



2025 ASSEMBLY BILL 397

August 29, 2025 - Introduced by Representatives ARMSTRONG, GUNDRUM, JOERS, KREIBICH, MELOTIK, O'CONNOR and TRANEL, cosponsored by Senators TESTIN, DASSLER-ALFHEIM, RATCLIFF, SPREITZER and WALL. Referred to Committee on Jobs and Economy.

- 1 **AN ACT** *to amend* 238.03 (3) (a); *to create* 238.03 (3m) of the statutes; **relating**
2 **to:** reporting requirements for recipients of economic development grants and
3 loans.

Analysis by the Legislative Reference Bureau

Under current law, a recipient of a grant or loan of at least \$100,000 from the Wisconsin Economic Development Corporation must provide WEDC an audited schedule of expenditures within 120 days after the end of the fiscal year in which grant or loan funds were expended. This bill makes the following changes to the reporting requirement:

1. Increases from \$100,000 to \$500,000 the grant or loan threshold for which the recipient must submit a schedule of expenditures.
2. Changes the deadline for submission from 120 days after the end of the fiscal year in which grant or loan funds were expended to 120 days after the end of the fiscal year in which the program expenditures are completed.
3. Exempts a recipient that is a local governmental unit or a university in the University of Wisconsin System from the schedule of expenditures requirement if the recipient a) includes the grant or loan funds in its current audit practices and, b) no later than 120 days after the end of the program period, submits documentation of the recipient's standard annual audit for every fiscal year in which grant or loan funds were expended. The bill defines "local governmental

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unit” to mean a city, village, town, county, special purpose district, or federally recognized American Indian tribe or band in this state.

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

SECTION 1. 238.03 (3) (a) of the statutes is amended to read:

238.03 (3) (a) ~~That~~ Except as provided in sub. (3m), that each recipient of a grant or loan under the program of at least ~~\$100,000~~ \$500,000 submit to the corporation, within 120 days after the end of the recipient’s fiscal year in which ~~any grant or loan funds were expended~~ the program expenditures are completed, a schedule of expenditures of the grant or loan funds, including expenditures of any matching cash or in-kind match, signed by the director or principal officer of the recipient to attest to the accuracy of the schedule of expenditures. The recipient shall engage an independent certified public accountant to perform procedures, approved by the corporation and consistent with applicable professional standards of the American Institute of Certified Public Accountants, to determine whether the grant or loan funds and any matching cash or in-kind match were expended in accordance with the grant or loan contract. The board shall also require the recipient of such a grant or loan to make available for inspection the documents supporting the schedule of expenditures. The board shall include the requirements under this paragraph in the contract with grant or loan recipients.

SECTION 2. 238.03 (3m) of the statutes is created to read:

238.03 (3m) (a) In this subsection, “local governmental unit” means a city, village, town, county, special purpose district, or federally recognized American Indian tribe or band in this state.

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(b) The board may not require a local governmental unit or a university in the University of Wisconsin System to comply with sub. (3) (a) if all of the following apply:

1. The local governmental unit or university includes all funding received from the corporation in the local governmental unit's or university's current audit practices.

2. The local governmental unit or university, no later than 120 days after the end of the program period, submits to the corporation documentation of the local governmental unit's or university's standard annual audit for every fiscal year in which the local governmental unit or university expended grant or loan funds under the program.

(c) The board shall include the requirements under par. (b) in a contract with a local governmental unit or a university in the University of Wisconsin System.

(END)