



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRBs0461/1  
TKK&ARG:nwn:jf

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2009 ASSEMBLY BILL 875**

April 20, 2010 – Offered by Representative YOUNG.

1     **AN ACT** *to amend* 20.143 (1) (im), 20.143 (1) (io), 34.05 (1), 560.13 (2) (b) 1. and  
2             560.45 (1); and *to create* 15.155 (3m), 20.143 (1) (fm), 25.14 (1) (a) 20., 25.17  
3             (59), 34.045 (1m), 34.05 (4) and subchapter VII of chapter 560 [precedes 560.80]  
4             of the statutes; **relating to:** restoring the Minority Business Development  
5             Board and the Minority Business Grant and Loan Program.

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

6             **SECTION 1.** 15.155 (3m) of the statutes is created to read:

7             15.155 (3m) MINORITY BUSINESS DEVELOPMENT BOARD. There is created a  
8             minority business development board attached to the department of commerce  
9             under s. 15.03 consisting of members appointed by the governor for 2-year terms.

10            **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
11            the following amounts for the purposes indicated:



1           **SECTION 7.** 25.17 (59) of the statutes is created to read:

2           25.17 **(59)** Invest or deposit money from the appropriation under s. 20.143 (1)  
3 (fm) in a public depository located in this state that is at least 51 percent owned by  
4 a minority group member or minority group members, as defined in s. 560.036 (1) (f).  
5 The board is relieved of any obligations relevant to prudent investment, including  
6 those set forth in s. 25.15 (2), of the moneys from the appropriation under s. 20.143  
7 (1) (fm).

8           **SECTION 8.** 34.045 (1m) of the statutes is created to read:

9           34.045 **(1m)** Subsection (1) (a) and (e) does not apply to the funds appropriated  
10 under s. 20.143 (1) (fm) that are deposited as provided in s. 34.05.

11           **SECTION 9.** 34.05 (1) of the statutes, as affected by 2009 Wisconsin Act 28, is  
12 amended to read:

13           34.05 **(1)** The Except as provided in sub. (4), the governing board of each public  
14 depositor shall, by resolution, designate one or more public depositories, organized  
15 and doing business under the laws of this state or federal law and located in this  
16 state, in which the treasurer of the governing board shall deposit all public moneys  
17 received by him or her and specify whether the moneys shall be maintained in time  
18 deposits subject to the limitations of s. 66.0603 (1m), demand deposits, or savings  
19 deposits and whether a surety bond or other security shall be required to be  
20 furnished under s. 34.07 by the public depository to secure the repayment of such  
21 deposits. A designation of a public depository by the governing board shall be a  
22 designation of the public depository for all treasurers of the governing board and for  
23 all public depositories for which each treasurer shall act.

24           **SECTION 10.** 34.05 (4) of the statutes is created to read:



1 promotion of economic development and employment opportunities for minority  
2 group members or minority businesses.

3 **(3)** “Early planning project” means the preliminary stages of considering and  
4 planning the start-up or expansion of a business that will be a minority business.

5 **(3m)** “Education and training project” means a business education and  
6 training program for minority group members and minority businesses that have  
7 received loans for working capital from an eligible recipient under s. 560.82 (1m) (e).

8 **(4)** “Eligible development project costs” means costs that, in accordance with  
9 sound business and financial practices, are appropriately incurred in connection  
10 with a development project, but does not include entertainment expenses or  
11 expenses incurred more than 6 months before the board approves a grant or loan  
12 under s. 560.82 (1m) (b).

13 **(5)** “Eligible recipient” means any of the following:

14 (a) An individual who is a minority group member and a resident of this state.

15 (b) A minority business.

16 (c) A person who is eligible to receive a grant under s. 560.82 (1m) (d) or (e).

17 **(5m)** “Finance project” means financial assistance to a minority group member  
18 or a minority business described in s. 560.82 (1m) (d) and (e).

19 **(6)** “Job” means a regular, nonseasonal full-time position in which an  
20 individual, as a condition of employment, is required to work at least 2,080 hours per  
21 year, including paid leave and holidays. “Job” does not include initial training before  
22 an employment position begins.

23 **(7)** “Local development corporation” means any of the following:

24 (a) The elected governing body of a federally recognized American Indian tribe  
25 or band in this state or any business created by the elected governing body.

1 (b) A corporation organized under ch. 181 that is a nonprofit corporation as  
2 defined in s. 181.0103 (17), that is at least 51 percent controlled and actively  
3 managed by minority group members and that does all of the following:

4 1. Operates primarily within specific geographic boundaries.

5 2. Promotes economic development and employment opportunities for minority  
6 group members or minority businesses within the specific geographic area.

7 3. Demonstrates a commitment to or experience in promoting economic  
8 development and employment opportunities for minority group members or  
9 minority businesses.

