

CHAPTER 560

DEPARTMENT OF BUSINESS DEVELOPMENT

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560.001 Definition. In this chapter, "department" means the department of business development.

History: 1971 c. 321.

560.01 Organization of the department.

(1) **PURPOSES.** The functions of the department of business development shall be of an advisory, informational, coordinative and promotional nature. Through research, planning, and promotion 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.

(2) **DUTIES.** The department shall promote and provide assistance to commercial, industrial and recreational development and expansion; facilitate the establishment of small and minority business enterprises; encourage creation of jobs in urban and rural depressed areas in the state; coordinate state public and private economic development plans; encourage cooperation between financial institutions and businessmen to encourage commercial, industrial and recreational business expansion in Wisconsin; and develop a state economic development policy.

History: 1971 c. 321.

560.02 Secretary. The secretary of business development shall 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 in the state. The secretary shall appoint, from the classified service, the administrators for the various divisions of the department. Administrators so appointed shall serve at the pleasure of the secretary, but each shall be entitled to return to his former position or to one with equivalent responsibility and pay in the classified service in accordance with s. 16.27. The secretary may delegate any of his

powers and duties to such officers and employees of the department as he designates, and may authorize successive redelegations of such powers and duties.

History: 1971 c. 307 s. 104; 1971 c. 321.

560.03 Economic development. The department shall foster and encourage 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, and shall:

(1) Support and assist the efforts of state, regional and local development corporations, industrial committees, chambers of commerce, labor organizations and other similar public and private agencies to obtain new and foster expansion of existing agricultural, commercial, industrial and mining enterprises.

(2) 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.

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

(4) Assist in the formulation and implementation of integrated development programs for northern Wisconsin and other areas or regions of the state.

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

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

(7) Locate and maintain information on prime industrial sites, together with recommendations for protecting or preserving such sites.

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

(9) 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 supplies, and factors which influence the development of new economic enterprises such as taxes and the regulation of industry.

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

(11) Identify gaps in government services in each area of the state and recommend specific actions to the local and state agencies concerned.

(12) 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.

(13) 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.

History: 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16.

560.04 Promotion. The department shall provide coordinating services to aid state and local groups in the promotion of new 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.

(3) 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 process requests which reflect interest in locating economic enterprises in the state.

(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 and promote means of expanding markets for Wisconsin products.

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

History: 1971 c. 321 ss. 11, 16.

560.05 Cooperation. (1) **LIAISON WITH STATE AND FEDERAL AGENCIES.** The department shall seek information and advice from all relevant state and federal agencies. The university of Wisconsin and other state agencies are directed to provide the department with such information and advice necessary to carry out the purposes of this section.

(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 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. At its discretion, the department may make charges for its bulletins to cover printing and mailing costs.

History: 1971 c. 321 ss. 13, 16.

560.06 Small business investment company assistance. (1) ADMINISTRATION. (a)

This section shall be administered by the department with the advice of the council on small business investment companies. To achieve the purposes specified in this section, the department may make loans from the appropriation under s. 20.135 (1) (x) to nonprofit corporations organized under ch. 181.

(b) Debentures of small business investment companies purchased by the state or by such nonprofit corporations shall be subordinate to any other debenture bonds, promissory notes, or other debts and obligations of such small business investment companies except for those purchased by the small business administration in accordance with the federal small business investment act of 1958, as amended.

(2) FUND CREATION. There is created the small business investment company fund. The purposes of the fund shall be to assist, promote, encourage, develop and advance the general prosperity and economic welfare of the people of this state and to improve their standard of living and to improve employment opportunities in the state by facilitating the purchase, either directly, through nonprofit corporations or in cooperation with banks or other lending institutions through agreements to participate on an immediate basis, of the debentures of small business investment companies; and to advance thereby the development of small business enterprises throughout the state as these are defined under the federal small business investment act of 1958. In carrying out such purposes and in exercising the powers granted by this section, the department shall be regarded as performing an essential governmental function.

(3) CONDITIONS ON LOANS. Any loans by the state to a small business investment company shall be conditioned on the following and, as a condition to any loan to a nonprofit corporation under this section, the nonprofit corporation must agree that any loans made by it to small business investment companies will be conditioned on the following:

(a) A loan shall not exceed the amount of the outstanding portfolio investments in Wisconsin firms of the small business investment company or the amount of its private paid-in capital and paid-in surplus, whichever is less.

(b) The small business investment company must agree that the entire loan will be invested in Wisconsin firms.

(c) The repayment period for any such loan shall not exceed 15 years.

(d) The interest rate charged on such loans shall not be in excess of 2% higher than the percentage on the last bond issue by the state or by a nonprofit corporation with which the state contracts. Such interest rates shall be reasonable to the ultimate borrower and not at the going market rate.

(e) The purpose of these loans to a small business investment company is to help earn profits, create jobs, provide individual venture capital and add to the tax base. Because equal opportunity is profitable, the small business investment company must agree to make reasonable efforts to use the loan proceeds to provide individual funds to small business concerns which are at least 50% owned by one or more disadvantaged persons or which make at least reasonable efforts to hire and upgrade the disadvantaged. A "disadvantaged" person is a person whose participation in the free enterprise system is hampered either because of social and economic disadvantages or because he is a poor person who does not have suitable employment and who is either: 1) a school dropout; 2) under 22 years of age; 3) 45 years of age or over; 4) handicapped; or 5) subject to special obstacles to employment.

(f) Annual reports shall be submitted by the department to the senate committee on governmental and veteran affairs and to the assembly committee on state affairs for a review of progress in complying with the criteria specified in par. (e) and for their recommendation as to the continuance or discontinuance of the program by the state.

(4) STATE AGENCY COOPERATION. All state agencies shall cooperate with small business investment companies to the fullest extent, and all public institutions of higher education shall work with such companies to facilitate the utilization of technological information by small businesses in this state.

(5) LEGAL INVESTMENTS. Notwithstanding any other provision of law, notes or other obligations of small business investment companies shall be legal investments for banks, savings and loan associations, trust companies and insurance companies in this state.

(6) APPLICATION FEE. Any small business investment company wishing to participate under this section shall pay a \$500 fee annually on July 1 to the department which shall be deposited in the small business investment com-

pany fund. The annual fee paid on its initial application shall be prorated according to the date of application.

History: 1971 c. 321 ss. 14, 17.

Note: Section 7 of Chap. 491, laws of 1969, which created this section provides:

Section 7. This act shall be null and void as of July 1, 1973, unless the legislature takes action to extend such time limit prior to said date.