



## 2011 ASSEMBLY BILL 733

March 15, 2012 - Introduced by Representatives JORGENSEN, BARCA, BERCEAU, BERNARD SCHABER, BEWLEY, DANOU, FIELDS, MASON, MOLEPSKE JR, PASCH, SEIDEL, SINICKI, STASKUNAS and TURNER, cosponsored by Senator T. CULLEN. Referred to Committee on Jobs, Economy and Small Business.

1     **AN ACT to amend** 1.12 (1) (b), 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.94 (1) (mm),  
2           13.94 (4) (a) 1., 13.95 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a),  
3           16.045 (1) (a), 16.15 (1) (ab), 16.41 (4), 16.417 (1) (b), 16.52 (7), 16.528 (1) (a),  
4           16.53 (2), 16.54 (9) (a) 1., 16.765 (1), 16.765 (2), 16.765 (5), 16.765 (6), 16.765 (7)  
5           (intro.), 16.765 (7) (d), 16.765 (8), 16.85 (2), 16.865 (8), 100.45 (1) (dm), 101.177  
6           (1) (d) and 230.03 (3); and **to create** 13.94 (1) (dx), 13.94 (1s) (c) 6., 19.42 (10)  
7           (t), 19.42 (13) (p), 40.02 (54) (n), 70.11 (38v), 71.10 (5w), 71.30 (12) and chapter  
8           239 of the statutes; **relating to:** creation of the Wisconsin Seed Fund Authority  
9           and creation of the business seed fund, to be administered by the Wisconsin  
10          Seed Fund Authority.

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*Analysis by the Legislative Reference Bureau*

**WISCONSIN SEED FUND AUTHORITY**

This bill creates an authority to be known as the “Wisconsin Seed Fund Authority” (authority).

**ASSEMBLY BILL 733****COMPOSITION AND GENERAL OPERATION*****Board of directors***

Under the bill, the authority is governed by a seven-member board of directors (board) that consists of four members from the private sector nominated by the governor and appointed with the advice and consent of the senate, one member appointed by the speaker of the assembly, one member appointed by the senate majority leader, and the chief executive officer of the Wisconsin Economic Development Corporation (WEDC). Except for the chief executive officer of WEDC, the members of the board serve staggered four-year terms and must have experience that qualifies them to serve on the board.

The bill gives the board the powers necessary or convenient to carry out its duties, as well as specific powers to conduct its corporate business. Under the bill, the authority is a participating employer in the Wisconsin Retirement System. The board may hire an executive director. In addition to the members appointed by the governor, the members of the board appointed by the speaker of the assembly and the senate majority leader and the executive director of the authority, if any, are subject to state ethics laws.

**BUSINESS SEED FUND**

The bill directs the authority to establish a fund to be known as the “business seed fund” (fund).

***Financing of the fund***

The bill allows a financial institution to designate to the Department of Revenue that up to 80 percent of its estimated income or franchise tax payment be deposited into the fund (participant financial institution). The bill defines a financial institution to be a bank, savings bank, savings and loan association, trust company, or credit union, whether chartered under the laws of this state, another state or territory, or under the laws of the United States.

***Grants, loans, and investments of business seed fund capital***

Moneys in or received from the fund are referred to as “fund capital” in the bill. Under the bill, the authority may make a grant or loan of fund capital to, or may make an investment of fund capital in, a business proposed to the authority by a participant financial institution. The authority may commit fund capital to such a grant, loan, or investment only if all of the following requirements are satisfied:

1. The business is or will be headquartered in Wisconsin.
2. The business is a seed or early stage business as determined by the authority.
3. The participant financial institution or the business demonstrates to the satisfaction of the authority that the grant, loan, or investment will assist the business to create and retain for a period of time established by the authority full-time jobs in addition to any existing full-time jobs the business already provides.
4. The authority’s loan or investment in a business is on terms that are substantially equivalent to the terms applicable for the business’s other lenders or investors that are in the seed capital industry.

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Under the bill, the authority may share profits from a loan or investment with the participant financial institution that proposes that loan or investment. Also, the authority may require that a business that receives a grant of fund capital repay to the authority the amount of the grant under conditions established by the authority.

