



State of Wisconsin
1997 - 1998 LEGISLATURE

LRBa1286/3
KSH:kmg:jf

**ASSEMBLY AMENDMENT 2,
TO 1997 ASSEMBLY BILL 579**

December 17, 1997 - Offered by COMMITTEE ON FINANCIAL INSTITUTIONS.

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

2 **1.** Page 4, line 5: on lines 5, 11, and 13, delete "(1)" and substitute "(1m)".

3 **2.** Page 7, line 9: delete lines 9 to 16 and substitute:

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

6 **3.** Page 12, line 4: delete lines 4 to 6 and substitute:

7 **"560.34 Operation of certified capital companies. (1) QUALIFIED**
8 INVESTMENTS REQUIREMENTS. In order for a certified capital company to prevent
9 disqualification under s. 560.37 of an investment pool, the certified capital company
10 shall ensure that the investment pool makes qualified investments in accordance
11 with the schedule under sub. (1m). An investment is a qualified investment if the
12 investment meets all of the following requirements:

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

3 1. An equity security of the qualified business.

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

6 a. The debt is unsecured.

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

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

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

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

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

25 **(1m)** QUALIFIED INVESTMENT SCHEDULE. (a) A certified capital”.

1 **4.** Page 13, line 19: after that line insert:

2 **“(1m) VIOLATION OF AGREEMENTS BY QUALIFIED BUSINESSES. As soon as**
3 **practicable after the receipt of information by the certified capital company that a**
4 **qualified business has violated an agreement made under s. 560.34 (1) (b) to (e), the**
5 **certified capital company shall notify the department of the violation and the facts**
6 **giving rise to the violation.”.**

7 **5.** Page 14, line 14: delete “(1)” and substitute “(1m)”.

8 **6.** Page 15, line 21: on lines 21 and 23, delete “(1)” and substitute “(1m)”.

9 (END)