

## CHAPTER 560

## DEPARTMENT OF COMMERCE

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## SUBCHAPTER I

## GENERAL PROVISIONS

**560.001 Definitions.** In this chapter:

- (1) "Department" means the department of commerce.
- (2) "Secretary" means the secretary of the department.

**History:** 1971 c. 321; 1979 c. 361; 1995 a. 27 s. 9116 (5).

**560.01 Organization of the department. (1) PURPOSES.** The functions of the department are of an advocacy, regulatory, consultative, advisory, informational, coordinative and promotional nature. Through research, planning, consultation and through promotion of the development and maximum wise use of the natural and human resources of the state, it shall foster the growth and diversification of the economy of the state. It shall serve as the central agency and clearinghouse for developmental

activities concerning the economy of the state. It shall make recommendations to the governor for the purpose of guiding a coordinated and economically efficient development of the state and shall seek closer cooperation and coordination between units of state government, educational institutions, local governments, local planning agencies, including regional planning commissions, and business and industry to foster and encourage a pattern of community development and of state–local and business relationships so that the economy of the state may continue to develop fully and meet citizen and community needs. It shall make continuing studies of the problems affecting economic and community development and recommendations for relieving those problems, and function in any other reasonable manner that will accomplish the stated purposes of this chapter. The department may also coordinate training for local government officials provided by state agencies including, but not limited to, the University of Wisconsin–extension and the technical college system.

(2) **DUTIES.** (a) *State economic policy.* The department shall develop a state economic policy. The department shall promote and provide technical assistance, consultative services and other assistance to commercial, industrial and recreational development and expansion; facilitate the establishment and retention of business enterprises in this state, including small and minority business enterprises; encourage cooperation between financial institutions and business persons to encourage commercial, industrial and recreational business expansion in this state; encourage creation of jobs throughout the state and especially in urban and rural economically depressed areas; develop and coordinate state public and private economic development plans and federal economic development assistance programs affecting local governments and business and industry; encourage the growth of tourism in the state; promote state products and industries in both foreign and domestic markets; provide informational clearinghouses for businesses and communities in their dealings with other state and federal agencies; advise the governor and legislature on the role of the state in state–local affairs; study the problems affecting local government relations as they impact on economic development and make recommendations for relieving these problems; develop a state–local relations policy to facilitate closer coordination and cooperation between state and local governments; advise the governor and the legislature regarding problems faced by local governments; develop an improved pattern of state–local relations; and develop recommendations for legislative or administrative action as may appear necessary.

(b) *Regulation of industry, buildings and safety.* The department shall administer and enforce laws regulating industry, safety and buildings under chs. 101, 107, 145 and 168 and ss. 32.19 to 32.27, 167.10, 167.11 and 167.27 and as otherwise provided by statute.

(3) **FOREIGN OFFICE AGREEMENTS.** The department may enter into agreements regarding compensation, space and other administrative matters as are necessary to operate departmental offices in other states and foreign countries. Such agreements shall be subject to the approval of the secretary of administration.

**History:** 1971 c. 321; 1977 c. 29; 1979 c. 361; 1983 a. 27; 1993 a. 399; 1995 a. 27.

**560.02 Secretary.** The secretary shall:

(1) Direct the execution of the statutory duties and powers assigned to the department and shall advise the governor and legislature on matters regarding economic growth and development and community development in the state.

(2) Appoint the administrators for the various divisions of the department subject to s. 230.08 (4) (a). Administrators appointed under the unclassified service shall serve at the pleasure of the secretary.

(3) Delegate any of his or her powers and duties to such officers and employes of the department as he or she designates, and may authorize successive redelegations of such powers and duties.

(4) Submit and adopt all necessary plans; enter into contracts; accept gifts, grants and federal funds; make rules and do all things necessary and proper to carry out this chapter.

**History:** 1971 c. 307 s. 104; 1971 c. 321; 1977 c. 29, 418; 1979 c. 361 ss. 29, 86.

**560.03 Business and industrial development.** The department shall foster, encourage and advocate economic development programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others:

(1) Support and assist the efforts of local business and industry, local government, state, regional and local development corporations, industrial committees, chambers of commerce, labor organizations and other similar public and private agencies to foster expansion of existing agricultural, commercial, industrial and mining enterprises, and initiate efforts to attract new enterprises, including working jointly with the department of agriculture, trade and consumer protection to develop deer farming under s. 93.46 (1) (am).

(2) Identify for the governor’s attention those significant business and industrial problems which may be relieved by state action.

(3) Assist in the formulation and implementation of integrated economic and community development programs for northern Wisconsin and other areas or regions of the state and cooperate with and provide technical assistance to any organizations created for the purpose of aiding and encouraging an orderly, productive and coordinated development of the state.

(4) Assist in the formulation and development of a more intensive program to aid and expand the mining industry.

(4m) Provide, to communities in northern Wisconsin that are affected by mining, technical assistance with planning to diversify their economies.

(5) Provide advice and assistance to Wisconsin business and labor.

(6) Locate and maintain information on prime industrial sites, together with recommendations for developing and preserving such sites.

(7) Perform such other functions as the governor may direct to aid in the industrial development of the state.

(8) Help local units of government to plan and initiate development projects.

(9) Establish and operate a small business ombudsman clearinghouse for business and industry to facilitate the flow of information from other state and federal agencies, to assist state agencies in establishing methods to encourage the participation of small businesses in rule making under s. 227.114 (4) and to serve as ombudsman for small business stationary sources, as defined in s. 285.79 (1), in connection with the implementation of the federal clean air act, 42 USC 7401 to 7671q.

(10) Explore the feasibility of new programs which will address, but not be limited to, the following areas of concern:

(a) The capital development financing needs of business, industrial and agricultural enterprises.

(b) The creation of job opportunities in inner cities and other economically depressed areas.

(c) Credit assistance for business and economic development.

(d) Optimum utilization of federal programs designed to encourage and aid economic development.

(e) The potential of a program to promote and encourage inventions and technological innovations.

(11) Prepare and maintain comprehensive plans for the dynamic development of the economy of each area of the state in cooperation with representatives of the area.

(15) Annually, submit a summary of the employment impact estimates required under s. 560.034 (2) and a report to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), analyzing the use of industrial revenue

bond financing under s. 66.521 and accurately reporting the benefits of that use, including the effect on employment in this state including, but not limited to:

(a) The number of full–time equivalent employment positions created by each project financed; and

(b) If use of industrial revenue bond financing results in the relocation of an operation which uses the project financed, the municipality from which the relocation occurs and the number of full–time equivalent employment positions eliminated in that municipality.

(16) Publish and distribute a list of all aid programs and services made available by this state to its communities. The department shall charge and collect a fee to cover the cost of publication and distribution under this subsection.

(17) Assist new businesses and small businesses receiving economic development loans under s. 234.65 (1) (a) or the assistance of the Wisconsin housing and economic development authority in locating sources of venture capital and in obtaining the state and federal licenses and permits necessary for business operations.

(18) Develop and implement a plan to promote and increase exports, including agricultural products, and foreign investment in this state. The plan shall provide for the secretary to take a leadership role in assuring collaboration and coordination among international trade activities conducted by governmental entities to assure efficiency and to avoid duplication and may include provisions for participation in trade fairs and missions, establishment and maintenance of foreign trade offices and preparation of research on foreign markets for exports from this state and on opportunities for foreign investment in this state. The plan shall describe the allocation of funds for support staff in this state to implement the plan and for all other costs in implementing each provision of the plan. In developing and implementing the plan, the department shall consult with the department of agriculture, trade and consumer protection, the university of Wisconsin system, the technical college system and other public and private agencies and institutions supporting international trade education or activities. Any plan to establish a foreign trade office shall include the feasibility of establishing a system of graduated fees which a trade office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

(19) Establish a business development assistance center in the department to provide services as set forth in subch. III.

(20) Provide technical assistance to community development corporations, as defined in s. 234.94 (2), and to persons who are forming community development corporations.

(21) Promulgate rules for the rural hospital loan guarantee program, as required by s. 231.35 (7).

(22) Assist American Indian communities in economic development activities.

(23) Review business plans of persons who intend to apply for a permit under s. 170.12 and who have not previously engaged in commercial log raising. If the department determines, after the review, that the business plan is viable, the department shall approve the plan.

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; Stats. 1971 s. 560.03; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362; 1983 a. 27, 83, 86, 90, 91, 192; 1985 a. 182 s. 57; 1985 a. 299; 1987 a. 27, 186; 1987 a. 399 s. 433; 1989 a. 317; 1991 a. 39, 302; 1993 a. 399; 1995 a. 27, 227; 1997 a. 27.

**560.031 Recycling market development.** In carrying out its responsibilities under ss. 560.03 and 560.07, the department may promulgate rules for the provision of financial assistance for the development of markets for materials recovered from solid waste if the provision of that financial assistance is a responsibility assigned to the department in a memorandum of understanding, contract or other agreement with the recycling market development board. The financial assistance may be in the form of grants, loans or manufacturing rebates.

**NOTE:** This section is affected eff. 6–30–01 by 1997 Wis. Act 27 to read:

**560.031 Recycling market development.** (1) RECYCLING MARKET DEVELOPMENT. In carrying out its responsibilities under ss. 560.03 and 560.07, the department may promulgate rules for the provision of financial assistance, from the appropriation under s. 20.143 (1) (L), for the development of markets for materials recovered from solid waste. The rules may provide for the provision of financial assistance, directly or in cooperation with another person, to a governmental entity or a business entity to assist waste generators in the marketing of recovered materials or to develop markets for recovered materials. The financial assistance may be in the form of grants, loans or manufacturing rebates.

(2) If the department determines that financial assistance is required to stimulate an activity that it determines is needed to assist responsible units, as defined in s. 287.01 (9), in the marketing of recovered materials or to develop markets for recovered materials, the department shall request proposals for that activity, unless the department determines that a request for proposals is not an effective means for distributing the financial assistance for that activity.

(3) If the department awards assistance under sub. (1) that results in a loan being made by the recipient to another person, the department may direct that the repayments of the loan's principal and any interest either be repaid to the recipient for use in a revolving loan fund or returned to the department.

(4) (a) The department shall credit any funds received under this subsection to the appropriation under s. 20.143 (1) (L).

(b) The department shall credit to the appropriation under s. 20.143 (1) (L) any funds received under s. 287.46, 1995 stats.

**History:** 1993 a. 75; 1995 a. 27; 1997 a. 27.

**560.032 Allocation of volume cap on tax–exempt bonds.** (1) ALLOCATION. The department, by rule, shall establish under 26 USC 146 and administer a system for the allocation of the volume cap on the issuance of private activity bonds, as defined under 26 USC 141 (a), among all municipalities, as defined in s. 67.01 (5), and any corporation formed on behalf of those municipalities, and among this state, the Wisconsin Health and Educational Facilities Authority and the Wisconsin Housing and Economic Development Authority.

(2) AMENDMENT TO ALLOCATION. At any time prior to December 31 in any year, the department may promulgate rules to revise the allocation system established for that year under sub. (1), except that any revision under this subsection does not apply to any allocation under which the recipient of that allocation has adopted a resolution authorizing the issuance of a private activity bond, as defined in 26 USC 141 (a).

(3) CONDITIONS. The department may establish, by rule, any procedure for, and place any condition upon, the granting of an allocation under this section which the department deems to be in the best interest of the state including, but not limited to, a requirement that a cash deposit, at a rate established by the department in the rules, be a condition for an allocation.

(4) CERTIFICATION. If the secretary receives notice of the issuance of a bond under an allocation under subs. (1) to (3), the secretary shall certify that that bond meets the requirements of 26 USC 146.

**History:** 1987 a. 69, 403; 1989 a. 8; 1997 a. 27.

**560.033 Minority nonprofit organization grant.** (1)

DEFINITIONS. In this section:

(a) “Business incubator” means a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

1. Space in the facility is rented at a rate lower than the market rate in the community.
2. Shared business services are provided in the facility.
3. Management training and management and technical assistance are available at the facility.

4. Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(b) “Minority business” has the meaning given in s. 560.036 (1) (e).

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

(d) “Nonprofit organization” means an organization that is not a corporation and that is exempt from taxation under section 501 (c) (3) of the Internal Revenue Code.

(2) GRANT. The department may make a grant of not more than \$100,000 from the appropriation under s. 20.143 (1) (fm) to a nonprofit organization, if all of the following apply:

(a) The nonprofit organization owns and operates a business incubator.

(b) The business incubator provides services primarily to minority group members or minority businesses.

(c) The nonprofit organization submits a plan to the department detailing the project and the proposed use of the grant.

(d) If the grant is part of a project that is also funded by contributions from other sources, the nonprofit organization provides the department with the amount of those contributions or pledges for contributions that the nonprofit organization received before the grant is made.

(e) The secretary approves the plan submitted under par. (c) before awarding the grant.

(f) The nonprofit organization agrees to submit to the department, within 90 days after spending the full amount of the grant, a report detailing the actual use of the proceeds of the grant.

(3) APPLICABILITY. This section does not apply after June 30, 1999.

History: 1997 a. 27.

**560.034 Employment impact estimates. (1)** The department shall prescribe the notice forms to be used under ss. 66.521 (4m) (a) 1. and 234.65 (3) (a) 1. The department shall include on the forms a requirement for information on the number of jobs the person submitting the notice expects to be eliminated, created or maintained on the project site and elsewhere in this state by the project which is the subject of the notice. The department shall prescribe the forms to be used under ss. 66.521 (4m) (b) and 234.65 (3r).

(2) If the department receives a notice under s. 66.521 (4m) (a), the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

(3) If the department receives a notice under s. 234.65 (3) (a) 1., the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

(5) The department shall issue an estimate made:

(a) Under sub. (2), to the city, village or town which will issue the bonds to finance the project which is the subject of the estimate.

(b) Under sub. (3), to the Wisconsin housing and economic development authority.

History: 1985 a. 299.

**560.035 Data base of women's businesses.** The department shall develop, maintain and keep current a computer data base of businesses in the state that are owned by women, containing demographic statistics and information on the types of industries represented, sales volume and growth rates, generation of jobs by both new and existing businesses and any other relevant characteristics.

History: 1991 a. 39.

**560.036 Minority businesses. (1) DEFINITIONS.** In this section:

(a) "American Indian" means a person who is enrolled as a member of a federally recognized American Indian tribe or band or who possesses documentation of at least one-fourth American Indian ancestry or documentation of tribal recognition as an American Indian.

(b) "Asian-Indian" means a person whose ancestors originated in India, Pakistan or Bangladesh.

(c) "Black" means a person whose ancestors originated in any of the black racial groups of Africa.

(d) "Hispanic" means a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose culture or origin is Spanish.

(e) 1. "Minority business" means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills both of the following requirements:

a. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

b. It is currently performing a useful business function.

(ep) "Minority financial adviser" means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

2. It serves as an adviser with regard to the sale of evidences of indebtedness or other obligations.

(f) "Minority group member" means any of the following:

1. A Black.
2. A Hispanic.
3. An American Indian.
4. An Eskimo.
5. An Aleut.
6. A native Hawaiian.
7. An Asian-Indian.
8. A person of Asian-Pacific origin.

(fm) "Minority investment firm" means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under 8 USC 1101 (a) (20).

2. It serves as a manager, comanager or in any other underwriting capacity with regard to the sale of evidences of indebtedness or other obligations or as a broker-dealer as defined in s. 551.02 (3).

(g) "Person of Asian-Pacific origin" means a person whose ancestors originated in Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

(h) "Useful business function" means the provision of materials, supplies, equipment or services to customers in addition to this state. Acting as a conduit to transfer funds to a nonminority business does not constitute a useful business function, unless doing so is a normal industry practice.

(2) MINORITY BUSINESS, ADVISER AND FIRM CERTIFICATION. (a) For the purposes of ss. 16.75 (3m), 16.855 (10m), 16.87 (2), 18.16, 18.64, 18.77, 25.185, 66.911, 119.495 (2), 231.27 and 234.35, the department shall establish and periodically update a list of certified minority businesses, minority financial advisers and minority investment firms. Any business, financial adviser or investment firm may apply to the department for certification. For purposes of this paragraph, unless the context otherwise requires, a "business" includes a financial adviser or investment firm.

(b) The department shall certify a business incorporated under ch. 180 or having its principal place of business in this state if the department, after conducting an investigation, determines that the business qualifies as a minority business under sub. (1) and any rules promulgated under sub. (3) (c). A determination that a busi-

ness qualifies as a minority business may not be based on the number of minority group members employed by the business.

(c) The department, without investigation, may certify a business incorporated in this state or having its principal place of business in this state if the business is certified or otherwise classified as a minority business by an agency of this or another state or the federal government, or by a private business with expertise in certifying minority businesses if the private business uses substantially the same procedures as those used by the department in making a determination under par. (b).

(d) 1. If the business applying for certification is not incorporated under ch. 180 or does not have its principal place of business in this state, the department may certify it if it meets a condition specified under par. (b) or (c) and if either of the following conditions exists:

a. The state in which the business is incorporated or has its principal place of business has a statutory minority business procurement program and the business qualifies for participation in that program under a procedure substantially equivalent to the procedure used by the department in making a determination under par. (b).

b. The department determines that, with respect to a specified type of supply, material, equipment or service, there are not enough certified minority business suppliers in this state to enable this state to achieve compliance with ss. 16.75 (3m), 16.855 (10m), 16.87 (2) and 25.185.

(dm) The department may charge each business applying for certification under par. (d) a fee to cover the department's expenses in making the certification determination.

(e) If a business refuses to provide the department with sufficient information to enable it to conduct an investigation or if the business does not qualify for certification under par. (b), (c) or (d), the department shall deny the application. A business whose application is denied may, within 30 days after the date of the denial, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal.

(f) The department may, at the request of any state agency, or at its own discretion, examine any certified business to verify that it qualifies for certification. The business shall provide the department with any records or information necessary to complete the examination. If the business fails to comply with a reasonable request for records or information, the department shall decertify it.

(g) If the department, after an examination under par. (f), determines that a business does not qualify as a minority business, the department shall notify the business and the departments of administration and transportation that it intends to decertify the business. The business may, within 30 days after the notice is sent, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal. If the secretary confirms the decision of the department, the department shall immediately decertify the business. A decertified business may, within 30 days after the secretary's decision, request a contested case hearing under s. 227.42 from the department. If the final administrative or judicial proceeding results in a determination that the business qualifies as a minority business, the department shall immediately certify the business.

**(3) DEPARTMENT RULE MAKING.** (a) The department shall promulgate rules establishing procedures to implement sub. (2).

(b) The department may promulgate rules further defining sub. (1) (f) 1. to 8.

(c) The department may promulgate rules establishing conditions with which a business, financial adviser or investment firm must comply to qualify for certification, in addition to the qualifications specified under sub. (1) (e), (ep) and (fm), respectively.

**History:** 1983 a. 390; 1985 a. 182 s. 57; 1987 a. 27, 403; 1989 a. 31; 1991 a. 37, 39, 189; 1993 a. 112; 1997 a. 27.

**560.037 Women's business initiative corporation grants.** (1) Subject to sub. (3), the department may make grants from the appropriation under s. 20.143 (1) (fg) to the women's business initiative corporation to fund its operating costs if all of the following apply:

(a) The women's business initiative corporation submits a plan to the department for each grant detailing the proposed use of the grant and the secretary approves the plan.

(b) The women's business initiative corporation enters into a written agreement with the department that specifies the conditions for use of the grant proceeds, including reporting and auditing requirements.

(c) The women's business initiative corporation agrees in writing to provide services to individuals throughout the state.

(d) The women's business initiative corporation agrees in writing to submit to the department the report required under sub. (2) by the time required under sub. (2).

(2) If the women's business initiative corporation receives a grant under this section, it shall submit to the department, within 6 months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

(3) The department may not make grants under sub. (1) that exceed \$125,000 in total in any year.

**History:** 1993 a. 16; 1997 a. 27.

**560.038 Minority nonprofit corporation grants.**

**(1) DEFINITIONS.** In this section:

(a) "Business incubator" means a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

1. Space in the facility is rented at a rate lower than the market rate in the community.

2. Shared business services are provided in the facility.

3. Management and technical assistance are available at the facility.

4. Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(ar) "Minority business" has the meaning given in s. 560.036 (1) (e).

(at) "Minority group member" has the meaning given in s. 560.036 (1) (f).

(b) "Nonprofit corporation" means a corporation that is organized under ch. 181 and that is exempt from taxation under section 501 (c) (3) of the internal revenue code.

**(2) GRANTS.** In each fiscal year, the department may make a grant of not more than \$100,000 from the appropriation under s. 20.143 (1) (fm) to a nonprofit corporation, if all of the following apply:

(a) The nonprofit corporation owns and operates a business incubator.

(b) The business incubator provides services primarily to minority group members or minority businesses.

(c) The nonprofit corporation submits a plan to the department detailing the project and the proposed use of the grant.

(d) If the grant is part of a project that is also funded by contributions from other sources, the nonprofit corporation provides the department with the amount of those contributions or pledges for contributions that the nonprofit corporation received before the grant is made.

(e) The secretary approves the plan submitted under par. (c) before awarding the grant.

(f) The nonprofit corporation agrees not to use the proceeds of the grant for salaries or other administrative costs.

(g) The nonprofit corporation agrees to use the grant to build or rehabilitate the premises of the business incubator.

(j) The nonprofit corporation agrees to try to ensure that at least 50% of the proceeds of the grant will go to contractors that are minority businesses.

(k) The nonprofit corporation agrees to submit to the department, within 90 days after spending the full amount of the grant, a report detailing the actual use of the proceeds of the grant.

**History:** 1991 a. 39 s. 9115 (1h); 1993 a. 16 ss. 3360, 3884; Stats. 1993 s. 560.038; 1997 a. 27.

**560.039 Minority business incubator grants. (1) DEFINITIONS.** In this section:

(a) “Business incubator” means a person who operates a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

1. Space in the facility is rented at a rate lower than the market rate in the community.

2. Shared business services are provided in the facility.

3. Management and technical assistance are available at the facility.

4. Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(b) “Minority business” has the meaning given in s. 560.036 (1) (e).

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

**(2) GRANTS.** In each fiscal year, the department may make a grant of not more than \$100,000 from the appropriation under s. 20.143 (1) (fm) to a business incubator, if all of the following apply:

(a) The business incubator provides services primarily to minority group members or minority businesses.

(d) The business incubator submits a plan to the department detailing the proposed use of the grant.

(e) If the grant is part of a project that is also funded by contributions from other sources, the business incubator provides the department with the amount of those contributions or pledges for contributions that the business incubator received before the grant is made.

(f) The secretary approves the plan submitted under par. (d) before awarding the grant.

(g) The business incubator agrees not to use the proceeds of the grant for salaries or other administrative costs.

(h) If the grant will be used to build or rehabilitate the premises of the business incubator, the business incubator agrees to try to ensure that at least 50% of the proceeds of the grant will go to contractors that are minority businesses.

(i) The business incubator agrees to submit to the department, within 90 days after spending the full amount of the grant, a report detailing the actual use of the proceeds of the grant.

**History:** 1991 a. 39 s. 9115 (1i); 1993 a. 16 ss. 3361, 3885 to 3888; Stats. 1993 s. 560.039; 1997 a. 27.

**560.04 Community development. (1) PURPOSE.** The legislature determines that a pattern of state–local relations shall be established that will facilitate closer coordination and cooperation between state and local governments. The department shall recommend methods for achieving such closer coordination and cooperation in order to meet citizen needs, provide a balanced economy and facilitate economic and community development.

**(2) DUTIES.** The department shall:

(a) Review proposed changes in local government boundaries and evaluate and recommend to communities involved those changes which are in the best interest of the state and the communities involved.

(b) Cooperate with and provide technical assistance to county, town, village, city and regional planning commissions and their governing bodies, community development groups, and similar agencies created for the purposes of aiding and encouraging orderly, productive and coordinated economic and community

development in the state and assuring a productive and coordinated state–local relationship.

(c) Encourage and, when requested, assist the efforts of local governments to develop mutual and cooperative solutions to their common problems.

(e) Consult with and encourage participation by private groups, individuals, and organizations in carrying out the purposes of the department.

(g) Establish and operate a community development and local government clearinghouse to facilitate the exchange of information between other state and federal agencies and units of local government.

(h) Identify for the governor’s attention those significant state–local relations problems, including economic development, which may be relieved by state action.

(j) Administer grant programs related to economic or community development, including economic development assistance programs and urban development comprehensive planning grants affecting local government, business or industry, to assist and strengthen local, regional and state economic and community development and support experimental and cooperative activities and intergovernmental relations, training of local government officials and personnel, and other activities consistent with the purposes of this chapter.