***Reporting Requirements***

Under the bill, the authority must submit an annual report to the legislature and the governor that contains all of the following information:

1. An accounting of the moneys the authority received from participant financial institutions during the preceding year.

2. An accounting of all expenditures from the fund during the preceding year for any purpose.

3. For each business that received a grant, loan, or investment from the authority, the name and address of the business; a description of the nature of the business; the amount of the grant, loan, or investment; a description of the purposes for which the business used or is using the grant, loan, or investment; and a statement of the number of employees the business employed when the business first received a grant, loan, or investment of fund capital, the number of employees the business employed on January 1 of the year preceding the year of the report, and the number of employees the business employed on December 31 of that year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 1.12 (1) (b) of the statutes, as affected by 2011 Wisconsin Act 7, is  
2 amended to read:

3           1.12 (1) (b) "State agency" means an office, department, agency, institution of  
4 higher education, the legislature, a legislative service agency, the courts, a judicial  
5 branch agency, an association, society, or other body in state government that is  
6 created or authorized to be created by the constitution or by law, for which  
7 appropriations are made by law, excluding the Health Insurance Risk-Sharing Plan  
8 Authority, the Wisconsin Seed Fund Authority, and the Wisconsin Economic  
9 Development Corporation.

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1           **SECTION 2.** 13.172 (1) of the statutes, as affected by 2011 Wisconsin Act 10, is  
2 amended to read:

3           13.172 (1) In this section, “agency” means an office, department, agency,  
4 institution of higher education, association, society, or other body in state  
5 government created or authorized to be created by the constitution or any law, that  
6 is entitled to expend moneys appropriated by law, including the legislature and the  
7 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in  
8 ch. 231, 233, 234, 238, 239, or 279.

9           **SECTION 3.** 13.48 (13) (a) of the statutes, as affected by 2011 Wisconsin Act 10,  
10 is amended to read:

11           13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
12 facility that is constructed for the benefit of or use of the state, any state agency,  
13 board, commission or department, the University of Wisconsin Hospitals and Clinics  
14 Authority, the Fox River Navigational System Authority, the Wisconsin Seed Fund  
15 Authority, the Wisconsin Economic Development Corporation, or any local  
16 professional baseball park district created under subch. III of ch. 229 if the  
17 construction is undertaken by the department of administration on behalf of the  
18 district, shall be in compliance with all applicable state laws, rules, codes and  
19 regulations but the construction is not subject to the ordinances or regulations of the  
20 municipality in which the construction takes place except zoning, including without  
21 limitation because of enumeration ordinances or regulations relating to materials  
22 used, permits, supervision of construction or installation, payment of permit fees, or  
23 other restrictions.

24           **SECTION 4.** 13.62 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is  
25 amended to read:

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1           13.62 (2) "Agency" means any board, commission, department, office, society,  
2 institution of higher education, council, or committee in the state government, or any  
3 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233,  
4 234, 237, 238, 239, or 279, except that the term does not include a council or  
5 committee of the legislature.

6           **SECTION 5.** 13.94 (1) (dx) of the statutes is created to read:

7           13.94 (1) (dx) Biennially, beginning in 2013, conduct a financial audit of the  
8 Wisconsin Seed Fund Authority and a program evaluation audit of the programs  
9 administered by the Wisconsin Seed Fund Authority under ch. 239. The legislative  
10 audit bureau shall file a copy of each audit report under this paragraph with the  
11 distributees specified in par. (b).

12           **SECTION 6.** 13.94 (1) (mm) of the statutes, as affected by 2011 Wisconsin Act 32,  
13 is amended to read:

14           13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance  
15 evaluation audit of the economic development programs administered by the  
16 University of Wisconsin System, the department of agriculture, trade and consumer  
17 protection, the department of natural resources, the Wisconsin Housing and  
18 Economic Development Authority, the Wisconsin Seed Fund Authority, the  
19 Wisconsin Economic Development Corporation, the department of tourism, the  
20 technical college system, and the department of transportation. In this paragraph,  
21 economic development program has the meaning given in s. 23.167 (1). The  
22 legislative audit bureau shall file a copy of the report of the audit under this  
23 paragraph with the distributees specified in par. (b).

