



2005 ASSEMBLY BILL 704

September 27, 2005 - Introduced by Representatives SCHNEIDER, POCAN and SHERIDAN. Referred to Committee on Labor.

1 **AN ACT to amend** 16.75 (6) (e), 16.855 (18), 16.855 (21) and 16.855 (22); and **to**
2 **create** 16.753, 16.855 (23) and 560.29 of the statutes; **relating to:** requiring
3 companies to report net losses of jobs to the Department of Commerce, making
4 such companies ineligible for certain tax exemptions, governmental contracts,
5 grants, and loans, and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Beginning in January 2007, this bill requires a business that experienced a net loss of at least 100 employees in the preceding calendar year to notify the Department of Commerce (Commerce). The company must also complete and submit to Commerce a job relocation survey that includes, among other things, a statement of the number of those jobs that were transferred to employees located outside the United States and any contracts with or grants or loans made by the state or local government.

Under the bill, any company that has had a net loss of at least 100 employees because of jobs being transferred to employees outside of the United States is, for a period of seven years, ineligible to: 1) receive any income or franchise tax credit or property tax exemption; 2) enter into a contract with the state or a local governmental unit for the construction, remodeling, or repair of a public work or building, or for the furnishing of supplies, services, equipment, or material of any kind; and 3) receive any grants or loans from a local governmental unit.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 16.75 (6) (e) of the statutes is amended to read:

2 16.75 (6) (e) The governor or his or her designee may waive any requirement
3 of this subchapter if the governor or his or her designee finds that there exists an
4 emergency which threatens the public health, safety or welfare and the waiver is
5 necessary to meet the emergency. The governor or his or her designee shall require
6 the award of each contract under this paragraph to be made with such competition
7 as is practicable under the circumstances. The governor or his or her designee shall
8 file with the department a statement of facts constituting the emergency for each
9 waiver issued under this paragraph, and a statement of the basis for selection of each
10 contractor under the emergency procedure. This paragraph does not apply to the
11 ~~requirement~~ requirements specified in sub. (7) and s. 16.753.

12 **SECTION 2.** 16.753 of the statutes is created to read:

13 **16.753 Companies experiencing job losses.** No company whose name is
14 certified by the department of commerce under s. 560.29 (3) is eligible to enter into
15 any contract with an agency for the purchase of materials, supplies, equipment, or
16 contractual services for a period of 7 years beginning with the year in which the
17 company is required to submit a report under s. 560.29 (2).

18 **SECTION 3.** 16.855 (18) of the statutes is amended to read:

19 16.855 (18) This Except as provided in sub. (23), this section shall not apply
20 to restoration or reconstruction of the state capitol building, historic structures at the

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1 old world Wisconsin site and at Heritage Hill state park when the department
2 determines that a waiver of this section would serve the best interests of this state.

3 **SECTION 4.** 16.855 (21) of the statutes is amended to read:

4 16.855 (21) ~~This~~ Except as provided in sub. (23), this section does not apply to
5 contracts by the department of natural resources for construction work related to
6 hazardous substance spill response under s. 292.11 or environmental repair under
7 s. 292.31.

8 **SECTION 5.** 16.855 (22) of the statutes is amended to read:

9 16.855 (22) The provisions of this section, except ~~sub.~~ subs. (10m) and (23), do
10 not apply to construction work for any project the estimated construction cost of
11 which does not exceed \$100,000 if the project is constructed in accordance with
12 policies and procedures prescribed by the building commission under s. 13.48 (29).
13 If the estimated construction cost of any project is at least \$30,000, and the building
14 commission elects to utilize the procedures prescribed under s. 13.48 (29) to construct
15 the project, the department shall provide adequate public notice of the project and
16 the procedures to be utilized to construct the project on a publicly accessible
17 computer site.

18 **SECTION 6.** 16.855 (23) of the statutes is created to read:

19 16.855 (23) No company whose name is certified by the department of
20 commerce under s. 560.29 (3) is eligible to enter into any contract with an agency for
21 engineering or architectural services or for construction work, as defined in s. 16.87
22 (1) (a) for a period of 7 years beginning with the year in which the company is required
23 to submit a report under s. 560.29 (2).

24 **SECTION 7.** 560.29 of the statutes is created to read:

25 **560.29 Job loss. (1) DEFINITIONS.** In this section:

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1 (a) "Company" means any organization or enterprise operated for profit,
2 including a proprietorship, partnership, firm, business trust, joint venture,
3 syndicate, corporation, limited liability company, or association.

4 (b) "Local governmental unit" has the meaning given in s. 66.0131 (1) (a).

5 (c) "Public contract" means a contract for the construction, execution, repair,
6 remodeling or improvement of a public work or building or for the furnishing of
7 supplies services, equipment, or material of any kind.

8 **(2) REPORTING.** (a) On or before January 31, 2007, and annually by January
9 31 thereafter, any company doing business in this state that had a net loss of at least
10 100 employees in this state during the preceding calendar year shall notify the
11 department of the loss.

12 (b) The department shall send to each company that notifies the department
13 under par. (a) a job relocation survey that shall include, in addition, to any other
14 information required by the department, all of the following:

15 1. The name and principle place of business of the company.

16 2. Identification of any public contracts that the company has with the state
17 or a local governmental unit.

18 3. Identification of any grants or loans that the company has received from the
19 state or a local governmental unit.

20 4. Identification of any tax exemptions or credits that the company claims
21 under ch. 70 or 71.

22 5. A statement of the number of the company's employees in this state who lost
23 their jobs in the preceding calendar year.

24 6. A statement of the number of jobs that the company added in this state in
25 the preceding calendar year.

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1 7. A statement of the number of the company's employees in this state who lost
2 their jobs because the jobs were transferred to employees located outside of the
3 United States.

4 (c) A company shall complete and return the survey to the department within
5 30 days of receiving it. A company that fails to respond to the survey is subject to the
6 penalties under sub. (4) until such time that the survey is completed and returned
7 to the department.

8 **(3) CERTIFIED LIST.** The department shall maintain a list of companies that are
9 subject to the penalties under sub. (4).

10 **(4) PENALTIES.** Notwithstanding the provisions of any tax exemption under ch.
11 70 or tax credit under ch. 71 for which a company would otherwise be eligible, any
12 company that has had a net loss of at least 100 employees because of jobs being
13 transferred to employees outside of the United States, as reported under sub. (2) (b)
14 7., shall, for a period of 7 years beginning with the year in which the company is
15 required to report the loss under sub. (2), be ineligible to:

16 (a) Receive any tax exemption under ch. 70 or any tax credit under ch. 71.

17 (b) Enter into a public contract with a local governmental unit.

18 (c) Receive any grants or loans from a local governmental unit.

19 (d) Enter into a contract for the purchase of materials, supplies, equipment, or
20 contractual services with any agency, as defined in s. 16.70 (1e).

21 (e) Enter into a contract for engineering or architectural services or for
22 construction work, as defined in s. 16.87 (1) (a), with any agency, as defined in s. 16.70
23 (1e).

