



2007 SENATE BILL 510

February 19, 2008 – Introduced by Senators KREITLOW, HANSEN, BRESKE, WIRCH, COGGS, DECKER, ERPENBACH, LASSA, LEHMAN, MILLER, PLALE, TAYLOR, ROBSON and RISSER, cosponsored by Representatives SMITH, BERCEAU and GRONEMUS. Referred to Joint Committee on Finance.

1 **AN ACT to repeal** 20.143 (1) (cr) and 59.58 (6) (e) 4r. and 6.; **to amend** 49.155 (1m)
2 (c) 1. (intro.), 49.155 (1m) (c) 1g., 49.155 (1m) (c) 1h., 49.155 (1m) (c) 1m., 49.155
3 (1m) (c) 2., 49.155 (1m) (c) 3., 59.58 (6) (cr), 71.22 (9), 71.26 (3) (x), 77.9971,
4 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (c), 231.01 (7) (a) 1.,
5 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6) (b), 231.03 (5), 231.03
6 (7), 231.03 (8), 231.03 (11), 231.03 (13), 231.03 (14), 231.03 (15), 231.03 (16),
7 231.03 (17), 231.03 (18), 231.03 (19), 231.04, 231.05 (1), 231.06, 231.07 (1) (b),
8 231.07 (2) (a), 231.08 (5), 231.10 (1), 231.12, 231.13 (1) (intro.), 231.13 (2),
9 231.16 (1), 231.20, 231.23, 560.126 (1) (intro.), 560.7995 (3) (b), 560.96 (2) (b)
10 and 611.11 (4) (a); **to repeal and recreate** 560.126 (1) (intro.); **to create** 20.143
11 (1) (cr), 25.40 (4), 38.27 (2m) (g), 49.155 (1m) (c) 1c., 59.58 (6) (cb), 59.58 (6) (e)
12 3g., 59.58 (6) (e) 3m., 59.58 (6) (f) and (g), 71.05 (1) (c) 9., 71.255, 71.26 (1m) (j),
13 71.45 (1t) (j), 231.01 (6t), 231.01 (8c), 231.03 (6) (h) and 231.03 (6) (i) of the
14 statutes; and **to affect** 2007 Wisconsin Act 20, section 9201 (1c) (a); **relating**

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1 **to:** requiring the combined reporting of corporate income and franchise taxes;
2 supplemental funding for the renewable energy grant and loan program;
3 Wisconsin higher education grants for technical college students; income
4 eligibility for child care subsidies; incentive grants to technical college district
5 boards for training in advanced manufacturing skills; airport development
6 zone and technology zone tax credits; funding for the Department of
7 Transportation; the Regional Transit Authority and commuter rail transit
8 systems; authorizing the Wisconsin Health and Educational Facilities
9 Authority to issue bonds to finance projects related to research facilities; and
10 making an appropriation.

Analysis by the Legislative Reference Bureau

Combined reporting of corporate income and franchise taxes

This bill requires that all corporations and their subsidiaries file combined reports and tax returns for state income and franchise tax purposes.

Renewable energy grant and loan program

Under current law, the Department of Commerce may award a grant or loan to a business or researcher to undertake projects related to the development and application of renewable energy technologies. This bill appropriates an additional \$8 million of general purpose revenue to the renewable energy grant and loan program for the 2008–09 fiscal year.

Wisconsin higher education grants for technical college students

Under current law, the Higher Educational Aids Board administers the Wisconsin higher education grant (WHEG) program for postsecondary resident students enrolled at least half-time in public institutions of higher education in this state. Currently, \$17,548,000 is appropriated in fiscal year 2008–09 for the WHEG program for technical college students. This bill increases that amount by \$1,300,000.

Wisconsin Works

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, is eligible for a child care subsidy under the W-2 program if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. One of those

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criteria is that the individual's family income may not exceed 185 percent of the poverty line. If an individual is already receiving a child care subsidy, however, their family income may be as high as 200 percent of the poverty line before they lose eligibility. This bill increases those maximum family income levels to 210 percent of poverty for an individual who is first applying for a child care subsidy and to 225 percent of poverty for an individual who is already receiving a subsidy.

Technical college grants for manufacturing skills training

This bill directs the Wisconsin Technical College System Board to award to technical college district boards at least \$5,000,000 annually in incentive grants for training in advanced manufacturing skills, with priority given to welding.