24           **SECTION 7.** 13.94 (1s) (c) 6. of the statutes is created to read:

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1           13.94 (1s) (c) 6. The Wisconsin Seed Fund Authority for the cost of the audit  
2 required to be performed under sub. (1) (dx).

3           **SECTION 8.** 13.94 (4) (a) 1. of the statutes, as affected by 2011 Wisconsin Act 10,  
4 is amended to read:

5           13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
6 credentialing board, commission, independent agency, council or office in the  
7 executive branch of state government; all bodies created by the legislature in the  
8 legislative or judicial branch of state government; any public body corporate and  
9 politic created by the legislature including specifically the Fox River Navigational  
10 System Authority, the Lower Fox River Remediation Authority, the Wisconsin  
11 Aerospace Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic  
12 Development Corporation, a professional baseball park district, a local professional  
13 football stadium district, a local cultural arts district, and a long-term care district  
14 under s. 46.2895; every Wisconsin works agency under subch. III of ch. 49; every  
15 provider of medical assistance under subch. IV of ch. 49; technical college district  
16 boards; every county department under s. 51.42 or 51.437; every nonprofit  
17 corporation or cooperative or unincorporated cooperative association to which  
18 moneys are specifically appropriated by state law; and every corporation, institution,  
19 association or other organization which receives more than 50% of its annual budget  
20 from appropriations made by state law, including subgrantee or subcontractor  
21 recipients of such funds.

22           **SECTION 9.** 13.95 (intro.) of the statutes, as affected by 2011 Wisconsin Act 10,  
23 is amended to read:

24           **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
25 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau

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1 shall be strictly nonpartisan and shall at all times observe the confidential nature  
2 of the research requests received by it; however, with the prior approval of the  
3 requester in each instance, the bureau may duplicate the results of its research for  
4 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's  
5 designated employees shall at all times, with or without notice, have access to all  
6 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
7 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
8 the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
9 Wisconsin Economic Development Corporation, and the Fox River Navigational  
10 System Authority, and to any books, records, or other documents maintained by such  
11 agencies or authorities and relating to their expenditures, revenues, operations, and  
12 structure.

13 **SECTION 10.** 16.002 (2) of the statutes, as affected by 2011 Wisconsin Act 10,  
14 is amended to read:

15 16.002 (2) "Departments" means constitutional offices, departments, and  
16 independent agencies and includes all societies, associations, and other agencies of  
17 state government for which appropriations are made by law, but not including  
18 authorities created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232,  
19 233, 234, 235, 237, 238, 239, or 279.

20 **SECTION 11.** 16.004 (4) of the statutes, as affected by 2011 Wisconsin Act 10,  
21 is amended to read:

22 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
23 department as the secretary designates may enter into the offices of state agencies  
24 and authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under  
25 chs. 231, 233, 234, 237, 238, 239, and 279, and may examine their books and accounts

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1 and any other matter that in the secretary's judgment should be examined and may  
2 interrogate the agency's employees publicly or privately relative thereto.

3 **SECTION 12.** 16.004 (5) of the statutes, as affected by 2011 Wisconsin Act 10,  
4 is amended to read:

5 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
6 authorities created under subch. II of ch. 114 and subch. III of ch. 149 and under chs.  
7 231, 233, 234, 237, 238, 239, and 279, and their officers and employees, shall  
8 cooperate with the secretary and shall comply with every request of the secretary  
9 relating to his or her functions.

10 **SECTION 13.** 16.004 (12) (a) of the statutes, as affected by 2011 Wisconsin Act  
11 10, is amended to read:

12 16.004 (12) (a) In this subsection, "state agency" means an association,  
13 authority, board, department, commission, independent agency, institution, office,  
14 society, or other body in state government created or authorized to be created by the  
15 constitution or any law, including the legislature, the office of the governor, and the  
16 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,  
17 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
18 Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic  
19 Development Corporation, the Wisconsin Seed Fund Authority, and the Fox River  
20 Navigational System Authority.

21 **SECTION 14.** 16.045 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,  
22 is amended to read:

23 16.045 (1) (a) "Agency" means an office, department, independent agency,  
24 institution of higher education, association, society, or other body in state  
25 government created or authorized to be created by the constitution or any law, that



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1 is entitled to expend moneys appropriated by law, including the legislature and the  
2 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
3 ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

4 **SECTION 15.** 16.15 (1) (ab) of the statutes, as affected by 2011 Wisconsin Act 10,  
5 is amended to read:

6 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but  
7 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox  
8 River Remediation Authority, the Wisconsin Economic Development Corporation,  
9 the Wisconsin Seed Fund Authority, and the Health Insurance Risk-Sharing Plan  
10 Authority.