**(2m) DUTIES.** The department may assign one or more full-time equivalent positions to the function of coordinating the development and scheduling of training programs for local government officials by the university of Wisconsin–extension, the technical college system, department of revenue, elections board and other state agencies in order to assure the effective delivery of training programs and to prevent duplication of effort and coordinating requests for management or personnel consultative services from government units other than the state and directing those requests to the appropriate division of the department of administration.

**History:** 1971 c. 125; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 2; 1979 c. 34; 1979 c. 162 s. 38 (11); 1979 c. 175; 1979 c. 361 ss. 31 to 40, 48, 98, 113; Stats. 1979 s. 560.04; 1981 c. 349; 1983 a. 27; 1983 a. 36 s. 96 (3), (4); 1985 a. 29; 1987 a. 399; 1989 a. 31; 1991 a. 39; 1993 a. 399.

**560.045 Community development block grant administration.** Notwithstanding s. 16.54 (2) (a), from moneys received under a community development block grant, 42 USC 5301 to 5320, the department shall contract with the department of administration for the administration of housing programs, including the housing improvement grant program and the initial rehabilitation grant program. To the extent allowed under federal law or regulation, the department shall give priority in the awarding of grants under the programs to grants for projects related to the redevelopment of brownfields, as defined in s. 560.60 (1v).

**History:** 1991 a. 39; 1997 a. 27.

**560.05 Additional powers to provide facilities. (1)** As used in this section unless the context requires otherwise:

(a) The term “corporation” in relation to any conveyance, lease or sublease made under sub. (2) means a nonstock corporation organized under ch. 181 that is a nonprofit corporation, as defined in s. 181.0103 (17).

(b) “Existing building” in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which were erected, constructed or installed prior to the making of such conveyance, lease or sublease.

(c) “New building” in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or

promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which are erected, constructed or installed after the making of such conveyance, lease or sublease.

(2) In order to provide new buildings and to enable the construction and financing thereof, to refinance indebtedness hereafter created by a corporation for the purpose of providing new buildings or additions or improvements thereto which are located on land owned by or owned by the state and held for the department or by a corporation or for any one or more of said purposes but for no other purpose unless authorized by law, the department has the following powers and duties:

(a) Without limitation by reason of any other provisions of the statutes, the power to sell and to convey title in fee simple to a corporation any land and any existing buildings thereon owned by or owned by the state and held for the department for such consideration and upon such terms and conditions as in the judgment of the department are in the public interest.

(b) The power to lease to a corporation for terms not exceeding 50 years each any land and any existing buildings thereon owned by or owned by the state and held for the department upon such terms and conditions as in the judgment of the department are in the public interest.

(c) The power to lease or sublease from a corporation and to make available for public use any such land and existing buildings conveyed or leased to such corporation under pars. (a) and (b) and any new buildings erected on such land or on any other land owned by such corporation, upon such terms, conditions and rentals, subject to available appropriations, as in the judgment of the department are in the public interest.

(d) The duty to submit the plans and specifications for all such new buildings and all conveyances, leases and subleases made under this section to the department of administration and the governor for written approval before they are finally adopted, executed and delivered.

(e) The power to pledge and assign all or any part of the revenues derived from the operation of such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings under par. (c).

(f) The power to covenant and agree in any lease or sublease of such new buildings made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of such new buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(g) The power to covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of existing buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(h) The power and duty, upon receipt of notice of any assignment by a corporation of any lease or sublease made under par. (c), or of any of its rights under any such sublease, to recognize and give effect to such assignment, and to pay to the assignee thereof rentals or other payments then due or which may become due under any such lease or sublease which has been so assigned by such corporation.

(3) The state shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (2) (c) and may be sued therefor on contract as in other contract actions under ch. 775, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

(4) Nothing in this section empowers the department to incur any state debt.

(5) All conveyances, leases and subleases made pursuant to this section shall be made, executed and delivered in the name of the department and shall be signed by the secretary.

(6) All laws conflicting with this section are, insofar as they conflict with this section and no further, superseded by this section.

(7) The department may not convey or lease under sub. (2) (a) or (b) on or after September 1, 1980.

History: 1979 c. 32 s. 92 (5); 1979 c. 361 ss. 58, 103; Stats. 1979 s. 560.05; 1983 a. 189; 1997 a. 79.

**560.06 Memorandum of understanding on use of allocated moneys.** The department may provide assistance to a nonprofit organization that provides assistance to organizations and individuals in urban areas. No later than December 30, 1997, the department of commerce shall enter into a memorandum of understanding with the department of administration that specifies how the department of commerce may use the moneys allocated under s. 20.143 (1) (c) for providing assistance under this section.

History: 1997 a. 27.

**560.07 Promotion.** The department shall provide coordinating services to aid state and local groups in the promotion of economic enterprises and shall conduct such publicity and promotional activities as are desirable to stimulate all facets of the economy and to this end it shall specifically:

(1) Collect and disseminate information regarding the advantages of developing business and industrial enterprises in this state.

(2) Stimulate and foster the development of the private industry of this state.

(2m) In cooperation with the university of Wisconsin small business development center, the university of Wisconsin center for cooperatives, the technical college system board and the university of Wisconsin—extension, collect and disseminate information regarding employee-owned businesses and promote the appropriate establishment of employee-owned businesses.

(3) For the purpose of attracting persons interested in locating new enterprises in this state:

(a) Serve as the state's official liaison agency between persons interested in locating new economic enterprises in Wisconsin, and state and local groups seeking new enterprises. In this respect the department shall aid communities in organizing for and obtaining new business or expanding existing business and shall respond to requests which reflect interest in locating economic enterprises in the state. When the secretary considers appropriate, the department shall refer requests for economic development assistance to Forward Wisconsin, inc., and shall attempt to prevent duplication of efforts between the department and Forward Wisconsin, inc.

(b) Contract with Forward Wisconsin, inc., if the secretary determines it appropriate, to pay Forward Wisconsin, inc., an amount not to exceed the amount appropriated under s. 20.143 (1) (bm), to establish and implement a nationwide business development promotion campaign to attract persons interested in locating new enterprises in this state and to encourage the retention and expansion of businesses and jobs in this state. Funds may be expended to carry out the contract only as provided in s. 16.501.

(c) Whenever appropriate, submit to the secretary of administration a report setting forth the amount of private contributions received by Forward Wisconsin, inc., since the time the department last submitted such a report.

(4) Collect and disseminate information regarding the ports of the state and promote the advantages of developing new business for the ports of the state.

(5) Study, promote and implement means of expanding foreign and domestic markets for products of this state.

(6) The secretary shall annually meet with the secretary of agriculture, trade and consumer protection to mutually agree on any joint program efforts.

(7) Encourage public and private agencies or bodies to publicize the facilities and attractions of the state.

(9) On or before July 1, 1985, and every July 1 thereafter, submit to the chief clerk of each house of the legislature, for distribution to the appropriate standing committees under s. 13.172 (3), a report stating the net jobs gain due to the funds provided Forward Wisconsin, inc., under s. 20.143 (1) (bm).

**History:** 1971 c. 321 ss. 11, 16; Stats. 1971 s. 560.04; 1979 c. 361 ss. 97, 99, 106; Stats. 1979 s. 560.07; 1983 a. 27, 381, 387; 1985 a. 29; 1987 a. 27, 186, 318, 399; 1991 a. 39; 1993 a. 399; 1995 a. 27.

### 560.08 Economic and community development planning and research. (1) PURPOSE.

The legislature determines that the proper development of the state as an attractive place to live and work will be enhanced through the development and expansion of comprehensive economic and community development planning programs and research programs undertaken by the department in order to accomplish the stated purposes of this chapter.

#### (2) DUTIES. The department shall:

(a) Study the impact of the St. Lawrence Seaway on the economy of the state, conduct research on port development and new businesses for port communities, communicate the results of such studies to appropriate port, public and business agencies and formulate, coordinate and direct a program of port development for the state. The department shall serve as a liaison agency between local port authorities, state and federal agencies and individuals or private agencies who need or request information relative to the ports of the state. The department shall appear before federal, state and local agencies, whenever it deems such action advisable, in the matter of the welfare of the ports of the state.

(b) Assemble and correlate information relating to all facets of the state's economic resources, including without limitation, the labor supply, markets for Wisconsin products, power development, highways, watersheds, waterways, waterfront and harbor developments, water freight rates, tariffs, demurrage charges and state and federal regulations affecting ports, river basins, flood prevention, parks, reservations, river valleys, forests, wildlife refuges, aviation facilities, drainage and sanitary systems, waste disposal, waterworks, soil conservation, railroad rights-of-way, power transmission facilities, urban development, food, housing and water systems, and factors which influence the development of new economic enterprises such as taxes and the regulation of industry.

(c) Assess the economic resources of each area of the state, including its human resources, natural resources, and economic strengths and problems and advance proposals to develop its strengths and solve its problems.

(d) Identify gaps in government services as they relate to economic and community development in each area of the state and recommend specific actions to the local and state agencies concerned.

(e) Coordinate its comprehensive economic development plans with local and regional economic planning and economic development agencies, both governmental and nongovernmental, and assist these agencies to implement agreed upon economic development plans.

(f) Carry out continuing studies and analyses of the economic and community development problems faced by Milwaukee and other urban areas within the state and develop such recommendations as appear necessary. In carrying out such studies and analyses, particular attention should be paid to the development of financing methods and programs which will effectively supplement local effort.

(g) Carry out continuing studies and analyses of the problems faced by local governments within the state and develop such rec-

ommendations for administrative or legislative action as appear necessary.

(h) Study existing legal provisions that affect the structure and financing of local government and those state activities which involve significant relations with local government units; recommend such changes in these provisions and activities as appear necessary to strengthen local government, encourage economic and community development and facilitate closer state-local relations.

(i) Encourage, assist and advise regional, county and local agencies or bodies responsible for planning and zoning in the programs they administer or may wish to initiate.

(j) Assist planning for metropolitan or regional areas, or areas where rapid urbanization or decline has resulted or is expected to result, including areas extending into adjoining states.

(m) No later than January 1 of each odd-numbered year, submit to the investment board a report describing the types of investments in businesses in this state which will have the greatest likelihood of enhancing economic development in this state.

**History:** 1971 c. 125; 1979 c. 361 ss. 32, 43, 44, 47, 88, 92; 1985 a. 53; 1989 a. 335; 1993 a. 75; 1995 a. 378.

### 560.081 State main street program. (1) In this section:

(a) "Business area" means a commercial area existing at the time services under the state main street program are requested and having historic significance.

(b) "Municipality" means a city, village or town.

(c) "Revitalization" means the process of engaging in activities to increase economic activity, while preserving and building upon a location's historically significant characteristics.

(2) The department shall establish and administer a state main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas. The department shall do all of the following:

(a) Enter into contracts to obtain business area revitalization services provided by the national main street center.

(b) Employ, in the state classified service, staff for the state main street program.

(c) With help from the council on main street programs and from interested individuals and organizations, develop a plan describing the objectives of the state main street program and the methods by which the department shall:

1. Coordinate the activities of that program with private and public sector revitalization of business areas.

2. Solicit and use private sector funding for revitalization of business areas.

3. Help municipalities engage in revitalization of business areas.

(d) Coordinate with other state and local public and private entities which provide services to municipalities undertaking projects for the revitalization of business areas.

(e) Annually select, upon application, up to 5 municipalities to participate in the state main street program. The program for each municipality shall conclude after 3 years, except that the program for each municipality selected after July 29, 1995, shall conclude after 5 years. The department shall select program participants representing various geographical regions and populations. A municipality may apply to participate, and the department may select a municipality for participation, more than one time. In selecting a municipality, however, the department may give priority to those municipalities that have not previously participated.

(f) For use in selecting the participants in the state main street program under par. (e), develop objective criteria relating to at least the following issues:



1. Private and public sector interest in and commitment to revitalization of a business area selected by the municipality.

2. Potential private sector investment in a business area selected by the municipality.

3. Local organizational and financial commitment to employ a program manager for not less than 3 years, or not less than 5 years for participants selected after July 29, 1995.

4. Local assistance in paying for the services of a design consultant recommended by the council on main street programs.

5. Local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the state main street program.

(h) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the state main street program.

(i) As part of the report required under s. 15.04 (1) (d), include a report on the effects of the state main street program.

**History:** 1987 a. 109; 1993 a. 16; 1995 a. 27.

**560.082 Council on main street programs.** The council on main street programs shall do all of the following:

(1) Help the secretary develop a plan to operate the state main street program, and review the effectiveness of and recommend to the secretary procedures to improve that program.

(2) Recommend to the secretary municipalities to participate in the state main street program under s. 560.081 (2) (e).

**History:** 1987 a. 109; 1993 a. 16.

**560.09 Cooperation.** (1) LIAISON WITH STATE AND FEDERAL AGENCIES. The department shall assist, cooperate with and seek information and advice from other state agencies, federal agencies, organizations of elected officials in the state, units of local government, local business and industry, and other appropriate agencies or organizations in carrying out its assigned functions and duties. Appropriate units of the university of Wisconsin system—extension shall coordinate their activities with the department, and the department shall cooperate by providing information necessary to the conduct of research and professional advice. Particularly, the university of Wisconsin system—extension and the department shall develop processes which will enhance coordination and cooperation in relation to the small business development centers and business advisory service programs and recreation related programs.

(2) RESEARCH. The department shall utilize and coordinate with research programs of other state agencies and shall make such agreements as may be necessary to effectuate its own research program. It shall initiate research and economic planning and shall seek to make full use of and strengthen the research resources of state agencies, including the university or such other institutions of higher education as will enhance the work of the department.

(3) COMMUNICATIONS. The department shall establish strong lines of communication among all state agencies concerned with the economic and community development of the state to assure that all factors in such programs are given adequate consideration.

(4) PUBLICATIONS. The department may issue pamphlets and bulletins pertaining to the economy and the resources of the state and activities of the department. The department may make charges for its pamphlets and bulletins as prescribed in s. 20.908.

(5) CONSULTATION. The department shall consult with the recycling market development board in developing any proposed rules under s. 560.031.

**NOTE:** Sub. (5) is repealed eff. 6–30–01 by 1997 Wis. Act 27.

**History:** 1971 c. 321 ss. 13, 16; 1979 c. 34; 1979 c. 361 ss. 100, 102, 107; 1989 a. 335; 1993 a. 75; 1995 a. 27; 1997 a. 27.

**560.097 Notification of position openings; compliance.** The department shall monitor compliance with the

position—opening notification requirements under ss. 66.521 (6m) and 106.16.

**History:** 1987 a. 27; 1995 a. 27.

**560.10 Industrial building construction loan fund.**

(1) The industrial building construction loan fund is created to consist of all federal grants made for the purpose of this section as provided in sub. (2). All principal and interest payments for loans made under this section shall be deposited in this fund. The industrial building construction loan fund shall be invested under s. 25.17.

(2) The purpose of this section and the industrial building construction loan fund is to assist and advance the general prosperity and economic welfare of the people of this state and to improve their standard of living and improve employment opportunities in the state by making loans to regional and local development corporations to enable the construction of industrial buildings where such construction would not otherwise occur. In carrying out the purposes and exercising the powers granted by this section the department shall be regarded as performing an essential governmental function.

(3) The department shall administer this section and make loans for the purpose provided under sub. (2) to regional or local corporations. The department may determine the terms and conditions of any such loan, and may charge interest on such loans lower than the going market rate.

**History:** 1977 c. 418; 1979 c. 361 s. 105; Stats. 1979 s. 560.10.

**560.11 Small business environmental council.** (1) The small business environmental council shall do all of the following:

(a) Advise the department of natural resources concerning the effectiveness of the small business stationary source technical and environmental compliance assistance program under s. 285.79, difficulties encountered by small business stationary sources, as defined in s. 285.79 (1), in complying with s. 299.15 and ch. 285 and the degree and severity of enforcement of s. 299.15 and ch. 285 against small business stationary sources.

(b) Periodically report to the department of natural resources and to the administrator of the federal environmental protection agency concerning the compliance of the state small business stationary source technical and environmental compliance assistance program with the federal paperwork reduction act, 44 USC 3501 to 3520, the federal regulatory flexibility act, 5 USC 601 to 612, and the federal equal access to justice act, 5 USC 504.

(c) Review information to be provided to small business stationary sources in connection with s. 299.15 and ch. 285 to ensure that the information can be understood by persons without technical training.

(d) Provide other advice, as directed by the secretary, related to assisting small businesses in complying with federal and state air pollution laws.

(2) The employees of the department of commerce who staff the small business ombudsman clearinghouse under s. 560.03 (9) and the employees of the department of natural resources who staff the small business stationary source technical and environmental compliance assistance program under s. 285.79 shall provide the small business environmental council with the assistance necessary to comply with sub. (1).

**History:** 1991 a. 302; 1995 a. 227.

**560.12 Recycling rebate program.** (1) DEFINITIONS. In this section:

(ad) “Qualified property” means machinery or equipment that is used exclusively in the process of recycling.

(ae) “Recyclable material” means a material identified in s. 287.07 (3) or (4) that is recovered from solid waste.

(ag) “Recycling” means the processing of recyclable material or the manufacture of products from recyclable material with or

without treatment and excludes any form of energy recovery or composting.

(am) “Recycling enterprise” means a person who engages in recycling.

**(2) DEPARTMENT POWERS AND DUTIES.** The department shall develop, implement and administer a recycling rebate program. The department shall develop criteria for reporting on and evaluating the program.

**(3) PURPOSES OF RECYCLING REBATE PROGRAM.** The department shall develop the recycling rebate program to increase the recycling of recyclable material that is generated in this state by providing incentives to do all of the following:

(a) Use recyclable material generated in this state as a raw material.

(b) Establish and expand viable recycling enterprises in this state.

(c) Create new markets and expand or maintain existing markets for recyclable materials generated in this state.

**(4) ELIGIBILITY.** A municipality or other public entity, sole proprietorship, association, partnership, limited liability company, corporation or nonprofit organization may apply for a recycling rebate if all of the following apply:

(a) It is located in this state.

(b) It makes products or components using recyclable material generated in this state as a raw material or processes recyclable material generated in this state into a marketable form.

(d) It meets other eligibility requirements established by the department.

**(5) REBATES FOR QUALIFIED PROPERTY.** (a) Before July 1, 1995, the department shall pay recycling rebates to recycling enterprises for qualified property to be purchased by the recycling enterprise or, if already purchased, for which the recycling enterprise has executed a purchase order not more than 90 days before applying for the recycling rebate. The department shall pay recycling rebates for qualified property used to process types of recyclable materials selected by the department based on the state priorities established under s. 159.03 (1) (b), 1991 stats., in effect on January 1 of the year in which the department pays the rebate. The department may not pay recycling rebates under this subsection for qualified property used to process a recyclable material unless there is a market for the processed recyclable material.

(b) The department shall make a rebate under par. (a) as a one-time payment in an amount established by the department that is not less than 5% nor more than 25% of the cost of the qualified property and that is based in part on the amount of solid waste used by the recycling enterprise that is generated in this state and, if the qualified property replaces equipment or machinery used to make products from solid waste, in part on the increase in the amount of solid waste used by the recycling enterprise. The total amount of rebates awarded to any one facility under this subsection may not exceed \$250,000.

(c) In the period beginning on December 3, 1993, and ending on June 30, 1995, the department may not award more than \$5,000,000 for rebates under this subsection.

**(6) REBATES FOR OTHER ACTIVITIES.** (a) The department shall identify types of recyclable materials for which it will pay recycling rebates based on the goals of the recycling rebate program and the state priorities established under s. 159.03 (1) (b), 1991 stats., in effect on January 1 of the year in which the department makes the selection. The department may provide that recycling rebates will be available for a recyclable material only in specified areas of this state. The department may not pay recycling rebates under this subsection for the processing of a recyclable material unless there is a market for the processed recyclable material.

(b) For each type of recyclable material identified under par. (a), the department shall establish the rate of payment and the total amount of recycling rebates to be paid. The department shall base the rate of payment and the total amounts of recycling rebates for

each type of recyclable material on the amount of money available to pay rebates and the determination by the department of the amount of rebates necessary to accomplish the purposes of the recycling rebate program and the state priorities established under s. 159.03 (1) (b), 1991 stats., in effect on January 1 of the year in which the department makes the determination.

(c) The department shall make a commitment to pay recycling rebates under this subsection for a period of up to 5 years subject to the availability of funds. The department shall develop criteria for selecting the applicants to receive recycling rebates if eligible applications for any type of recyclable material exceed the total amount set aside for that type of recyclable material under par. (b). An applicant may be selected more than once to receive recycling rebates under this subsection. The department may establish a maximum payment to any applicant for a year.

(d) The department shall pay recycling rebates to each applicant selected to receive recycling rebates under this subsection.

(e) The department may not pay a recycling rebate under this subsection on or after July 1, 1995, unless the department made a commitment to an applicant before July 1, 1995, to pay the recycling rebate.

**(7) APPLICATION.** The department shall, by rule, develop application procedures for the recycling rebate program. The application for a rebate shall show that the applicant satisfies the requirements of sub. (4). The application for a rebate under sub. (5) shall identify the qualified property and the facility in which it is or will be used, state the cost of the qualified property and include an estimate of the amount of recyclable material that is used or that will be used by the applicant and that is generated in this state and documentation to support the estimate. The application for a rebate under sub. (6) shall include an estimate of the amount of recyclable material generated in this state that will be used by the applicant in the year for which the application is submitted.

**History:** 1989 a. 335; 1993 a. 16, 75, 112, 490; 1995 a. 227.

**560.13 Brownfields grant program. (1)** In this section:

(a) “Brownfields” means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

(b) “Brownfields redevelopment” means any work or undertaking by a person, municipality or local development corporation to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate or rehabilitate the facility or existing buildings, structures or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial or other purposes. “Brownfields redevelopment” does not include construction of new facilities on the site for any purpose other than environmental remediation activities.

(d) “Environmental remediation activities” means investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; abating, removing or containing environmental pollution at a brownfields facility or site; or restoring soil or groundwater at a brownfields facility or site.

(e) “Local development corporation” means a nonprofit corporation organized under ch. 181 that does all of the following:

1. Operates within specific geographic boundaries.
2. Promotes economic development within the specific geographic area.
3. Demonstrates a commitment to or experience in the redevelopment of brownfields.

(f) “Municipality” means a city, village, town or county.

(g) “Person” means an individual, partnership, corporation or limited liability company.

**(2)** (a) Subject to subs. (4) and (5), from the appropriations under s. 20.143 (1) (br) and (qm) the department may make a grant

to a person, municipality or local development corporation if all of the following apply:

1. The recipient uses the grant proceeds for brownfields redevelopment or associated environmental remediation activities.

2. All of the following are unknown, cannot be located or are financially unable to pay the cost of brownfields redevelopment or associated environmental remediation activities:

a. The party that caused the portion of the environmental contamination that is the basis for the grant request.

b. Any person who possessed or controlled the environmental contaminant that is the basis for the grant request before the contaminant was released.

3. The recipient contributes to the cost of the project as provided in par. (b).

(b) 1. The contribution required under par. (a) 3. may be in cash or in-kind. Cash contributions may be of private or public funds, excluding funds obtained under the program under s. 560.17 or under any program under subch. V or VII of this chapter. In-kind contributions shall be limited to actual remediation services.

2. For a grant that does not exceed \$300,000, the recipient shall be required to contribute not less than 20% of the cost of the project. For a grant that is greater than \$300,000 but that does not exceed \$700,000, the recipient shall be required to contribute not less than 35% of the cost of the project. For a grant that is greater than \$700,000 but that does not exceed \$1,250,000, the recipient shall be required to contribute not less than 50% of the cost of the project.

(3) (a) The department shall award grants under this section on the basis of the following criteria:

1. The potential of the project to promote economic development in the area.

2. Whether the project will have a positive effect on the environment.

3. The amount and quality of the recipient's contribution to the project.

4. The innovativeness of the recipient's proposal for remediation and redevelopment.

(b) If possible, when making a determination under par. (a), the department shall accord a 50% weight to the criterion under par. (a) 1., a 25% weight to the criterion under par. (a) 2., a 15% weight to the criterion under par. (a) 3. and a 10% weight to the criterion under par. (a) 4.

(4) (a) From the appropriations under s. 20.143 (1) (br) and (qm) in fiscal year 1997–98, and from the appropriation under s. 20.143 (1) (qm) in fiscal year 1998–99, the department shall award all of the following in each of those fiscal years:

1. A total of \$750,000 in grants that do not exceed \$300,000.

2. A total of \$1,750,000 in grants that are greater than \$300,000 but that do not exceed \$700,000.

3. A total of \$2,500,000 in grants that are greater than \$700,000 but that do not exceed \$1,250,000.

(b) The department may not award a grant that exceeds \$1,250,000.

(c) The department shall award at least 7 grants for projects that are located in municipalities with a population of less than 30,000.

