



Chris Danou's Capitol Report
Assembly Bill 304 Brings Accountability to Businesses Receiving Tax Dollars

When the Wisconsin Economic Development Corporation (WEDC) was first created in 2011, I had many concerns about how quickly a new state agency was being made and I felt it didn't have the necessary oversight. The agency's mission was to allocate tax credits, loans and grants to Wisconsin businesses to help them expand or grow their operations, and ultimately create more jobs in our state. Even though lots of money has been doled out, the agency has been riddled with problems and an obvious lack of oversight has allowed some businesses to take advantage of the system.

After hearing about persistent problems at the Governor's troubled jobs agency, Assembly Democrats have drafted legislation that makes WEDC more accountable with our tax dollars. In our latest attempt to fix the problems, Assembly Bill 304 (AB 304) is a common-sense solution that will not only make the agency do a better job, it will also make sure our hard-earned tax dollars are being allocated appropriately and holding businesses who receive money from the state is held accountable when they send jobs elsewhere.

Specifically, AB 304 prohibits any person who operates a business in Wisconsin and who outsources work to another state or country from receiving any grant, loan, or tax benefit from the state for five years following the year in which the person has outsourced work to another state or country. Recent reports show a Watertown business received about \$370,000 from WEDC and outsourced jobs that were meant to stay here and help our economy grow. As a result, this bill is not only timely but it's also a necessary and fair step in the right direction.

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 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. This is necessary to properly identify those businesses breaking the rules so we can be sure no one is taking advantage of the state and our tax dollars.

It's clear this is one of many problems that have been identified at WEDC but yet it seems the Governor is too busy campaigning for President and the Republican majority in the Assembly and Senate doesn't want to do their part to make improvements. AB 304 is a good bill and it holds businesses that receive state tax dollars accountable when they ship jobs out of Wisconsin or the United States. Protecting taxpayers is a bipartisan issue and it's time for Republicans to stop playing partisan politics with who receives our tax dollars through programs at WEDC.

AB 304 has been introduced and referred to the Assembly Committee on Ways and Means. Without a single Republican Representative on as a co-sponsor, the chances of this bill actually going anywhere are pretty slim. However, this bill is yet another example of Democrats trying to fix problems at WEDC, improve accountability and ultimately help our economy grow. I hope Republicans join the cause to hold people accountable who have outsourced jobs receiving tax dollars to help their business grow.