Airport development and technology zones tax credits

Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$9,000,000. Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$5,000,000.

Under this bill, the Department of Commerce may allocate the amount of unallocated airport development zone tax credits to technology zones for which the \$5,000,000 maximum allocation is insufficient, except that the total amount allocated from the airport development zone program to all technology zones may not exceed \$6,000,000.

Fiscal changes

Under current law, the biennial budget act (2007 Wisconsin Act 20) requires the secretary of administration to lapse or transfer \$200,000,000 to the general fund from certain appropriations to executive branch state agencies in the 2007-09 fiscal biennium and another \$200,000,000 in the 2009-11 fiscal biennium.

This bill decreases the amount of this required lapse or transfer under Act 20 to \$175,000,000 in the 2007-09 fiscal biennium and \$150,000,000 in the 2009-11 fiscal biennium. The bill also prohibits the secretary of administration from lapsing or transferring more than a total of \$25,000,000 in fiscal year 2007-08 from Department of Transportation (DOT) appropriations; lapsing or transferring any amount in fiscal year 2007-08 from any DOT appropriation except for the state funds appropriation for the major highway projects program; and lapsing or transferring any amount in fiscal year 2008-09, 2009-10, or 2010-11 from any DOT appropriation. The bill also includes a mechanism for reversing any lapse or transfer that occurs before the bill's effective date which would be prohibited if it had occurred after the bill's effective date.

The bill requires the secretary of administration to transfer \$75,000,000 from the general fund to the transportation fund in fiscal year 2008-09 and \$25,000,000 in each year thereafter. The bill also changes DOT's state funds appropriation for the major highway projects program by decreasing the appropriation by \$20,000,000 in fiscal year 2007-08 and increasing the appropriation by \$55,000,000 in fiscal year 2008-09. The bill increases DOT's state funds appropriation for the state highway rehabilitation program by \$20,000,000 in each year of the 2007-09 fiscal biennium. The bill also requires the secretary of administration and DOT to estimate additional

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revenues of \$50,000,000 in fiscal year 2007–08, and decreased revenues of \$50,000,000 in fiscal year 2008–09, for a DOT appropriation related to revenue bond proceeds for the major highway projects program.

Under the bill, in submitting its 2009–11 biennial budget request, DOT may not include in its appropriation base level \$50,000,000 of the \$55,000,000 increase to its state funds appropriation for the major highway projects program or the modified estimates related to its revenue bonding appropriation for the major highway projects program.

Commuter rail transit system

Under current law, the counties of Kenosha, Milwaukee, and Racine must create a Regional Transit Authority (RTA). The RTA is responsible for the coordination of transit and commuter rail programs within these counties. The RTA may receive funding by imposing a rental car transaction fee within these counties, but the fee may presently be used only to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008. The report must include certain information, including a recommendation as to whether the responsibilities of the RTA should be limited to collection and distribution of regional transit funding or should also include operation of transit service and a recommendation on whether the RTA should continue in existence after September 30, 2009.

This bill provides the RTA with the responsibility for constructing and operating a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter link). The bill increases the amount of the rental car transaction fee that may be imposed if the governing body of the RTA approves the increase. The bill reiterates the authority of the counties of Kenosha, Milwaukee, and Racine, and of the most populous city in each of these three counties, to submit to the electors in an advisory referendum the question of supporting this increase in the rental car transaction fee. The bill also authorizes the RTA to issue bonds and to use rental car transaction fees and bond proceeds for KRM commuter link purposes. Under the bill, the interest income received from the bonds is exempt from the state income tax. The bill also allows the RTA to participate in organizing municipal insurance mutuals to provide insurance and risk management services to the RTA. The bill requires the RTA's report due by November 15, 2008, to include a study on the feasibility of adding certain commuter rail stops and of extending commuter rail to a specified location.

WHEFA bonds for research institutions

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health or educational institutions, to refinance outstanding debt of health or educational institutions, and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health or educational institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health or educational facility or related structure.

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1 25.40 (4) Beginning in fiscal year 2009–10, and in each fiscal year thereafter,
2 the secretary of administration shall transfer \$25,000,000 from the general fund to
3 the transportation fund.

