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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Economic Development (SC-ED)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Senate

Record of Committee Proceedings

Committee on Economic Development

Senate Bill 409

Relating to: a postsecondary education tax credit for businesses; increasing annual limits on angel investment tax credits; awarding grants to the WiSys Technology Foundation, Inc.; business plan competitions and an emerging technology center in the University of Wisconsin System; rural outsourcing grants; requiring the Department of Commerce to award grants to a high-technology business development corporation and grants for converting manufacturing facilities; increasing funding for certain economic development programs; a pilot program providing microloans for the creation of new businesses; increasing funding for certain technical college training program grants; providing an exemption from emergency rule procedures; granting rule-making authority; and making appropriations.

By Senators Lassa, Kreitlow, Sullivan, Lehman, Vinehout, Jauch, Hansen, Holperin, Miller, Robson, Erpenbach, Risser, Plale, Decker, Taylor, Wirch, Carpenter and Coggs; cosponsored by Representatives Molepske Jr., Cullen, Zigmunt, Smith, Turner, Berceau, Zepnick, Vruwink, Dexter and Schneider.

November 20, 2009 Referred to Committee on Economic Development.

December 10, 2009 **PUBLIC HEARING HELD**

Present: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Absent: (0) None.

Appearances For

- Julie Lassa — Sen., 24th Senate District
- Louis Molepske, Jr. — Rep., 71st Assembly District
- Barbara Lawton — Lt. Gov., Office of Lieutenant Governor
- David Ward, Sturgeon Bay — NorthStar Economics
- Bruce Siebold, Menomonie — NorthStar
- Tom Still, Madison — Wisconsin Technology Council
- Brian Taffora, Madison — Wisconsin Business Council
- Brian Doudna, Eau Claire — Wisconsin Economic Development Association
- Ron Kuehn, Madison — BioForward
- Linda Templer, Milwaukee — Energy Composites Corporation
- Malyakal John — WiSys Technology Foundation
- Andrew Cohn, Madison — Wisconsin Alumni Research Foundation

- Joe Gow — Chancellor, University of Wisconsin LaCrosse
- Kathleen Enzfinken, LaCrosse — Provost, UW-LaCrosse
- Timothy Lyden, Spring Valley — Dr., University of Wisconsin River Falls
- Darrel Burnett, Green Bay — VeriPure, Inc.
- Ronald Gayhart, Whitewater — UW-Whitewater

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- Jeff Plale — Senator, 7th Senate District
- Sunil Krishnan, Franklin — NAMBTECH
- Deven McGlenn, Madison — BioForward
- James Buchen, Madison — Wisconsin Manufacturers and Commerce
- Amy Boyer, Madison — Wisconsin Economic Development Association
- Charlie Hoslet — UW Madison Office of Corporate Relations
- Jessica Tormey — UW System Board of Regents
- Thomas Miller — UW-Stevens Point
- Bill Smith, Madison — National Federation of Independent Business

Registrations Against

- None.

Registrations for Information Only

- None.

December 15, 2009 **EXECUTIVE SESSION HELD**

Present: (7) Senators Lassa, Lehman, Vinehout, Kreitlow, Kanavas, Darling and Leibham.

Absent: (0) None.

Moved by Senator Vinehout, seconded by Senator Lehman that **Senate Substitute Amendment 0209** be recommended for introduction.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow, Kanavas, Darling and Leibham.

Noes: (0) None.

INTRODUCTION OF SENATE SUBSTITUTE AMENDMENT
0209 RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Leibham, seconded by Senator Darling that
Senate Amendment 1211 be recommended for introduction.

Ayes: (3) Senators Kanavas, Darling and Leibham.
Noes: (4) Senators Lassa, Lehman, Vinehout and
Kreitlow.

INTRODUCTION OF SENATE AMENDMENT 1211 NOT
RECOMMENDED, Ayes 3, Noes 4

Moved by Senator Leibham, seconded by Senator Darling that
Senate Amendment 1222 be recommended for introduction.

Ayes: (3) Senators Kanavas, Darling and Leibham.
Noes: (4) Senators Lassa, Lehman, Vinehout and
Kreitlow.

INTRODUCTION OF SENATE AMENDMENT 1222 NOT
RECOMMENDED, Ayes 3, Noes 4

Moved by Senator Leibham, seconded by Senator Darling that
Senate Amendment 1223 be recommended for introduction.

Ayes: (3) Senators Kanavas, Darling and Leibham.
Noes: (4) Senators Lassa, Lehman, Vinehout and
Kreitlow.

INTRODUCTION OF SENATE AMENDMENT 1223 NOT
RECOMMENDED, Ayes 3, Noes 4

Moved by Senator Lehman, seconded by Senator Vinehout that
Senate Substitute Amendment 0209 be recommended for
adoption.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.
Noes: (0) None.

ADOPTION OF SENATE SUBSTITUTE AMENDMENT 0209
RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Vinehout, seconded by Senator Lehman that
Senate Bill 409 be recommended for passage as amended.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 7, Noes 0



Mark Knickelbine
Committee Clerk

Vote Record Committee on Economic Development

Date: _____

Moved by: Vinehout

Seconded by: Lehman

Passage

AB _____ SB 409 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	_____	_____	_____

Motion Carried

Motion Failed

Vote Record Committee on Economic Development

Date: _____ *introduce*
 Moved by: *Vinehout* Seconded by: *Lehman*

AB _____ SB *50209* Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage Adoption Confirmation Concurrence Indefinite Postponement
 - Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u><i>7</i></u>	_____	_____	_____

Vote Record Committee on Economic Development

Date: _____

Adopt

Moved by: Lehman

Seconded by: Vinehout

AB _____ SB 0209 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	_____	_____	_____