11 **SECTION 16.** 16.41 (4) of the statutes, as affected by 2011 Wisconsin Act 10, is  
12 amended to read:

13 16.41 (4) In this section, “authority” means a body created under subch. II of  
14 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, 237, 238, 239, or 279.

15 **SECTION 17.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Acts  
16 7 and 10, is amended to read:

17 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or  
18 ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279.

19 **SECTION 18.** 16.52 (7) of the statutes, as affected by 2011 Wisconsin Act 10, is  
20 amended to read:

21 16.52 (7) **PETTY CASH ACCOUNT.** With the approval of the secretary, each agency  
22 that is authorized to maintain a contingent fund under s. 20.920 may establish a  
23 petty cash account from its contingent fund. The procedure for operation and  
24 maintenance of petty cash accounts and the character of expenditures therefrom  
25 shall be prescribed by the secretary. In this subsection, “agency” means an office,

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1 department, independent agency, institution of higher education, association,  
2 society, or other body in state government created or authorized to be created by the  
3 constitution or any law, that is entitled to expend moneys appropriated by law,  
4 including the legislature and the courts, but not including an authority created in  
5 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or  
6 279.

7 **SECTION 19.** 16.528 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 10,  
8 is amended to read:

9 16.528 (1) (a) "Agency" means an office, department, independent agency,  
10 institution of higher education, association, society, or other body in state  
11 government created or authorized to be created by the constitution or any law, that  
12 is entitled to expend moneys appropriated by law, including the legislature and the  
13 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
14 ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

15 **SECTION 20.** 16.53 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is  
16 amended to read:

17 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
18 invoice, the agency shall notify the sender of the invoice within 10 working days after  
19 it receives the invoice of the reason it is improperly completed. In this subsection,  
20 "agency" means an office, department, independent agency, institution of higher  
21 education, association, society, or other body in state government created or  
22 authorized to be created by the constitution or any law, that is entitled to expend  
23 moneys appropriated by law, including the legislature and the courts, but not  
24 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
25 231, 233, 234, 237, 238, 239, or 279.

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1           **SECTION 21.** 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act  
2           10, is amended to read:

3           16.54 (9) (a) 1. “Agency” means an office, department, independent agency,  
4           institution of higher education, association, society or other body in state  
5           government created or authorized to be created by the constitution or any law, which  
6           is entitled to expend moneys appropriated by law, including the legislature and the  
7           courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
8           ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or 279.

9           **SECTION 22.** 16.765 (1) of the statutes, as affected by 2011 Wisconsin Act 10,  
10          is amended to read:

11          16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
12          Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
13          Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
14          Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
15          Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
16          Entertainment Corporation shall include in all contracts executed by them a  
17          provision obligating the contractor not to discriminate against any employee or  
18          applicant for employment because of age, race, religion, color, handicap, sex, physical  
19          condition, developmental disability as defined in s. 51.01 (5), sexual orientation as  
20          defined in s. 111.32 (13m), or national origin and, except with respect to sexual  
21          orientation, obligating the contractor to take affirmative action to ensure equal  
22          employment opportunities.

23          **SECTION 23.** 16.765 (2) of the statutes, as affected by 2011 Wisconsin Act 10,  
24          is amended to read:

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1           16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and  
2 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
3 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
4 Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
5 Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
6 Entertainment Corporation shall include the following provision in every contract  
7 executed by them: "In connection with the performance of work under this contract,  
8 the contractor agrees not to discriminate against any employee or applicant for  
9 employment because of age, race, religion, color, handicap, sex, physical condition,  
10 developmental disability as defined in s. 51.01 (5), sexual orientation or national  
11 origin. This provision shall include, but not be limited to, the following: employment,  
12 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or  
13 termination; rates of pay or other forms of compensation; and selection for training,  
14 including apprenticeship. Except with respect to sexual orientation, the contractor  
15 further agrees to take affirmative action to ensure equal employment opportunities.  
16 The contractor agrees to post in conspicuous places, available for employees and  
17 applicants for employment, notices to be provided by the contracting officer setting  
18 forth the provisions of the nondiscrimination clause".

