

## **COVID-19: Wisconsin Economic Recovery Proposals**

There is no question we are in unprecedented times and facing a challenge that will require unprecedented action from government, the business community and citizens across the state. While protecting public health during the COVID-19 crisis is the top priority, addressing the inevitable economic fallout from COVID-19 is also extremely important. The Wisconsin Economic Development Association (WEDA) is grateful for current efforts to mitigate the substantial economic damage being wrought by COVID-19.

To help Wisconsin policymakers in their continued work to address the impact of COVID-19 on Wisconsin businesses and alleviate the short and long-term economic cost of the pandemic, WEDA would like to offer the following policy proposals to support the Wisconsin economy:

- **Small Business Grant Program** – Create a temporary Wisconsin small business relief grant program to provide grant funding for working capital to for-profit businesses impacted by the COVID-19 crisis. Small businesses with up to 75 full time employees that can show a loss in revenue due to COVID-19 would be eligible for the program.
- **Small Business Bridge Loan Program** – Create a temporary Wisconsin small business relief loan program to provide no-interest/low-interest loans with deferred payments to for-profit businesses impacted by the COVID-19 crisis. Small businesses with up to 75 full time employees that can show a loss in revenue due to COVID-19 would be eligible for the program. This program could buy down interest rates to 0% of the SBA Economic Injury Loans to Wisconsin businesses.
- **Leverage Existing Economic Development Programs** – Implement the following temporary changes to state economic development programs administered by the Wisconsin Economic Development Corporation (WEDC) and other state agencies:
  - Temporarily suspend dollar match requirements for state administered economic development programs.
  - Temporarily relax requirements (e.g., job creation, payroll and capital investment requirements) under state economic development programs for Wisconsin businesses that have existing economic development awards contracts.
  - Temporarily suspend taxation of economic development awards.

- **Unemployment Benefits** – Authorize the Wisconsin Department of Workforce Development to suspend, during the COVID-19 crisis, the current law one-week waiting period to claim unemployment insurance benefits.
- **Strengthen and Leverage Tax Incremental Financing** – Implement the following temporary modifications to Tax Incremental Finance (TIF) law to provide communities with greater flexibility to utilize TIF to mitigate local economic damage from COVID-19:
  - Suspend for two years the current statutory Joint Review Board process for Tax Incremental District (TID) territory and project plan amendments. This provision would allow municipalities to independently approve TID territory expansion and project plan amendments. These amendments would not be subject to the current TID territory amendment limit or the TID "but for" requirement. In addition, TIDs amended under this provision would not be subject to the current 12% TIF limit, but rather an 18% limit.
  - Create a COVID-19 TID extension category. This provision would authorize municipalities to extend an existing TID's maximum life and expenditure period for up to two years. The extension must be established prior to Dec. 31, 2020. Extensions would not require JRB approval.
- **COBRA Grant Program** – Create a COBRA (Consolidated Omnibus Budget Reconciliation Act) grant program to provide short-term financial grants to individuals and their families impacted by COVID-19 to continue their COBRA health insurance coverage.
- **Wisconsin Loan Guarantee Program** – Create a Wisconsin small business loan guarantee program to help businesses secure emergency loans or lines of credit to deal with the economic fallout from COVID-19. This program would guarantee a portion of a loan or line of credit up to 75% of principal.