 3.

21 **5.** Page 37, line 11: after that line insert:

22 “(4m) All agencies of the state preparing a recommendation or report relating
23 to a major action in an electronics and information technology manufacturing zone
24 designated under section 238.396 (1m) of the statutes shall include a statement on

1 the environmental impact of the action as provided in section 1.11 (2) of the
2 statutes.”

3 (END)



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

22

Inset

Inset 1-1

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Inset 1-1

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2 statutes.”.

3 (END)

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

LRBa1162/P2ins

MPG:... *Amey*

INSERT 1-1

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

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

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

5 13.94 (1) (v) Annually, evaluate each grant, loan, and tax credit award of
6 \$5,000,000 or more made by the Wisconsin Economic Development Corporation and
7 submit a report to the joint legislative audit committee that at least includes
8 information concerning all of the following:

9 1. Whether the Wisconsin Economic Development Corporation appropriately
10 assessed the eligibility of the recipient of each award.

11 2. Whether the Wisconsin Economic Development Corporation appropriately
12 determined the number of jobs created or retained in relation to each award and how
13 many of those jobs were held by residents of this state.

14 3. The number of instances in which a contract between the Wisconsin
15 Economic Development Corporation and a recipient of a grant, loan, or tax credit was
16 amended and the reason for each amendment.

17 4. Whether the Wisconsin Economic Development Corporation determined the
18 amounts of each grant, loan, and tax credit and each recipient’s eligibility to receive
19 the grant, loan, or tax credit in accordance with statutory, contractual, and program
20 policy requirements.”.

END INSERT 1-1

INSERT 1-3

1 **3.** Page 29, line 8: after that line insert:

2 “**SECTION 48o.** 238.043 of the statutes is created to read:

3 **238.043 Contract review.** Prior to executing each contract awarding a grant,
4 loan, or tax credit of at least \$5,000,000, the corporation shall submit the proposed
5 contract to the legislative audit bureau for review. The legislative audit bureau shall
6 review the proposed contract and submit to the joint committee on finance, the joint
7 legislative audit committee, and the corporation a report that evaluates the terms
8 of the contract and determines the extent to which the contract conforms to all
9 applicable statutory and program policy requirements.”.

END INSERT 1-3

INSERT 1-6

10 “(hm) Before the corporation executes a contract with a business under par. (fs),
11 the corporation shall ensure that the business meets strict financial solvency
12 standards.

END INSERT 1-6



9/12 ASAP TRACKS!

State of Wisconsin
2017 - 2018 LEGISLATURE
August 2017 Special Session

LRBa1165/P2
MPG/JK/ZDW:amn
JK
7/P3

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
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12 page 7, line 18. *gr*

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State of Wisconsin
2017 - 2018 LEGISLATURE
August 2017 Special Session

LRBa1165(P3)
MPG/JK/ZDW:amn&jld

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1

** No changes*

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