(5) Before the department awards a grant under this section, the department shall consider the recommendations of the department of administration and the department of natural resources.

(6) The department shall promulgate rules that establish criteria, within the guidelines under subs. (2) and (3), for awarding grants under this section, including the circumstances under which grant proceeds may be used for assessment services.

(7) On or before December 31, 1998, and annually thereafter, the department shall submit a report on the effectiveness of the

program under this section to the legislature under s. 13.172 (2) and to the governor and the department of administration.

History: 1997 a. 27.

**560.135 Mining economic development grants and loans. (1)** In this section:

(a) "Area affected by mining" means an area in which all of the following apply:

1. Public and private infrastructure are or were provided to support mining activity.

2. Public funds are or were expended for costs associated with mining activity.

3. Construction of a mine has commenced and economic diversification is necessary to reduce dependence on mining activity for the long-term economic growth and stability of the area.

(b) "Board" means the development finance board.

(c) "Business" has the meaning given in s. 560.60 (2).

(d) "Community-based organization" has the meaning given in s. 560.14 (1) (c).

(e) "Local development corporation" means any of the following:

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

2. A nonprofit corporation organized under ch. 181 that does all of the following:

a. Operates within specific geographic boundaries.

b. Promotes the economic development within the specific geographic area.

(f) "Mining" means metallic mineral mining.

(2) Subject to subs. (3) and (4), the board may award a grant or loan for the purpose specified to any of the following entities located in an area affected by mining:

(a) A business, to finance costs associated with start-up, maintenance or expansion in an area affected by mining.

(b) A city, village, town or county, to develop an economic diversification plan.

(c) A city, village, town, county, community-based organization or local development corporation, to establish a local revolving loan fund to finance businesses that will create long-term employment opportunities.

(d) A community-based organization or local development corporation, to conduct a local economic development project that will create long-term employment opportunities and to provide assistance to businesses or entrepreneurs.

(e) A business, to obtain professional services related to the start-up, maintenance or expansion of the business, including assistance with feasibility studies or financial and marketing plans and managerial assistance after start-up or expansion.

(3) The board may not award a grant or loan under sub. (2) if the proceeds will be used to establish or expand a business that is solely dependent on mining activity.

(4) (a) The board may not award a grant or loan under sub. (2) (a), (b) or (d) that exceeds \$100,000.

(b) The board may not award a grant or loan under sub. (2) (c) that exceeds \$200,000.

(c) The board may not award a grant or loan under sub. (2) (e) that exceeds \$15,000.

(5) In awarding grants and loans under sub. (2), the board shall consider all of the following:

(a) The factors under s. 560.605 (2) (a) to (e).

(b) Whether the project will be located in a targeted area, as determined by the board after considering the factors under s. 560.605 (2m) (a) to (h).

(c) The extent to which the business or other entity assisted by the project is likely to provide stable, long-term employment opportunities to reduce the dependence of the area on mining.

(6) From the appropriations under s. 20.143 (1) (if) and (r), the department shall make grants and loans awarded by the board under sub. (2).

(7) The department, with the approval of the board, shall promulgate rules establishing policies and standards for awarding grants and loans under sub. (2), consistent with policies and standards established under the rules required under s. 560.602. The department shall promulgate rules regarding the application processes for grants and loans under sub. (2) and for loans made from revolving loan funds established with proceeds awarded under sub. (2) (c).

History: 1997 a. 27.

#### 560.14 Community-based economic development programs. (1) In this section:

(a) “Applicable median household income” means the median family income for the county where the household is located, as determined annually by the U.S. department of housing and urban development.

(ar) “Brownfields” has the meaning given in s. 560.60 (1v).

(b) “Business incubator” means a person who operates an organization designed to encourage the growth of new businesses, if at least 2 of the following apply:

1. The organization rents space at a rate lower than the market rate in the community.
2. The organization provides shared business services.
3. The organization makes available management and technical assistance.
4. Businesses using the organization may obtain financial capital through a direct relationship with at least one financial institution.

(c) “Community-based organization” means an organization that is involved in economic development and helps businesses that are likely to employ persons.

(f) “Political subdivision” means a county, city, village or town.

(fm) “Small business” means a business that has fewer than 100 full-time employees.

(g) “Technically oriented business” has the meaning specified in s. 560.90.

(h) “Technology-based incubator” means a facility that provides a new or expanding technically oriented business with all of the following:

1. Office and laboratory space.
2. Shared clerical and other support service.
3. Managerial and technical assistance.

(2) (a) The department may make a grant to a community-based organization or a political subdivision from the appropriation under s. 20.143 (1) (fg) to do any of the following:

1. Enable a community-based organization or a political subdivision receiving a grant to develop a plan for diversifying the local or regional economy, attracting new businesses and jobs and promoting economic development.
2. Enable a community-based organization receiving a grant to provide assistance to businesses or entrepreneurs, if the department determines that the entrepreneur or business will provide jobs.
3. Enable a community-based organization receiving a grant to conduct a local economic development project.

(c) An individual grant under this subsection may not exceed \$30,000.

(d) A grant under this subsection to a political subdivision or community-based organization may not exceed 75% of the total cost of the project for which the grant is made, unless the depart-

ment determines that the area where the funds will be used is in extreme financial hardship. The department may consider in-kind contributions when determining the total cost of a project under this paragraph.

(3) (a) The department may make grants from the appropriation under s. 20.143 (1) (fg) to a community-based organization to fund any of the following:

1. The operation of an existing business incubator or technology-based incubator.
2. Technical assistance in the process of starting a business incubator or technology-based incubator, including a feasibility study of the need for and the initial design of the incubator.
3. Starting, expanding or rehabilitating a business incubator or technology-based incubator.
4. The creation of a revolving loan fund for tenants of a business incubator or technology-based incubator.

(b) The department may not make a grant under this subsection unless all of the following apply:

3. The total amount of grants under this subsection to a community-based organization do not exceed 50% of the total cost of the project for which the grants are made, unless the department determines that the area where the funds will be used is in extreme financial hardship. The department may consider in-kind contributions when determining the total cost of a project under this subdivision.
5. The community-based organization receiving the grant provides a written policy relating to how stable, maturing businesses in the business incubator or technology-based incubator will establish themselves outside of the incubator within a reasonable period of time.

(c) In making a grant under this subsection, the department shall consider all of the following:

1. The potential of the business incubator or technology-based incubator to help start businesses.
2. The potential of the business incubator or technology-based incubator to provide employment opportunities.
3. How the unemployment rate in the area in which the business incubator or technology-based incubator is or will be located compares to the state average.
4. How the household income levels of persons residing in the area in which the business incubator or technology-based incubator is or will be located compare to the applicable median household income.
5. How the assessed value of real property in the most recent assessment in the area in which the business incubator or technology-based incubator is or will be located compares to the assessed value of that property in the assessment 2 years before the most recent assessment.

6. How the percentage of households receiving aid to families with dependent children under s. 49.19 in the area in which the business incubator or technology-based incubator is or will be located compares to the percentage of households receiving aid to families with dependent children in the state.

7. The percentage of members of the workforce in a city, village or town in the area in which the business incubator or technology-based incubator is or will be located that were permanently laid off by their employer in the 18 months immediately preceding the application.

8. Whether the business incubator or technology-based incubator is or will be located in an area that has been designated as a development zone under s. 560.71, a development opportunity zone under s. 560.795 or an enterprise development zone under s. 560.797.

(d) 1. The proceeds of a grant under par. (a) 1. or 3. may be used to defray salaries, fringe benefits and other personnel, administrative and operating costs of the business incubator or technology-based incubator.

2. The proceeds of a grant under par. (a) 2. or 3. may be used to fund those salaries, fringe benefits and other personnel, administrative and operating costs of the community-based organization that are directly related to starting, expanding or rehabilitating a business incubator or technology-based incubator.

(e) Grants under this subsection may not exceed whichever of the following applies:

1. For a grant under par. (a) 1., \$30,000 in any year.
2. For a grant under par. (a) 2., \$10,000 in any year.
3. For a grant under par. (a) 3., \$100,000 in any year.
4. For a grant under par. (a) 4., \$50,000 in any year.

(f) The department may not do any of the following:

1. Make grants under par. (a) 1. to fund the operation of a particular business incubator or technology-based incubator in more than 5 years.

2. Make more than 2 grants under par. (a) 2. for a particular business incubator or technology-based incubator.

3. Make more than 2 grants under par. (a) 3. for a particular business incubator or technology-based incubator.

4. Make more than 2 grants under par. (a) 4. for a particular business incubator or technology-based incubator.

**(3m)** The department may make a grant from the appropriation under s. 20.143 (1) (fg) to a community-based organization for the purpose of creating a revolving loan fund for making loans to small businesses. The department shall promulgate rules for the administration of the program under this subsection.

**(3r)** (a) The department may make a grant from the appropriation under s. 20.143 (1) (fg) to a private, nonprofit foundation, including the National Foundation for Teaching Entrepreneurship to Handicapped and Disadvantaged Youth, or other private, nonprofit organizations if all of the following apply:

1. The foundation or organization teaches business skills to economically disadvantaged or socially at-risk children.

2. The grant proceeds will be used for costs associated with teaching the skills and developing the knowledge necessary to start and maintain a business enterprise.

(b) The department shall promulgate rules for the administration of the program under this subsection.

**(4)** (a) Subject to par. (b), the department may make a grant under this subsection from the appropriation under s. 20.143 (1) (fg) to a community-based organization for regional economic development activity if all of the following apply:

1. A political subdivision in the region in which the economic development activity will be conducted joins in the application for the grant with the community-based organization.

2. The economic development activity is unique to or within the region.

3. The economic development activity is consistent with any economic development policy or plan of the political subdivision.

4. The economic development activity will likely stimulate investment in the region's economy or create or retain jobs in the region.

5. The community-based organization will receive contributions from private sources and from political subdivisions in the region for the economic development activity. The contributions may be in cash or in kind.

6. The applicants submit a plan that describes the economic development activity, how the economic development activity satisfies the criteria under this paragraph, how the grant will be administered and how the grant proceeds will be used to support the economic development activity; and the secretary approves the plan.

7. The applicants provide documentation of the contributions required under subd. 5.

(b) For grants under this subsection, the department may not award in any fiscal year more than the greater of \$100,000 or 10%

of the amount appropriated for the fiscal year under s. 20.143 (1) (fg).

**(4m)** (a) Subject to par. (b), the department may make a grant under this subsection from the appropriation under s. 20.143 (1) (fg) to a community-based organization or private nonprofit organization for a venture capital development conference if all of the following apply:

1. The conference will assist entrepreneurs or businesses in the state in obtaining capital for the start-up or development of a business.

2. The conference will likely stimulate investment, promote economic development or create or retain jobs in the state.

3. The grant applicant submits a plan that describes the proposed activity, how the activity satisfies the criteria under this paragraph, how the grant will be administered, how the grant proceeds will be used to support the activity and how the activity will be coordinated with other venture capital development conferences or programs, including any conferences or programs of the department.

4. The secretary approves the plan under subd. 3.

5. The grant applicant funds at least 50% of the total cost of the conference by providing cash or in-kind contributions.

(b) The department may not award more than \$75,000 in grants under this subsection in any fiscal year.

**(5)** The department shall do all of the following:

(a) Develop an application to be used for grants under this section and furnish the application to applicants upon request.

(b) Subject to par. (d), promulgate rules to develop criteria for evaluating applications for grants under this section.

(bm) Promulgate rules with respect to how the department will administer the grants under this section.

(c) Consistent with subs. (2) to (4m), award grants under this section on a competitive basis, using the criteria developed under par. (b).

(d) Give priority for grants under this section for projects related to brownfields redevelopment.

**History:** 1989 a. 31; 1993 a. 16 ss. 3374 to 3408, 3464, 3465; 1995 a. 27 ss. 6895d to 6895dr, 9126 (19); 1995 a. 289; 1997 a. 27.

#### **560.145 Revolving loan fund capitalization.**

**(1) GRANTS.** Subject to sub. (3), the department may make a grant to a person from the appropriation under s. 20.143 (1) (c) for the capitalization of a revolving loan fund if all of the following apply:

(a) The purpose of the revolving loan fund is to promote local or regional economic development.

(b) The person submits a plan to the department detailing the proposed use of the grant and the secretary approves the plan.

(c) The person enters into a written agreement with the department that specifies the conditions for use of the grant proceeds, including reporting and auditing requirements.

(d) The person agrees in writing to submit to the department the report required under sub. (2) by the time required under sub. (2).

**(2) REPORT ON USE OF PROCEEDS.** A person receiving a grant under this section shall submit to the department, within 6 months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

**(3) LIMIT ON GRANTS.** The department may not award in a fiscal biennium more than \$500,000 in grants under this section.

**History:** 1997 a. 237.

#### **560.147 Rapid response fund. (1) LOANS.**

Subject to sub. (4), the department may make a loan to a person from the appropriations under s. 20.143 (1) (c) and (ie) for a project described in sub. (2) if all of the following apply:

(a) The person submits a plan to the department detailing the proposed use of the loan and the secretary approves the plan.

(b) The person enters into a written agreement with the department that specifies the conditions for use of the loan proceeds, including reporting and auditing requirements, and the loan repayment terms.

(c) The person agrees in writing to submit to the department the report required under sub. (3) by the time required under sub. (3).

(d) The person contributes, from funds not provided by the state, not less than 25% of the cost of the project.

(e) The amount that the person contributes under par. (d) does not exceed \$250,000.

**(2) ELIGIBLE PROJECTS.** (a) Loans under this section may be used only for any of the following purposes:

1. The renovation or improvement of an existing building.
2. The purchase of land, an existing building, machinery or equipment.
3. The construction of a new building.

(b) The purpose of the renovation, purchase or construction under par. (a) must be to foster economic development in the area of the project.

**(3) REPORT ON USE OF PROCEEDS.** A person receiving a loan under this section shall submit to the department, within 6 months after spending the full amount of the loan, a report detailing how the loan proceeds were used.

**(4) LIMIT ON LOANS.** The department may not award in a fiscal biennium more than \$2,000,000 in loans under this section.

**(5) DEPOSIT OF REPAYMENTS.** The department shall deposit in the appropriation account under s. 20.143 (1) (ie) all moneys received in repayment of loans under this section.

*History:* 1997 a. 237.

**560.15 Economic adjustment program.** (1) The department, with the advice and assistance of the community response committees created under sub. (3), and in cooperation with the department of workforce development, shall perform the responsibilities under sub. (2) if the following conditions are met:

(a) A business, regardless of its size or form of organization, is considering ceasing its operations or has decided to cease its operations or has ceased its operations at any place of business located in this state; is considering laying off or has decided to lay off or has laid off, whether permanently or temporarily, any of its employees at any place of business located in this state.

(b) The department has received notification of an act by a business under par. (a) from any of the following:

1. The department of workforce development under s. 109.07 (1m).
3. The business.
4. An employee of the business or a former employee laid off by an act under par. (a).
6. A small business development center of the university of Wisconsin system.
7. A faculty member of the university of Wisconsin–extension.
8. An economic development coordinator of a technical college.

(2) Upon notification of an act by a business under sub. (1), the department shall provide assistance, or provide referrals to other persons or arrange and coordinate assistance from other persons, including federal, state or local governmental units, agencies or programs, other businesses, service organizations, educational institutions and financial institutions, to the following persons for the following purposes and upon the following conditions:

(a) A business which has performed an act under sub. (1) (a), for the purpose of enabling continued or renewed operation of the business or avoiding or rescinding temporary or permanent layoffs, if the business requests or chooses to accept the assistance of the department.

(b) One or more employees of a business, or former employees laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for the purpose of retraining the employees or former employees, matching their skills with jobs for other employers or accomplishing the transfer of ownership, control or management of a business which has decided to or has ceased operations to employees or former employees, members of the community or others, if one or more employees or former employees request or choose to accept the assistance of the department.

(c) A business or one or more employees of a business or former employees laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for any of the purposes set forth in pars. (a) and (b), if the business and one or more employees or former employees request or choose to accept the assistance of the department.

(d) A business or one or more former employees of a business laid off by an act under sub. (1) (a) or one or more employees of a business, if the business has performed an act under sub. (1) (a), for the purpose of informing the business, former employees or employees of their rights and opportunities under s. 560.16.

**(3) (a)** If a business, or one or more employees of a business or former employees laid off by an act under sub. (1) (a), request or accept assistance under sub. (2), the department shall send written notice thereof to the chief executive officer of the village, town or city where the business has or had its place of business.

(b) A chief executive officer receiving notification under par. (a), after consultation with the business affected, may create a community response committee which shall consist of the following members to be appointed by and serve at the pleasure of the chief executive officer:

1. A representative from the business if the business requests or accepts assistance under sub. (2).
2. A representative from the employees of the business or former employees laid off by an act under sub. (1) (a), if one or more employees or former employees request or accept assistance under sub. (2).
3. A representative from the village, town, city or county where the business has or had its place of business.
4. A representative from a local economic development organization.

(c) A committee created under par. (b) may appoint additional members to serve at the pleasure of the committee, or may otherwise request assistance from any persons, including representatives from any of the following:

1. A local office of the department.
2. A local campus of the university of Wisconsin system.
3. A county office of the university of Wisconsin–extension.
4. A technical college.
5. A regional small business development center of the university of Wisconsin system.
6. A district office of the department of workforce development.
7. The office of the county treasurer.

(d) Each community response committee shall advise and assist the department in the performance of its responsibilities under this section.

(4) All records received or created for the purposes of this section shall be closed to public inspection if the department, a chief executive officer of a village, town or city or a community response committee determines that public inspection of the records could adversely affect the business, its employees or former employees.

(5) Each employee of the department, and each member of the community response committee, and each chief executive officer of a village, town or city and employees of his or her office shall keep secret all facts and information obtained in the course of performing their responsibilities under this section. This subsection does not prohibit the public inspection of records to the extent per-

mitted under sub. (4) nor meetings in open session to the extent permitted under s. 19.85 (1) (i).

**History:** 1983 a. 84; 1983 a. 192 s. 304; 1985 a. 29; 1987 a. 27; 1989 a. 44; 1993 a. 399; 1995 a. 27 s. 9130 (4); 1997 a. 3.

### 560.16 Employee ownership assistance grants.

#### (1) DEFINITIONS. In this section:

(a) “Board” means the development finance board.

(b) “Business” means an employe–owned business or an existing business which is the subject of an application for a grant under this section.

(c) “Employe–owned business” means a business located in this state which is organized in a manner determined by the secretary to involve substantial employe participation or a cooperative organized under ch. 185 or a corporation in which the employes own the stock of the corporation through an employe stock ownership plan as defined under 26 USC 4975 (e) (7) and in which:

1. A majority of the voting rights are held by employes and any employe who has stock allocated to the employe is entitled to vote;

2. Shares are voted in such a manner that the vote of the majority of employes controls the vote of the majority of shares;

3. Voting rights on corporate matters for shares held in a trust for the employes shall pass through to those employes, at least to the extent required by the pass–through voting requirements under 26 USC 409A (e); and

4. The majority of the members of the board of directors are elected by the employes.

(e) “Existing business” means the assets of any business that is located in this state and that is operating or has ceased operating.

(f) “Existing business group” means a group formed by or on behalf of the current or former employes of an existing business that is considering layoffs or a closing or that has experienced layoffs or a closing for the purpose of determining the feasibility of assuming ownership or control of the existing business and operating it as an employe–owned business.

(g) “Group” means an existing business group.

(h) “Professional services” includes, but is not limited to, accounting services, engineering studies, design assistance, architectural services, appraisal services, marketing assistance, attorney services, financial packaging and employe relations services.

**(2) EMPLOYE OWNERSHIP ASSISTANCE GRANTS.** (a) From the appropriations under s. 20.143 (1) (c) and (ie), the department may make grants to existing business groups for a feasibility study to investigate the reorganization or new incorporation of an existing business as an employe–owned business and for professional services to implement the study.

(b) The department may not make a grant under this section unless the board has approved the grant under this section or requested the department to make the grant under s. 560.61 (3).

(c) The board may not approve a grant under this section unless the board has considered all of the following:

1. The number of employes affected by the considered or actual closing or layoff by the business.

2. The management capability of the group.

3. The economic impact of the considered or actual closing or layoff by the business on the community, region or state.

4. A preliminary assessment of the viability of the employe–owned business or proposed employe–owned business and, in the case of a proposed employe–owned business, the potential for a successful buy out by the group.

(d) The board may approve a grant regardless of the number of employes laid off or to be laid off by the business or, if the business is closed, the length of time that it has been closed.

**(3) GRANT APPLICATIONS.** To apply for a grant under this section, a group shall submit an application to the department which includes:

(a) A general analysis outlining the need for a feasibility study or professional services under sub. (2) (a), including, but not limited to, such items as the number of employes affected, the economic impact on the community of a business closing and a preliminary analysis as to the feasibility of undertaking employe ownership of the business and the potential for a successful buy out by the group.

(b) A petition in support of the effort signed by at least a majority of the members of the group and a list of the names and addresses of all the members of the group.

(c) A letter from a majority of the owners of the business indicating a preference to sell the business to the group if the study concludes that reorganization or new incorporation of the business that is the subject of the study as an employe–owned business is feasible. A group need not include a letter under this paragraph if the business is involved in bankruptcy or insolvency proceedings.

(d) The estimated cost and time required to conduct the feasibility study or provide the service.

(e) A description of the group’s financial assets available to match the grant and a statement indicating the group’s willingness to match the grant.

(f) A written commitment from a person with the recognized expertise and experience necessary to conduct the feasibility study or provide the professional services to be financed by the grant.

**(4) GRANT LIMITS; CONTRACT APPROVAL.** (a) A grant to a group under this section may not exceed \$15,000.

(b) As a condition of approval of a grant to a group under this section, the board shall require that the group provide matching funds for at least 25% of the cost of the project, except that the board may waive application of that requirement if the board determines that the group is subject to extreme financial hardship.

(c) Any contract for any feasibility study or professional services financed by a grant under sub. (2) (a) shall be subject to the approval of the department. The department may not approve such a contract unless it determines that the contractor has the expertise required to provide the necessary study or services and that the contractor’s costs are consistent with existing market rates.

**(6) STUDIES.** (a) Any feasibility study of an existing business financed by a grant under sub. (2) (a) may include:

1. An assessment of the market value and demand for any product produced by the existing business.

2. A complete evaluation of the production costs of the existing business, including, but not limited to, labor, inventory, machinery and equipment, and the application of new technology.

3. A verified statement of the financial condition and business operation of the existing business for the previous 3 years, certified by an independent public accountant.

4. A full narrative appraisal of the fair market value of the assets of the existing business by a disinterested and qualified appraiser using all 3 commonly accepted appraisal methods.

5. A comprehensive projected business plan of the proposed employe–owned business, including the proposed organizational structure and ownership arrangements.

6. The number and type of jobs to be created or preserved by the proposed employe–owned business at its start–up and for each of the 3 subsequent years.

7. An analysis of the reasons for the closing or considered closing of the existing business.

8. A plan for implementing the feasibility study, if the study concludes that reorganization or new incorporation of the existing business as an employe–owned business is feasible.

(b) The results of a feasibility study of an existing business financed by a grant under sub. (2) (a) shall be solely for the use of the group which received the grant, except that if the group’s bid to purchase the business has been withdrawn, rejected or termi-

nated, the group shall submit a copy of the study and the results of any professional services financed by the grant to the board and the board may provide a copy of such results to any person seeking to purchase the existing business.

**History:** 1985 a. 29; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1997 a. 27.

**560.165 Division of international and export development; fees.** The division of international and export development may charge fees for services it provides to cover the costs incurred by the division in providing the services. The division shall deposit all fees collected under this section in the appropriation account under s. 20.143 (1) (g).

**History:** 1997 a. 27.

**560.167 Wisconsin trade project program. (1)** In this section:

(a) “Eligible business” means a business operating in this state that manufactures a product or performs a service, or both, with a potential to be exported and that, together with all of its affiliates and subsidiaries and its parent company, had gross annual sales of \$25,000,000 or less in the calendar year preceding the year in which it applies for a reimbursement under this section.

(b) “Matchmaker trade delegation event” means a trade event that is planned by the U.S. department of commerce and that has prearranged meetings between new-to-market or new-to-export eligible businesses and prospective foreign representatives and distributors.

(c) “Trade show” means a trade event held in a country other than the United States that brings prospective foreign buyers to a central location and that is certified or coordinated by the U.S. department of commerce or the department.

(2) Subject to sub. (5), the department may make reimbursements totaling no more than \$100,000 in a fiscal year from the appropriations under s. 20.143 (1) (c) and (ie) to eligible businesses for any of the following:

(a) Fees for participation in a trade show or matchmaker trade delegation event.

(b) Costs associated with shipping displays, sample products, catalogs or advertising material to a trade show or matchmaker trade delegation event.

