

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB1)

Received: **03/13/2002**

Received By: **kahlepj**

Wanted: **Today**

Identical to LRB:

For: **Julie Lassa (608) 267-9649**

By/Representing: **herself**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Addl. Drafters: **champra**

Subject: **Econ. Development - misc.
Econ. Development - bus. dev.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Lassa@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Venture capital investments and grants to high-technology corporation and Forward Wisconsin, Inc.

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 03/13/2002	csicilia 03/14/2002		_____			
/1			jfrantze 03/14/2002	_____	lrb_docadmin 03/14/2002	lrb_docadmin 03/14/2002	

FE Sent For:

<END>

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/?	kahlepj	1 cjs 3/14 62	3/14	J. Crank 3/14			

FE Sent For:

<END>

Fr Rep Lassa

draft as an addt to budget repair

bill (sub), SB296, as

amended by sen addts 1 and 2

(LRBa0928/1 and LRBa0933/1)

2001

Date (time) needed _____

LRB b 2554 / 1

BUDGET AMENDMENT

RJK+RAC: ~~8~~ / : _____
CS

NOT FOR COMPILE

See form AMENDMENTS — COMPONENTS & ITEMS.

January 2002 SPECIAL SESSION AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 ASSEMBLY BILL 1

D-note

At the locations indicated, amend the substitute amendment as follows:

#. Page 11., line 22.: before that line insert:

Insert A ✓

#. Page 13., line 11.: after that line insert:

#. Page, line:
#. Page, line:
#. Page, line:
#. Page, line:



(V)

SENATE BILL 296

Madison, Janesville-Beloit, La Crosse, Stevens Point-Marshfield, Racine-Kenosha, Milwaukee, Sheboygan-Manitowoc, Superior, the Fox River Valley, and Wausau.

Grant for biotechnology

Current law requires the department of commerce (department) to organize and assist in maintaining a high-technology business development corporation (corporation), the purpose of which is to promote and support the creation, development, and retention of science-based and technology-based businesses in the state. The department is authorized to provide grants to the corporation of up to \$250,000 in a fiscal year from a general purpose revenue appropriation to the department specifically for the purpose of providing grants to the corporation.

This bill authorizes the department to provide a grant to the corporation of up to \$2,500,000 in fiscal year 2001-02. The grant must be used for a media campaign that identifies Wisconsin as the leader in biotechnology and for recruiting biotechnology business start-up and expansion to the state. The corporation must contribute an amount that is equal to the grant and submit a plan for the use of the grant proceeds that is approved by the secretary of commerce. The funding for the grant comes from a general purpose revenue appropriation to the department, commonly known as the Wisconsin development fund, that funds various grants and loans to foster economic development, manufacturing, and technology.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

- ① " SECTION ^{28r} 20.143 (1) (c) of the statutes, as affected by 2001 Wisconsin Act 16, ✓
 2 is amended to read:
 3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and*
 4 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145,
 5 560.16, 560.175, and 560.26; for grants and loans under ss. 560.62, 560.63, and
 6 560.66; for loans under s. 560.147; for reimbursements under s. 560.167; for
 7 providing assistance under s. 560.06; for the costs specified in s. 560.607; for the loan
 8 under 1999 Wisconsin Act 9, section 9110 (4); for the grants under 1995 Wisconsin
 9 Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act
 10 27, section 9110 (6g), and 1999 Wisconsin Act 9, section 9110 (5), and 2001 Wisconsin

- 3 -

19
9110
and (29)

1 Act ... (this act), section ~~(1)~~ and for providing up to \$100,000 annually for the
 2 continued development of a manufacturing and advanced technology training center
 3 in Racine. Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal
 4 years 1997-98 and 1998-99 for providing the assistance under s. 560.06 (1).
 5 Notwithstanding s. 560.607, of the amounts in the schedule, \$125,000 shall be
 6 allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99,
 7 for grants and loans under s. 560.62 (1) (a).)) ✓

8 SECTION 2. 25.17 (71) of the statutes is created to read:

9 25.17 (71) (a) Before June 30, 2004, invest an amount not exceeding
 10 \$50,000,000 in venture capital investment firms. The amount that is required to be
 11 invested under this paragraph shall be in addition to any amount that is invested in
 12 venture capital investment firms before the effective date of this paragraph
 13 [revisor inserts date]. In selecting the venture capital investment firms in which to
 14 make investments, the investment board shall consider all of the following factors:

- 15 1. The experience of the venture capital investment firms in making
- 16 investments.
- 17 2. The commitment of the venture capital investment firms to making venture
- 18 capital investments in the health care and biotechnology industries.
- 19 3. The willingness of the venture capital investment firms to make at least 75%
- 20 of the investments in businesses headquartered in this state.
- 21 4. Whether the venture capital investment firms have a place of business in this
- 22 state.
- 23 5. The overall experience of the venture capital investment firms in making
- 24 investments in businesses that are in the venture capital stage.

