



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1122/1
JK:kjf&ahe

2017 SENATE BILL 519

November 8, 2017 - Introduced by Senators HANSEN, CARPENTER, ERPENBACH, JOHNSON, LARSON, RINGHAND, SHILLING, VINEHOUT and WIRCH, cosponsored by Representatives KOLSTE, ANDERSON, BERCEAU, BILLINGS, BROSTOFF, CONSIDINE, DOYLE, HEBL, HESSELBEIN, HINTZ, POPE, RIEMER, SARGENT, SINICKI, SPREITZER, STUCK, SUBECK, ZAMARRIPA and ZEPNICK. Referred to Committee on Government Operations, Technology and Consumer Protection.

1 **AN ACT** *to amend* 15.01 (2) and 15.06 (2) (a); and *to create* 15.06 (1) (bb), 15.06
2 (3) (a) 7., 15.225 (3) and 103.355 of the statutes; **relating to:** making companies
3 that outsource jobs ineligible for state tax benefits, grants, contracts, and loans;
4 providing an exemption from rule-making procedures; and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

This bill prohibits any person who operates a business in this state and who outsources work to another state or country from receiving any grant, loan, or tax benefit from this state for five years following the year in which the person has outsourced work to another state or country or from entering into a contract with the state for seven years following the year in which the person outsourced work to another state or country. The bill also creates the Wisconsin Job Development and Retention Commission to determine when a person who is receiving state tax benefits, loans, or grants or who has a contract with the state is outsourcing jobs. The commission consists of three members who represent employees, three members who represent employers, and one member who is an employee of the Department of Workforce Development who also serves as the nonvoting chairperson.

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

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

1 **SECTION 1.** 15.01 (2) of the statutes is amended to read:

2 15.01 (2) “Commission” means a 3-member governing body in charge of a
3 department or independent agency or of a division or other subunit within a
4 department, except for the Wisconsin waterways commission which shall consist of
5 5 members, the elections commission which shall consist of at least 6 members, the
6 ethics commission which shall consist of at least 6 members, the Wisconsin job
7 development and retention commission which shall consist of 7 members, and the
8 parole commission which shall consist of 8 members. A Wisconsin group created for
9 participation in a continuing interstate body, or the interstate body itself, shall be
10 known as a “commission”, but is not a commission for purposes of s. 15.06. The parole
11 commission created under s. 15.145 (1) shall be known as a “commission”, but is not
12 a commission for purposes of s. 15.06.

13 **SECTION 2.** 15.06 (1) (bb) of the statutes is created to read:

14 15.06 (1) (bb) Members of the Wisconsin job development and retention
15 commission shall be appointed by the secretary of workforce development as
16 provided under s. 15.225 (3).

17 **SECTION 3.** 15.06 (2) (a) of the statutes is amended to read:

18 15.06 (2) (a) Except as provided in par. (b), each commission may annually elect
19 officers other than a chairperson from among its members as its work requires. Any
20 officer may be reappointed or reelected. At the time of making new nominations to
21 commissions, the governor shall designate a member or nominee of each commission,

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1 other than the public service commission, and except as provided in par. (b), to serve
2 as the commission's chairperson for a 2-year term expiring on March 1 of the
3 odd-numbered year except that the labor and industry review commission shall elect
4 one of its members to serve as the commission's chairperson for a 2-year term
5 expiring on March 1 of the odd-numbered year and the secretary of workforce
6 development shall appoint the chairperson of the Wisconsin job development and
7 retention commission, as provided under 15.225 (3).

8 **SECTION 4.** 15.06 (3) (a) 7. of the statutes is created to read:

9 15.06 (3) (a) 7. The members of the Wisconsin job development and retention
10 commission.

11 **SECTION 5.** 15.225 (3) of the statutes is created to read:

12 15.225 (3) WISCONSIN JOB DEVELOPMENT AND RETENTION COMMISSION. There is
13 created in the department of workforce development the Wisconsin job development
14 and retention commission appointed by the secretary of workforce development to
15 consist of 3 representatives of employers and 3 representatives of employees
16 appointed to serve for 6-year terms and a permanent classified employee of the
17 department of workforce development who shall serve as nonvoting chairperson. A
18 member may not serve on the commission if he or she loses the status on which his
19 or her appointment is based.

20 **SECTION 6.** 103.355 of the statutes is created to read:

21 **103.355 Requirements for receiving state incentives. (1) DEFINITIONS.**

22 In this section:

23 (a) "Agency" has the meaning given in s. 16.70 (1e).

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1 (b) "Business" means any organization or enterprise operated for profit,
2 including a sole proprietorship, partnership, firm, business trust, joint venture,
3 syndicate, corporation, limited liability company, or association.

4 (c) "Commission" means the Wisconsin job development and retention
5 commission.

6 **(2) OUTSOURCING PROHIBITED.** Notwithstanding any other provision of state law
7 to the contrary, a person who operates or intends to operate a business in this state
8 and who outsources work from this state to another state or country is ineligible to
9 do any of the following:

10 (a) Receive any grants or loans from a state agency, any tax exemption under
11 ch. 70, not including the exemption under s. 70.11 (27), or any credit, deduction,
12 exclusion, or exemption under ch. 71 for a period of 5 years following the year in
13 which the commission determines that the person has outsourced work to another
14 state or country.

15 (b) Enter into a contract with the state for the provision of products or services
16 for a period of 7 years following the year in which the commission determines that
17 the person has outsourced work to another state or country.

18 **(3) RULES.** The commission shall promulgate rules to implement and
19 administer this section.

20 **(4) REVIEW.** A determination of ineligibility under sub. (2) is subject to review
21 under subch. III of ch. 227.

SECTION 7. Nonstatutory provisions.

22
23 (1) **RULE MAKING; SCOPE STATEMENT.** Notwithstanding section 227.135 (1) of the
24 statutes, the Wisconsin job development and retention commission is not required

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1 to prepare a statement of the scope of the rules required under section 103.355 (3)
2 of the statutes.

3 (2) **RULE MAKING; GOVERNOR'S APPROVAL.** Notwithstanding section 227.185 of the
4 statutes, the Wisconsin job development and retention commission is not required
5 to present the rules required under section 103.355 (3) of the statutes in final draft
6 form to the governor for approval.

7 (3) **PROPOSED RULES.** The Wisconsin job development and retention commission
8 shall submit in proposed form the rules required under section 103.355 (3) of the
9 statutes to the legislative council staff under section 227.15 (1) of the statutes no
10 later than the first day of the 13th month beginning after the effective date of this
11 subsection.

12 (4) **REVIEW AND REPORTING.** Notwithstanding section 227.137 (6) of the statutes,
13 the requirements for review of and reporting on the economic impact analysis by the
14 department of administration and the requirement for approval by the secretary of
15 administration do not apply to rules required under section 103.355 (3) of the
16 statutes.

17 (5) **LEGISLATIVE COUNCIL REVIEW.** Notwithstanding section 227.137 (2) and (6)
18 of the statutes, the Wisconsin job development and retention commission may
19 submit the rules required under section 103.355 (3) of the statutes to the legislative
20 council staff for review under section 227.15 (1) of the statutes before the commission
21 completes the economic impact analysis for the rules.

22 (END)