(c) Costs incurred at a trade show or matchmaker trade delegation event for utilities, booth construction or necessary modifications or repairs.

(d) Costs associated with foreign language translation of brochures or product information or with the use of translation services at a trade show or matchmaker trade delegation event.

(3) An eligible business seeking reimbursement under this section shall submit to the department an application containing all of the following:

(a) An export development plan and a description of how the activities for which reimbursement is sought will benefit the applicant’s ability to export its product or service.

(b) An itemized budget for expenses expected to be incurred for all of the activities for which reimbursement is sought.

(c) A description of the proposed use of the reimbursement.

(d) Assurance that at least 50% of the manufactured value of the product or of the performance value of the service will be produced in this state.

(4) (a) The department may approve an eligible business for reimbursement after considering all of the following:

1. The extent to which the business’ export development plan demonstrates the potential of the product or service to be exported in a particular foreign market.

2. The extent to which the business’ proposed reimbursable activities relate to the potential success of the product or service to be exported.

(b) The department shall give priority for reimbursements under this section to eligible businesses participating in the department’s export mentoring program.

(5) The department may not do any of the following:

(a) Reimburse an eligible business more than \$5,000 in a 12-month period.

(b) Reimburse an eligible business more than \$5,000 for participation in a trade show or matchmaker trade delegation event.

(c) Reimburse an eligible business for participating more than one time in the same trade show or matchmaker trade delegation event held at different times or in different locations.

(d) Reimburse an eligible business more than \$15,000 over the life of the program.

(6) An eligible business that is approved for a reimbursement under sub. (4) shall provide to the department, within 90 days after the trade show or matchmaker trade delegation event for which the reimbursement is sought, documentation detailing the costs for which the reimbursement is sought.

**History:** 1995 a. 27.

**560.17 Rural economic development program. (1)** In this section:

(a) “Board” means the rural economic development board.

(am) “Brownfields” has the meaning given in s. 560.60 (1v).

(b) “Business” includes cooperatives organized under ch. 185.

(bm) “Job” has the meaning given in s. 560.60 (10).

(c) “Professional services” includes all of the following:

1. Preparation of preliminary feasibility studies, feasibility studies or business and financial plans.

2. Providing a financial package.

3. Engineering studies, appraisals or marketing assistance.

4. Related legal, accounting or managerial services.

(d) “Rural municipality” means any of the following:

1. A city, town or village that is located in a county with a population density of less than 150 persons per square mile.

2. A city, town or village with a population of 6,000 or less.

(2) (a) At the request of the board, the department shall make a grant or loan to a business to which the board has awarded a grant or loan under this section.

(b) The department shall make the grant or loan from the appropriation under s. 20.143 (1) (er) or (ir).

(3) Subject to sub. (4m), the board may award a grant under this subsection to a business if all of the following apply:

(a) The amount of the grant does not exceed \$15,000.

(b) The business, together with any affiliate, subsidiary or parent entity, has fewer than 50 employees.

(c) The business is located in a rural municipality.

(d) The business is starting or expanding its operations.

(e) The proceeds of the grant will be used by the business as provided in sub. (5).

(f) The board considers the factors listed in sub. (4).

(4) Before awarding a grant under sub. (3), the board shall consider all of the following:

(a) The extent to which the start-up or expansion of the business will create new jobs.

(b) The economic condition of the rural municipality.

(c) The number of new jobs created by the business in relation to the amount of the grant.

(cm) In relation to the amount of the grant, the number of existing jobs that will be retained by the business if the grant is awarded and that likely would not be retained if the grant is not awarded.

(d) The degree to which the new or expanded operations of the business will provide beneficial services to the rural municipality where it is located.

(e) Whether financing is available from other sources.

(f) Whether the business would be able to start or expand its operations without a grant.

(4m) Of the total amount awarded in grants in a fiscal biennium under sub. (3), the board shall award not less than 25% and



not more than 50% for purposes related to an agricultural business. The board shall give priority under this subsection for grants that will be used for purposes related to a dairy farm, as defined in s. 97.22 (1) (a).

(5) A business shall use the proceeds of a grant under sub. (3) to pay for any of the following:

(a) Professional services related to starting or expanding the business.

(b) Management assistance continuing after the start-up or expansion.

(5c) (a) Subject to par. (b), the board may award a grant under this subsection to a person or business proposing to start up, modernize or expand in this state a dairy farm, as defined in s. 97.22 (1) (a), or other agricultural business if all of the following apply:

1. The dairy farm or other agricultural business is or will be owned by the person or business.

3. The grant proceeds will be used to pay for services related to the start-up, modernization or expansion of the dairy farm or other agricultural business, or for management assistance, as defined in s. 560.20 (1) (cf), continuing after the completion of the start-up, modernization or expansion of the dairy farm or other agricultural business.

4. The grant is likely to result in the start-up, modernization or expansion of the dairy farm or other agricultural business.

(b) The total amount of grants awarded under this subsection in any fiscal year may not exceed \$500,000.

(5m) (a) Subject to par. (cm), the board may award a grant or loan under this subsection that does not exceed \$100,000 to a business if all of the following apply:

1. The business, together with any affiliate, subsidiary or parent entity, has fewer than 50 employees.

2. The business is located in a rural municipality.

3. The business is starting or expanding its operations.

4. The business successfully demonstrates the feasibility of the project.

5. Financing is unavailable from any other source on reasonably equivalent terms.

(b) A business shall use the proceeds of a grant or loan under this subsection for any of the following:

1. Working capital.

2. Fixed asset financing.

3. Employee relocation costs.

(bm) If a business receives a grant or loan under this subsection for the purpose specified in par. (b) 3., the department shall ensure that an employe of the business has the option of accepting or declining any relocation assistance that is available as a result of the grant or loan.

(cm) Of the total amount awarded in grants and loans in a fiscal biennium under this subsection, the board shall award not less than 25% and not more than 50% for purposes related to an agricultural business. The board shall give priority under this paragraph for grants or loans that will be used for purposes related to a dairy farm, as defined in 97.22 (1) (a).

(6) Before awarding a loan under this section, the board shall do all of the following:

(a) Determine the terms for repayment of the principal amount of the loan.

(c) Establish all other terms and conditions of the loan after considering the circumstances of the particular business.

(6m) In order to receive a grant or loan under this section a person or business shall contribute cash, from a source other than the state, in an amount that equals at least 25% of the total cost of the project.

(6r) The board shall give priority for grants or loans under this section for projects related to brownfields redevelopment.

(7) (a) Except as provided in par. (am), the department shall designate staff to evaluate applications for grants or loans and

assist the board under this section. The board shall act on an application for a grant or loan at its next regularly scheduled meeting after the department determines that the application is complete.

(am) The department of commerce and the department of agriculture, trade and consumer protection shall designate staff to evaluate applications for grants or loans for purposes related to agricultural businesses and to make recommendations and assist the board with respect to those applications.

(b) The board or department shall deposit all interest or principal payments received for loans made under this section in the appropriation under s. 20.143 (1) (ir).

(d) The department or board may not limit the time period during which applications for grants and loans under this section may be accepted.

History: 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27, 237.

**560.18 Forestry education grant program. (1)** From the appropriation under s. 20.143 (1) (t), the department may award grants to nonprofit organizations, as defined in s. 560.20 (1) (d), to develop forestry educational programs and instructional materials for use in the public schools. The department may not award a grant unless it enters into a memorandum of understanding with the grant recipient and the director of the timber management program at the University of Wisconsin–Stevens Point regarding the use of the funds.

(2) The recipient of a grant under sub. (1) shall submit the programs and materials developed with the funds to the department and the director of the timber management program at the University of Wisconsin–Stevens Point College of Natural Resources for approval. Upon request, the grant recipient shall provide approved programs and materials to school districts free of charge.

History: 1997 a. 27.

**560.183 Physician loan assistance program. (1)** DEFINITIONS. In this section:

(ac) “Clinic hours” means hours spent working with patients in a clinic.

(ag) “Eligible practice area” means a primary care shortage area, a mental health shortage area, an American Indian reservation or trust lands of an American Indian tribe.

(aj) “Health professional shortage area” means an area that is designated by the federal department of health and human services under 42 CFR part 5, appendix A, as having a shortage of medical care professionals.

(ap) “Mental health shortage area” means an area that is designated by the federal department of health and human services under 42 CFR part 5, appendix C, as having a shortage of psychiatric professionals, excluding a state or federal prison and a state or county mental hospital.

(b) “Physician” means a physician, as defined in s. 448.01 (5), who specializes in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry.

(cm) “Primary care shortage area” means an area that is in a primary care health professional shortage area as determined by the federal department of health and human services under 42 CFR part 5, appendix A, excluding a state or federal prison.

(2) ELIGIBILITY. (a) The department may repay, on behalf of a physician, up to \$50,000 in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for postgraduate medical training.

(b) A physician who is a participant in the national health service corps scholarship program under 42 USC 254n, or a physician who was a participant in that program and who failed to carry out his or her obligations under that program, is not eligible for loan repayment under this section.

(3) AGREEMENT. (a) The department shall enter into a written agreement with the physician. In the agreement, the physician

shall agree to practice at least 32 clinic hours per week for 3 years in one or more eligible practice areas in this state, except that a physician specializing in psychiatry may only agree to practice psychiatry in a mental health shortage area and a physician in the expanded loan assistance program under sub. (9) may only agree to practice at a public or private nonprofit entity in a health professional shortage area. The physician shall also agree to care for patients who are insured or for whom health benefits are payable under medicare, medical assistance or any other governmental program.

(b) The agreement shall specify that the responsibility of the department to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.143 (1) (f), (jc) and (jm).

(4) LOAN REPAYMENT. Principal and interest due on loans, exclusive of any penalties, may be repaid by the department at the following rate:

(a) Up to 40% of the principal of the loan or \$20,000, whichever is less, during the first year of participation in the program under this section.

(b) Up to an additional 40% of the principal of the loan or \$20,000, whichever is less, during the 2nd year of participation in the program under this section.

(c) Up to an additional 20% of the principal of the loan or \$10,000, whichever is less, during the 3rd year of participation in the program under this section.

(5) AVAILABILITY OF FUNDS; RIGHT OF ACTION AGAINST STATE.

(a) The obligation of the department to make payments under an agreement entered into under sub. (3) (b) is subject to the availability of funds in the appropriations under s. 20.143 (1) (f), (jc) and (jm).

(b) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.143 (1) (f), (jc) and (jm), the department shall establish priorities among the eligible applicants based upon the following considerations:

1. The degree to which there is an extremely high need for medical care in the eligible practice area or health professional shortage area in which the physician desires to practice.

2. The likelihood that a physician will remain in the eligible practice area or health professional shortage area in which he or she desires to practice after the loan repayment period.

3. The per capita income of the eligible practice area or health professional shortage area in which a physician desires to practice.

4. The financial or other support for physician recruitment and retention provided by individuals, organizations, or local governments in the eligible practice area or health professional shortage area in which a physician desires to practice.

5. The geographic distribution of the physicians who have entered into loan repayment agreements under this section and the geographic distribution of the eligible practice areas or health professional shortage areas in which the eligible applicants desire to practice.

6. Other considerations that the department may specify by rule.

(d) An agreement under sub. (3) does not create a right of action against the state on the part of the physician or the lending institution for failure to make the payments specified in the agreement.

(6) LOCAL PARTICIPATION. The department shall encourage contributions to the program under this section by counties, cities, villages and towns. Funds received under this subsection shall be deposited in the appropriation under s. 20.143 (1) (jm).

(6m) PENALTIES. (a) The department shall, by rule, establish penalties to be assessed by the department against physicians who

breach an agreement entered into under sub. (3) (a). The rules shall do all of the following:

1. Specify what actions constitute a breach of the agreement.
2. Provide specific penalty amounts for specific breaches.
3. Provide exceptions for certain actions, including breaches resulting from death or disability.

(b) Any penalties assessed and collected under this subsection shall be credited to the appropriation account under s. 20.143 (1) (jc).

(8) ADMINISTRATIVE CONTRACT. From the appropriation under s. 20.143 (1) (f), the department shall contract with the board of regents of the University of Wisconsin System for administrative services from the office of rural health of the department of professional and community development of the University of Wisconsin Medical School. Under the contract, the office of rural health shall do all of the following:

(b) Advise the department and rural health development council on the identification of eligible practice areas with an extremely high need for medical care.

(d) Assist the department to publicize the program under this section to physicians and eligible communities.

(e) Assist physicians who are interested in applying for the program under this section.

(f) Assist communities in obtaining physicians' services through the program under this section.

(g) Assist the department with the general operation of the program under this section.

(9) EXPANDED LOAN ASSISTANCE PROGRAM. The department may agree to repay loans as provided under this section on behalf of a physician under an expanded physician loan assistance program that is funded through federal funds in addition to state matching funds. To be eligible for loan repayment under the expanded physician loan assistance program, a physician must fulfill all of the requirements for loan repayment under this section, as well as all of the following:

(a) The physician must be a U.S. citizen.

(b) The physician may not have a judgment lien against his or her property for a debt to the United States.

(c) The physician must agree to do all of the following:

1. Accept medicare assignment as payment in full for services or articles provided.

2. Use a sliding fee scale or a comparable method of determining payment arrangements for patients who are not eligible for medicare or medical assistance and who are unable to pay the customary fee for the physician's services.

3. Practice at a public or private nonprofit entity in a health professional shortage area.

History: 1989 a. 317; 1989 a. 359 s. 380; 1991 a. 39; 1995 a. 27; 1997 a. 27, 237.

### 560.184 Health care provider loan assistance program. (1) DEFINITIONS. In this section:

(ac) "Clinic hours" has the meaning given in s. 560.183 (1) (ac).

(ad) "Council" means the rural health development council.

(am) "Eligible practice area" means a primary care shortage area, an American Indian reservation or trust lands of an American Indian tribe.

(b) "Health care provider" means a physician assistant, nurse-midwife or nurse practitioner.

NOTE: Par. (b) is shown as amended eff. 2–1–99 by 1997 Wis. Act 67. Prior to 2–1–99 it reads:

(b) "Health care provider" means a physician's assistant, nurse-midwife or nurse practitioner.

(bp) "Health professional shortage area" has the meaning given in s. 560.183 (1) (aj).

(d) "Primary care shortage area" has the meaning given in s. 560.183 (1) (cm).

**(2) ELIGIBILITY.** The department may repay, on behalf of a health care provider, up to \$25,000 in educational loans obtained by the health care provider from a public or private lending institution for education related to the health care provider's field of practice, as determined by the department with the advice of the council.

**(3) AGREEMENT.** (a) The department shall enter into a written agreement with the health care provider. In the agreement, the health care provider shall agree to practice at least 32 clinic hours per week for 3 years in one or more eligible practice areas in this state, except that a health care provider in the expanded loan assistance program under sub. (8) may only agree to practice at a public or private nonprofit entity in a health professional shortage area.

(b) The agreement shall specify that the responsibility of the department to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.143 (1) (f), (j) and (jL).

**(4) LOAN REPAYMENT.** Principal and interest due on loans, exclusive of any penalties, may be repaid by the department at the following rate:

(a) Up to 40% of the principal of the loan or \$10,000, whichever is less, during the first year of participation in the program under this section.

(b) Up to an additional 40% of the principal of the loan or \$10,000, whichever is less, during the 2nd year of participation in the program under this section.

(c) Up to an additional 20% of the principal of the loan or \$5,000, whichever is less, during the 3rd year of participation in the program under this section.

**(5) AVAILABILITY OF FUNDS; RIGHT OF ACTION AGAINST STATE.**

(a) The obligation of the department to make payments under an agreement entered into under sub. (3) is subject to the availability of funds in the appropriations under s. 20.143 (1) (f), (j) and (jL).

(b) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.143 (1) (f), (j) and (jL), the department shall establish priorities among the eligible applicants based upon the following considerations:

1. The degree to which there is an extremely high need for medical care in the eligible practice area or health professional shortage area in which an eligible applicant desires to practice.

2. The likelihood that an eligible applicant will remain in the eligible practice area or health professional shortage area in which he or she desires to practice after the loan repayment period.

3. The per capita income of the eligible practice area or health professional shortage area in which an eligible applicant desires to practice.

4. The financial or other support for health care provider recruitment and retention provided by individuals, organizations or local governments in the eligible practice area or health professional shortage area in which an eligible applicant desires to practice.

5. The geographic distribution of the health care providers who have entered into loan repayment agreements under this section and the geographic location of the eligible practice area or health professional shortage area in which an eligible applicant desires to practice.

6. Other considerations that the department may specify by rule.

(c) An agreement under sub. (3) does not create a right of action against the state on the part of the health care provider or the lending institution for failure to make the payments specified in the agreement.

**(6) LOCAL PARTICIPATION.** The department shall encourage contributions to the program under this section by counties, cities,

villages and towns. Funds received under this subsection shall be credited to the appropriation account under s. 20.143 (1) (jL).

**(6m) PENALTIES.** (a) The department shall, by rule, establish penalties to be assessed by the department against health care providers who breach an agreement entered into under sub. (3) (a). The rules shall do all of the following:

1. Specify what actions constitute a breach of the agreement.

2. Provide specific penalty amounts for specific breaches.

3. Provide exceptions for certain actions, including breaches resulting from death or disability.

(b) Any penalties assessed and collected under this subsection shall be credited to the appropriation account under s. 20.143 (1) (j).

**(7) ADMINISTRATIVE CONTRACT.** From the appropriation under s. 20.143 (1) (f), the department shall contract with the board of regents of the University of Wisconsin System for administrative services from the office of rural health of the department of professional and community development of the University of Wisconsin Medical School. Under the contract, the office of rural health shall do all of the following:

(a) Advise the department and council on the identification of communities with an extremely high need for health care.

(b) Assist the department to publicize the program under this section to health care providers and eligible communities.

(c) Assist health care providers who are interested in applying for the program under this section.

(d) Assist communities in obtaining the services of health care providers through the program under this section.

(e) Assist the department with the general operation of the program under this section.

**(8) EXPANDED LOAN ASSISTANCE PROGRAM.** The department may agree to repay loans as provided under this section on behalf of a health care provider under an expanded health care provider loan assistance program that is funded through federal funds in addition to state matching funds. To be eligible for loan repayment under the expanded health care provider loan assistance program, a health care provider must fulfill all of the requirements for loan repayment under this section, as well as all of the following:

(a) The health care provider must be a U.S. citizen.

(b) The health care provider may not have a judgment lien against his or her property for a debt to the United States.

(c) The health care provider must agree to do all of the following:

1. Accept medicare assignment as payment in full for services or articles provided.

2. Use a sliding fee scale or a comparable method of determining payment arrangements for patients who are not eligible for medicare or medical assistance and who are unable to pay the customary fee for the physician's services.

3. Practice at a public or private nonprofit entity in a health professional shortage area.

**History:** 1993 a. 16; 1995 a. 27; 1997 a. 27, 67, 237.

**560.185 Rural health development council.** The rural health development council created under s. 15.157 (8) shall do all of the following:

**(1)** Advise the department on matters related to the physician loan assistance program under s. 560.183 and the health care provider loan assistance program under s. 560.184.

**(1m)** Advise the department on the amount, up to \$25,000, to be repaid on behalf of each health care provider who participates in the health care provider loan assistance program under s. 560.184.

**(2)** Advise the department as it promulgates the rules required under s. 231.35 (7) for the rural hospital loan guarantee program.

**(3)** Make recommendations to the department on all of the following:

(a) Ways to improve the delivery of health care to persons living in rural areas of the state that qualify as eligible practice areas, as defined in s. 560.183 (1) (ag).

(b) Ways to help communities evaluate the linkage between rural health facilities and economic development for purposes of determining the value of local support for rural health facilities.

(c) The coordination of state and federal programs available to assist rural health facilities.

(d) A rural health initiative for inclusion in the 1991–93 biennial budget that addresses all of the following issues:

1. Stronger coordination and maintenance of rural health services and delivery systems.

2. Development of mechanisms to reduce shortages of health care providers in rural areas.

3. Development of alternative state capital financing mechanisms for rural health facilities and services.

(4) Perform other advisory functions at the request of the secretary related to rural health development.

**History:** 1989 a. 317, 359; 1991 a. 39; 1993 a. 16; 1997 a. 27.

**560.19 Hazardous pollution prevention. (1)** In this section, “hazardous pollution prevention” has the meaning given in s. 299.13 (1) (c).

(2) From the appropriation under s. 20.143 (1) (em), the department may contract with the board of regents of the University of Wisconsin System for educational services from the University of Wisconsin–Extension solid and hazardous waste education center. If the department enters into a contract under this subsection, the contract shall provide that the solid and hazardous waste center shall do all of the following:

(a) Expand its educational program to include business assessment activities that are specified in the contract and that have the following purposes:

1. Determining the full costs of using and producing hazardous substances, toxic pollutants and hazardous waste.

2. Identifying processes that use or produce hazardous substances, toxic pollutants or hazardous waste and the composition of the hazardous substances, toxic pollutants or hazardous waste.

3. Identifying hazardous pollution prevention options.

(b) Consider all of the following in conducting the business assessment activities under the contract:

1. The need for a hazardous pollution prevention assessment and a program participant’s willingness to participate in an assessment.

2. The technical and financial ability of a program participant to implement hazardous pollution prevention.

3. The potential for others to use the information gained from a hazardous pollution prevention assessment.

(3) In coordination with the hazardous pollution prevention program under s. 36.25 (30) and the department of natural resources the department shall conduct an education, environmental management and technical assistance program to promote hazardous pollution prevention among businesses in the state.

**History:** 1989 a. 325; 1989 a. 359 s. 381; 1993 a. 16; 1995 a. 27, 227; 1997 a. 27.

**560.20 Business development initiative. (1) DEFINITIONS.** In this section:

(a) “Community development finance company” has the meaning given in s. 234.94 (3).

(b) “Equity investment” means the purchase of common or preferred capital stock or the purchase of an option or other right to acquire common or preferred capital stock.

(c) “For-profit business” means any organization or enterprise operated on a for-profit or cooperative basis, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation, cooperative or association.

(cf) “Management assistance” means engineering and legal services and professional assistance in establishing or improving

management systems, policies or procedures in such management concerns as financial planning, personnel, inventory control, production planning, purchasing, bookkeeping, record keeping and marketing.

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

(d) “Nonprofit organization” means a nonprofit corporation, as defined in s. 181.0103 (17), and any organization described in section 501 (c) (3) of the internal revenue code that is exempt from federal income tax under section 501 (a) of the internal revenue code.

(e) “Person with severe disabilities” means an individual who is eligible for one or more programs or services under ch. 47 because he or she is a person with a severe disability, as defined in s. 47.01 (3g).

(f) “Small business” means a for-profit business having fewer than 25 full-time employees.

(g) “Technical assistance” includes all of the following:

1. Preparation of preliminary feasibility studies, feasibility studies or business and financial plans.

2. Providing a financial package.

3. Engineering studies, appraisals or marketing assistance.

4. Related legal, accounting or managerial services.

(1m) EMPLOYMENT OPPORTUNITIES. The department shall develop a program consisting of technical assistance, grants and loans, as described in subs. (2) and (3), for the purpose of assisting the expansion and creation of for-profit businesses that are expected to provide employment opportunities for persons with severe disabilities.

(2) TECHNICAL ASSISTANCE; GRANTS AND SERVICES. (a) The department may provide technical assistance to an individual, small business or nonprofit organization. In addition to or in lieu of the technical assistance provided by the department, the department may make a grant to an individual, small business or nonprofit organization from the appropriation under s. 20.143 (1) (en) to partially fund technical assistance provided to the individual, small business or nonprofit organization. Technical assistance or a grant for technical assistance provided under this paragraph shall be for the purpose of developing and planning, at the preliminary stages, the start-up or expansion of a for-profit business that is or will be located in this state.

(b) In deciding whether to provide technical assistance or make a grant under par. (a), or both, the department shall consider all of the following:

1. The likelihood that the for-profit business will actually be profitable.

2. The extent to which the expansion or creation of the for-profit business will increase employment in this state.

3. The extent to which the expansion or creation of the for-profit business is expected to create employment opportunities for persons with severe disabilities, particularly persons with severe disabilities who are minority group members.

4. The type of technical assistance needed.

(c) The amount of each grant awarded under par. (a) may not exceed \$15,000. As a condition of receiving a grant, the individual, small business or nonprofit organization shall provide matching funds in an amount equal to at least 25% of the amount of the grant. The department may allow the individual, small business or nonprofit organization to satisfy the matching fund requirement by contributing, or having another person contribute on its behalf, services toward the technical assistance that have a value, as determined by the department, equal to at least 25% of the amount of the grant.

(d) The department shall do all of the following:

1. Develop an application form to be used by individuals, small businesses and nonprofit organizations seeking technical assistance and grants under par. (a) and furnish the application upon request.