19           **SECTION 24.** 16.765 (5) of the statutes, as affected by 2011 Wisconsin Act 10,  
20 is amended to read:

21           16.765 (5) The head of each contracting agency and the boards of directors of  
22 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
23 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
24 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
25 Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic

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1 Development Corporation, and the Bradley Center Sports and Entertainment  
2 Corporation shall be primarily responsible for obtaining compliance by any  
3 contractor with the nondiscrimination and affirmative action provisions prescribed  
4 by this section, according to procedures recommended by the department. The  
5 department shall make recommendations to the contracting agencies and the boards  
6 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox  
7 River Navigational System Authority, the Wisconsin Aerospace Authority, the  
8 Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
9 Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic  
10 Development Corporation, and the Bradley Center Sports and Entertainment  
11 Corporation for improving and making more effective the nondiscrimination and  
12 affirmative action provisions of contracts. The department shall promulgate such  
13 rules as may be necessary for the performance of its functions under this section.

14 **SECTION 25.** 16.765 (6) of the statutes, as affected by 2011 Wisconsin Act 10,  
15 is amended to read:

16 16.765 (6) The department may receive complaints of alleged violations of the  
17 nondiscrimination provisions of such contracts. The department shall investigate  
18 and determine whether a violation of this section has occurred. The department may  
19 delegate this authority to the contracting agency, the University of Wisconsin  
20 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
21 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
22 the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
23 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
24 Entertainment Corporation for processing in accordance with the department's  
25 procedures.

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1           **SECTION 26.** 16.765 (7) (intro.) of the statutes, as affected by 2011 Wisconsin  
2 Act 10, is amended to read:

3           16.765 (7) (intro.) When a violation of this section has been determined by the  
4 department, the contracting agency, the University of Wisconsin Hospitals and  
5 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
6 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
7 Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
8 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
9 Entertainment Corporation, the contracting agency, the University of Wisconsin  
10 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
11 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
12 the Lower Fox River Remediation Authority, the Wisconsin Seed Fund Authority, the  
13 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
14 Entertainment Corporation shall:

15           **SECTION 27.** 16.765 (7) (d) of the statutes, as affected by 2011 Wisconsin Act 10,  
16 is amended to read:

17           16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
18 further violations of this section and to report its corrective action to the contracting  
19 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
20 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
21 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
22 Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic  
23 Development Corporation, or the Bradley Center Sports and Entertainment  
24 Corporation.

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1           **SECTION 28.** 16.765 (8) of the statutes, as affected by 2011 Wisconsin Act 10,  
2 is amended to read:

3           16.765 (8) If further violations of this section are committed during the term  
4 of the contract, the contracting agency, the Fox River Navigational System Authority,  
5 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
6 Authority, the Lower Fox River Remediation Authority, the Wisconsin Seed Fund  
7 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center  
8 Sports and Entertainment Corporation may permit the violating party to complete  
9 the contract, after complying with this section, but thereafter the contracting agency,  
10 the Fox River Navigational System Authority, the Wisconsin Aerospace Authority,  
11 the Health Insurance Risk-Sharing Plan Authority, the Lower Fox River  
12 Remediation Authority, the Wisconsin Seed Fund Authority, the Wisconsin  
13 Economic Development Corporation, or the Bradley Center Sports and  
14 Entertainment Corporation shall request the department to place the name of the  
15 party on the ineligible list for state contracts, or the contracting agency, the Fox River  
16 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
17 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
18 Authority, the Wisconsin Seed Fund Authority, the Wisconsin Economic  
19 Development Corporation, or the Bradley Center Sports and Entertainment  
20 Corporation may terminate the contract without liability for the uncompleted  
21 portion or any materials or services purchased or paid for by the contracting party  
22 for use in completing the contract.

