



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRBs0099/1  
MPG:ahc

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 46**

July 25, 2017 - Offered by Representative KOLSTE.

1 **AN ACT to create** 238.142 of the statutes; **relating to:** grants to certain small  
2 businesses that receive federal grants.

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***Analysis by the Legislative Reference Bureau***

This substitute amendment differs from 2017 Assembly Bill 46 in the following respects:

1. The substitute amendment increases the cap on each matching grant awarded by the Wisconsin Economic Development Corporation under the bill from \$50,000 or the amount of the recipient's federal grant, whichever is less, to \$100,000 or the amount of the recipient's federal grant, whichever is less.

2. The substitute amendment increases the cap on all matching grants awarded by WEDC under the bill each fiscal year from \$300,000 to \$2,000,000.

For further information, see the analysis for the bill.

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

3 **SECTION 1.** 238.142 of the statutes is created to read:

4 **238.142 Grants to recipients of federal grants for research and**  
5 **innovation. (1) DEFINITIONS.** In this section:

1 (a) "Phase I federal grant" means a grant awarded by the federal government  
2 under Phase I of the federal Small Business Innovation Research Program or Phase  
3 I of the federal Small Business Technology Transfer Program.

4 (b) "Phase I matching grant" means a grant awarded by the corporation under  
5 sub. (3).

6 (c) "Phase II federal grant" means a grant awarded by the federal government  
7 under Phase II of the federal Small Business Innovation Research Program or Phase  
8 II of the federal Small Business Technology Transfer Program.

9 (d) "Phase II matching grant" means a grant awarded by the corporation under  
10 sub. (4).

11 **(2) GRANT PROGRAM IMPLEMENTATION.** The corporation shall develop and  
12 implement an economic development program to award Phase I and Phase II  
13 matching grants under this section.

14 **(3) PHASE I MATCHING GRANTS.** (a) A Phase I federal grant recipient may apply  
15 for a Phase I matching grant on a form provided by the corporation.

16 (b) Subject to par. (c) and the limitations under sub. (5), the corporation may  
17 award a Phase I matching grant to an applicant under par. (a) if the applicant meets  
18 all of the following conditions:

19 1. The applicant submits to the corporation a copy of the applicant's executed  
20 Phase I federal grant agreement with the federal government or evidence  
21 satisfactory to the corporation that the applicant has received at least one payment  
22 of Phase I federal grant moneys.

23 2. The applicant's business is located in this state and will not relocate outside  
24 of this state during the 3 years after it receives a Phase I matching grant. For the  
25 purposes of this subdivision, a business relocates outside of this state when the

1 business locates more than 51 percent of its employees, its total payroll, or the  
2 activities of its headquarters, as determined by the corporation, outside of this state.

3 3. The applicant submits evidence satisfactory to the corporation that the  
4 research to be conducted in connection with the Phase I federal grant will benefit the  
5 economy of this state and that at least 51 percent of that research will be conducted  
6 in this state.

7 4. The applicant intends to apply for a Phase II federal grant.

8 5. The applicant submitted its application under par. (a) within 180 days after  
9 the applicant first received any moneys from the federal government under the  
10 applicant's Phase I federal grant.

11 6. The applicant satisfies any other requirements established by the  
12 corporation.

13 (c) Before the corporation awards a Phase I matching grant, the corporation  
14 shall contract with the Phase I federal grant recipient. The corporation shall  
15 determine the contract's terms, including the amount of the Phase I matching grant,  
16 after negotiation with the Phase I federal grant recipient. The contract shall include  
17 all of the following provisions:

18 1. That, at a time determined by the corporation and specified in the contract,  
19 the Phase I federal grant recipient shall file with the corporation a report that shows  
20 the Phase I federal grant recipient's expenditures of the Phase I federal grant and  
21 the Phase I matching grant; and that, if the Phase I federal grant recipient fails to  
22 submit a report under this subdivision that is acceptable to the corporation, the  
23 corporation may order repayment of all or a portion of the Phase I matching grant.

24 2. That the Phase I federal grant recipient may assign the contract to another  
25 person only upon the prior written consent of the corporation.

1           3. That, in addition to any other purposes for which the Phase I federal grant  
2 may be expended, the Phase I matching grant may be used for patenting, market  
3 research, and marketing.

4           **(4) PHASE II MATCHING GRANTS.** (a) A Phase I matching grant recipient may  
5 apply for a Phase II matching grant on a form provided by the corporation.

6           (b) Subject to par. (c) and the limitations under sub. (5), the corporation may  
7 award a Phase II matching grant to an applicant under par. (a) if the applicant meets  
8 all of the following conditions:

9           1. The applicant submits evidence satisfactory to the corporation that the  
10 federal government approved the applicant's final report for its Phase I federal grant,  
11 the applicant has satisfied any other applicable requirements for its Phase I federal  
12 grant, and the applicant has been awarded a Phase II federal grant.

13           2. The applicant submitted its application under par. (a) within 90 days after  
14 the applicant completed its research under the applicant's Phase I federal grant.

15           3. The applicant satisfies any other requirements established by the  
16 corporation.

17           (c) Before the corporation awards a Phase II matching grant, the corporation  
18 shall contract with the Phase II federal grant recipient. The corporation shall  
19 determine the contract's terms, including the amount of the Phase II matching grant,  
20 after negotiation with the Phase II federal grant recipient. The contract shall include  
21 all of the following provisions:

22           1. That, at a time determined by the corporation and specified in the contract,  
23 the Phase II federal grant recipient shall file with the corporation a report that shows  
24 the Phase II federal grant recipient's expenditures of the Phase II federal grant and  
25 the Phase II matching grant; and that, if the Phase II federal grant recipient fails to

1 submit a report under this subdivision that is acceptable to the corporation, the  
2 corporation may order repayment of all or a portion of the Phase II matching grant.

3 2. That the Phase II federal grant recipient may assign the contract to another  
4 person only upon the prior written consent of the corporation.

5 3. That, in addition to any other purposes for which the Phase II federal grant  
6 may be expended, the Phase II matching grant may be expended for patenting,  
7 market research, and marketing.

8 **(5) LIMITATIONS.** (a) The corporation may not award a Phase I or Phase II  
9 matching grant that exceeds \$100,000 or the amount of the Phase I or Phase II  
10 federal grant, whichever is less.

11 (b) The corporation may not award grants under this section totaling more than  
12 \$2,000,000 per state fiscal year.

13 **(END)**