2. Award grants under par. (a) on a competitive basis after evaluating applications received by the department for technical assistance and grants under par. (a).

**(3) MANAGEMENT ASSISTANCE; LOANS AND GRANTS.** (a) The department may award funds appropriated under s. 20.143 (1) (en) and (in) to an individual, small business or nonprofit organization for use in connection with the start–up or expansion of a for–profit business if all of the following apply:

1. The department provided technical assistance or a grant for technical assistance under sub. (2) for developing and planning the start–up or expansion of the for–profit business.

2. The for–profit business is or will be at least 51% owned by a handicapped person, as defined in s. 47.01 (3), or by a nonprofit organization that provides services to handicapped persons, as defined in s. 47.01 (3).

(b) If the department awards funds under this subsection to an individual, small business or nonprofit organization, up to 20% of the award, or \$5,000, whichever is less, may be a grant and the balance shall be a loan.

(c) An individual, small business or nonprofit organization that receives an award of funds under this subsection may use loan proceeds only for working capital or fixed–asset financing, and may use grant proceeds, if any, only for management assistance.

(d) The department may not award under this subsection funds that exceed \$30,000 in a fiscal biennium to any single individual, small business or nonprofit organization. As a condition of receiving an award under this subsection, an individual, small business or nonprofit organization shall provide matching funds that are at least equal to the amount of the award.

(e) In deciding whether to make an award under this subsection, the department shall consider all of the following:

1. The likelihood that the for–profit business will actually be profitable.

2. The extent to which the expansion or creation of the for–profit business will increase employment in this state.

3. The extent to which the expansion or creation of the for–profit business is expected to create employment opportunities for persons with severe disabilities, particularly persons with severe disabilities who are minority group members.

4. The extent to which the award is necessary for the successful completion of the start–up or expansion of the for–profit business because funding is unavailable in traditional capital markets, or because credit has been offered on terms that would preclude the success of the for–profit business.

(f) The department shall do all of the following:

1. Develop an application form to be used by individuals, small businesses and nonprofit organizations seeking an award under this subsection and furnish the application upon request.

2. Before awarding a loan under this subsection, determine the terms for repayment of the principal amount of the loan.

3. Before awarding the loan, establish all other terms and conditions of the loan after considering the circumstances of the individual, small business or nonprofit organization.

4. Deposit in the appropriation account under s. 20.143 (1) (in) all interest and principal received in repayment of loans under this subsection, any proceeds from equity investments made by the community development finance company under s. 234.965, 1991 stats., that are received by the department or the community development finance company and any unencumbered grant funds returned to the department under 1993 Wisconsin Act 437, section 9115 (1t).

(g) The department, in agreement with the for–profit business, may convert any equity investments made by the community development finance company in a for–profit business under s. 234.965, 1991 stats., to a grant or a loan under this subsection without regard to the requirements under par. (b).

(h) The community development finance company shall transfer to the department any proceeds that the company receives from

equity investments made by the community development finance company under s. 234.965, 1991 stats.

History: 1989 a. 342; 1989 a. 359 s. 382; 1993 a. 437; 1997 a. 79, 112.

## SUBCHAPTER II

### CERTIFIED CAPITAL COMPANIES

NOTE: Subch. II is created eff. 7–1–99 by 1997 Wis. Act 215.

**560.30 Definitions.** In this subchapter:

**(1)** “Affiliate” means, with respect to a certified capital company or a certified investor, any of the following:

(a) A person who, directly or indirectly, owns, controls, or holds power to vote, 10% or more of the outstanding voting securities or other voting ownership interests of the certified capital company or certified investor.

(b) A person, 10% of whose outstanding voting securities or other voting ownership interests are directly or indirectly owned, controlled or held with power to vote by the certified capital company or certified investor.

(c) A person directly or indirectly controlling, controlled by, or under common control with, the certified capital company or certified investor.

(d) A partnership in which the certified capital company or certified investor is a general partner.

(e) A person who is an officer, director or agent of the certified capital company or certified investor, or is an immediate family member of such an officer, director or agent.

**(2)** “Certified capital company” means a person that has been certified by the department under s. 560.31 and that has not been decertified under s. 560.37 (3) or (3m).

**(3)** “Certified capital company tax credit” means the tax credit under s. 76.635.

**(4)** “Certified capital investment” means an investment in a certified capital company that is certified under s. 560.32 (2) and that fully funds either the investor’s equity interest in a certified capital company, a qualified debt instrument that a certified capital company issues, or both.

**(5)** “Certified investor” means a person who makes a certified capital investment.

**(6)** “Investment date” means, with respect to each investment pool, the date on which the last certified capital that is part of that investment pool was invested in the certified capital company.

**(7)** “Investment pool” means the aggregate of all investments of certified capital in a certified capital company that are made as part of the same transaction, except that investments received more than 30 days apart may not be considered part of the same investment pool.

**(8)** “Qualified business” means a business which is a qualified business under s. 560.33.

**(9)** “Qualified debt instrument” means a debt instrument that a certified capital company issues at par value or at a premium; that has an original maturity date of at least 5 years from the date on which it was issued; that has a repayment schedule that is no faster than a level principal amortization and, until the certified capital company may make distributions other than qualified distributions, the interest, distribution or payment features of which are not related to the certified capital company’s profitability or the performance of its investment portfolio.

**(10)** “Qualified distribution” means a distribution or payment by a certified capital company to its equity holders for any of the following:

(a) The costs of forming, syndicating, managing or operating the certified capital company.

(b) An annual management fee that does not exceed 2.5% of the certified capital company’s total certified capital.

(c) Reasonable and necessary fees paid for professional services related to the operation of the certified capital company.

(d) A projected increase in federal or state taxes, including penalties and interest on those taxes, of the equity owners of the certified capital company if those amounts are related to the certified capital company's ownership, management or operation.

(11) "Qualified investment" means an investment in a qualified business by a certified capital company that meets the requirements under s. 560.34 (1).

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

### 560.31 Certification of certified capital companies.

(1) APPLICATION. The department shall promulgate rules establishing procedures under which a person may apply to become a certified capital company. The department shall grant or deny an application for certification under this section within 30 days of the date of application. If the department denies certification, the department shall include with the denial a detailed description of the grounds for the refusal, including suggestions for removal of those grounds.

(2) REQUIREMENTS FOR CERTIFICATION. The department shall certify a person as a certified capital company if the department determines that all of the following conditions have been met:

(a) The person is a partnership, corporation, trust or limited liability company, whether organized for profit or not for profit, that has as its primary business activity the investment of cash in qualified businesses.

(b) The person has a net worth, at the time of application, of at least \$500,000 and has at least \$500,000 in cash, cash equivalents and marketable securities.

(c) The directors, officers, general partners, trustees, managers or members or persons having a similar function are familiar with the requirements of this subchapter.

(d) At least 2 officers, directors, general partners, trustees, managers or members each have at least 2 years of experience in the venture capital industry.

(e) The person has included, in any offering material involving the sale of securities, the statement required under s. 560.32 (1).

(f) The person has paid a nonrefundable application fee of \$7,500.

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

### 560.32 Investments in certified capital companies.

(1) REQUIRED DISCLOSURES IN SECURITIES OFFERINGS. Any offering material involving the sale of securities of a certified capital company shall include all of the following statements:

(a) "By authorizing the formation of a certified capital company, the state does not necessarily endorse the quality of management or the potential for earnings of the company and is not liable for damages or losses to a certified investor in the company. Use of the word "certified" in an offering is not a recommendation or endorsement of the investment by the State of Wisconsin Department of Commerce."

(b) "Investments in a prospective certified capital company prior to the time the company is certified are not eligible for a certified capital company investment credit under section 76.635 of the Wisconsin Statutes. Investments in a certified capital company are not eligible for a certified capital company investment credit under section 76.635 of the Wisconsin Statutes unless the proposed investment is certified under section 560.32 (2) of the Wisconsin Statutes before the investment is made. In the event that certain statutory provisions are violated, the state may require forfeiture of unused certified capital company investment credits and repayment of used certified capital company investment credits."

(2) CERTIFICATION OF CERTIFIED CAPITAL INVESTMENTS. (a) A person may apply to make a certified capital investment in a certified capital company by providing notice under this paragraph to the department on a form specified by the department. The notice shall include the name of the person, the name of the certified capi-

tal company, the amount of the investment and any other information specified by the department. The notice shall also include an undertaking by the person to make the investment within 5 days after the department notifies the person that the investment has been certified.

(b) The department may certify an investment under this subsection only if, after the certification, the department will not have certified a total of more than \$50,000,000 in investments under this subsection.

(c) Prior to August 1, 2000, the department may not certify an investment under this subsection if, after the certification, the investor, together with all affiliates of the investor, would have more than \$10,000,000 in certified capital investments.

(d) If, as a result of the limitations under par. (b) or (c), the department may not certify the full amount requested in applications for certified capital investments submitted under par. (a), the department shall allocate the amounts available for certification in order of priority based on the date on which the application was filed. If the amounts available for certification are insufficient to certify the full amount of all applications for certified capital investments that are submitted on the same day, the department shall prorate the available amount on the basis of the amount that the investor has committed to invest in the certified capital company under par. (a).

(3) LIMITATION ON CERTIFIED INVESTOR INVESTMENT. A certified investor may not, individually, or with or through one or more affiliates, own 10% or more of the equity securities in, be a general partner or manager of, or otherwise control the investments of the certified capital company. This subsection does not preclude a certified investor from exercising its legal rights and remedies, including interim management of a certified capital company, in the event that a certified capital company is in default of its statutory or contractual obligations to the certified investor.

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

**560.33 Qualified businesses.** (1) QUALIFICATIONS. A business is a qualified business if all of the following requirements are met as of the time that a certified capital company, or any affiliate of the certified capital company, makes its first investment in the business:

(a) The business is headquartered in this state and its principal business operations are located in this state.

(am) The business is in need of venture capital and is unable to obtain conventional financing, as defined by the department by rule.

(b) The business has no more than 100 employees, at least 75% of whom are employed in this state.

(c) During its 2 most recent fiscal years, the business had, together with all of its consolidated affiliates, an average annual net income, after federal income taxes and excluding any carry-over losses, of not more than \$2,000,000, as determined in accordance with generally accepted accounting principles.

(d) The business has, together with its consolidated affiliates, a net worth that is not in excess of \$5,000,000.

(e) The business is not predominantly engaged in professional services provided by accountants, lawyers or physicians.

(f) The business is not engaged in the development of real estate for resale.

(g) The business is not engaged in banking or lending and does not make any loans to, or investments in, certified capital companies.

(2) DEPARTMENT OPINIONS AND EXCEPTIONS. A certified capital company may, prior to making an investment in a specific business, request a written opinion from the department that a business in which it proposes to invest is a qualified business. If the department determines that the business meets the requirements under sub. (1), the department shall issue a written opinion stating that the business is a qualified business.

**NOTE:** This section is created eff. 7–1–99 by 1997 Wis. Act 215.  
**History:** 1997 a. 215.

### 560.34 Operation of certified capital companies.

**(1) QUALIFIED INVESTMENTS REQUIREMENTS.** In order for a certified capital company to prevent disqualification under s. 560.37 of an investment pool, the certified capital company shall ensure that the investment pool makes qualified investments in accordance with the schedule under sub. (1m). An investment is a qualified investment if the investment meets all of the following requirements:

(a) The investment is a cash investment in a qualified business for the purchase of any of the following:

1. An equity security of the qualified business.

2. A debt security of the qualified business if the debt has a maturity of at least 5 years and if one of the following conditions is met:

a. The debt is unsecured.

b. The debt is convertible into equity securities or equity participation instruments such as options or warrants.

(b) As a condition of the investment, the qualified business agrees not to use the proceeds from the investment for the purpose of relocating its operations.

(c) As a condition of the investment, the qualified business agrees, as long as the certified capital corporation continues to hold the investment, not to relocate its headquarters out of this state.

(d) As a condition of the investment, the qualified business agrees, as long as the certified capital corporation continues to hold the investment, to maintain at least 75% of its employees in this state.

(e) As a condition of the investment, the qualified business agrees, as long as the certified capital corporation continues to hold the investment, to maintain at least 75% of its employees at work sites that were maintained by the qualified business at the time that the investment was made, unless the qualified business obtains an exemption from the department under this paragraph. The department may grant an exemption unless it determines that the qualified business is locating the employees at new sites to take advantage of lower wage rates in the areas where the new sites are located.

**(1m) QUALIFIED INVESTMENT SCHEDULE.** (a) A certified capital company shall ensure that each of its investment pools makes qualified investments according to the following schedule:

1. Within 3 years after the investment date for a particular investment pool, at least 30% of the investment pool shall be placed in qualified investments.

2. Within 5 years after the investment date for a particular investment pool, at least 50% of the investment pool shall be placed in qualified investments.

(b) The proceeds of all capital of a qualified investment returned to a certified capital company by a qualified business may be placed in new qualified investments, which shall count toward the percentage requirements under par. (a) and s. 560.36 (3). The department shall promulgate rules governing the extent to which a reinvestment of proceeds from the sale of a qualified investment in a qualified business may be counted toward the percentage requirements under par. (a) and ss. 560.36 (3) and 560.37 (3m) (a) 2. These rules may provide that reinvested proceeds from the sale of short-term investments shall be only partially counted toward the percentage requirements under par. (a) and ss. 560.36 (3) and 560.37 (3m) (a) 2. The rules may also provide that proceeds from the sale of an investment in a qualified business that are reinvested in that qualified business, or an affiliate of that qualified business, shall be only partially counted toward the percentage requirements under par. (a) and ss. 560.36 (3) and 560.37 (3m) (a) 2.

**(2) NONQUALIFIED INVESTMENTS.** All certified capital investments in a certified capital company that are not invested in qualified investments may be held or invested by the certified capital company as it considers appropriate, except that a certified capital company may not invest certified capital investments in an insurance company or in an affiliate of an insurance company.

**(3) DIVERSIFICATION REQUIREMENT.** A certified capital company may not make a qualified investment in a person if, at the time of the investment, more than 15% of the total certified capital of the certified capital company would be invested in that person and affiliates of that person.

**(4) RESTRICTIONS ON MANAGEMENT.** No certified capital company may be managed or controlled by, or have a general partner that is, an insurance company or an affiliate of an insurance company.

**NOTE:** This section is created eff. 7–1–99 by 1997 Wis. Act 215.  
**History:** 1997 a. 215.

**560.35 Reporting requirements and fees. (1) RECEIPTS OF CERTIFIED CAPITAL.** As soon as practicable after the receipt of a certified capital investment, a certified capital company shall report all of the following to the department:

(a) The name of the certified investor from which the certified capital was received, including the certified investor's tax identification number.

(b) The amount of the certified capital investment.

(c) The date on which the certified capital investment was received by the certified capital company.

(d) The investment date for the investment pool of which the certified capital will be a part.

**(1m) VIOLATION OF AGREEMENTS BY QUALIFIED BUSINESSES.** As soon as practicable after the receipt of information by the certified capital company that a qualified business has violated an agreement made under s. 560.34 (1) (b) to (e), the certified capital company shall notify the department of the violation and the facts giving rise to the violation.

**(2) ANNUAL REPORTS.** On or before January 31 annually, a certified capital company shall report all of the following to the department:

(a) The amount of the certified capital company's certified capital at the end of the preceding year.

(b) Whether the certified capital company has invested more than 15% of its total certified capital in any one person.

(c) All qualified investments that the certified capital company has made during the previous calendar year and the investment pool from which each qualified investment was made.

**(3) FINANCIAL STATEMENTS.** Within 90 days of the end of the certified capital company's fiscal year, the certified capital company shall provide to the department a copy of its annual audited financial statements, including the opinion of an independent certified public accountant. The audit shall address the methods of operation and conduct of the business of the certified capital company to determine whether the certified capital company is complying with this subchapter and the rules promulgated under this subchapter, including whether certified capital has been invested in the manner required under s. 560.34. The financial statements provided under this subsection shall be segregated by investment pool and shall be separately audited on that basis to allow the department to determine whether the certified capital company is in compliance with s. 560.34 (1m).

**(4) FEES.** On or before January 31 annually, a certified capital company shall pay a nonrefundable certification fee of \$5,000 to the department, unless January 31 falls within 6 months of the date on which the certified capital company was certified under s. 560.31.

**(5) EXEMPTION FROM RIGHTS OF INSPECTION AND COPYING.** If the department determines that a document submitted by a certi-

fied capital company under this section contains a trade secret, as defined in s. 134.90 (1) (c) or a business secret, that document is not subject to the right of inspection and copying under s. 19.35.

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

**560.36 Distributions.** A certified capital company may make a distribution only if one of the following conditions is met:

(1) **QUALIFIED DISTRIBUTION.** The distribution is a qualified distribution.

(2) **WRITTEN DETERMINATION.** The department made a written determination that the distribution may be made without adversely affecting the ability of the certified capital company to place, in qualified investments, an amount equal to 100% of the certified capital in the investment pool from which the distribution is to be made.

(3) **PLACEMENT OF 100% OF INVESTMENTS IN QUALIFIED INVESTMENTS.** The certified capital company has placed in qualified investments an amount equal to 100% of the certified capital investments in the investment pool.

(4) **DEBT PAYMENTS.** The distribution is a payment of principal or interest owed to a debt holder of a certified capital company, even if the debt holder is also a holder of equity and even if the indebtedness is a certified capital investment.

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

**560.37 Compliance reviews; decertification; disqualification.** (1) **ANNUAL COMPLIANCE REVIEW.** The department shall conduct an annual review of each certified capital company to determine if the certified capital company is complying with the requirements of this subchapter, to advise the certified capital company regarding the status of its investments as qualified investments and to ensure that no investment has been made in violation of this subchapter. The cost of the annual review shall be paid by each certified capital company according to a reasonable fee schedule adopted by the department.

(2) **DISQUALIFICATION OF AN INVESTMENT POOL.** Any material violation of s. 560.34 (1m) is a ground for disqualification of the noncomplying investment pool. If the department determines that the certified capital company is not in compliance with s. 560.34 (1m) with respect to an investment pool, it shall send a written notice to the certified capital company and the commissioner of insurance stating that the investment pool has been disqualified.

(3) **DECERTIFICATION OF A CERTIFIED CAPITAL COMPANY.** Any material violation of s. 560.34 (2), (3) or (4) or 560.35 (1), (2), (3) or (4) is a ground for decertification of the noncomplying certified capital company. If the department determines that the certified capital company is not in compliance with s. 560.34 (2), (3) or (4) or 560.35 (1), (2), (3) or (4), the department shall send a written notice to the certified capital company that the certified capital company may be subject to decertification in 120 days from the date on which the notice was mailed, unless the certified capital company brings itself into full compliance with ss. 560.34 (2), (3) or (4) and 560.35 (1), (2), (3) and (4). If at the end of the 120-day period the certified capital company is not in compliance with ss. 560.34 (2), (3) or (4) and 560.35 (1), (2), (3) and (4), the department shall send a notice to the certified capital company and the commissioner of insurance stating that the certified capital company has been decertified.

(3m) **VOLUNTARY DECERTIFICATION.** (a) A certified capital company may voluntarily decertify itself as a certified capital company if any of the following conditions are met:

1. It has been at least 10 years since the last certified capital investment was made in the certified capital company.

2. The certified capital company has placed in qualified investments an amount equal to 100% of the certified capital investment in the certified capital company.

(b) A certified capital company wishing to decertify itself under this subsection shall send a notice to the department certifying that it is eligible for decertification under par. (a). The decertification is effective on the date that the notice under this paragraph is received by the department.

(4) **EFFECT OF DECERTIFICATION.** Decertification of a certified capital company or an investment pool has the effects specified in s. 76.635 (4).

(5) **NOTICES TO CERTIFIED INVESTORS.** The department shall notify a certified investor when the certified capital company tax credit arising from a certified investment is no longer subject to recapture and forfeiture under s. 76.635 (4).

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

**560.38 Department evaluation of program.** Beginning on March 31, 2000, and on March 31 of each even-numbered year thereafter, the department shall submit a report to the legislature under s. 13.172 (2) regarding the program under this subchapter. The report shall include all of the following:

(1) The total amount of certified capital investments made during the previous 2 calendar years, as well as the total amount of certified capital investments made since July 1, 1999.

(2) Statistical information on the qualified investments made by certified capital companies during the previous 2 calendar years.

(3) The department's assessment of the number of jobs created in this state during the previous 2 calendar years as a result of the certified capital company program under this subchapter.

NOTE: This section is created eff. 7–1–99 by 1997 Wis. Act 215.

History: 1997 a. 215.

## SUBCHAPTER III

### BUSINESS DEVELOPMENT ASSISTANCE CENTER

**560.41 Definitions.** In this subchapter:

(1) "Brownfields" means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

(1m) "Center" means the business development assistance center in the department.

(2) "Permit" means any approval of a regulatory agency required as a condition of operating a business in this state.

(3) "Regulatory agency" means any state agency responsible for granting a permit.

History: 1983 a. 91; 1995 a. 27; 1997 a. 27.

**560.42 Responsibilities related to permits.** (1) **PERMIT EXPEDITING.** (a) The center shall expedite the process of applying for permits, of reviewing and making determinations on permit applications and of issuing permits as follows:

1. The center shall discharge its responsibilities under sub. (2) in a manner designed to expedite the process.

2. Upon request by a person applying for a permit and to the extent possible, the center shall resolve misunderstandings between the person and the appropriate regulatory agency and shall prevent or mitigate delays in the process.

3. If the center determines that it is unable to resolve misunderstandings or prevent or mitigate delays under subd. 2., the center shall request the assistance of the secretary and the head of the appropriate regulatory agency.

4. If the center determines that the secretary and head of the appropriate regulatory agency are unable to resolve misunderstandings or prevent or mitigate delays under subd. 3., the center shall request the assistance of the governor.



(b) The center shall give priority to businesses new to this state and to businesses expanding within this state in providing assistance under par. (a).

(c) The center shall maintain records identifying each person requesting assistance under par. (a) and setting forth assistance rendered and results achieved.

**(2) PERMIT INFORMATION.** (a) The center shall assist any person requesting information on which permits are required for a particular business activity or on the application process, including criteria applied in making a determination on a permit application and the time period within which a determination will be made. This assistance may include any of the following:

1. Arranging a meeting between the person and the staff of the appropriate regulatory agency to enable the person to obtain information from the agency.

2. Obtaining information and permit applications from the regulatory agency and providing the information and appropriate permit applications to the person.

(b) If a person receives assistance under this subsection and applies for a permit and if the person requests, the center shall monitor the status of the permit application and periodically report the status to the person.

**(2m) ADVOCACY.** The center shall provide advocacy services before regulatory agencies on behalf of permit applicants. These services shall include all of the following:

(a) Monitoring the application approval process to ensure that permits are granted in the shortest amount of time possible consistent with the substantive requirements established by rule or law.

(b) Advocating legislative changes to improve and expedite the issuance of permits.

**(2r) MEDIATION AND DISPUTE RESOLUTION SERVICES.** The center may provide mediation or other dispute resolution services to facilitate the resolution of a dispute between a regulatory agency and a person applying for a permit. The provision of mediation or other dispute resolution services under this subsection does not affect any right that the person may have to a contested hearing under ch. 227.

**(3) ASSISTANCE BY CENTER.** (a) The center may charge for services provided under this subchapter. Any amount charged for services may not exceed the actual cost of the service provided, unless a specific charge for the service, or method of calculating the charge, is provided by law. All amounts received under this paragraph shall be deposited in the appropriation account under s. 20.143 (1) (gc).

(b) The center may refer to the appropriate regulatory agency, without giving further assistance, any person seeking information or assistance on a permit under chs. 186, 215, 217, 220 to 224, 440 to 480 and 600 to 646.

(c) Advice, assistance, mediation or other dispute resolution services or information rendered by the center under this subchapter does not relieve any person from the obligation to secure a required permit or satisfy a regulatory requirement.

(d) The center shall not be liable for any consequences resulting from the failure of a regulatory agency to issue, or the failure of a person to seek, a permit.

**(4) PROMOTION OF ASSISTANCE.** (a) The center shall maintain and publicize the availability of a toll-free telephone line available to in-state and out-of-state callers to the center.

(b) The center shall seek to explain, promote and publicize its services to the public and shall provide information on its services for inclusion in any public informational material on permits provided by regulatory agencies.

(c) The center shall, in its efforts under pars. (a) and (b), clearly represent that its services are advisory, informational and facilitative only.

**(5) ANNUAL REPORT.** (a) *Report.* Annually, on or before April 1, the center shall submit a report containing the information

required under pars. (am) and (b) to the appropriate standing committees under s. 13.172 (3).