23           **SECTION 29.** 16.85 (2) of the statutes, as affected by 2011 Wisconsin Act 10, is  
24 amended to read:

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1           16.85 (2) To furnish engineering, architectural, project management, and other  
2 building construction services whenever requisitions therefor are presented to the  
3 department by any agency. The department may deposit moneys received from the  
4 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
5 fund as general purpose revenue — earned. In this subsection, “agency” means an  
6 office, department, independent agency, institution of higher education, association,  
7 society, or other body in state government created or authorized to be created by the  
8 constitution or any law, which is entitled to expend moneys appropriated by law,  
9 including the legislature and the courts, but not including an authority created in  
10 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, 237, 238, 239, or  
11 279.

12           **SECTION 30.** 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act 10,  
13 is amended to read:

14           16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
15 proportionate share of the estimated costs attributable to programs administered by  
16 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
17 may charge premiums to agencies to finance costs under this subsection and pay the  
18 costs from the appropriation on an actual basis. The department shall deposit all  
19 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
20 Costs assessed under this subsection may include judgments, investigative and  
21 adjustment fees, data processing and staff support costs, program administration  
22 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
23 subsection, “agency” means an office, department, independent agency, institution  
24 of higher education, association, society, or other body in state government created  
25 or authorized to be created by the constitution or any law, that is entitled to expend



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1 moneys appropriated by law, including the legislature and the courts, but not  
2 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
3 231, 232, 233, 234, 235, 237, 238, 239, or 279.

4 **SECTION 31.** 19.42 (10) (t) of the statutes is created to read:

5 19.42 (10) (t) The executive director of the Wisconsin Seed Fund Authority and  
6 the members of the authority's board of directors who are appointed by the speaker  
7 of the assembly and the majority leader of the senate.

8 **SECTION 32.** 19.42 (13) (p) of the statutes is created to read:

9 19.42 (13) (p) The executive director of the Wisconsin Seed Fund Authority and  
10 the members of the authority's board of directors who are appointed by the speaker  
11 of the assembly and the majority leader of the senate.

12 **SECTION 33.** 40.02 (54) (n) of the statutes is created to read:

13 40.02 (54) (n) The Wisconsin Seed Fund Authority.

14 **SECTION 34.** 70.11 (38v) of the statutes is created to read:

15 70.11 (38v) WISCONSIN SEED FUND AUTHORITY. All property owned by the  
16 Wisconsin Seed Fund Authority, provided that use of the property is primarily  
17 related to the purposes of the Wisconsin Seed Fund Authority.

18 **SECTION 35.** 71.10 (5w) of the statutes is created to read:

19 71.10 (5w) BUSINESS SEED FUND DESIGNATION. Subject to the limitations  
20 provided under subch. II of ch. 239, a financial institution, as defined in s. 239.10 (1),  
21 may, when submitting its estimated payments under this subchapter, designate that  
22 up to 80 percent of its estimated payment be deposited into the business seed fund  
23 created under subch. II of ch. 239.

24 **SECTION 36.** 71.30 (12) of the statutes is created to read:

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1           71.30 (12) BUSINESS SEED FUND DESIGNATION. Subject to the limitations provided  
2 under subch. II of ch. 239, a financial institution, as defined in s. 239.10 (1), may,  
3 when submitting its estimated payments under this subchapter, designate that up  
4 to 80 percent of its estimated payment be deposited into the business seed fund  
5 created under subch. II of ch. 239.

6           **SECTION 37.** 100.45 (1) (dm) of the statutes, as affected by 2011 Wisconsin Act  
7 10, is amended to read:

8           100.45 (1) (dm) “State agency” means any office, department, agency,  
9 institution of higher education, association, society, or other body in state  
10 government created or authorized to be created by the constitution or any law which  
11 is entitled to expend moneys appropriated by law, including the legislature and the  
12 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
13 Center Sports and Entertainment Corporation, the University of Wisconsin  
14 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities  
15 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic  
16 Development Corporation, the Wisconsin Seed Fund Authority, and the Fox River  
17 Navigational System Authority.

18           **SECTION 38.** 101.177 (1) (d) of the statutes, as affected by 2011 Wisconsin Act  
19 10, is amended to read:

20           101.177 (1) (d) “State agency” means any office, department, agency,  
21 institution of higher education, association, society, or other body in state  
22 government created or authorized to be created by the constitution or any law, that  
23 is entitled to expend moneys appropriated by law, including the legislature and the  
24 courts, the Wisconsin Housing and Economic Development Authority, the Bradley  
25 Center Sports and Entertainment Corporation, the University of Wisconsin

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1 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin  
2 Economic Development Corporation, the Wisconsin Seed Fund Authority, and the  
3 Wisconsin Health and Educational Facilities Authority, but excluding the Health  
4 Insurance Risk-Sharing Plan Authority and the Lower Fox River Remediation  
5 Authority.

