

CHAPTER 560

DEPARTMENT OF BUSINESS DEVELOPMENT

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SUBCHAPTER I

GENERAL PROVISIONS

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.

(3) FOREIGN OFFICE AGREEMENTS. The department may enter into agreements regarding compensation, space and other administrative matters as are necessary to operate a departmental office in Europe. Such agreements shall be subject to the approval of the secretary of administration.

History: 1971 c. 321; 1977 c. 29.

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 the administrators for the various divisions of the department subject to s. 230.08 (4) (a). Administrators appointed under the unclassified service shall serve at the pleasure of the secretary. The secretary may delegate any of his or her powers and duties to such officers and employees of the department as he or she designates, and may authorize successive redelegations of such powers and duties.

History: 1971 c. 307 s. 104; 1971 c. 321; 1977 c. 29, 418.

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.

(b) Debentures of small business investment companies purchased by the state 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 purchasing, either directly 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:

(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.

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 business 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 company 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; 1973 c. 108.

See note to Art. VIII, sec. 10, citing 62 Atty. Gen. 212.

560.07 Industrial building construction loan fund. (1) The industrial building construction loan fund is created to consist of all federal grants made for the purpose of this section as provided in sub. (2). All principal

and interest payments for loans made under this section shall be deposited in this fund. The industrial building construction loan fund shall be invested under s. 25.17.

(2) The purpose of this section and the industrial building construction loan fund is to assist and advance the general prosperity and economic welfare of the people of this state and to improve their standard of living and improve employment opportunities in the state by making loans to regional and local development corporations to enable the construction of industrial buildings where such construction would not otherwise occur. In carrying out the purposes and exercising the powers granted by this section the department shall be regarded as performing an essential governmental function.

(3) The department shall administer this section and make loans for the purpose provided under sub. (2) to regional or local corporations. The department may determine the terms and conditions of any such loan, and may charge interest on such loans lower than the going market rate.

History: 1977 c. 418.

SUBCHAPTER II

TOURISM PROMOTION

560.21 Definitions. In this subchapter:

(1) "Corporation" means a regional tourism development corporation under s. 560.27.

(2) "Council" means the council on tourism created under s. 15.157 (3).

(3) "Region" means a tourism region under s. 560.27 (2).

History: 1975 c. 39, 163, 200.

560.23 Duties. (1) GENERAL DUTIES. The department shall:

(a) Stimulate, promote, advertise and publicize tourism to the state by those who live in other states and foreign countries.

(b) Promote travel by citizens of this state to this state's scenic, historic, natural, agricultural, educational and recreational attractions.

(c) Create an accurate national and international image of the state.

(d) Encourage all tourism-related businesses to participate in available education programs.

(e) Encourage and cooperate with communities, groups and individuals in the state in pursuing the tourism promotion objectives of the department.

(f) Coordinate and stimulate the orderly and ecologically sound development of commercial tourist facilities throughout the state.

(g) Promote the growth of the tourism and recreation industry through research, planning and assistance.

(h) Annually report to the senate natural resources committee and the assembly committee on tourism the activities, receipts and disbursements of the division of tourism for the previous fiscal year.

(2) **SALES.** The department shall annually formulate for review by the council a plan for marketing and promotion of the facilities and attractions of the state for the ensuing year, and shall implement the plan. The department shall cooperate with the commercial recreation industry to assure coordination with private plans and programs, and may assist in the development and marketing of combined recreational opportunities such as package tours, convention and trade show facilities and special transportation arrangements.

(3) **SERVICES.** The department shall assist the consumers and the suppliers of recreational opportunities in the state. The department may:

(a) Collect and disseminate information as to the facilities, advantages and attractions of the state, including historic, scenic and other points of interest.

(b) Provide timely information regarding weather, transportation facilities, hunting, fishing, boating, motoring, snowmobiling and skiing conditions and other subjects of interest to those seeking recreational opportunities in the state.

(c) Establish, manage and operate permanent or temporary tourist information centers along major highways into the state.

(d) Provide advice and service to persons or groups engaged in the recreation industry.

(e) Conduct research into the status and needs of the recreation industry.

(f) Operate a reservations service for recreational facilities in the state.

(g) Provide planning and coordinating assistance to tour operators, convention and trade show managers.