(am) *Permit simplification.* Based on the experience of the center in assisting persons and discussions with regulatory agencies, the center shall periodically submit a report containing recommendations for the legislature, governor, public records board and regulatory agencies concerning all of the following:

1. Improving permit application forms.

2. Eliminating unnecessary or duplicative permit requirements.

3. Simplifying the process of applying for permits, of reviewing and making determinations on permit applications and of issuing permits.

(b) *Record of assistance.* Based on the experiences of the center in assisting persons and on reports received under s. 227.116 (4), the center shall periodically prepare information for the legislature, governor, public records board and regulatory agencies which shall include all of the following:

1. The number of persons assisted.

2. The kinds of assistance provided.

3. The number of occasions when regulatory agencies exceeded the time period specified by rule or law for reviewing and making determinations on permit applications.

4. An evaluation of why the regulatory agencies exceeded the time periods on the occasions specified in subd. 3. and an explanation of how the agencies intend to avoid exceeding the time periods in the future.

**(6) PERMIT CONSOLIDATION.** In its annual reports submitted under sub. (5) (a), the center shall include its recommendations concerning the feasibility and desirability of providing consolidated or multiple permit application forms or consolidated hearings on consolidated or multiple permit application forms.

**History:** 1983 a. 91; 1985 a. 182 s. 57; 1987 a. 186; 1991 a. 39; 1993 a. 102; 1995 a. 27; 1997 a. 27.

### 560.43 Responsibilities of regulatory agencies.

**(1) INTERAGENCY COOPERATION.** Each regulatory agency shall:

(a) Designate a staff person to coordinate regulatory agency cooperation with center staff, provide information to center staff on the permit process and direct center staff to appropriate staff within the regulatory agency.

(b) Cooperate with center staff and respond promptly to requests for assistance in expediting and requests for information on the permit process under s. 560.42.

(c) Include material provided by the center under s. 560.42 (4) in any public informational material on permits that it provides.

(d) Maintain responsibility for interpreting the requirements of and granting or denying its permits.

(e) In reviewing a submitted application for a permit, notify the applicant of all reasons the application is incomplete or incorrectly submitted at the first time the agency returns the application to the applicant.

(f) Periodically review and, if appropriate, revise its administrative rules and its permit applications to simplify and expedite the processing of permit applications.

(g) Provide to the center written notification of a change to a permit, along with a copy of the new or revised permit, before the effective date of the change.

**(2) PREAPPLICATION MEETINGS.** Each regulatory agency shall provide an opportunity for a preapplication meeting with its staff to any person interested in applying for a permit upon request by the person or the center, and shall comply with the following requirements:

(a) The regulatory agency shall conduct preapplication meetings in an informal manner.

(b) In any preapplication meeting, the regulatory agency shall identify all permits required by the regulating agency for a business activity, describe the steps and identify the time period for

each step in the permit process and identify potential problems in the process.

(d) The regulatory agency shall invite participation by center staff in preapplication meetings when appropriate.

(e) The regulatory agency shall publicize the availability of preapplication meetings to persons contacting them about permits.

**History:** 1983 a. 91; 1995 a. 27; 1997 a. 27.

**560.44 Responsibilities related to brownfields redevelopment projects. (1) OMBUDSMAN.** The center shall act as an ombudsman for brownfields redevelopment projects. As ombudsman, the center shall do all of the following:

(a) Promote brownfields redevelopment projects and related educational efforts.

(b) Coordinate interagency activities and responsibilities related to brownfields redevelopment projects.

(c) Coordinate, with the department of workforce development, training programs or activities for unemployed persons who reside in the vicinity of a brownfields redevelopment project.

**(2) ADMINISTRATION OF BROWNFIELDS GRANT PROGRAM.** The center shall assist in administering the grant program under s. 560.13.

**History:** 1997 a. 27.

#### SUBCHAPTER IV

##### ENTREPRENEURIAL ASSISTANCE NETWORKS

**NOTE:** 1987 Wisconsin Act 320, which created subchapter IV, contains a prefatory note explaining the Act.

**560.51 Definitions.** As used in this subchapter:

(1) “Agency” has the meaning given in s. 13.62 (2).

(2) “Entrepreneurial assistance program” means a program that directly or indirectly assists an entrepreneur who is starting a business which has significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, by doing any of the following:

(a) Educating the entrepreneur about starting a business.

(b) Evaluating the business’ proposed product or service.

(c) Preparing a business plan acceptable to investors.

(d) Assembling a team of managers.

(e) Securing initial and subsequent financing.

(f) Providing ongoing managerial assistance and monitoring compliance with the business plan after the start-up of the business.

(3) “Intermediary” means either a person who provides continuing assistance or services to an entrepreneur who is starting a business with significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, or a consultant who works with such an entrepreneur on a specific task, such as market evaluation, manufacturing techniques or product design.

(4) “Intermediary assistance program” means a program that directly or indirectly trains or assists an intermediary in developing or using skills necessary to serve an entrepreneur.

(5) “Metropolitan area” means an urban area and surrounding territory in this state that includes at least one city or village with a population of 25,000 or more.

(6) “Network” means an organized arrangement for exchanging materials, information and services among entrepreneurs, intermediaries, institutional venture capital investors, other venture capital investors and persons who assist entrepreneurs, intermediaries or venture capital investors.

**History:** 1987 a. 320.

**560.52 Existing entrepreneurial assistance programs.**

(1) **INVENTORY.** The department shall prepare and periodically revise an inventory of existing entrepreneurial assistance pro-

grams offered in this state. In preparing the inventory, the department may do any of the following:

(a) Develop and apply criteria to identify effective entrepreneurial assistance programs and to group the entrepreneurial assistance programs by function.

(b) Rely upon part or all of similar inventories prepared by other individuals or organizations.

(c) Enter into contracts for the preparation of part or all of the inventory.

(2) **DISSEMINATION.** The department shall disseminate the information in the inventory prepared under sub. (1) by issuing pamphlets and bulletins under s. 560.09 (4) and by maintaining a toll free telephone line during normal business hours to receive requests for information relating to the inventory.

**History:** 1987 a. 320.

**560.53 Intermediary assistance programs.**

(1) **REGIONAL AND STATEWIDE PROGRAMS.** The department shall arrange intermediary assistance programs, for regional or statewide meetings of industry, trade and professional organizations, that introduce members of the organizations to the procedures by which venture capital is invested in new businesses and the opportunities for the members to become intermediaries.

(2) **METROPOLITAN PROGRAMS.** (a) In one or more metropolitan areas, the department shall identify individuals and organizations that assist intermediaries, are interested in assisting intermediaries or are interested in becoming intermediaries or developing a local network.

(b) The department shall assist the individuals and organizations identified under par. (a) in developing, to the extent feasible, self-sustaining intermediary assistance programs. An intermediary assistance program may do any of the following:

1. Provide an inventory of existing intermediaries in the metropolitan area.

2. Develop a network in the metropolitan area.

3. Develop a network between the metropolitan area and other metropolitan areas.

4. Train intermediaries on subjects identified as necessary by the intermediaries participating in the intermediary assistance programs, including the preparation of business plans and the applicability of relevant securities regulations.

5. Establish mechanisms to refer entrepreneurs to appropriate intermediaries in the metropolitan area or in other metropolitan areas.

6. Evaluate the effectiveness of the intermediary assistance program, including the collection of data necessary to conduct the evaluation.

**History:** 1987 a. 320.

**560.54 State agency coordination.** The department shall coordinate entrepreneurial assistance programs and intermediary assistance programs offered by agencies by doing any of the following:

(1) Identifying the needs of entrepreneurs and intermediaries relating to the development in the state of new businesses with high growth potential.

(2) Ensuring that individuals assisting entrepreneurs and intermediaries have the training necessary to provide adequate assistance.

(3) Ensuring that existing and new entrepreneurial assistance programs and intermediary assistance programs are matched to the needs of the entrepreneurs and intermediaries.

(4) Ensuring that agencies and other persons which provide entrepreneurial assistance programs and intermediary assistance programs understand the responsibilities of the agencies which provide entrepreneurial assistance programs and intermediary assistance programs.

**History:** 1987 a. 320.

**560.55 Evaluation and report.** (1) The department shall prepare an evaluation of the effectiveness of entrepreneurial assistance programs and intermediary assistance programs offered in this state. The department shall develop appropriate criteria and collect and analyze relevant information as a basis for the evaluation.

(2) No later than January 1 of each odd-numbered year, the department shall submit to the governor and to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report containing the evaluation prepared under sub. (1) and describing the result of the department's activities under s. 560.54 since the period covered in the previous report. The department may combine this report with other reports published by the department. The report may include recommendations for legislative proposals to change the entrepreneurial assistance programs and intermediary assistance programs.

**History:** 1987 a. 320.

## SUBCHAPTER V

### WISCONSIN DEVELOPMENT FUND

**560.60 Definitions.** In this subchapter:

(1m) "Biotechnology" means technology related to life sciences.

(1s) "Board" means the development finance board created under s. 15.155 (1).

(1v) "Brownfields" means abandoned, idle or underused industrial or commercial facilities, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

(2) "Business" means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(3) "Consortium" means an association of a business and a higher educational institution.

(4) "Eligible recipient" means a governing body or a person who is eligible to receive a grant under s. 560.615, a grant or loan under s. 560.62, a grant or loan under s. 560.63 or a grant or loan under s. 560.65.

(6) "Governing body" means a county board, city council, village board, town board, regional planning commission or transit commission under s. 59.58 (2) or 66.943.

(8) "Higher educational institution" means any of the following:

(a) The university of Wisconsin system.

(b) An institution which is located in this state and offers a post-baccalaureate or professional degree program.

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

(11) "Major economic development project" means a project to which any of the following applies:

(a) The project is necessary to retain a significant number of jobs in a political subdivision.

(b) The project is necessary to significantly increase the number of jobs in a political subdivision.

(c) The project will lead to significant capital investment in this state by a business.

(d) The project will make a significant contribution to the economy of this state.

(13) "Political subdivision" means a county, city, town or village.

(14) "Project" means a business development that increases the productivity of a business or its employees in this state, leads to significant capital investment in a business in this state, leads to the retention of existing jobs in this state or creates new jobs in this state.

(15) "Small business" means a business operating for profit, with 250 or fewer employees, including employees of any subsidiary or affiliated organization.

(17) "Technology" includes biotechnology.

(18m) "Technology-based nonprofit organization" means a nonprofit corporation, as defined in s. 181.0103 (17), or an organization described in section 501 (c) (3) of the internal revenue code that is exempt from federal income tax under section 501 (a) of the internal revenue code, and that has as a mission the transfer of technology to businesses in this state.

**History:** 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1995 a. 27, 201; 1997 a. 27, 79.

**560.602 Policies and standards for awarding grants and loans.** The department, with the approval of the board, shall promulgate rules to establish policies and standards for awarding grants and loans under this subchapter. The rules shall include all of the following:

(1) A statement of the department's economic development policy that is consistent and coordinated with economic development policies expressed in the statutes and established by other state agencies.

(5) Provisions for the development of a biennial plan for awarding grants and loans under this subchapter, before the commencement of each odd-numbered fiscal year, and for the submission of the biennial plan to the governor and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3).

**History:** 1991 a. 269.

**560.605 Grant and loan criteria; generally.** (1) The board may award a grant or loan under s. 560.61 upon the receipt and consideration of an application by an eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all of the following:

(a) The project serves a public purpose.

(b) The project will retain or increase employment in this state.

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

(d) Financing is unavailable from any other source on reasonably equivalent terms.

(e) The eligible recipient receiving the grant or loan will contribute, from funds not provided by this state, whichever of the following applies:

1. Except as provided under subd. 3. and s. 560.68 (6), not less than 25% of the cost of the project.

3. For grants under s. 560.615, not less than 50% of the cost of the project for which a grant is made.

(f) The project meets all criteria set forth in s. 560.615, 560.62, 560.63, 560.65 or 560.66, whichever is appropriate.

(g) Funds from the grant or loan under s. 560.615, 560.62, 560.63, 560.65 or 560.66 will not be used to pay overhead costs, except as provided in s. 560.65 (1m) (b), or to replace funds from any other source.

(h) The project will not displace any workers in this state.

(2) The board shall consider all of the following before awarding a grant or loan to an eligible recipient for a project under s. 560.615, 560.62, 560.63 or 560.66:

(a) The extent to which the project will retain or increase employment in this state.

(b) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.

(c) Whether the project will be located in an area of high unemployment or low average income.

(d) The financial soundness of the business.  
 (e) The intention of the eligible recipient to repay the grant or loan.

(f) Whether the project will be located in a targeted area.

**(2m)** When considering whether a project under s. 560.615, 560.62, 560.63 or 560.66 will be located in a targeted area, the board shall consider all of the following:

(a) Whether the area has high unemployment.

(b) Whether the area has a low median household income.

(c) Whether there is a high percentage of households in the area receiving aid to families with dependent children under s. 49.19.

(d) Whether there has been a significant decline in the population in the area.

(e) Whether property values in the area have been declining.

(f) Whether a significant number of workers in the area have been permanently laid off by their employers or whether public notice has been given by an employer of either a plant closing or a substantial reduction in work force that will result in a significant number of workers in the area being laid off permanently.

(g) Whether the area is designated as a development zone under s. 560.71 or as an enterprise development zone under s. 560.797.

(h) Any other factor the board considers to be an appropriate indicator of a targeted area.

**(4)** The board shall give priority for grants or loans under this section to eligible recipients that certify that they use or will use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.

**(5)** The board shall give more favorable terms on loans and grants awarded to projects that will be located in targeted areas than to loans and grants awarded to projects that will not be located in targeted areas.

**(5m)** The board shall give priority for grants or loans under this section to eligible recipients that certify that they give priority or will give priority in hiring employees to recipients of aid to families with dependent children under s. 49.19.

**(6)** The board shall give priority for grants or loans under this section for projects related to brownfields redevelopment.

**History:** 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237.

**560.61 Wisconsin development fund.** At the request of the board, the department shall do all of the following:

**(1)** Make a grant or loan to an eligible recipient for a project that meets the criteria for funding under s. 560.605 (1) and (2) and under s. 560.615, 560.62, 560.63, 560.65 or 560.66, whichever is appropriate, from the appropriations under s. 20.143 (1) (c), (cb), (ie), (s) and (sm).

**(3)** Make a grant under s. 560.16 from the appropriations under s. 20.143 (1) (c) and (ie) if the board determines that the grant meets the requirements of s. 560.16.

**History:** 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39; 1993 a. 16, 75; 1995 a. 27, 417; 1997 a. 27.

**560.615 Manufacturing assistance grants. (1)** MANUFACTURING ASSESSMENTS. The board may award a grant not exceeding \$2,500 under s. 560.61 to a business operating for profit, with 500 or fewer employees, including employees of any subsidiary or affiliated organization, to fund a management assessment and plan if all of the following apply:

(a) The manufacturing assessment and plan are likely to assist the business in adopting and implementing readily available and reasonably standardized new manufacturing processes and technologies.

(b) The manufacturing assessment and plan are likely to help make the business more competitive.

(c) The business commits to adopting and implementing the manufacturing and technological changes recommended as a result of the manufacturing assessment and plan.

**(2m) CUSTOMIZED TRAINING FOR SUPPLIERS.** (a) Subject to par. (b), the board may award a grant not exceeding \$100,000 under s. 560.61 to a business that manufactures original equipment for the purpose of providing customized training for the employees of its supplier businesses. A business that receives a grant under this subsection may contract with any of its supplier businesses to implement the training. Not more than \$20,000 may be paid to a supplier business.

(b) The total amount of grants made under this subsection may not exceed \$500,000 in a fiscal biennium.

**(3) TECHNOLOGY TRANSFER PROGRAM.** (a) Subject to pars. (b) and (c), the board may award a grant under s. 560.61 to a technology-based, nonprofit organization to provide support for a manufacturing extension center technology transfer program. A grant under this subsection may be used only for costs directly related to technology transfer activities between a business and the organization receiving the grant.

(b) The board may not award a grant under this subsection unless the technology-based, nonprofit organization submits to the department a budget detailing its proposed expenditure plans and the secretary approves the proposed plans.

(c) The total amount of grants made under this subsection may not exceed \$250,000 in a fiscal biennium.

**(4) LIMIT ON GRANTS.** The total amount of grants made under this section may not exceed \$750,000 in a fiscal biennium.

**History:** 1997 a. 27, 237.

**560.62 Technology development grants and loans.**

**(1)** The board may award any of the following under s. 560.61 to any of the following for any of the following purposes:

(a) A technology development grant or loan to a business or consortium to fund technical research intended to result in the development of a new, or the improvement of an existing, industrial product or process.

(b) A technology development loan to a business to provide working capital or fixed asset financing for the development of the infrastructure of the business or for the initial commercialization of a new industrial product or process. A business that receives a loan under this paragraph may use the proceeds only to pay costs related to the production, marketing or sales of a new or improved industrial product or process.

**(2)** The board may not award a technology development grant or loan under sub. (1) (a) unless the business or consortium seeking the grant or loan first enters into a written agreement regarding all of the following:

(a) The ownership of any patents or licenses which result from the technical research.

(b) Dissemination of information relating to the technical research.

(c) Responsibilities of persons conducting the technical research.

**(2m)** The board may award a grant under s. 560.61 to a consortium, a higher educational institution or a technology-based nonprofit organization to provide matching funds for establishing a manufacturing extension center that will promote technology transfer to businesses in this state. The proceeds of the grant may be used only to pay for fixed-asset costs related to the project and costs directly related to technology transfer activity between the manufacturing extension center and a business, excluding common overhead expenses and marketing or other administrative costs. The board may allow a portion of the match provided by the grant recipient to be in-kind.

**(4)** In each biennium, the board may expend or encumber up to a total of 1% of the moneys appropriated under s. 20.143 (1) (c) for that biennium for any of the following:

(a) Evaluations of proposed technical research projects.

(b) Grants to small businesses for preparing proposals for the federal small business innovative research program under [15 USC 638](#).

**History:** 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1997 a. 27.

### 560.63 Customized labor training grants and loans.

(1) The board may award a grant or loan under s. [560.61](#) to a business to fund a labor training program that provides state residents with job training in technology, industrial skills or manufacturing processes that are new to the business and in which advances have been made, as determined by the board, or with job training in other employment–related skills or techniques in which advances have been made, as determined by the board, in order to meet the staffing needs of the business. The board may not award a grant or loan to fund a labor training program if the training is fairly readily available, in the board’s determination, through existing federal, state or local resources except as provided in sub. (4).

(2) Any business requesting a customized labor training grant or loan shall guarantee to the board that the business shall provide a job in this state to all persons who successfully complete the labor training program funded by the grant or loan.

(3) The board may not award a customized labor training grant or loan to finance any of the following costs incurred by a technical college district or by a public secondary or postsecondary institution:

(a) The cost, incurred before the beginning of the labor training program, of recruiting program instructors.

(b) The cost of developing a labor training program curriculum.

(c) The cost of recruiting, screening and counseling program trainees.

(d) The cost of a financial audit.

(e) The cost of renting instructional equipment and training facilities owned or leased by the district or institution, unless the equipment or facilities are rented only for the customized labor training program.

(4) The contribution required under s. [560.605 \(1\) \(e\)](#) may consist of funding or of in–kind contributions. Not more than 20% of the contribution of a business may consist of funding which the business receives under the federal job training partnership act, [29 USC 1501 to 1781](#).

**History:** 1987 a. 27; 1993 a. 16, 399; 1997 a. 27.

### 560.65 Technology and pollution control and abatement grants and loans. (1) In this section:

(a) “Air pollution” has the meaning given in s. [285.01 \(3\)](#).

(ag) “Industrial waste” has the meaning given in s. [281.01 \(5\)](#).

(ar) “Nonattainment area” has the meaning given in s. [285.01 \(30\)](#).

(b) “Postconsumer waste” has the meaning given in s. [287.01 \(7\)](#).

(c) “Stationary source” has the meaning given in s. [285.01 \(41\)](#).

(d) “Volatile organic compound” has the meaning given in s. [285.01 \(42\)](#).

(e) “Volatile organic compound accommodation area” has the meaning given in s. [285.01 \(43\)](#).

(f) “Waters of the state” has the meaning given in s. [281.01 \(18\)](#).

(1m) (a) Subject to sub. (4), the board may award a grant or loan not exceeding \$750,000 under s. [560.61](#) to a new or expanding business, a municipality or other public entity, a nonprofit organization or an entity organized by a group of any of those entities for any of the following:

1. The production of a product made from one or more materials recovered from postconsumer waste or industrial waste.

2m. Technical research intended to result in the development of a new process, or the improvement of an existing process, for processing postconsumer waste or industrial waste.

3. The development, construction, purchase or operation of a facility or equipment to do any of the following:

a. To process postconsumer waste or industrial waste.

b. To control or treat industrial wastes or air pollution but not other wastes, as defined in s. [281.01 \(7\)](#).

c. To abate or eliminate air pollution or pollution of the waters of the state that originates from property that is not used to grow agricultural products for sale.

d. To reduce emissions of volatile organic compounds from a stationary source owned or operated by the applicant in a nonattainment area or volatile organic compound accommodation area.

e. To comply with the air pollution control requirements of ss. [285.01 to 285.29](#), [285.33 to 285.53](#), [285.60 to 285.71](#), [285.75, 285.79](#) and [285.81](#), of a local air pollution control program under s. [285.73](#) or of the federal clean air act, [42 USC 7401 to 7671q](#).

(b) A recipient may use the proceeds of a loan under this subsection for technical research, capital expenses or working capital expenses.

(2) (a) Subject to sub. (4), the board may award a grant or loan not exceeding \$100,000 under s. [560.61](#) to a new or expanding business, a municipality or other public entity, a nonprofit organization or an entity organized by a group of any of those entities for any of the activities under sub. (1m) (a) 1. to 3.

(b) A recipient may use the proceeds of a grant or loan under this subsection for any of the following:

1. Product development.

2. Product testing.

3. Process development.

4. Process assessment.

5. Specialized technical research.

6. Technical assistance.

(3) (a) Subject to sub. (4), the board may award a grant or loan not exceeding \$25,000 under s. [560.61](#) to a new or expanding business, a municipality or other public entity, a nonprofit organization or an entity organized by a group of any of those entities for investigating the feasibility of any of the activities under sub. (1m) (a) 1. to 3.

(b) A recipient may use the proceeds of a grant or loan under this subsection for any of the following:

1. Performing a feasibility study.

2. Preparing a detailed marketing plan.

3. Preparing a detailed business plan.

(4) Before making a grant or loan under this section the board shall consider all of the following:

(a) If the project is for the production of a product made from one or more materials recovered from postconsumer waste, whether the production is consistent with the priorities established under s. [287.42 \(5\)](#) for the development of markets for materials recovered from solid waste that are in effect on January 1 of the year in which the applicant submits a complete application for a grant or loan under this section to the department.

**NOTE:** Par. (a) is repealed eff. 6–30–01 by [1997 Wis. Act 27](#).

(b) The likelihood that the project will be completed.

(c) If the grant or loan is for a project relating to the processing of postconsumer waste, whether there is or is likely to be a market for the processed materials.

(d) Whether the project is in the best interest of the state in order to do any of the following:

1. Protect public health.

2. Protect, maintain and improve the quality and management of the waters of the state.

3. Protect, maintain and improve the quality of the air and of the natural environment.

4. Conserve resources and energy.

(5) (a) The board may not award a grant or loan under this section after July 1, 1997.

(b) The department shall deposit in the recycling fund all moneys received after July 1, 1995, in repayment of loans made under this section.

**History:** 1989 a. 335; 1991 a. 269; 1993 a. 16, 75; 1995 a. 27, 227; 1997 a. 27.

**560.66 Major economic development projects.** (1) The board may award grants and loans under s. 560.61 to eligible recipients for any project that is not eligible for a grant or loan under s. 560.615, 560.62 or 560.63, if the board determines that the project is a major economic development project and considers all of the following:

(a) The number of jobs which the major economic development project will cause to be retained or increased in a political subdivision.

(b) The value of the capital investment which the eligible recipient will make in the major economic development project.

(c) The value of the expenditures required for local infrastructure relating to the major economic development project.

(d) The immediate and continuing effects of the major economic development project upon the affected political subdivisions within which it will be located.

(2) In awarding grants and loans under this section, the board may consider the effects of the project upon jobs, school, transportation and law enforcement services and facilities.

**History:** 1987 a. 27, 399; 1989 a. 31; 1993 a. 16; 1997 a. 27.

**560.68 Administration.** (2) The department, in cooperation with the board, shall actively encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by assisting small businesses in preparing grant and loan applications.

(3) The department may charge a grant or loan recipient an origination fee of up to 1.5% of the grant or loan amount if the grant or loan exceeds \$200,000 and is awarded under s. 560.63 or 560.66. The department shall deposit all origination fees collected under this subsection in the appropriation account under s. 20.143 (1) (gm).