6 **SECTION 39.** 230.03 (3) of the statutes, as affected by 2011 Wisconsin Acts 10  
7 and 32, is amended to read:

8 230.03 (3) "Agency" means any board, commission, committee, council, or  
9 department in state government or a unit thereof created by the constitution or  
10 statutes if such board, commission, committee, council, department, unit, or the  
11 head thereof, is authorized to appoint subordinate staff by the constitution or  
12 statute, except the Board of Regents of the University of Wisconsin System, a  
13 legislative or judicial board, commission, committee, council, department, or unit  
14 thereof or an authority created under subch. II of ch. 114 or subch. III of ch. 149 or  
15 under ch. 231, 232, 233, 234, 235, 237, 238, 239, or 279. "Agency" does not mean any  
16 local unit of government or body within one or more local units of government that  
17 is created by law or by action of one or more local units of government.

18 **SECTION 40.** Chapter 239 of the statutes is created to read:

**CHAPTER 239****WISCONSIN SEED FUND****AUTHORITY****SUBCHAPTER I****GENERAL PROVISIONS**

24 **239.01 Definitions.** In this chapter, except as otherwise provided:

25 (1) "Authority" means the Wisconsin Seed Fund Authority.

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1           (2) “Board” means the board of directors of the authority.

2           **239.02 Creation and organization of authority.** (1) There is created a  
3 public body corporate and politic to be known as the “Wisconsin Seed Fund  
4 Authority.” The members of the board shall consist of the following:

5           (a) Four persons from the private sector, at least 3 of whom shall have at least  
6 5 years each of seed capital, investment banking, or entrepreneurial experience,  
7 nominated by the governor, and with the advice and consent of the senate appointed,  
8 for 4-year terms.

9           (b) One member appointed by the speaker of the assembly for a 4-year term  
10 who shall have at least 5 years of seed capital, investment banking, or  
11 entrepreneurial experience.

12           (c) One member appointed by the senate majority leader for a 4-year term who  
13 shall have at least 5 years of venture capital, investment banking, or entrepreneurial  
14 experience.

15           (d) The chief executive officer of the Wisconsin Economic Development  
16 Corporation.

17           (2) A majority of the members of the board constitutes a quorum for the purpose  
18 of conducting its business and exercising its powers and for all other purposes,  
19 notwithstanding the existence of any vacancies. Action may be taken by the board  
20 upon a vote of a majority of a quorum.

21           (3) A vacancy on the board shall be filled in the same manner as the original  
22 appointment to the board for the remainder of the unexpired term, if any.

23           (4) No cause of action may arise against and no civil liability may be imposed  
24 upon a member of the board for any act or omission in the performance of the

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1 member's powers and duties under this chapter, unless the person asserting liability  
2 proves that the act or omission constitutes willful misconduct.

3 (5) Annually, the board shall elect a chairperson from among its members.

4 (6) The board may hire an executive director. The board may delegate to the  
5 executive director or any other employee of the authority any powers or duties the  
6 board considers proper. All powers and duties assigned to the authority under this  
7 chapter shall be exercised or carried out by the board, unless the board delegates the  
8 power or duty to an employee of the authority.

9 **239.03 Powers of authority.** The authority shall have all the powers  
10 necessary or convenient to carry out the purposes and provisions of this chapter. In  
11 addition to all other powers granted the authority under this chapter, the authority  
12 may specifically:

13 (1) Adopt, amend, and repeal any bylaws, policies, and procedures for the  
14 regulation of its affairs and the conduct of its business.

15 (2) Have a seal and alter the seal at pleasure.

16 (3) Maintain an office.

17 (4) Sue and be sued.

18 (5) Accept gifts, grants, loans, or other contributions from private or public  
19 sources.

20 (6) Establish the annual budget of the authority and monitor its fiscal  
21 management.

22 (7) Execute contracts and other instruments required for the operation of the  
23 authority.