10 (8) “Minority business” means a minority business, as defined in s. 560.036 (1)  
11 (e), that has its principal place of business in this state.

12 (9) “Minority group member” has the meaning given in s. 560.036 (1) (f).

13 (10) “New minority business” means a minority business started as a result of  
14 an early planning project.

15 (11) “Project” means a development project, an early planning project, a  
16 finance project, an education and training project or a revolving fund project.

17 **560.82 Minority business grants and loans. (1g)** The department shall  
18 make a grant or loan to an eligible recipient or local development corporation under  
19 this section if the board awards a grant or loan to the eligible recipient or local  
20 development corporation under sub. (1m).

21 (1m) The board may award a grant or loan under this section to any of the  
22 following:

23 (a) Subject to s. 560.84, an eligible recipient, as defined in s. 560.80 (5) (a), to  
24 fund an early planning project.

1 (b) Subject to s. 560.84, an eligible recipient or local development corporation  
2 that submits application materials in a form specified by the department by rule to  
3 fund eligible development project costs.

4 (c) A local development corporation to make grants or loans under sub. (2g) (a)  
5 1. or to fund a revolving fund program under sub. (2g) (a) 2.

6 (d) Subject to s. 560.84, a nonprofit organization or private financial  
7 institution, as defined in s. 234.01 (5k), whether or not for profit, to fund a finance  
8 project if all of the following apply:

9 1. The financial institution or nonprofit organization uses the grant proceeds  
10 for any of the following purposes:

11 a. To make loans for working capital to minority group members and minority  
12 businesses.

13 b. To pay origination fees or other administrative costs associated with making  
14 loans for working capital to minority group members and minority businesses.

15 2. The loans for working capital under subd. 1. a. do not exceed \$5,000.

16 (e) Subject to s. 560.84, the board may award a grant under this subsection to  
17 a nonprofit organization that is a minority business to fund an education and  
18 training project.

19 **(2)** The board may not award a grant or loan under sub. (1m) (a) unless the  
20 eligible recipient, as defined in s. 560.80 (5) (a), submits an application, in a form  
21 required by the department, that contains or describes all of the following:

22 (a) Potential locations of the new minority business.

23 (b) The ownership structure of the new minority business.

24 (c) The product or service provided by the new minority business.

25 (d) The market for the product or service described in par. (c).

1 (e) Competition within the market described in par. (d).

2 (f) Any competitive advantages of the new minority business.

3 (g) The eligible recipient's estimate of the gross revenue of the new minority  
4 business over a period specified by the department.

5 (h) The process for manufacturing the product, or providing the services, of the  
6 new minority business.

7 (i) An estimate of the number of jobs that will be created by the new minority  
8 business.

9 (j) The eligible recipient's experience and training.

10 (k) The eligible recipient's estimate of the profit that will be generated by the  
11 new minority business over a period specified by the department.

12 (L) The eligible recipient's estimate of the capital required to complete the early  
13 planning project.

14 (m) Potential sources of financing for the early planning project.

15 (n) Any other information that the department requests.

16 **(2g)** The board may award a grant or loan under this subsection to a local  
17 development corporation if all of the following apply:

18 (a) The local development corporation agrees to use the proceeds of grants or  
19 loans under this section for any of the following:

20 1. To make grants or loans not exceeding \$50,000 each to eligible  
21 recipients to fund eligible development project costs.

22 2. To create, expand or continue a revolving fund program that is operated by  
23 the local development corporation and that benefits or will benefit minority  
24 businesses or minority group members who are residents of this state.



1 (b) The local development corporation agrees to use factors similar to those  
2 described in s. 560.84 (1) (a) to (k) and (2) (a) to (f) when making grants or loans under  
3 par. (a) 1. or under a revolving fund program under par. (a) 2.

4 (c) The local development corporation submits an application, or other  
5 materials, in a form specified by the department by rule.

6 **(3)** An eligible recipient, as defined in s. 560.80 (5) (a), who receives a grant or  
7 loan under sub. (1m) (a) or s. 560.835 (6), 2001 stats., may only use the proceeds of  
8 the grant for the following purposes:

9 (a) To perform a business feasibility study.

10 (b) To prepare a detailed marketing plan.

11 (c) To prepare a detailed business plan.

12 **(4)** The board may not do any of the following:

13 (a) Award in a fiscal biennium, for grants or loans under sub. (1m) (a), more  
14 than 25 percent of the total of all of the following:

15 1. The funds appropriated for the fiscal biennium under s. 20.143 (1) (fm).

16 2. The lesser of the funds received in a fiscal biennium in repayment of grants  
17 or loans under s. 560.83, 2005 stats., and this section or the funds appropriated for  
18 the fiscal biennium under s. 20.143 (1) (im).

