



2005-06 LEGISLATIVE AGENDA

(Adopted By WEDA Board 12/15/04)

UPDATED AS OF July 17, 2006

PROACTIVE LEGISLATIVE ACTIVITY

1. **Tax Credit Reform** (includes pooling, refundable and re-examination of creditable activities)
 - *Act 25 increases the statutory limit of EDZ's from 79 to 98 and provides up to \$39 million in additional tax credits*
 - *Act 25 permits claimants of the development zones tax credits to use the credits to offset the entire amount of their income and/or franchise tax liability rather than only the amount of the tax attributable to income from business operations in the zone or from directly-related business operations.*
 - *Senate Bill 184 provided for refundable tax credits for all of the zone programs. The proposal was not acted upon in the 2005-06 session.*
 - **Commerce Incentive Programs** (income tax increment, sales tax increment). *The income tax and sales tax increment proposals were drafted but did not move this session.*
 - *The Governor vetoed various "set-asides" in the WDF at WEDA's request and used WEDA's reasoning in his veto message.*
2. **Transportation Funding** (integrity of the fund and TEA grants)
 - *Act 25 increases funding for the TEA program by \$2.4 million in FY 2005-2006, the bulk of which was used for harbor improvement projects.*
3. **Venture Capital/Angel Network Formation** (build on and improve from last session)
 - *Assembly Bill 1163, the repeal of corporate "Shareholder Liability", which has been a WEDA priority, passed both Houses and was signed by the Governor as Act 474.*
 - *Senate Bill 290, which makes technical, but significant, changes to 2003 Act 255 has passed both Houses and was signed by the Governor as Act 97.*
 - *Senate Bill 619 relating to remedial changes and modifications to certain statutes regarding businesses, passed both Houses and was signed by the Governor as Act 476.*

4. **Telecommunications/Broadband Deployment** (availability is key economic development issue)
 - *Act 479 (SB 483) provides a Broadband tax credit targeted to incent providers to expand their “footprint” to areas in the state where there is either no provider, or a maximum of one, offering advanced telecommunication service.*
5. **Utility Siting & Recovery of ED Costs in the Rate Structure**
 - *Act 24, which requires, under certain circumstances, the conveyance of public property to a utility for the construction of electric transmission lines, was signed into law on July 21.*
 - *Act 29, which imposes requirements on the PSC’s determination regarding whether an application for a CPCN is complete, was signed into law on August 12.*
 - *Proposals relating to the ED rate recovery continue under active consideration. Recent action by the PSC in two rate cases indicate a positive trend toward our goals*
6. **Technical Repairs to TIF**
 - *Act 6, the key WEDA TIF Trailer Bill, was signed into law on May 2.*
 - *Senate Bill 596 relating to allowing the creation of a new TIF district and the simultaneous subtraction of territory passed both Houses and was signed into law as Act 328.*
7. **JOBS BILL II & JOBS BILL I Relating to Administrative Rule Process**
 - *Act 28 relating to general air pollution control permits, the effect of a challenge to an emission limitation in an air pollution operation permit and a report on regulatory barriers affecting manufacturing was signed into law on August 12.*
 - *DNR Air Permit Improvement Initiative relating to implementation of 2003 Jobs Creation Act, air permit streamlining.*
 - *June, 2006 correspondence to DOA Secretary commenting on major regulatory barriers to the growth of Wisconsin’s manufacturing sector*
8. **Exempting the Proceeds of Municipal Bonding from State Taxation**
 - *WEDA had conversations with the Wisconsin Bankers Association and others but nothing was acted upon.*
9. **Civil Justice Reform** (Expert Opinion Evidence and Products Liability were the only issues on the original list)
 - *Wisconsin’s national ranking for “litigation atmosphere” dropped from 10th to 17th between 2004 and 2005 and is likely to plummet further.*
 - *Senate Bill 58 re products liability passed both Houses. VETOED by the Governor.*
 - *Senate Bill 70 re expert opinion evidence passed both Houses. VETOED by the Governor.*
 - *Senate Bill 402—the Jobs Preservation Act—relating to employer/seller liability passed both Houses. VETOED by the Governor*
 - *Assembly bill 766 which re-established a cap (\$450,000 & \$550,000 for minors) on noneconomic damages in medical malpractice cases passed both Houses. VETOED by the Governor.*