Motion Carried Motion Failed

Vote Record Committee on Economic Development

Date: _____

Moved by: Ciebharn

Seconded by: Darling *introduction*

AB _____

SB a 1211

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- | | | | | |
|---------------------------------------|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Adoption | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling | <input type="checkbox"/> Nonconcurrence | |

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Motion Carried

Motion Failed

Vote Record Committee on Economic Development

Date: _____

Moved by: Leibham

Seconded by: Darling
introduction

AB _____ SB 91222 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage Adoption Confirmation Concurrence Indefinite Postponement
 - Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>2</u>	<u>4</u>	_____	_____

Vote Record Committee on Economic Development

Date: _____

Moved by: Leibham

Seconded by: Denbury

AB _____

SB a 1223

Clearinghouse Rule Introduction

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>2</u>	<u>4</u>	_____	_____

Motion Carried

Motion Failed

Substitute Amendment to SB 409
12/14/2009

WiSys Small Company Advancement Program

At the suggestion of WiSys and WARF, we are making changes which will accelerate their ability to put grants in place quickly:

- Allow the matching funds requirement to include in-kind contributions.
- Permit the funding to be applied to any grants made by WiSys after January 1, 2010.
- Permit WiSys to use \$75,000 of the funds for administrative costs of the Wisconsin Small Company Advancement Program; this funding is exempt from the matching requirement.
- WiSys must report to the co-chairs of Joint Finance and the chairs of the relevant standing committees of the Senate and Assembly annually to report on how the funds were used.

UW-LaCrosse Emerging Technology Center

At the suggestion of UW-LaCrosse, we are making changes which will make it easier for the campus to meet the matching requirements.

- In line Section 17 line 25, replace “private” with non-state sources.
- Allow the matching funds requirement to include in-kind contributions.

Advanced Manufacturing Skills Training

We are increasing the funding for this program by an additional \$500,000, for a total increase of \$1,000,000 under the bill. This will bring the total for the program to \$2 million in the current biennium.

- In Section 19 line 8, increase the amount to \$2,000,000

Angel and Venture Credits

The first change addresses the possibility that the total available credits will not be used for 2010.

- If Commerce determines that the total amount of credits funded by the angel and early stage tax credits for 2010 cannot be allocated for the 2010 tax year, it may transfer those credits to either the Zone Development tax credit or the Jobs Tax Credit, in addition to the option of carrying unused credits forward. It must report those plans to the Joint Finance Committee which would have 14 day passive review of them.

The second change is at the suggestion of BioForward, which will allow the angel tax credit to incentivize investors to help fund a company's move to Wisconsin from another state:

- If a company relocates to Wisconsin and is qualified as a new business venture within 6 months of locating here, investors may claim the credit in the angel for investments made up to two months before the company moved to Wisconsin.

MicroLoans

This change, suggested by both WEDA and Commerce, will provide that existing non-profit microlenders administer this program. It's felt this will make the program run more smoothly and get these funds into the hands of entrepreneurs more quickly.

- Require Commerce to select, through a competitive process, a Wisconsin non-profit finance corporation to administer the microloans.

Green Energy Retrofits

In order to facilitate a program Commerce is currently developing to help manufacturers retool for green energy manufacture or production, the specification that this program be used only for unutilized or underutilized manufacturing facilities is removed. This program could still be used for unutilized or underutilized facilities, however.

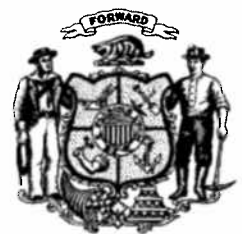
- In Section 36 (3) line 14, strike "unutilized or underutilized"

Additional Provisions

- We want to raise the current statutory cap on funding by Commerce of the high technology business development corporation from the current \$250,000 annually to \$750,000. In fact, the Wisconsin Technology Council is already receiving more than that in the current budget; this change is needed to bring statutes into line with current practice.
- The amended bill will allocate \$250,000 to increase capacity of CAP services Skills Enhancement program, assisting low-wage earning workers to obtain additional training or education.
 - 360 workers have completed the program to date
 - Average increase in wage among program participants is \$5.51/hr
 - Funding will enable another 100 workers to be trained this biennium



WISCONSIN STATE LEGISLATURE





LRB 01/11/1
was attached.

Joe Leibham

State Senator
9th State Senate District

Jobs Creation Tax Benefit

OVERVIEW

This amendment is modeled after the Kentucky Rural Economic Development Act (KREDA), an important job creation tool for state economic development officials there. The amendment would allow a company that is seeking to create or retain at least 15 jobs in Wisconsin to retain 100 percent of the individual income tax revenues created as a result of the new or retained jobs and use it to offset the company's state corporate income tax liability. The benefit may be executed at the discretion of the state Department of Commerce.

ELIGIBILITY

1. Any business entity that establishes or expands existing operations in Wisconsin.
2. An eligible project must create or retain a minimum of 15 new jobs in Wisconsin.
3. The jobs created must be full-time.
4. The amendment gives Commerce the discretion to

PROGRAM

1. The program creates a mechanism through which a participating employer may retain the individual income tax revenue generated as a result of the creation of the jobs. That revenue may then be used to offset the employer's state corporate income tax liability.
2. **TERM:** The benefit would be provided at the discretion of Commerce and businesses could receive it for as long as five years. Commerce could extend this term if it is deemed necessary.
3. Allows Commerce and Revenue to determine the details of administration
 - a. Application process
 - b. Total amount of incentive available to company
 - c. Reporting and verification of compliance
 - d. State recourse in the event of a contractual breach by the employer