RESPONSE COMMENTS TO LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

<u>Clearinghouse comment 1. a.</u> The reference in section Comm 126.03 (2) to entering into a contract with an authorized representative of the Wisconsin angel network is needed at this time because WAN is currently not a legal entity. The Department anticipates this representative will be the Wisconsin Technology Council, which is the legal entity that currently houses WAN. The Department's authority for including this reference is contained in section 227.11 (2) (a) of the Statutes.

<u>Clearinghouse comment 1. b.</u> The requirements in section Comm 126.04 (1) for creating or running a network only in Wisconsin; and for creating an activity, event, or strategy only in Wisconsin are intended to direct the corresponding Wisconsin-taxpayer funds only to Wisconsin entities. The Department's authority for including these requirements is contained in section 227.11 (2) (a) of the Statutes.

<u>Clearinghouse comment 2. b.</u> "Early stage" entities and "new business idea" are referenced but not defined in chapter 560 of the Statutes. "Early stage" entities are currently referenced but not defined in chapter Comm 129, and are not defined in any other Department codes. The Department does not see a need to define these two terms in chapter Comm 126 at this time.

<u>Clearinghouse comment 2. c.</u> The reference in section Comm 126.03 (2) to the deliverables being specified in a contract with the Department is consistent with corresponding additional requirements in section Comm 149.40 (1) (c) for such contracts and deliverables. The informational note under section Comm 126.06 advises referring to chapter Comm 149 for these additional requirements. The Department prefers to address these deliverables in further detail in these contracts, rather than in additional code text, in order to retain the flexibility needed for adequately addressing the range of items and practices that may be addressed by these contracts, and in order to reduce the potential for the rules to become outdated and misleading as administrative and business practices evolve.

File reference: Comm 106/Legislative Review Clghse