24 (8) Employ any officers, agents, and employees that it may require and  
25 determine their qualifications, duties, and compensation.



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1           **239.12 Grants, loans, and investments.** (1) Subject to sub. (2), the  
2 authority may make a grant or loan of fund capital to, or may make an investment  
3 of fund capital in, a business proposed to the authority by a participant financial  
4 institution.

5           (2) The authority may commit fund capital to a business under this section only  
6 if all of the following requirements are satisfied:

7           (a) The business is or will be headquartered in this state.

8           (b) The business is a seed or early stage business as determined by the  
9 authority.

10           (c) The participant financial institution or the business demonstrates to the  
11 satisfaction of the authority that the grant, loan, or investment in the business will  
12 assist the business to create and retain for a period of time established by the  
13 authority full-time jobs in addition to any existing full-time jobs the business  
14 already provides.

15           (d) Subject to sub. (3), a loan or investment made by the authority under this  
16 section shall be on terms that are substantially equivalent to the terms applicable  
17 for the business's other lenders or investors that are in the seed capital industry.

18           (3) The authority may share profits from a loan or investment under this  
19 section with the participant financial institution that proposes the loan or  
20 investment.

21           (4) The authority may require that a business receiving a grant under this  
22 section repay to the authority the amount of the grant under conditions established  
23 by the authority.

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1           **239.13 Annual report.** Annually, the authority shall submit to the governor  
2 and to the chief clerk of each house of the legislature, for distribution to the  
3 legislature under s. 13.172 (2), a report that includes all of the following:

4           (1) An accounting of the moneys received in the fund from participant financial  
5 institutions.

6           (2) An accounting of all expenditures from the fund by the authority for any  
7 purpose during the preceding year.

8           (3) For each business that received a grant, loan, or investment from the  
9 authority under s. 239.12, all of the following:

10           (a) The name and address of the business.

11           (b) A description of the nature of the business.

12           (c) The amount of the grant, loan, or investment.

13           (d) A description of the purposes for which the business used or is using the  
14 grant, loan, or investment.

15           (e) A statement of the number of employees the business employed when the  
16 business first received a grant, loan, or investment of fund capital, the number of  
17 employees the business employed on January 1 of the year preceding the year of the  
18 report, and the number of employees the business employed on December 31 of that  
19 year.

20           (4) A detailed assessment of the success to date of the fund and of the  
21 authority's grants, loans, and investments of fund capital in businesses under this  
22 subchapter.

**SECTION 41. Nonstatutory provisions.**

24           (1) DEFINITION. In this section, "authority" means the Wisconsin Seed Fund  
25 Authority, as created by this act.



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## 1 (2) INITIAL APPOINTMENTS.

2 (a) Notwithstanding the requirement of advice and consent of the senate under  
3 section 239.02 (1) (a) of the statutes, as created by this act, the initial members of the  
4 board of directors of the authority nominated by the governor under that section may  
5 be provisionally appointed by the governor, subject to later senate confirmation. Any  
6 provisional appointment shall be in full force until withdrawn by the governor or  
7 acted upon by the senate, and if confirmed by the senate shall continue for the  
8 remainder of the unexpired term of the member and until a successor is chosen and  
9 qualifies. A provisional appointee may exercise all the powers and duties of board  
10 membership to which the person is appointed during the time in which the appointee  
11 qualifies.

12 (b) A provisional appointment made under paragraph (a) that is withdrawn by  
13 the governor shall, upon withdrawal, lapse and create a vacancy for provisional  
14 appointment of another initial member of the board of directors or chairperson of the  
15 board of the authority. Any provisional appointment made under paragraph (a) that  
16 is rejected by the senate shall upon rejection lapse and create a vacancy for  
17 nomination and appointment of another initial board member or chairperson of the  
18 board under paragraph (a).

19 (c) Notwithstanding the lengths of terms specified in section 239.02 (1) of the  
20 statutes, as created by this act, the initial members of the board of directors of the  
21 authority shall be appointed for the following terms:

22 1. One member appointed by the governor for a term expiring on July 1, 2015.

23 2. One member appointed by the governor, the member appointed by the  
24 speaker of the assembly, and the member appointed by the majority leader of the  
25 senate, for terms expiring on July 1, 2016.

