



2021 ASSEMBLY BILL 580

September 28, 2021 - Introduced by Representatives STEFFEN, CABRAL-GUEVARA, CALLAHAN, EDMING, KNODL, PETRYK and MACCO. Referred to Committee on Local Government.

1 **AN ACT relating to:** grants for small businesses and downtown development.

Analysis by the Legislative Reference Bureau

Currently, the Department of Revenue, in consultation with the Wisconsin Economic Development Corporation, administers a grant program for small businesses using moneys received from the federal government under the American Rescue Plan Act of 2021. The program is referred to as the Wisconsin Tomorrow Small Business Recovery Program and provides grants to businesses that experienced an economic loss as a result of the pandemic. A business is eligible to receive a grant, generally, if it had more than \$10,000, but less than \$7,000,000, in annual revenue.

This bill requires DOR, in consultation with WEDC, to use the moneys allocated to the WTSBRP that are not used to provide grants before the bill's effective date to provide each city and village in the state that received or is eligible to receive \$2,500,000 or less in combined grants or awards under the federal Coronavirus Aid, Relief, and Economic Security Act of 2020, the Coronavirus Response and Consolidated Appropriations Act of 2020, and the American Rescue Plan Act of 2021 with a share of the unused moneys. The cities and villages must use the grant moneys to provide grants to small businesses or for development of the downtown area of the city or village. Under the bill, no city or village may use the moneys unless the governing body of the city or village approves that use by no less than a two-thirds vote of the majority of the members of the governing body.

The bill distributes to each city and village that received or is eligible to receive up to \$1,250,000 in combined federal grants or awards an equal share of 50 percent of the unspent WTSBRP moneys. The other 50 percent of the unspent moneys is

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distributed to each city and village that received or is eligible to receive more than \$1,250,000, but not more than \$2,500,000, in combined federal grants or awards so that each such city and village receives an equal share of the unspent amount.

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. Nonstatutory provisions.**

2 (1) GRANTS FOR SMALL BUSINESSES AND DOWNTOWN DEVELOPMENT.

3 (a) Of the moneys the governor accepts from the federal government under s.
4 16.54 pursuant to section 602 of the federal Social Security Act as amended by the
5 federal American Rescue Plan Act of 2021, P.L. 117-2, all such moneys allocated to
6 the Wisconsin tomorrow small business recovery grant program that have not been
7 used to provide grants under that program as of the effective date of this paragraph
8 shall be used to make the grants under par. (b).

9 (b) The department of revenue, in consultation with the Wisconsin Economic
10 Development Corporation, shall grant to each city and village in this state that
11 received or is eligible to receive \$2,500,000 or less in combined grants or awards from
12 the federal Coronavirus Aid, Relief, and Economic Security Act of 2020, the federal
13 Coronavirus Response and Consolidated Appropriations Act of 2020, and section 602
14 of the federal Social Security Act as amended by the federal American Rescue Plan
15 Act of 2021, P.L. 117-2 a share of the unspent amount described under par. (a) for the
16 purpose of making grants to small businesses in the city or village or for development
17 of the downtown area of the city or village. The department shall distribute the
18 grants as follows:

ASSEMBLY BILL 580**SECTION 1**

1 1. Each city and village that received or is eligible to receive up to \$1,250,000
2 in combined grants or awards as described under par. (b) shall receive an equal share
3 of 50 percent of the unspent amount described under par. (a).

4 2. Each city and village that received or is eligible to receive more than
5 \$1,250,000, but not more than \$2,500,000, in combined grants or awards as described
6 under par. (b) shall receive an equal share of 50 percent of the unspent amount
7 described under par. (a).

8 (c) No city or village may use the moneys received under par. (b) unless the
9 governing body of the city or village approves that use by no less than a two-thirds
10 vote of the majority of the members of the governing body.

11 (d) Each city and village that receives a grant under this subsection shall
12 submit a report to the department of revenue, in the form and manner determined
13 by the department, that specifies how the city or village used the grant moneys and
14 the amount spent on each use. The department shall submit the report to the
15 speaker of the assembly and the senate majority leader in the manner provided
16 under s. 13.172 (3).

17

(END)