4 **SECTION 5.** 38.27 (2m) (g) of the statutes is created to read:

5 38.27 (2m) (g) Beginning in the 2008–09 school year, at least \$5,000,000
6 annually is awarded under sub. (1) (b) 1. for training in advanced manufacturing
7 skills, with priority given to welding.

8 **SECTION 6.** 49.155 (1m) (c) 1. (intro.) of the statutes is amended to read:

9 49.155 (1m) (c) 1. (intro.) Except as provided in subds. 1g., 1h., 1m., 2., and 3.,
10 ~~the gross income of the individual's family is at or below 185% of the poverty line for~~
11 ~~a family the size of the individual's family or, for an individual who is already~~
12 ~~receiving a child care subsidy under this section on July 1, 2008, the gross income~~
13 ~~of the individual's family is at or below 200% 225 percent~~ of the poverty line for a
14 family the size of the individual's family. In calculating the gross income of the
15 family, the Wisconsin works Works agency shall include income described under s.
16 49.145 (3) (b) 1. and 3., except that, in calculating farm and self–employment income,
17 the Wisconsin works Works agency shall include the sum of the following:

18 **SECTION 7.** 49.155 (1m) (c) 1c. of the statutes is created to read:

19 49.155 (1m) (c) 1c. Except as provided in subds. 1g., 1h., 1m., 2., and 3., for an
20 individual who, on or after July 1, 2008, applies for a child care subsidy under this
21 section or reapplies for a child care subsidy under this section after losing eligibility,
22 the gross income of the individual's family when the individual applies or reapplies
23 is at or below 210 percent of the poverty line for a family the size of the individual's
24 family and, after the individual is already receiving a child care subsidy under this
25 section, the gross income of the individual's family is at or below 225 percent of the

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1 poverty line for a family the size of the individual's family. The Wisconsin Works
2 agency shall calculate the gross income of the family in the same manner as gross
3 income is calculated under subd. 1.

4 **SECTION 8.** 49.155 (1m) (c) 1g. of the statutes is amended to read:

5 49.155 (1m) (c) 1g. If the individual is a foster parent of the child or a subsidized
6 guardian or interim caretaker of the child under s. 48.62 (5), the child's biological or
7 adoptive family has a gross income that is at or below ~~200%~~ 225 percent of the poverty
8 line. In calculating the gross income of the child's biological or adoptive family, the
9 Wisconsin ~~works~~ Works agency shall include income described under s. 49.145 (3) (b)
10 1. and 3.

11 **SECTION 9.** 49.155 (1m) (c) 1h. of the statutes is amended to read:

12 49.155 (1m) (c) 1h. If the individual is a relative of the child, is providing care
13 for the child under a court order, and is receiving payments under s. 48.57 (3m) or
14 (3n) on behalf of the child, the child's biological or adoptive family has a gross income
15 that is at or below ~~200%~~ 225 percent of the poverty line. In calculating the gross
16 income of the child's biological or adoptive family, the Wisconsin ~~works~~ Works agency
17 shall include income described under s. 49.145 (3) (b) 1. and 3.

18 **SECTION 10.** 49.155 (1m) (c) 1m. of the statutes is amended to read:

19 49.155 (1m) (c) 1m. If the individual was eligible under s. 49.132 (4) (a), 1995
20 stats., for aid under s. 49.132, 1995 stats., and received aid under s. 49.132, 1995
21 stats., on September 30, 1997, but lost aid solely because of the application of s.
22 49.132 (6), 1995 stats., the gross income of the individual's family is at or below ~~200%~~
23 225 percent of the poverty line for a family the size of the individual's family. This
24 subdivision does not apply to an individual whose family's gross income at any time

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1 on or after September 30, 1997, is more than ~~200%~~ 225 percent of the poverty line
2 for a family the size of the individual's family.

3 **SECTION 11.** 49.155 (1m) (c) 2. of the statutes is amended to read:

4 49.155 **(1m)** (c) 2. If the individual was eligible under s. 49.132 (4) (am), 1995
5 stats., for aid under s. 49.132, 1995 stats., and received aid under s. 49.132, 1995
6 stats., on or after May 10, 1996, but lost eligibility solely because of increased
7 income, the gross income of the individual's family is at or below ~~200%~~ 225 percent
8 of the poverty line for a family the size of the individual's family. This subdivision
9 does not apply to an individual whose family's gross income increased to more than
10 ~~200%~~ 225 percent of the poverty line for a family the size of the individual's family.