* # . Page 13, line 13: after that line insert:

3

1 ~~4. Page 3, line 1: after "section 3 (1)" insert "and (2)".~~

2 ~~5. Page 3, line 7: after that line insert:~~

3 **SECTION 30C.** 20.143 (1) (kL) of the statutes is created to read:

9110

4 20.143 (1) (kL) *High-technology corporation grant*. Biennially, the amounts in

5 the schedule for the grant under 2001 Wisconsin Act (this act), section ~~3~~ (1). All

19

6 moneys transferred from the appropriation account under s. 20.505 (8) (hm) 6L. shall

7 be credited to this appropriation account. Notwithstanding s. 20.001 (3) (b), the

8 unencumbered balance on June 30 of each odd-numbered year shall revert to the

9 appropriation account under s. 20.505 (8) (hm).

Insert B

10 **SECTION 50i.** 20.505 (8) (hm) 6L. of the statutes is created to read:

11 20.505 (8) (hm) 6L. The amount transferred to s. 20.143 (1) (kL) shall be the

12 amount in the schedule under s. 20.143 (1) (kL).

Insert C

13 ~~6. Page 4, line 13: delete lines 13 to 22 and substitute:~~

14 ~~"(1) GRANTS TO HIGH-TECHNOLOGY CORPORATION.~~

15 ~~(a) In this subsection:~~

16 ~~1. "Department" means the department of commerce.~~

17 ~~2. "High-technology corporation" means the high-technology business~~
18 ~~development corporation under section 560.27 of the statutes.~~

19 ~~3. "Secretary" means the secretary of commerce.~~

20 ~~(b) Notwithstanding section 560.27 (3) (c) of the statutes, the department may~~

21 ~~make grants in the 2001-03 fiscal biennium of up to \$600,000 from the appropriation~~

22 ~~under section 20.143 (1) (kL) of the statutes, as created by this act, and of up to~~

23 ~~\$1,825,000 from the appropriation under section 20.143 (1) (c) of the statutes, as~~

24 ~~affected by this act, to the high-technology corporation if all of the following apply:".~~

* #. Page 28, line 8: after that line insert :

4



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0928/1
RAC:cjs:pg

SENATE AMENDMENT 1,
TO 2001 SENATE BILL 296

November 6, 2001 - Offered by FINANCE.

1 At the locations indicated, amend the bill as follows:

2 1. Page 3, line 8: delete the material beginning with that line and ending with
3 page 4, line 11, and substitute: → 79x

4 (4) "SECTION ~~79x~~. 25.17 (71) of the statutes is created to read:

5 25.17 (71) (a) Before June 30, 2004, make an effort to commit to invest an
6 amount not less than \$50,000,000 in venture capital investment firms. The amount
7 that is committed to be invested under this paragraph shall be in addition to any
8 amount that is invested in venture capital investment firms before the effective date
9 of this paragraph [revisor inserts date]. In selecting the venture capital
10 investment firms in which to make investments, the board is subject to the standard
11 of responsibility under s. 25.15 (2) and shall consider all of the following factors:

12 1. The experience of the venture capital investment firms in making
13 investments.

5

1 2. The commitment of the venture capital investment firms to making venture
2 capital investments in health care, biotechnology, and other technological
3 industries.

4 3. The willingness of the venture capital investment firms to make at least 75%
5 of the investments in businesses headquartered in this state.

6 4. Whether the venture capital investment firms have a place of business in this
7 state.

8 5. The overall experience of the venture capital investment firms in making
9 investments in businesses that are in the venture capital stage.

10 6. The relationships that the venture capital investment firms have with
11 technology transfer organizations, such as the Wisconsin Alumni Research
12 Foundation, Inc.