19 (b) Award in a fiscal biennium to any one eligible recipient, as defined in s.  
20 560.80 (5) (a), or for any one early planning project, grants or loans under sub. (1m)  
21 (a) that total more than \$15,000.

22 (c) Award in any fiscal biennium, to any one eligible recipient or local  
23 development corporation or for any one development project, grants or loans under  
24 sub. (1m) (b) that total more than \$100,000 in a fiscal biennium.

1 (d) Award, in any fiscal year to any one local development corporation, grants  
2 or loans under sub. (1m) (c) that total more than \$200,000.

3 (5) If the board awards a grant or loan under sub. (1m) (a), the department may  
4 contract directly with and pay grant or loan proceeds directly to any person providing  
5 technical or management assistance to the grant or loan recipient.

6 **560.84 General criteria. (1)** The board may not award a grant or loan for  
7 a project under this subchapter unless, after considering the application or other  
8 material submitted by the eligible recipient or local development corporation, the  
9 board determines all of the following:

10 (a) That the project serves a public purpose.

11 (b) 1. If an early planning project, that the project will increase employment in  
12 this state.

13 2. If a development project, that the project will retain or increase employment  
14 in this state.

15 (c) That the project is not likely to occur without the grant or loan.

16 (d) That financing is unavailable from any other source on reasonably  
17 equivalent terms.

18 (e) That the eligible recipient or local development corporation receiving the  
19 grant or loan will contribute, from a source or sources other than the state, whichever  
20 of the following applies:

21 1. For grants funding early planning projects under s. 560.82 (1m) (a), not less  
22 than 25 percent of the cost of the project. Up to 50 percent of the contribution under  
23 this subdivision may be in the form of the in-kind services of a qualified 3rd party  
24 or qualified 3rd parties. The department shall determine what services may be used

1 as in-kind contributions and whether a 3rd party is qualified, for purposes of this  
2 subdivision.

3 2. For grants and loans funding development projects, a cash contribution of  
4 not less than 25 percent of the cost of the project.

5 3. For a grant or loan funding a revolving fund project, a cash contribution of  
6 not less than 50 percent of the cost of the project.

7 (f) That the project meets all applicable criteria set forth in s. 560.82.

8 (g) That funds from the grant or loan will not be used to replace funds from any  
9 other source.

10 (h) That the project will not displace workers in this state.

11 (i) That the project has sufficient potential to be profitable.

12 (im) If a development project, that the project has the potential to promote  
13 economic development and employment opportunities for minority group members  
14 or minority businesses.

15 (j) If a development project, finance project, or education and training project,  
16 that funds from the grant or loan will not be used to refinance existing debt.

17 (k) That the project meets any other criteria established by the department by  
18 rule.

19 **(2)** The board or department shall consider all of the following before awarding  
20 a grant or loan to an eligible recipient or local development corporation for a project:

21 (a) 1. If an early planning project, the extent to which the project will increase  
22 employment in this state.

23 2. If a development project, the extent to which the project will retain or  
24 increase employment in this state.

1 (b) The extent to which the project will benefit minority group members who  
2 are residents of this state.

3 (c) If a development project, whether the project will be located in any or all of  
4 the following:

5 1. An area of high unemployment or low average income.

6 2. A development opportunity zone designated under s. 560.795.

7 (d) The extent to which the project will attract capital into locations where  
8 unemployment exceeds the state average and per capita income is below the state  
9 average.

10 (e) The likelihood that the project will be successful.

11 (f) If a development project, the financial soundness of the minority business  
12 involved in the project and the commitment of the eligible recipient to repay the loan  
13 or grant.

14 **560.85 Administration.** (1) The department shall promulgate rules for the  
15 administration of this subchapter. The department may not promulgate a rule under  
16 this subsection unless the proposed rule has been reviewed by the board.

17 (2) The board shall develop a policy governing the repayment of grants and  
18 loans made under s. 560.82 (1m) (b) and (c). Moneys received in repayment of grants  
19 and loans under s. 560.82 (1m) (b) and (c) shall be credited to the appropriation  
20 account under s. 20.143 (1) (im).

21 (3) The department shall do all of the following:

22 (a) Develop procedures to evaluate applications and monitor project  
23 performance for grants awarded for early planning projects under s. 560.835 (6),  
24 2001 stats., or s. 560.82 (1m) (a).

1           (b) Develop procedures, with the approval of the board, to evaluate  
2 applications, monitor project performance, and audit grants and loans awarded for  
3 development projects under s. 560.82 (1m) (b), projects under s. 560.835, 2001 stats.,  
4 and finance projects and education and training projects under s. 560.82 (1m) (d) and  
5 (e).

6

**(END)**