



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3293/1
MPG:ahe

2015 SENATE BILL 415

December 3, 2015 – Introduced by Senators HANSEN, RINGHAND, VINEHOUT, C. LARSON, RISSER, WIRCH, ERPENBACH and L. TAYLOR, cosponsored by Representatives SHANKLAND, C. TAYLOR, BERCEAU, BROSTOFF, DANOU, HEBL, HESSELBEIN, JOHNSON, KAHL, KOLSTE, OHNSTAD, SARGENT, SINICKI, SPREITZER, SUBECK, WACHS and ZAMARRIPA. Referred to Committee on Economic Development and Commerce.

1 **AN ACT to create** 238.121 and 946.795 of the statutes; **relating to:** fraud in
2 obtaining economic development benefits from the Wisconsin Economic
3 Development Corporation and providing a criminal penalty.

Analysis by the Legislative Reference Bureau

This bill establishes penalties for certain fraudulent conduct committed to obtain a grant, loan, tax credit, or other assistance from the Wisconsin Economic Development Corporation (WEDC) under an economic development program administered by WEDC (economic development benefits).

Under the bill, whoever, whether on their own behalf or on behalf of another person, intentionally conceals a material fact that concerns a person's eligibility to receive economic development benefits or that is necessary to determine the merits of an application for economic development benefits, or makes a false statement or misrepresentation to obtain economic development benefits, is guilty of a Class D felony. Also, under the bill, if a person, or the person's authorized agent on behalf of that person, intentionally commits such economic development benefits fraud, the person, including all affiliates and successors, is ineligible for economic development benefits from WEDC for seven years from the date on which the fraudulent act was committed.

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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.** 238.121 of the statutes is created to read:

2 **238.121 Fraud in obtaining economic development benefits. (1)**

3 DEFINITIONS. In this section:

4 (a) “Economic development benefits” means a grant, loan, tax credit, or other
5 assistance under an economic development program administered by the
6 corporation.

7 (b) “Economic development benefits fraud” means concealing a material fact
8 that concerns a person’s eligibility to receive economic development benefits or that
9 is necessary to determine the merits of an application for economic development
10 benefits, or making a false statement or misrepresentation to obtain economic
11 development benefits.

12 **(2)** In addition to any requirement to repay economic development benefits, if
13 a person or the person’s authorized agent on behalf of that person intentionally
14 commits economic development benefits fraud, the person, including all affiliates
15 and successors, shall be ineligible for economic development benefits for 7 years from
16 the date on which the act of economic development benefits fraud was committed.

17 **SECTION 2.** 946.795 of the statutes is created to read:

18 **946.795 Fraud in obtaining economic development benefits.** Whoever,
19 on their own behalf or on behalf of another person, intentionally commits economic

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SECTION 2

1 development benefits fraud, as defined in s. 238.121 (1) (b), is guilty of a Class D
2 felony.

3 (END)