

83 WisACT 387

- 1664 -

1983 Assembly Bill 845

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AN ACT to repeal and recreate 15.157 (5) (b); and to create 36.25 (24), 233.04 (2) (e) and 560.07 (2m) of the statutes, relating to providing incentives for employe-owned businesses.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Legislative findings and purpose. (1) The legislature finds that:

(a) The number of businesses closing in this state has increased dramatically in the past several years, and the loss to this state, measured in employment opportunities, income and revenues, has had a substantial impact upon the welfare of Wisconsin citizens.

(b) Since the federal sanction of employe stock ownership plans under the employe retirement income security act of 1974, approximately 5,000 companies nationwide have adopted employe stock ownership plans, and experts estimate that another 100,000 businesses could be subject to such plans.

(c) Appropriate and effective use of employe-owned businesses in this state can reduce unemployment due to plant closings and in other ways increase the income and financial security of citizens of this state, assure citizens greater control of their economic future, strengthen productivity and in other ways produce more efficient businesses, strengthen labor-management relations and contribute to a more vital state economy.

(d) State action is needed especially to provide educational and financial support to the management and employes of businesses which could benefit from employe ownership.

(e) The promotion of employe-owned businesses in this state will put this state in the forefront of contemporary economic trends and is in keeping with Wisconsin's proud history of innovations in the area of humane and effective employment economics.

(2) The legislature intends by this act to:

(a) Encourage the owners and employes of business operations which would otherwise be permanently terminated or relocated to cooperate in the conversion of those business operations into viable, on-going, employe-owned enterprises, thereby retaining the jobs and revenue that would otherwise be lost and thereby strengthening the economy of this state.

(b) Promote the use of employe-owned businesses as a means of providing for the reindustrialization of Wisconsin industries and manufacturing plants.

(c) Complement the financial incentives which the federal government offers to participants in employe stock ownership plans.

(d) Provide technical, educational and financial support to employe-owned businesses in order to assure that the creation of such businesses in this state is effective, appropriate and beneficial to the citizens of this state.

SECTION 2. 15.157 (5) (b) of the statutes, as created by 1983 Wisconsin Act 84, is repealed and recreated to read:

15.157 (5) (b) The council shall:

- 1665 -

83 WisACT 387

1. Advise and assist the department in the performance of its responsibilities under s. 560.15.
2. Distribute information through appropriate media to employe and management groups, state and local agencies, financial institutions and the public concerning the economic advantages and methods of establishing employe-owned businesses.
3. Coordinate technical, educational and financial assistance to local governments, community leaders and management and employe groups desiring to explore or establish employe-owned businesses.
4. In the annual report under s. 15.09 (7), include an evaluation of employe-owned businesses operating in this state.
5. Facilitate state agency initiatives in providing appropriate assistance for employe-owned businesses.
6. Develop a method of identifying businesses which are subject to a change of ownership or closing and create and coordinate a system for informing the owners and employes of such businesses of the economic advantages and methods of establishing an employe-owned business.

SECTION 3. 36.25 (24) of the statutes is created to read:

36.25 (24) EMPLOYE-OWNED BUSINESSES PROGRAM. Through the university of Wisconsin small business development center, in cooperation with the department of development under s. 560.07 (2m), the board of vocational, technical and adult education, the university of Wisconsin-extension, the community development finance authority under s. 233.04 (2) (e) and the council on economic adjustment, the board shall create, as needed, educational programs to provide training in the management of employe-owned businesses and shall provide technical assistance to employe-owned businesses in matters affecting their management and business operations, including assistance with governmental relations and assistance in obtaining management, technical and financial assistance.

SECTION 6. 233.04 (2) (e) of the statutes is created to read:

233.04 (2) (e) In cooperation with the university of Wisconsin small business development center, the university of Wisconsin center for cooperatives, the board of vocational, technical and adult education, the university of Wisconsin-extension, the department of development and the council on economic adjustment, collect and disseminate information regarding employe-owned businesses and promote the appropriate establishment of employe-owned businesses.

SECTION 7. 560.07 (2m) of the statutes is created to read:

560.07 (2m) In cooperation with the university of Wisconsin small business development center, the university of Wisconsin center for cooperatives, the board of vocational, technical and adult education, the university of Wisconsin-extension, the community development finance authority and the council on economic adjustment, collect and disseminate information regarding employe-owned businesses and promote the appropriate establishment of employe-owned businesses.