13 7. The ability of the venture capital investment firms to do lead and follow-on
14 investments.

15 (b) Any venture capital investment firm in which the investment board makes
16 an investment under par. (a) shall make an effort to invest in businesses located in
17 the areas of Green Bay, Eau Claire, Madison, Janesville–Beloit, La Crosse, Stevens
18 Point–Marshfield, Racine–Kenosha, Milwaukee, Sheboygan–Manitowoc, Superior,
19 the Fox River Valley, and Wausau and within the boundaries of any federally
20 recognized Indian reservation. The investment board shall determine the
21 geographic boundaries of each area.

22 (c) Nothing in this subsection limits the authority of the board to make any
23 other investments that are otherwise authorized by law or restricts the authority of

6

1 the board or any venture capital investment firm to make investments in any area
2 of this state.”

3  ~~END~~

#. Page 353, line 16: after that line insert:



Page 19 line 29: after existing insert

4. Page 3, line 1: after "section 3 (1)" insert "and (2)".

5. Page 3, line 7: after that line insert:

30C
"SECTION ~~3~~. 20.143 (1) (kL) of the statutes is created to read:

20.143 (1) (kL) *High-technology corporation grant*. Biennially, the amounts in the schedule for the grant under 2001 Wisconsin Act ... (this act), section 3 (1). All moneys transferred from the appropriation account under s. 20.505 (8) (hm) 6L shall be credited to this appropriation account. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall revert to the appropriation account under s. 20.505 (8) (hm)."

59i
"SECTION ~~3~~. 20.505 (8) (hm) 6L. of the statutes is created to read:

20.505 (8) (hm) 6L. The amount transferred to s. 20.143 (1) (kL) shall be the amount in the schedule under s. 20.143 (1) (kL)."

6. Page 4, line 13: delete lines 13 to 22 and substitute:

"(1) GRANTS TO HIGH-TECHNOLOGY CORPORATION.

19
1q (a) In this subsection:

1. "Department" means the department of commerce.

2. "High-technology corporation" means the high-technology business development corporation under section 560.27 of the statutes.

3. "Secretary" means the secretary of commerce.

(b) Notwithstanding section 560.27 (3) (c) of the statutes, the department may make grants in the 2001-03 fiscal biennium of up to \$600,000 from the appropriation under section 20.143 (1) (kL) of the statutes, as created by this act, and of up to \$1,825,000 from the appropriation under section 20.143 (1) (c) of the statutes, as affected by this act, to the high-technology corporation if all of the following apply."



8

SENATE BILL 296

1 6. The relationships that the venture capital investment firms have with
2 technology transfer organizations, such as the Wisconsin Alumni Research
3 Foundation, Inc.

4 7. The ability of the venture capital investment firms to do lead and follow-on
5 investments.

6 (b) Any venture capital investment firm in which the investment board makes
7 an investment under par. (a) may only make investments in businesses located in the
8 areas of Green Bay, Eau Claire, Madison, Janesville-Beloit, La Crosse, Stevens
9 Point-Marshfield, Racine-Kenosha, Milwaukee, Sheboygan-Manitowoc, Superior,
10 the Fox River Valley, and Wausau. The investment board shall determine the
11 geographic boundaries of each area.

SECTION 3. Nonstatutory provisions.

(1) GRANT TO HIGH-TECHNOLOGY CORPORATION.

(a) In this subsection:

1. "Department" means the department of commerce.

2. "High-technology corporation" means the high-technology business
development corporation under section 560.27 of the statutes.

3. "Secretary" means the secretary of commerce.

(b) Notwithstanding section 560.27 (3) (c) of the statutes, the department may
make a grant in fiscal year 2001-02 of up to \$2,500,000 from the appropriation under
section 20.143 (1) (c) of the statutes, as affected by this act, to the high-technology
corporation if all of the following apply:

1. The high-technology corporation uses the grant proceeds for a media
campaign that identifies Wisconsin as the leader in biotechnology and to recruit
biotechnology businesses for start-up in, or expansion to, this state.



SENATE BILL 296

1 2. The high-technology corporation submits to the department a plan for the
2 use of the proceeds, and the secretary approves the plan.

3 3. The high-technology corporation contributes matching funds equal to the
4 amount of the grant proceeds.