- *Assembly Bill 1073 which again re-establishes a cap (\$750,000) on noneconomic damages in medical malpractice cases passed both Houses and was signed by the Governor as Act 183.*
 - *Senate Bill 447 relating to heightening the standard for the award of punitive damages passed both Houses and was VETOED by the Governor.*
 - *Senate Bill 425, which places restrictions on the Attorney General's ability to file nuisance lawsuits, passed the Senate and was not acted upon by the Assembly.*
- 10. Support for Forward Wisconsin Funding**
- *Although Act 25 did not include an increase in funding, efforts to reduce or eliminate state funding were rejected.*
 - *Senate Bill 513 was introduced which would have increased state funding for Forward by \$590,000 in FY 2006-07. The bill was not acted upon.*
- 11. Workforce Training (including funding, programming & flexibility)**

RESPONSIVE LEGISLATIVE ACTIVITY

- **Tax Freeze/TABOR/TPA Principles** (re bonding, TIF and calculation of real growth)
 - *Assembly Bill 58 which imposed a tax freeze and included concerns regarding the effect on bonding, passed the legislature but was vetoed by the Governor.*
 - *Act 25 includes a so-called “tax freeze” which did not threaten the above referenced WEDA principals.*
 - *Assembly Joint Resolution 40, the first TABOR constitutional amendment proposal this session, was introduced on May 6 and there was no further action.*
 - *SJR 63 & AJR 77 (TPA), companion proposals to amend the Constitution to limit the growth of government revenue and spending and were paired down and amended to address some of the above stated principles but failed of enactment.*
- *Eminent Domain. AB 657 was amended to an “acceptable proposal” before passing the Assembly—primarily based on WEDA’s position and efforts. The bill passed both Houses and was signed into law by the Governor as Act 233.*
- *Airport development zones. SB 136 passed both Houses and was signed by the Governor as Act 487.*
- *Rural Enterprise development Zones. Assembly Bill 208 passed both Houses and was signed by the Governor, with partial vetoes, as Act 361.*
- *Industrial Development Projects. Assembly Bill 116, changing the definition of industrial development projects passed both Houses and was signed into law by the Governor as Act 227.*
- *Single Sales Factor. Senate Bill 52 which would have allowed acceleration of single sales factor based on creating and retaining new jobs was not acted upon.*

- **Trans 233—Permanent Suspension.** *Companion bills have been introduced in each House and will likely pass late in the year unless there is a compromise reached on the rule.*
- **Ozone / PM Programs.** *DNR is developing its plans for EPA relating to implementation of new ozone air / PM standards.*
- **Brownfields Programs.** *Act 25 extends the sunset for the \$9 per title environmental impact fee to December 31, 2007. The fee goes to the Environmental Fund, which provides funding for the Commerce and DNR brownfields programs. Act 418 provides for identification and cleanup of properties; modifying environmental TIFs and other provisions.*
- **BEST.** *Act 25 retains the BEST program in Commerce and appropriates \$1 million annually toward grants to Technical College district boards for skills training or other education related to the needs of business.*
- **Development Zone Credits for Insurance Companies.** *Senate Bill 602, which allows credit for license fees paid by certain insurance companies, passed both Houses and was signed into law by the Governor as Act 259*
- **Indexing of Motor Fuel Tax Elimination.** *Act 85 eliminates the annual adjustment of the motor fuel tax rate and specifies use of monies in the Transportation Fund.*
- **Film Industry Incentives.** *Act 483 provides tax incentives for the furtherance of the film industry in Wisconsin.*