(4) The board shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

(5) The department, with the approval of the board, shall develop procedures to evaluate applications, monitor project performance and audit grants and loans awarded under this subchapter.

(5m) The department, with the approval of the board, shall establish and implement procedures for monitoring the use of grants and loans awarded under this subchapter, including procedures for verification of economic growth, job creation and the number and percentage of newly created jobs for which state residents are hired.

(6) If appropriate, the board may require that more than 25% of the cost of any project or category of projects be paid from funds not provided by this state.

(7) The department, in cooperation with the board, shall encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by actively encouraging small businesses to apply for grants and loans. The department shall do all of the following:

(a) Publish and disseminate information about the projects under ss. 560.62 to 560.66 and the procedures for applying for grants and loans.

(b) Simplify the application and review procedures for small businesses so that they will not impose unnecessary administrative burdens on small businesses.

(c) Assist small businesses in preparing applications for grants and loans.

**History:** 1987 a. 27; 1991 a. 39, 269; 1997 a. 27.

**560.685 Rules.** The department may not promulgate a rule under this subchapter without first considering the recommendations of the board regarding the proposed rule.

**History:** 1987 a. 27.

## SUBCHAPTER VI

### DEVELOPMENT ZONE PROGRAM

**560.70 Definitions.** In this section and ss. 560.71 to 560.795:

(1) “Business incubator” means a person who operates a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

(a) Space in the facility is rented at a rate lower than the market rate in the community.

(b) Shared business services are provided in the facility.

(c) Management and technical assistance are available at the facility.

(d) Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(2) “Development zone program” means the program administered under this subchapter.

(2m) “Full-time job” means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150% of the federal minimum wage and benefits that are not required by federal or state law. “Full-time job” does not include initial training before an employment position begins.

(3) “Indian reservation” has the meaning given in s. 139.30 (9).

(4) “Local governing body” means the governing body of one or more cities, villages, towns or counties or the elected governing body of a federally recognized American Indian tribe or band in this state.

(5) “Metropolitan statistical area” means a federal standard metropolitan statistical area but does not include areas located within Indian reservations.

(6) “Target population” means persons who are members of targeted groups for the purposes of the credit under ss. 71.07 (2dx), 71.28 (1dx) and 71.47 (1dx).

(7) “Tax benefits” means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx) and 71.47 (1dx).

**History:** 1987 a. 328, 411; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27.

**560.71 Designation of development zone.** (1) The department may designate an area as a development zone if all of the following apply:

(ac) The department has invited a local governing body to nominate the area under s. 560.715.

(am) A local governing body nominates the area as described in s. 560.72.

(b) The department has evaluated the local governing body’s application as described in s. 560.725.

(d) The area meets the applicable requirements under s. 560.735 or 560.737.

(e) The department determines all of the following:

1. That designation of the area as a development zone will serve a public purpose.

2. That designation of the area as a development zone will likely retain or increase employment in the area.

3. That economic development in the area is not likely to occur or continue without the department's designation of the area as a development zone.

4. That the area meets at least 3 of the following criteria:

a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on which the application under s. 560.72 (2) or (3) was submitted to the department.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80% of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49 or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under s. 560.72 (2) or (3) was submitted to the department, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) of either a business closing or a mass layoff of at least 25 employees, or 25% of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

**(1m)** In making a determination under sub. (1) (e), the department shall consider all of the following:

(a) The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.

(b) The prospects for new investment and economic development in the area.

(c) The amount of investment that is likely to result from the designation of the area as a development zone.

(d) The number of full-time jobs that are likely to be created or retained in the area as a result of its designation as a development zone.

(e) The number of full-time jobs that are likely to be available to the target population as a result of the designation of the area as a development zone.

(f) The competitive effect of designating the area as a development zone on other businesses in the vicinity of the area.

(g) The needs of other areas of the state.

(h) Any other factors that the department considers relevant.

**(2)** In determining whether an area meets the requirements under sub. (1) (e) or s. 560.735, the department may rely on any data provided by the local governing body which the department determines is relevant.

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

(a) Determine the number of development zones designated under sub. (1) but may not designate more than 22 development zones over the life of the program.

(b) Divide the number of development zones as evenly as possible between metropolitan statistical areas and areas that are not metropolitan statistical areas.

(c) 1. Designate at least one development zone that is entirely within a 1st class city.

2. Designate at least 2 development zones that are each at least partially within an Indian reservation.

3. Of the development zones that are designated after April 25, 1996, designate one that is in an urban area.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 39, 103.

**560.715 Invitation to nominate area.** If the department determines that an area has experienced or is about to experience economic distress, the department may invite local governing bodies in the area to nominate the area as a development zone.

**History:** 1997 a. 103.

**560.72 Application by local governing bodies. (1)** A local governing body may nominate an area as a development zone, if the department has invited the governing body to nominate the area under s. 560.715 and if the governing body does all of the following:

(a) Holds at least one public hearing on the issue of designating the area as a development zone.

(b) Adopts a resolution or ordinance authorizing it to nominate the area under this section.

**(2)** A local governing body may nominate the area as a development zone by submitting an application to the department in a form prescribed by the department. The application shall include all of the following:

(a) A copy of the ordinance or resolution authorizing the local governing body to nominate the area as a development zone.

(b) Transcripts of the public hearing under sub. (1) (a).

(c) Evidence that the area meets at least 3 of the criteria under s. 560.71 (1) (e) 4.

(d) Evidence that the area meets the applicable requirements of s. 560.735.

(e) A description of the land use patterns in the area including:

1. A detailed map of the area.

2. Information about vacant buildings or land available for development.

(f) A description of past and present economic development activities in the area under local, state or federal programs.

(g) A description of the local governing body's goals for the economic development of the area.

(h) An assessment of the effect of making the area a development zone on full-time jobs available to the targeted population.

(i) Any other information required by the department.

(j) Any other information the local governing body considers relevant.

**(3)** Two or more local governing bodies may submit a joint application nominating an area as a development zone, subject to s. 560.735 (2), if each local governing body complies with subs. (1) and (2).

**(5)** The department may permit a local governing body to revise an application that the department determines is inadequate or incomplete.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 27, 103.

**560.725 Evaluation by department. (1)** The department shall evaluate applications received under s. 560.72 (2) and (3).

**(2)** Subject to s. 560.735 (5), the department may reduce the size of an area nominated as a development zone, if the department determines the boundaries as proposed by the local governing body in an application under s. 560.72 (2) or (3) are inconsistent with the purpose of the development zone program. Any nominated area which is reduced under this subsection need not comply with s. 560.735 (1) and (4).

**(3)** After evaluating an application submitted under s. 560.72 (2) or (3), the department may approve the application, subject to any reduction in the size of the nominated area under sub. (2). If the department approves the application, the department shall designate the area as a development zone, subject to s. 560.71, and notify the local governing body.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103.

**560.735 Boundaries and size of development zones.**

**(1)** An area that is located within a metropolitan statistical area

may not be nominated or designated as a development zone unless all of the following apply:

(a) The area contains less than 10% of the valuation of the property of the city, village or town, as determined under s. 70.57, in which the area is located.

(b) If the area is located within a 1st class city, the population of the area as estimated under s. 16.96 is not less than 4,000 and not more than 10% of the city's population, as estimated under s. 16.96.

(c) If the area is located within a village, town or city other than a 1st class city, the population of the area is not less than 1,000 nor more than 10,000, as estimated under s. 16.96.

(2) If an area is located within the boundaries of 2 or more cities, villages or towns, the property value of the cities, villages or towns under sub. (1) (a) shall be combined for the purposes of sub. (1).

(4) An area that is located within the boundaries of an Indian reservation may not be nominated or designated as a development zone unless the population of the area, as estimated under s. 16.96, is less than or equals 5,000.

(5) Except as provided in sub. (6), an area may not be nominated or designated a development zone unless all of the following apply:

(a) The area has a continuous border following natural or man-made boundaries such as streets, highways, rivers, municipal limits or limits of a reservation.

(b) The area consists of contiguous blocks, census blocks or similar units.

(6) (a) Except as provided in pars. (b) and (c), 2 separate areas may be nominated or designated as one development zone, if all of the following apply:

1. Each of the areas has a continuous border following natural or man-made boundaries and consists of contiguous blocks, census blocks or similar units.

2. Each area meets at least 3 of the criteria listed in s. 560.71 (1) (e) 4.

3. Considered together, the areas meet the requirements of sub. (1).

(b) Except as provided in par. (c), in a 1st class city, up to 8 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(c) If an application is submitted by the governing body of a county under s. 560.72 (2) or (3), up to 4 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(6m) An area that is comprised of entire counties may be nominated or designated as one development zone only if the population of the entire area does not exceed 75,000.

(6r) Subject to the population limit under sub. (6m), if an area that is nominated or designated as a development zone is comprised of one or more entire counties and a city, village or town is partially located in the area and partially located outside of the area, the entire city, village or town shall be part of the nominated or designated area.

(7) The department may waive the requirements of this section in a particular case, if the department determines that application of the requirement is impractical with respect to a particular development zone.

**History:** 1987 a. 328; 1989 a. 56; 1995 a. 209; 1997 a. 27.

**560.737 Business incubators.** Notwithstanding s. 560.735 (5) and (6), the department may designate the premises of a business incubator located near a development zone as part of the development zone, if all of the following apply:

(1) At least 50% of the small businesses housed in the small business incubator have received or participated in any of the following:

(a) Federal targeted jobs tax credits under section 51 of the internal revenue code.

(b) A job training partnership program under 29 USC 1502.

(c) Any other program, similar to the program described in sub. (2), established to increase the employment opportunities of disadvantaged individuals.

(2) The business incubator has housed businesses described in sub. (1) for at least 6 months before the designation of the development zone under s. 560.71.

(3) The business incubator's facility is located within 5 miles of the boundary of the development zone or proposed development zone.

**History:** 1989 a. 31.

**560.74 Change in boundary and size of development zones.**

(1) At any time after a development zone is designated by the department, a local governing body may submit an application to change the boundaries of the development zone. If the boundary change reduces the size of a development zone, the local governing body shall explain why the area excluded should no longer be in a development zone. The department may require the local governing body to submit additional information.

(2) The department may approve an application for a boundary change if the development zone, as affected by the boundary changes, meets the applicable requirements of s. 560.735 and 3 of the criteria under s. 560.71 (1) (e) 4.

(3) If the department approves an application for a boundary change under sub. (2), it shall do all of the following:

(a) Redetermine the limit on the tax benefits for the development zone established under s. 560.745 (2) (a).

(b) Notify the local governing body which submitted the application of the change in the boundary or tax benefits limit of the development zone.

(4) The change in the boundaries or tax benefits limit of a development zone shall be effective on the day the department notifies the local governing body under sub. (3) (b).

(5) No change in the boundaries of a development zone may affect the duration of an area as a development zone under s. 560.745 (1) (a). The department may consider a change in the boundary of a development zone when evaluating an application for an extension of the designation of an area as a development zone under s. 560.745 (1) (b).

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103.

**560.745 Duration, renewal and expiration.** (1) (a) The designation of an area as a development zone shall be effective for 84 months, beginning on the day the department notifies the local governing body under s. 560.725 (3) of the designation.

(b) The local governing body may apply to the department for up to 5 12-month extensions of the designation. The department shall promulgate rules establishing criteria for approving an extension of a designation of an area as a development zone under this subsection.

(2) (a) When the department designates a development zone under s. 560.71, it shall establish a limit for tax benefits for the development zone determined by allocating to the development zone a portion of \$33,155,000.

(am) Notwithstanding par. (a), the department may increase the established limit for tax benefits for a development zone.

(b) Annually the department shall estimate the amount of foregone state revenue because of tax benefits claimed by persons in each development zone.

(c) Notwithstanding sub. (1), the designation of an area as a development zone shall expire on the earlier of the following:

1. Ninety days after the day on which the department determines that the foregone tax revenues under par. (b) will equal or exceed the limit for the development zone established under par. (a) or (am).



2. The day that the department withdraws its designation of an area as a development zone under sub. (3).

(d) The department shall immediately notify the local governing body of a change in the expiration date of the development zone under par. (c).

(3) The department may withdraw the designation of an area as a development zone if any of the following apply:

(a) No person is certified as eligible to receive tax benefits under s. 560.765 (3) during the 12-month period beginning on the day the area is designated as a development zone and the department determines that the local governing body that nominated the zone is not in compliance with s. 560.763.

(b) No person is certified as eligible to receive tax benefits under s. 560.765 (3) during the 24-month period beginning on the day the area is designated a development zone.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 103.

**560.75 Additional duties of the department.** The department shall do all of the following:

(1) Monitor and evaluate the implementation of the development zone program.

(2) Apply to the federal government for assistance for the development zone program.

(4) Help eligible persons apply for and obtain tax benefits.

(5) Help local governing bodies prepare applications for development zones.

(6) Notify university of Wisconsin small business development centers, the Wisconsin housing and development centers, the central administration of all university of Wisconsin campuses and regional planning commissions about the development zone program and encourage those entities to provide advice to the department or local governing bodies on ways to improve the development zone program.

(7) Prepare forms for the certification described under s. 560.765 (5).

(8) Annually verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx) or 71.47 (1dx).

(10) Enter into an agreement with the local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1. to provide efficient administration of the development zone program within the development zone.

(11) For the purposes of s. 49.193 (5), notify the department of workforce development when a development zone has been established and of which local governing body helps administer the development zone.

**History:** 1987 a. 328; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 16; 1995 a. 27 ss. 6936, 9130 (4); 1995 a. 209; 1997 a. 3, 27, 103.

**560.763 Duties of local governing bodies.** (1) If an area nominated by a local governing body is designated as a development zone under s. 560.71, the local governing body shall do all of the following:

(b) Promote economic development within the development zone.

(c) Assist the department in the administration of the development zone program.

(4) The local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1. shall enter into an agreement with the department to provide efficient administration of the development zone program within the development zone.

**History:** 1987 a. 328; 1995 a. 209.

**560.765 Certification for tax benefits.** The department shall do all of the following:

(1) Evaluate the likelihood that a person applying for tax benefits engages or will engage in economic activity consistent with the development zone application.

(2) Determine whether a person applying for tax benefits engages or will engage in economic activity which violates s. 560.78 (1).

(3) Subject to s. 560.78, certify persons who are eligible to claim tax benefits while an area is designated as a development zone, according to the following criteria:

(a) The likelihood that the person will continue to conduct economic activity in the area following expiration of the designation of the area as a development zone.

(b) The person's commitment not to engage in economic activity that violates s. 560.78 (1).

(bm) The person's commitment to use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.

(c) The number of full-time jobs that will be created, retained or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person under sub. (4).

(d) The person's plans to make reasonable attempts to hire employees from the targeted population.

(e) The amount the person proposes to invest in a business, or spend on the construction, rehabilitation, repair or remodeling of a building, located within the development zone.

(f) The likelihood that the person's economic activity will attract other forms of economic activity to the development zone.

(g) Whether the person's proposed economic activity is consistent with the development zone application.

(h) The effects of the person's proposed investment on the economic and social well-being of the targeted population.

(j) Any other criteria established under rules promulgated by the department.

(4) Within 3 months after a person is certified under sub. (3), estimate the amount of tax benefits that the person will claim while an area is designated as a development zone.

(5) Provide a person certified under sub. (3) and the department of revenue with a copy of the certification. The certification shall include all of the following:

(a) The name and address of the person's business.

(b) The appropriate Wisconsin tax identification number of the person.

(c) The names and addresses of other locations outside of the development zone where the person conducts business and a description of the business activities conducted at those locations.

(d) The estimated total investment of the person in the development zone.

(e) The estimated number of full-time jobs that will be created, retained or significantly upgraded in the development zone because of the person's business.

(f) An estimate of the number or percentage of full-time jobs described in par. (e) that are or will likely be held by members of the targeted population.

(g) The limit under s. 560.768 on tax benefits the person may claim while an area is designated as a development zone.

(h) Other information required by the department or the department of revenue.

**History:** 1987 a. 328; 1989 a. 31; 1993 a. 243; 1997 a. 27, 103.

**560.768 Limits on tax benefit to certified person.** (1)

(a) The department shall establish a limit on the maximum amount of tax benefits a person certified under s. 560.765 (3) may claim while an area is designated as a development zone.

(b) When establishing a limit on tax benefits under par. (a), the department shall do all of the following:

1. Consider all of the criteria described in s. 560.765 (3) (a) to (e).

2. Establish a limit which does not greatly exceed a recommended limit, established under rules promulgated by the depart-

ment based on the cost, number and types of full-time jobs that will be created, retained or upgraded, including full-time jobs available to members of the targeted population, as a result of the economic activity of the person certified under s. 560.765 (3).

(2) The department may, upon request, increase a limit on tax benefits established under sub. (1) if the department does all of the following:

(a) Complies with sub. (1) (b) with respect to the proposed increase.

(b) Revises the certification required under s. 560.765 (5) and provides a copy of the revised form to the department of revenue and the person whose limit is increased under this subsection.

(3) (a) The department may reduce a limit established under sub. (1) or (2) if the department determines that any of the following apply:

1. The limit is not consistent with the criteria listed under s. 560.765 (3) (a) to (e).

2. The information on which the limit is based was inaccurate or significantly misestimated.

(b) The department shall notify the department of revenue and the person whose limit on tax benefits is reduced under par. (a) and provide a written explanation to the person of the reasons for reducing the limit.

**History:** 1987 a. 328; 1989 a. 31, 56; 1997 a. 27.

**560.77 Revocation of certification.** (1) The department shall revoke the certification of a person certified under s. 560.765 (3) if the person does any of the following:

(a) Supplies false or misleading information to obtain certification.

(b) Becomes subject to revocation under s. 560.78 (1).

(c) Leaves the development zone to conduct substantially the same business outside of the development zone.

(d) Ceases operations in the development zone and does not renew operation of the trade or business or a similar trade or business in the development zone within 12 months.

(2) The department shall notify the department of revenue within 30 days of revoking a certification under sub. (1).

**History:** 1987 a. 328.

**560.78 Certification prohibited in certain cases.**

(1) Except as provided in subs. (2) and (3), no person may be certified under s. 560.765 (3), or a person's certification may be revoked under s. 560.77, if the proposed new business, expansion of an existing business or other proposed economic activity in a development zone would do or does any of the following:

(a) Result in the direct loss of full-time jobs at another of the person's business locations in this state outside of the development zone.

(b) Likely result in the direct transfer of employees from a business location in this state to a business location in the development zone.

(2) Subsection (1) does not apply if, after a hearing, the department, or the local governing body under sub. (3) (a), determines that any of the following apply:

(a) The total number of full-time jobs provided by the person in this state would be reduced if the person were not certified under s. 560.765 (3) or if the person's certification were revoked.

(b) The situation is extraordinary.

(3) (a) Except as provided in par. (b), if the economic activity for which a person is seeking certification under s. 560.765 (3) is the relocation of a business into a development zone from a location that is outside the development zone but within the limits of a city, village, town or federally recognized American Indian reservation in which that development zone is located, the local governing body that nominated that area as a development zone under s. 560.72 shall determine whether sub. (2) (a) or (b) applies.

(b) Only the department may determine whether sub. (2) (a) or (b) applies to a business relocation described in par. (a) if the business relocation would likely result in the loss of full-time jobs at or transfer of employees from a business location that is in this state but outside the limits of any city, village, town or federally recognized American Indian reservation in which the development zone is located.

**History:** 1987 a. 328; 1993 a. 275; 1997 a. 27.

**560.785 Rules on eligibility for tax benefits.** (1) For the development zone program under ss. 560.70 to 560.78 and the enterprise development zone program under s. 560.797, the department shall promulgate rules that further define a person's eligibility for tax benefits. The rules shall do at least all of the following:

(a) Limit a person's eligibility to claim tax benefits for retaining full-time jobs to those jobs that likely would not have been retained but for the tax benefits.

(b) Allow a person to claim up to \$6,500 in tax benefits during the time that an area is designated as a development zone or as an enterprise development zone for any of the following:

1. Creating a full-time job that is filled by a member of the target population.

2. Retaining a full-time job that is filled by a member of the target population.

(c) Allow a person to claim up to \$4,000 in tax benefits during the time that an area is designated as a development zone or as an enterprise development zone for any of the following:

1. Creating a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

2. Retaining a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

(d) Require at least 25% of the tax benefits claimed by a person to be based on creating or retaining full-time jobs.

(e) Require at least one-third of the tax benefits claimed by a person that are based on creating or retaining full-time jobs to be based on creating or retaining full-time jobs that are filled by members of the target population.

(f) Specify how long a full-time job that is created or retained by a person must be maintained in order for the person to claim tax benefits for the full-time job.

(g) Generally provide incentives for the retention of employees filling full-time jobs upon which tax benefits are based.

(2) The department may by rule specify circumstances under which the department may grant exceptions to any of the following:

(a) The requirements specified under sub. (1) (d) and (e).

(b) The requirement under ss. 560.70 (2m) and 560.797 (1) (am) that an individual's pay must equal at least 150% of the federal minimum wage.

**History:** 1997 a. 27, 41.

**560.795 Development opportunity zones.** (1) DESIGNATION OF DEVELOPMENT OPPORTUNITY ZONES. The following areas are designated as development opportunity zones:

(a) An area in the city of Beloit, the legal description of which is provided to the department by the local governing body of the city of Beloit.

(b) An area in the city of West Allis, the legal description of which is provided to the department by the local governing body of the city of West Allis.

(c) An area in the city of Eau Claire, the legal description of which is provided to the department by the local governing body of the city of Eau Claire.

(2) DURATION, LIMITS AND EXPIRATION. (a) Except as provided in par. (d), the designation of each area under sub. (1) as a develop-

ment opportunity zone shall be effective for 36 months, with the designation of the areas under sub. (1) (a) and (b) beginning on April 23, 1994, and the designation of the area under sub. (1) (c) beginning on April 28, 1995.

(b) 1. The limit for tax benefits for the development opportunity zone under sub. (1) (a) is \$7,000,000.

2. The limit for tax benefits for the development opportunity zone under sub. (1) (b) is \$3,000,000.

3. The limit for tax benefits for the development opportunity zone under sub. (1) (c) is \$3,000,000.

(c) Annually, the department shall estimate the amount of foregone state revenue because of tax benefits claimed by corporations in each development opportunity zone.

(d) 1. Notwithstanding par. (a), the designation of an area as a development opportunity zone shall expire 90 days after the day on which the department determines that the foregone tax revenues under par. (c) will equal or exceed the limit for the development opportunity zone.

2. The department shall immediately notify the local governing body of the city in which the development opportunity zone is located of a change in the expiration date of the development opportunity zone under this paragraph.

**(3) APPLICATION AND ENTITLEMENT TO TAX BENEFITS.** (a) 1. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (a) or (b) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department no later than 6 months after April 23, 1994, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

2. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (c) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department no later than 6 months after April 28, 1995, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the corporation's business for which tax benefits will be claimed.

2. The appropriate federal tax identification number of the corporation.

3. The names and addresses of other locations outside of the development opportunity zone where the corporation conducts business and a description of the business activities conducted at those locations.

4. The amount that the corporation proposes to invest in a business, or spend on the construction, rehabilitation, repair or remodeling of a building, located within the development opportunity zone.

5. The estimated total investment of the corporation in the development opportunity zone.

6. The number of full-time jobs that will be created, retained or substantially upgraded as a result of the corporation's economic activity in relation to the amount of tax benefits estimated for the corporation.

7. The corporation's plans to make reasonable attempts to hire employees from the targeted population.

8. A description of the commitment of the local governing body of the city in which the development opportunity zone is located to the corporation's project.

9. Other information required by the department or the department of revenue.

(c) The department shall notify the department of revenue of all corporations entitled to claim tax benefits under this section.

(d) The department annually shall verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx) or 71.47 (1dx).

(e) For purposes of s. 49.193 (5), notify the department of workforce development of the designation of an area as a development opportunity zone and of the local governing body of the area.

**(4) REVOCATION OF ENTITLEMENT.** (a) The department shall revoke the entitlement of a corporation to claim tax benefits under this section if the corporation does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Leaves the development opportunity zone to conduct substantially the same business outside of the development opportunity zone.

3. Ceases operations in the development opportunity zone and does not renew operation of the trade or business or a similar trade or business in the development opportunity zone within 12 months.

(b) The department shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

**History:** 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936r, 6936r, 9130 (4); 1997 a. 3, 27.

### **560.797 Enterprise development zone program.**

**(1) DEFINITIONS.** In this section:

(a) "Environmental pollution" has the meaning given in s. 299.01 (4).

(am) "Full-time job" has the meaning given in s. 560.70 (2m).

(b) "Project" means economic activity in the state.

(c) "Target population" has the meaning given in s. 560.70 (6).