(4) **ADVERTISING.** The department shall plan and conduct a program of advertising and promotion designed to attract interested persons to this state and to stimulate the enjoyment of its recreational opportunities by residents and nonresidents alike. Any contracts engaging a private agency to conduct an advertising or promotion program under this subsection shall reserve to the department the right to terminate the contract if the service is unsatisfactory to the department. The department shall encourage and coordinate the efforts of public and private organizations to publicize

the facilities and attractions of the state for the purpose of stimulating their enjoyment by residents and tourists.

History: 1975 c. 39, 163, 200.

560.25 Offices. The department may establish tourism offices, within or without the state, as necessary to carry out its duties. Wisconsin residency may not be required of classified employees staffing tourism offices located outside the state.

History: 1975 c. 39, 163, 200.

560.27 Regional tourism development corporations. (1) A regional tourism development corporation is a nonprofit corporation organized under ch. 181 to promote the tourism and commercial recreation industry of a tourism region.

(2) The department shall, upon review by the council, adopt rules dividing the state into not less than 6 nor more than 10 tourism regions, each consisting of one or more entire counties.

(3) No more than one corporation may represent a tourism region. If 2 or more corporations, each meeting the requirements of this section, seek to do so, the department, upon advice of the council, shall select the corporation judged most effective and representative.

(4) Membership in a corporation shall be open to all counties, cities, villages and towns in the region, to all persons residing or doing substantial business in the region for any significant portion of the year and to all associations or groups of such persons. The articles or bylaws of the corporation may set forth classes of members for the purpose of determining equitable membership fees and each member shall have equal voting and other rights with all other members of such class. The department may promulgate rules establishing additional requirements in order to ensure that each corporation is open to maximum participation by all segments of the recreation industry in the region it represents. Each corporation shall select a descriptive name for the region it represents and submit such name for review and approval by the secretary of business development.

(5) A corporation which receives funding under s. 560.29 shall keep its books and records in the manner required by departmental rules. The books and records shall be open to the public and subject to inspection and copying by the staff of the legislative audit bureau and legislative fiscal bureau.

History: 1975 c. 39, 163, 200.

560.29 Cooperative marketing and advertising. (1) ALLOCATION FORMULA. The department shall promulgate rules allocating cooperative advertising funds equitably among the tourism regions. Such rules shall provide that not less than one-third of the funds set aside for the execution of functions under this section shall be allocated for qualified projects initiated by corporations. If any region or corporation fails to initiate sufficient projects to exhaust its allocation, the department may distribute such funds to other applicants in such manner as it deems equitable.

(2) **ELIGIBILITY.** Any public or private organization not organized or incorporated for profit may apply to the department for cooperative advertising funds under this section. Prior to applying for such funds, each prospective applicant shall have submitted, at the time and in the manner provided by departmental rule, a plan and budget specifying the media to be used, the market to be approached, the facilities and attractions to be promoted and the applicant's estimated expenditures and receipts for the various projects within the plan. If such plan is coordinated with the statewide marketing strategy, the department shall approve it and the submitting organization shall be eligible to apply for cooperative funds under this section.

(3) **WRITTEN AGREEMENTS.** Each cooperative promotion project shall be implemented by a written agreement between the department and the corporation or other organization, which shall specify at a minimum:

(a) The name, address and contact person for the applicant and its advertising agency, if any.

(b) A description of the project, including the media to be used, the date or inclusive dates and the geographic market to be reached.

(c) An itemized statement of the estimated total costs of the project.

(d) An itemized statement of the revenues accruing to the applicant from the project through advertising, contributions and other sources.

(4) **LIMITATIONS.** (a) No state funds may be released for a project which is not included within an advertising plan and budget submitted by a corporation or other organization and approved by the department.

(b) No funds may be released prior to the satisfactory completion of the project in accordance with the agreement concluded under sub. (3).

(c) Funds released in any given project may not exceed 50% of the total project costs, less that portion of the amounts recovered by the

applicant through the sale of advertising or other promotional considerations in connection with the project which exceeds 50% of the total project costs.

(d) No funds may be used to compensate any officer or employe of the applicant for salaries or expenses.

(e) No name or picture of any living state or local public official or candidate for public office may be used in any project for which state funds are received under this section.

(f) No payments may be released except upon presentation of receipted vouchers for

project expenditures by the applicant, together with such other documentary evidence substantiating payments and the purposes for which the payments were made as the departmental rules require.

(g) The department may promulgate rules imposing additional requirements to ensure that public funds are used to promote the maximum number of attractions and facilities.

History: 1975 c. 39, 163, 200