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September 18, 2017

TO THE HONORABLE MEMBERS OF THE ASSEMBLY:

I have approved in part August 2017 Special Session Assembly Bill 1 as 2017 Wisconsin Act 58 and have deposited it in the Office of the Secretary of State. I have exercised the partial veto in Section 60 (1c); Section 18e; and Sections 18d, 18g and 18i, as it relates to the Joint Committee on Finance approval of bond proceeds and annexations and incorporations.

August 2017 Special Session Assembly Bill 1 creates an Electronics and Information Technology Manufacturing Zone among other changes. This legislation will enable the Wisconsin Economic Development Corporation to contract with an employer to solidify the largest single private sector investment in state history. This is estimated to create up to 13,000 direct jobs and \$10 billion in capital investment. While I fully support the bill, I am using my constitutionally allowed veto authority to make three changes.

1. Joint Committee on Finance Approval of Bond Proceeds for the I 94 North-South Corridor Project

Section 60 (1c)

This section specifies that the Department of Transportation may not expend the proceeds of the general obligation bonds provided under the bill for the I 94 north-south corridor project unless the state receives an award of federal moneys for the project and the Department of Transportation submits a request to expend the funds to the Joint Committee on Finance. This section further specifies that the department may not expend the proceeds of the bonds if, within 14 days of receiving the request to expend the bond proceeds, the Joint Committee on Finance objects to the request and, within 30 days of objecting, the Joint Committee on Finance votes to deny the request to expend the proceeds.

I am partially vetoing this provision to eliminate the Joint Committee of Finance's ability to object to and then potentially vote to deny the request to expend the proceeds because this provision may hinder the state's ability to receive federal funds for the project. Since certain federal grant

programs explicitly inquire about the stability and dependability of the funding sources for a project as part of the determination of which projects receive federal funding, creating any potential ambiguity over the availability of the bond proceeds may jeopardize Wisconsin's ability to compete with other states for federal funds.

I am also partially vetoing this provision to eliminate the requirement that the Department of Transportation submit a request to expend the bond proceeds to the Joint Committee on Finance because this request becomes unnecessary once the potential for the Joint Committee on Finance to object to and deny the request is removed from the bill.

Furthermore, by approving the bill the Legislature has approved authorizing the bonds for the project contingent on receiving federal moneys for the project. By maintaining this contingency, the legislative intent is maintained and the redundant review that could jeopardize federal funding is eliminated.

2. Incorporation of a Town Adjacent to a City or Village Containing an Electronics and Information Technology Manufacturing Zone

Section 18e

This section allows a town adjacent to a city or village that contains an electronics and information technology manufacturing zone to incorporate if the town approves an incorporation referendum. This section further specifies that none of the current law procedures, including hearings, circuit court review and incorporation review board analysis, applies to this incorporation.

I am partially vetoing this section to narrow its scope to eliminate its applicability to a town adjacent to a city because I object to the potential uncertainty and disruption that this provision may create between a city and a town that are considering a boundary agreement or are engaged in boundary agreement discussions. As a result of my veto, this incorporation option will be limited to allowing a town adjacent to a village that contains an electronic and information technology manufacturing zone to consider incorporation under this section.

3. Prohibition on Annexations

Sections 18d, 18g and 18i

These sections specify that once residents of a town initiate certain actions to incorporate, no city or village may annex any territory of that town until 30 days after the petition to incorporate is dismissed, all appeals of the petition dismissal are exhausted, or an incorporation referendum is held in the town.

I am vetoing these sections because these broad prohibitions may create uncertainty and delay for economic development projects throughout the

state as the provisions may create longer periods under which it will be unclear as to which municipality will ultimately contain the parcels intended for development.

These changes build upon the Legislature's great work on this bill. These changes will pave the way for Wisconsin to lead the nation to bring an entirely new industry to the United States. This industry's products will once again be Made in America, right here in Wisconsin.

Respectfully submitted,



SCOTT WALKER
Governor