(d) "Tax benefits" has the meaning given in s. 560.70 (7).

**(2) CRITERIA FOR DESIGNATION AS AN ENTERPRISE DEVELOPMENT ZONE.** (a) Subject to pars. (c) and (d), the department may designate an area as an enterprise development zone for a project if the department determines all of the following:

1. That the project serves a public purpose.

2. That the project will likely retain or increase employment in the state.

3. That the project is not likely to occur or continue without the department's designation of the area as an enterprise development zone.

4. That the project will likely positively affect an area that meets at least 3 of the following criteria:

a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on which the application under sub. (3) was submitted to the department.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80% of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49 or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under sub. (3) was submitted to the department, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) of either a business closing or a mass layoff of at least 25 employees, or 25% of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

(b) In making a determination under par. (a), the department shall consider all of the following:

1. The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.
2. The prospects for new investment and economic development in the area.
3. The amount of investment that is likely to result from the project.
4. The number of full-time jobs that are likely to be created as a result of the project.
5. The number of full-time jobs that are likely to be available to the target population as a result of the project.
6. The competitive effect of designating the area as an enterprise development zone on other businesses in the area.
7. The needs of other areas of the state.
8. Any other factors that the department considers relevant.

(c) The department may not designate as an enterprise development zone, or as any part of an enterprise development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 560.71, or as a development opportunity zone under s. 560.795, the designation of which is in effect.

(d) The department may not designate more than 50 enterprise development zones unless the department obtains the approval of the joint committee on finance to do so.

**(3) APPLICATION AND PROJECT PLAN.** (a) A person that conducts or that intends to conduct a project and that desires to have the area in which the project is or is to be conducted designated as an enterprise development zone for the purpose of claiming tax benefits may submit to the department an application and a project plan.

(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the area proposed to be designated as an enterprise development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in a business; to spend on the construction, rehabilitation, repair or remodeling of a building; or to spend on the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution; in the area proposed to be designated as an enterprise development zone.
5. The estimated total investment of the person in the enterprise development zone.
6. The estimated number of full-time jobs that will be created, retained or substantially upgraded as a result of the person's project in relation to the amount of tax benefits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from the target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
10. The boundaries or legal description of the area proposed to be designated as an enterprise development zone.
11. Any other information required by the department or the department of revenue.

**(4) DESIGNATION, CERTIFICATION AND ADDITIONAL DUTIES.** (a) Subject to par. (b), if the department approves a project plan under sub. (3) and designates the area in which the person submitting the project plan conducts or intends to conduct the project as an enterprise development zone under the criteria under sub. (2), the department shall certify the person as eligible for tax benefits.

(b) The department may certify only one person as eligible for tax benefits in an area designated as an enterprise development zone.

(c) When the department designates an area as an enterprise development zone for a project, the department shall notify the governing body of any city, village, town or federally recognized American Indian tribe or band in which the area is located of the area's designation.

(d) The department shall notify the department of revenue of all persons entitled to claim tax benefits under this section.

(e) For purposes of s. 49.193 (5), the department shall notify the department of workforce development of the designation of an area as an enterprise development zone and of the governing body of any city, village, town or federally recognized American Indian tribe or band in which the area is located.

(f) The tax benefits for which a person is certified as eligible under this subsection are not transferable to another person, business or location, except to the extent permitted under section 383 of the internal revenue code.

(g) The department annually shall verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx) or 71.47 (1dx).

**(5) DURATION AND LIMITS.** (a) When the department designates an area as an enterprise development zone under this section, the department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d) and sub. (6).

(b) When the department designates an area as an enterprise development zone under this section, the department shall establish a limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.

(c) Annually, the department shall estimate the amount of foregone state revenue because of tax benefits claimed by persons in each enterprise development zone.

(d) 1. Notwithstanding the length of time specified by the department under par. (a), the designation of an area as an enterprise development zone shall expire 90 days after the day on which the department determines that the foregone tax revenues under par. (c) will equal or exceed the limit established for the enterprise development zone.

2. The department shall immediately notify the department of revenue and the governing body of any city, village, town or federally recognized American Indian tribe or band in which the enterprise development zone is located of a change in the expiration date of the enterprise development zone under this paragraph.

**(6) REVOCATION OF ENTITLEMENT.** (a) The department shall revoke the entitlement of a person to claim tax benefits under this section, and the designation of the area as an enterprise development zone shall expire, if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.
2. Leaves the enterprise development zone to conduct substantially the same business outside of the enterprise development zone.
3. Ceases operations in the enterprise development zone and does not renew operation of the trade or business or a similar trade or business in the enterprise development zone within 12 months.

(b) The department shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

**History:** 1995 a. 27 ss. 6936s to 6936v, 9130 (4); 1995 a. 209, 227, 417; 1997 a. 3, 27, 39.

## SUBCHAPTER VII

### MINORITY BUSINESS EARLY PLANNING AND DEVELOPMENT PROJECTS

**NOTE:** 1989 Wis. Act 31, s. 3015 (1), contains legislative intent regarding subch. VII, which was created by Act 31.

**560.80 Definitions.** In this subchapter:

(1) “Board” means the minority business development board.

(2) “Development project” means the start-up of a business, or the expansion or acquisition of an existing business, that is or will be a minority business or the promotion of economic development and employment opportunities for minority group members or minority businesses.

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

(3m) “Education and training project” means a business education and training program for minority group members and minority businesses that have received loans for working capital from an eligible recipient under s. 560.837 (1) (b).

(4) (a) “Eligible development project costs” means costs that, in accordance with sound business and financial practices, are appropriately incurred in connection with a development project or a recycling development project.

(b) “Eligible development project costs” does not include entertainment expenses or expenses incurred before the board approves a grant or loan under s. 560.83 or 560.835.

(5) “Eligible recipient” means a person who is eligible to receive a grant under s. 560.82 (5) or 560.837 or a grant or loan under s. 560.83 (5) or 560.835.

(5m) “Finance project” means financial assistance to a minority group member or a minority business described in s. 560.837.

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

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

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

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

1. Operates primarily within specific geographic boundaries.
2. Promotes economic development and employment opportunities for minority group members or minority businesses within the specific geographic area.
3. Demonstrates a commitment to or experience in promoting economic development and employment opportunities for minority group members or minority businesses.

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

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

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

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

(12) “Recycling development project” means an activity described in s. 560.835 (1) (a) to (d).

**History:** 1989 a. 31, 335; 1995 a. 27; 1997 a. 27, 79.

**560.81 Minority business grants and loans.** The department shall make a grant or loan to an eligible recipient or local development corporation under this subchapter if any of the following apply:

(1) The department awards a grant to the eligible recipient under ss. 560.82 and 560.84.

(2) The board awards a grant or loan to the eligible recipient under ss. 560.83 and 560.84 or under ss. 560.835 and 560.84.

(3) The board awards a grant or loan to the local development corporation under s. 560.83 (2) or 560.835.

(4) The board awards a grant to the eligible recipient under s. 560.837.

**History:** 1989 a. 31, 335; 1997 a. 27.

**560.82 Minority business early planning grants.**

(1) Subject to s. 560.84, the department may award a grant under this section to an eligible recipient to fund an early planning project.

(2) The department may not award a grant under sub. (1) or s. 560.835 (6) unless the eligible recipient submits an application, in a form required by the department, that contains or describes all of the following:

- (a) Potential locations of the new minority business.
- (b) The ownership structure of the new minority business.
- (c) The product or service provided by the new minority business.
- (d) The market for the product or service described in par. (c).
- (e) Competition within the market described in par. (d).
- (f) Any competitive advantages of the new minority business.
- (g) The eligible recipient’s estimate of the gross revenue of the new minority business over a period specified by the department.
- (h) The process for manufacturing the product, or providing the services, of the new minority business.
- (i) An estimate of the number of jobs that will be created by the new minority business.
- (j) The eligible recipient’s experience and training.
- (k) The eligible recipient’s estimate of the profit that will be generated by the new minority business over a period specified by the department.

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

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

(n) Any other information that the department requests.

(3) An eligible recipient who receives a grant under sub. (1) or s. 560.835 (6) may only use the proceeds of the grant for the following purposes:

- (a) To perform a business feasibility study.
- (b) To prepare a detailed marketing plan.
- (c) To prepare a detailed business plan.

(4) In any fiscal biennium, the department may not do any of the following:

(a) Award in a fiscal biennium, for grants under sub. (1), more than 25% of the total of all of the following:

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

2. The lesser of the funds received in a fiscal biennium in repayment of grants or loans under s. 560.83 or the funds appropriated for the fiscal biennium under s. 20.143 (1) (im).

(b) Award, to any one eligible recipient or for any one early planning project, grants under sub. (1) or s. 560.835 (6) that total more than \$15,000.

(5) The department may only award grants under sub. (1) or s. 560.835 (6) to individuals who are minority group members and residents of this state.

**History:** 1989 a. 31; 1991 a. 269; 1993 a. 16; 1995 a. 27, 216; 1997 a. 27.

**560.83 Minority business development and revolving fund grants and loans.** (1) Subject to s. 560.84, the board may award a grant or loan under this section to an eligible recipient to fund eligible development project costs.

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

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

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

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

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

(3) The board may not award a grant or loan under sub. (1) or (2) unless the eligible recipient or the local development corporation submits an application, or other materials, in a form specified by the department by rule.

(4) (a) In any fiscal biennium, the board may not award, to any one eligible recipient or for any one development project, grants or loans under sub. (1) that total more than \$100,000 in a fiscal biennium.

(b) In any fiscal year, the board may not award to any one local development corporation grants or loans under sub. (2) that total more than \$200,000.

(5) The board may award grants or loans under sub. (1) only to persons who are any of the following:

(a) Minority group members who are residents of this state.

(b) Minority businesses.

**History:** 1989 a. 31; 1997 a. 27.

**560.835 Minority business recycling development grants and loans.** (1) Subject to s. 560.84 and except as provided in sub. (6), the board may award a grant or loan under this section to an eligible recipient to fund any of the following recycling development projects:

(a) The production of a product made from one or more materials recovered from postconsumer waste, as defined in s. 287.01 (7).

(b) The acquisition of equipment necessary to make a product under par. (a).

(c) The development and operation of a facility to process materials recovered from a solid waste management program that complies with s. 287.07 (1m), (3) or (4) or the development and operation of a solid waste collection business if the solid waste collected is used in the production of a product.

(d) The expansion, improvement or development of a diaper service, as defined in s. 234.67 (1) (am).

(1m) The board may request proposals for projects that do one or more of the activities specified in sub. (1) (a) to (d) if the board determines that such projects are needed to develop or expand the market for one or more materials recovered from postconsumer waste.

(2) Section 560.83 (2), (3) and (5), as it applies to a development project under that section applies to a recycling development project under sub. (1).

(3) The board or a local development corporation may not award grants or loans under sub. (1) that total more than \$250,000 in a fiscal biennium to any one eligible recipient or for any one recycling development project.

(4) Before making a grant or loan under sub. (1), the board shall consider whether the recycling development project is consistent with the priorities established under s. 159.03 (1) (b), 1991 stats., that are in effect on January 1 of the year in which the eligible recipient submits a complete application for a grant or loan under sub. (1).

(5) An eligible recipient may use the proceeds of a loan under sub. (1) for capital expenses or working capital expenses.

(6) Subject to ss. 560.82 (2), (3), (4) (b) and (5) and 560.84, the department may award a grant to an eligible recipient for an early planning project for an activity described in sub. (1) (a) to (d). The total amount of grants for early planning projects awarded under this subsection may not exceed \$50,000 during a fiscal biennium.

(7) (a) The board may not award a grant or loan under sub. (1) and the department may not award a grant under sub. (6) after July 1, 1995.

(b) The department shall deposit in the recycling fund all monies received after July 1, 1995, in repayment of loans made under this section.

**History:** 1989 a. 335, 359; 1991 a. 269; 1993 a. 16, 75; 1995 a. 227.

**560.837 Minority business development finance and education and training grants.** (1) Subject to s. 560.84, the board may award a grant under this subsection to a nonprofit organization or private financial institution, as defined in s. 234.01 (5k), whether or not for profit, to fund a finance project if all of the following apply:

(a) The financial institution or nonprofit organization uses the grant proceeds for any of the following purposes:

1. To make loans for working capital to minority group members and minority businesses.

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

(b) The loans for working capital under par. (a) 1. do not exceed \$5,000.

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

**History:** 1997 a. 27.

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

(a) That the project serves a public purpose.

(b) 1. If an early planning project under s. 560.82 or 560.835 (6), that the project will increase employment in this state.

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

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

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

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

1. For grants funding early planning projects under s. 560.82 or 560.835 (6), not less than 25% of the cost of the project. Up to 50% of the contribution under this subdivision may be in the form of the in-kind services of a qualified 3rd party or qualified 3rd parties. The department shall determine what services may be used as in-kind contributions and whether a 3rd party is qualified, for purposes of this subdivision.

2. For grants and loans funding development projects or recycling development projects, a cash contribution of not less than 25% of the cost of the project.

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

(f) That the project meets all criteria set forth in s. 560.82, 560.83, 560.835 or 560.837, whichever is appropriate.

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

- (h) That the project will not displace workers in this state.
- (i) That the project has sufficient potential to be profitable.
- (im) If a development project, that the project has the potential to promote economic development and employment opportunities for minority group members or minority businesses.
- (j) If a development project, recycling development project, finance project or education and training project, that funds from the grant or loan will not be used to refinance existing debt.
- (k) That the project meets any other criteria established by the department by rule.

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

- (a) 1. If an early planning project under s. 560.82 or 560.835 (6), the extent to which the project will increase employment in this state.
- 2. If a development project or recycling development project, the extent to which the project will retain or increase employment in this state.
- (b) The extent to which the project will benefit minority group members who are residents of this state.
- (c) If a development project or recycling development project, whether the project will be located in any or all of the following:
  - 1. An area of high unemployment or low average income.
  - 2. A development zone designated under s. 560.71, a development opportunity zone designated under s. 560.795 or an enterprise development zone designated under s. 560.797.
- (d) The extent to which the project will attract capital into locations where unemployment exceeds the state average and per capita income is below the state average.
- (e) The likelihood that the project will be successful.
- (f) If a development project or recycling development project, the financial soundness of the minority business involved in the project and the commitment of the eligible recipient to repay the loan or grant.

**History:** 1989 a. 31, 335; 1993 a. 16; 1995 a. 27; 1997 a. 27.

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

(2) The board shall develop a policy governing the repayment of grants and loans made under s. 560.83 or 560.835. The board or department shall deposit moneys received in repayment of grants and loans under s. 560.83 in the appropriation under s. 20.143 (1) (im).

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

- (a) Develop procedures to evaluate applications and monitor project performance for grants awarded for early planning projects under s. 560.82 or 560.835 (6).
- (b) Develop procedures, with the approval of the board, to evaluate applications, monitor project performance and audit grants and loans awarded for development projects under s. 560.83, recycling development projects under s. 560.835 and finance projects and education and training projects under s. 560.837.

**History:** 1989 a. 31, 335; 1993 a. 16, 75; 1997 a. 27.

## SUBCHAPTER VIII

### AMERICAN INDIAN ECONOMIC DEVELOPMENT

**560.86 Definitions.** In this subchapter:

- (1) “American Indian” means a person who is recognized by a tribal governing body as a member of an Indian tribe.

(4) “Indian business” means a sole proprietorship, partnership, limited liability company, joint venture or corporation that satisfies all of the following requirements:

(a) Is at least 51% owned, controlled and actively managed by American Indians.

(b) Is currently performing a useful business function.

(5) “Indian reservation” means a reservation as defined in s. 139.30 (9).

(6) “Indian tribe” means a federally recognized American Indian tribe or band in this state.

(7) “Targeted program” means a program or form of assistance available to an American Indian, an Indian business or an Indian tribe that is administered by a state agency and that relates to any of the following:

(a) Economic development.

(b) Community development.

(c) Increasing employment among American Indians.

(d) Minority business certification under s. 560.036.

(e) Any other program or form of state assistance which the department considers relevant to American Indians, Indian businesses or Indian tribes.

(8) “Tribal enterprise” means a business that is all of the following:

(a) At least 51% owned and controlled by the governing body of one or more Indian tribes.

(b) Actively managed by the governing body, or the designee of the governing body, of one or more Indian tribes.

(c) Currently performing a useful business function.

(9) “Tribal governing body” means the elected governing body of an Indian tribe.

**History:** 1991 a. 39 ss. 3434g, 3463m; 1993 a. 112.

**560.87 Economic liaison program.** The department shall do all of the following:

(1) Provide to tribal governing bodies a directory or other list identifying state employees or officers who administer targeted programs.

(2) Provide information about economic development and targeted programs to American Indians, Indian businesses or tribal governing bodies by using brochures, conferences, counseling or other means determined by the department.

(3) Perform demographic and economic analyses of the American Indian population in this state to provide data for use in economic development and business recruitment on Indian reservations.

(4) Provide, upon request, assistance to American Indians, Indian businesses and tribal governing bodies to promote economic development through the use of targeted programs.

(5) Designate in the department a liaison between the state agencies that administer targeted programs and American Indians, Indian businesses and Indian tribes interested in targeted programs.

(6) From the appropriation under s. 20.143 (1) (dh), make an annual grant to the Great Lakes inter-tribal council in an amount equal to the amount appropriated under s. 20.143 (1) (dh), to partially fund in the Great Lakes inter-tribal council a liaison between American Indians, Indian businesses and Indian tribes interested in targeted programs and the state agencies that administer targeted programs.

**History:** 1991 a. 39 ss. 3434e, 3434k.

**560.875 Technical assistance.** (1) Annually, the department shall grant to the Great Lakes inter-tribal council the amount appropriated under s. 20.143 (1) (df) to partially fund a program to provide technical assistance for economic development on Indian reservations if the conditions under subs. (2) and (3) are satisfied.

(2) (a) As a condition of receiving a grant under sub. (1), the Great Lakes inter-tribal council shall establish a technical assistance program.

(b) The program shall provide technical assistance to all of the following businesses:

1. A tribal enterprise.
2. An Indian business that is located on an Indian reservation.
3. An Indian business that is not located on an Indian reservation but that directly benefits the economy of an Indian reservation.

(c) The program shall provide the following types of technical assistance:

1. Management assistance to existing businesses.
2. Start-up assistance to new businesses, including the development of business and marketing plans and assistance in securing development financing.
3. Technical assistance to new and existing businesses in gaining access to tribal, state and federal business assistance and financing programs.

(d) The program may not provide technical assistance for a commercial gaming and gambling activity.

(3) As a condition of receiving a grant under sub. (1), the Great Lakes inter-tribal council annually shall prepare a report on the technical assistance program under sub. (2) and submit the report to the department.

**History:** 1991 a. 39, 261; 1995 a. 27.

## SUBCHAPTER IX

### TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

**560.90 Definitions.** In this subchapter, “technically oriented business” means any of the following:

- (1) A business in a new or emerging industry.
- (2) A business that provides technically sophisticated products or services.
- (3) A business that is based on a technically sophisticated production system.

**History:** 1989 a. 31.

**560.905 Administration. (1)** The department may contract with specialists outside the classified service, including teachers, professors and professionals on sabbatical leaves, to conduct or coordinate specific projects and programs under this subchapter.

(2) The standing committees of the senate and assembly with jurisdiction over science and technology shall advise the department concerning the administration of this subchapter. The department shall consider the advice of the committees in carrying out the functions under this subchapter. Annually, the department shall submit a report on the department’s activities to the chief clerk of each house of the legislature for distribution under s. 13.172 (3) to the standing committees with jurisdiction over science and technology.

**History:** 1989 a. 31.

**560.91 General functions.** The department shall do all of the following:

- (1) Be the advocate within state government for the development and coordination of an effective and balanced state science and technology economic development policy.
- (2) Advise the governor and the legislature on policy initiatives involving science and technology issues relating to economic development.
- (3) Identify and encourage opportunities to improve the competitiveness of businesses in this state and accelerate market-driven innovation in the state by the following types of technology transfer:

(a) Adoption of readily available and reasonably standardized, but underused, technological products and processes.

(b) Modification or new application of existing technologies.

(c) Translation of new scientific discoveries into useful commercial products, processes and services.

(4) Encourage the lifelong education of residents, businesses and other organizations in this state on the role of science and technology in society and the world economy and the opportunities and responsibilities created by the application of new technologies.

(5) Establish liaisons with institutions of higher learning, appropriate state agencies, federal agencies dealing with science and technology, national laboratories, industrial associations and other appropriate associations in the private sector and coordinate their activities as the activities relate to the department’s responsibilities under this subchapter.

(6) Work with and use existing agencies and programs, to the extent feasible, to ensure the execution of state technology-based economic development initiatives.

**History:** 1989 a. 31.

**560.915 Seed capital fund. (1)** In this section:

(a) “Fund” means a private, for-profit seed capital fund.

(b) “Seed capital” means equity financing to start a new business or expand a recently created business. “Seed capital” includes equity financing used for the development of a business plan, market research, prototype and product development, securing of a patent, capital equipment, other development work, selection of key personnel or working capital.

(2) The department may do all of the following with the money appropriated under s. 20.143 (1) (a):

(a) Spend not more than \$15,000 to contract with a professional executive search firm to identify a manager for a new fund to be based in this state.

(b) Provide not more than \$100,000 to pay all or part of the salary of the manager of the fund and other expenses incurred in establishing the fund, for up to one year, if all of the following apply:

1. The primary purpose of the fund will be to contribute to the establishment and growth in this state of new or expanding technically oriented businesses.

2. The manager or the person who controls the fund agrees to repay any money provided by the department under this section, on terms satisfactory to the department, after the fund has invested in one or more businesses.

4. The manager or person who controls the fund agrees to give a priority in the use of money from the fund to new or technically oriented businesses that certify that they use or will use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.

(3) The department may not spend or provide moneys in connection with a fund under sub. (2) after June 30, 1991.

(4) The department shall do all of the following:

(a) Prepare a biennial report on the disposition and repayment of moneys spent under sub. (2).

(b) Submit the report to the chief clerk of each house of the legislature under s. 13.172 (3) for distribution to the standing committees with jurisdiction over economic development on or before December 31 of each odd-numbered year beginning in 1989 and ending in the odd-numbered year in or after which the earlier of the following occurs:

1. All financial assistance provided by the department under sub. (2) (b) has been repaid.

2. The secretary certifies in the report that the department will not provide money to any fund under sub. (2) (b).



(c) Deposit all money received in repayment of financial assistance under sub. (2) (b) in the general fund.

**History:** 1989 a. 31; 1993 a. 243.

**560.92 Promotion.** (1) The department shall promote this state's science and technology assets in cooperation with Forward Wisconsin, inc. and the department of agriculture, trade and consumer protection.

(2) The department shall establish a program to recognize all of the following:

(a) Entrepreneurs in this state who have established successful technically oriented businesses.

(b) Outstanding researchers in basic and applied sciences in this state.

**History:** 1989 a. 31.

**560.925 Information exchange.** The department shall do all of the following:

(1) Establish and maintain a clearinghouse of information on science and technology relating to the general functions of the department under this subchapter, including the usefulness of science and technology to the public, government and industry in increasing the competitiveness of the economy of this state and enhancing the opportunity for joint ventures and more effective communication between the public and private sectors.

(2) Sponsor conferences and workshops related to the functions of the department under this subchapter.

(3) Assist in the development of statewide information networks, including a network of businesses and persons who use, provide, develop or support technically oriented businesses.

**History:** 1989 a. 31.

**560.93 Statewide advanced technology.** (1) The department shall monitor potential opportunities for federal and private

sector funding of significant technology development and transfer programs. The department may create an advisory committee of persons likely to be aware of these funding opportunities to assist in the monitoring of such opportunities.

(2) Upon identifying a potential funding opportunity under sub. (1), the department may create a team composed of appropriate government, educational and private sector representatives to review and pursue the funding opportunity. A team may do any of the following:

(a) Conduct an evaluation of whether one or more organizations located in this state should compete for the funds.

(b) Help one or more organizations located in this state in developing a specific application for the funds and any subsequent proposal or documentation.

(c) Present to persons providing funding, or coordinate the presentation of, an application for funds; and show to persons providing funding the facility or site where the technology development or transfer program is proposed to be conducted.

**History:** 1989 a. 31.

**560.935 Manufacturing modernization.** (1) The department shall develop one or more programs to assist manufacturing businesses that are located in this state in adopting readily available and reasonably standardized new manufacturing processes and techniques. The programs shall minimize the duplication of assistance provided by suppliers of the manufacturing processes and techniques, consultants, public and private educators and other persons who provide assistance to businesses. The department shall give preference to assisting businesses under this section with fewer than 500 employees.

(2) The department and its contractors may charge a reasonable fee for services provided to businesses that participate in programs established under this section.

**History:** 1989 a. 31.