5 4. The high-technology business agrees in writing to submit to the department
6 the report required under paragraph (c) by the time required under paragraph (c).

7 (c) If the high-technology corporation receives a grant under this subsection,
8 the high-technology corporation shall submit to the department, within 6 months
9 after spending the full amount of the grant, a report detailing how the grant proceeds
10 were used.

11  (END)



10

29

1 7. Page 5, line 10: after that line insert:

2 (2) GRANT TO FORWARD WISCONSIN, INC. Notwithstanding section 560.07 (3) (b)

3 of the statutes, from the appropriation under section 20.143 (1) (c) of the statutes, as

4 affected by this act, the department of commerce may make a grant of up to \$75,000

5 in fiscal year 2001-02 to Forward Wisconsin, Inc., for its costs to participate in

6 biotechnology trade shows. Forward Wisconsin, Inc., shall expend the grant

7 proceeds in adherence with the uniform travel schedule amounts approved under

8 section 20.916 (8) of the statutes and may not expend the grant proceeds on

9 entertainment, on foreign travel, on payments to persons not providing goods or

10 services to Forward Wisconsin, Inc., or for other purposes prohibited by contract

11 between Forward Wisconsin, Inc., and the department of commerce. The

12 department of commerce shall enter into an agreement with Forward Wisconsin,

13 Inc., that specifies the uses for the grant proceeds under this subsection and

14 reporting and auditing requirements.”.

15

(END)

Insert D

D-note

11



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0933/1
PJK:cjs:pg

**SENATE AMENDMENT 2,
TO 2001 SENATE BILL 296**

Insert A

November 6, 2001 – Offered by Senator CHVALA.

At the locations indicated, amend the bill as follows:

1. Page 1, line 3: after “corporation,” insert “a grant to Forward Wisconsin, Inc.,”.

2. Page 2, line 1: before that line insert:

“SECTION 1c. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2001-02 2002-03

8 **20.143 Commerce, department of**

(1) ECONOMIC AND COMMUNITY DEVELOPMENT

(kL) High-technology corporation

grant PR-S B 600,000 -0-”.

3. Page 2, line 1: delete “SECTION 1” and substitute “SECTION 1c.”

(end of ins A)

Insert B

① SECTION 30d. RP. 20.143(1)(KL), as
CS ↑
created by 2001 Wisconsin Act....
(this act) " ←

#. Page 19, line 20: after that line insert:
(end of ins B)

Insert C

① SECTION 52j. RP. 20.505(8)(hm) 6L.,
CS ↑ (hm) 6L.,
as created by 2001 Wisconsin Act
.... (this act) " ←

(end of ins C)

Insert D

¶ #. Page 445, line 13: after that line insert:

¶ "(1g) ^(cs) HIGH-TECHNOLOGY CORPORATION GRANT.

The repeal of sections 20.143(1)(KL) and

20.505(8)(km) GL. of the statutes takes

effect on July 1, 2003." ✓

(end of ins D)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb2554/dn

PK

SB
This amendment is Senate Bill 296, as amended by SA 1 and SA 2 to SB 296. Among other things, this amendment makes a grant to the high-technology corporation under s. 560.27, stats., from Indian gaming receipts and the "development fund," which is general purpose revenue (GPR), and makes a grant to Forward Wisconsin, Inc., from the "development fund," which is GPR. If you wish, I can change the source of the grants from the "development fund" to the "development fund" repayments appropriation, which is program revenue (PR). This amendment does not increase the amount of GPR that is appropriated, however, because the amount in the schedule for the "development fund" is not increased. The GPR is merely reallocated for these grants.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb2554/1dn
PJK:cjs:jf

March 14, 2002

This amendment is SB 296, as amended by SA 1 and SA 2 to SB 296. Among other things, this amendment makes a grant to the high-technology corporation under s. 560.27, stats., from Indian gaming receipts and the "development fund," which is general purpose revenue (GPR), and makes a grant to Forward Wisconsin, Inc., from the "development fund," which is GPR. If you wish, I can change the source of the grants from the "development fund" to the "development fund" repayments appropriation, which is program revenue (PR). This amendment does not increase the amount of GPR that is appropriated, however, because the amount in the schedule for the "development fund" is not increased. The GPR is merely reallocated for these grants.

Pamela J. Kahler
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