11 **SECTION 12.** 49.155 (1m) (c) 3. of the statutes is amended to read:

12 49.155 **(1m)** (c) 3. If the individual was eligible for a child care subsidy under
13 s. 49.191 (2), 1997 stats., on or after May 10, 1996, and received a child care subsidy
14 on or after May 10, 1996, but lost the subsidy solely because of increased income, the
15 gross income of the individual's family is at or below ~~200%~~ 225 percent of the poverty
16 line for a family the size of the individual's family. This subdivision does not apply
17 to an individual whose family's gross income increased to more than ~~200%~~ 225
18 percent of the poverty line for a family the size of the individual's family.

19 **SECTION 13.** 59.58 (6) (cb) of the statutes is created to read:

20 59.58 **(6)** (cb) The authority shall be responsible for sponsoring, developing,
21 constructing, and operating a commuter rail transit system connecting the cities of
22 Kenosha, Racine, and Milwaukee, to be known as the KRM commuter rail link.

23 **SECTION 14.** 59.58 (6) (cr) of the statutes is amended to read:

24 59.58 **(6)** (cr) The authority may hire staff, conduct studies, and expend funds
25 essential to the preparation of the report specified in par. (e) and in furtherance of

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1 its responsibility under par. (cb) to develop and construct the KRM commuter rail
2 link.

3 **SECTION 15.** 59.58 (6) (e) 3g. of the statutes is created to read:

4 59.58 (6) (e) 3g. A study on the feasibility of adding a commuter rail stop and
5 station at points where any proposed commuter rail route would intersect National
6 Avenue in the city of Milwaukee or Greenfield Avenue in the city of Milwaukee or
7 both.

8 **SECTION 16.** 59.58 (6) (e) 3m. of the statutes is created to read:

9 59.58 (6) (e) 3m. A study on the feasibility of extending any proposed commuter
10 rail project through the 30th Street corridor in the city of Milwaukee to the northern
11 county line of Milwaukee County.

12 **SECTION 17.** 59.58 (6) (e) 4r. and 6. of the statutes are repealed.

13 **SECTION 18.** 59.58 (6) (f) and (g) of the statutes are created to read:

14 59.58 (6) (f) 1. The authority may issue bonds, the principal and interest on
15 which are payable exclusively from all or a portion of any revenues received by the
16 authority. The authority may secure its bonds by a pledge of any income or revenues
17 from any operations, rent, aids, grants, subsidies, contributions, or other source of
18 moneys whatsoever.

19 2. The authority may issue bonds in an aggregate principal amount not to
20 exceed \$50,000,000, excluding bonds issued to refund outstanding bonds issued
21 under this subdivision, for the purpose of providing funds for the anticipated local
22 funding share required for initiating KRM commuter rail link service.

23 3. Neither the governing body of the authority nor any person executing the
24 bonds is personally liable on the bonds by reason of the issuance of the bonds.

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1 4. The bonds of the authority are not a debt of the counties that created the
2 authority. Neither these counties nor the state are liable for the payment of the
3 bonds. The bonds of the authority shall be payable only out of funds or properties
4 of the authority. The bonds of the authority shall state the restrictions contained in
5 this subdivision on the face of the bonds.

6 5. Bonds of the authority shall be authorized by resolution of the authority's
7 governing body. The bonds may be issued under such a resolution or under a trust
8 indenture or other security instrument. The bonds may be issued in one or more
9 series and may be in the form of coupon bonds or registered bonds under s. 67.09.
10 The bonds shall bear the dates, mature at the times, bear interest at the rates, be in
11 the denominations, have the rank or priority, be executed in the manner, be payable
12 in the medium of payment and at the places, and be subject to the terms of
13 redemption, with or without premium, as the resolution, trust indenture, or other
14 security instrument provides. The authority may sell the bonds at public or private
15 sales at the price or prices determined by the authority. If a member of the governing
16 body of the authority whose signature appears on any bonds or coupons ceases to be
17 a member of the governing body of the authority before the delivery of such
18 obligations, the member's signature shall, nevertheless, be valid for all purposes as
19 if the member had remained a member until delivery of the bonds.

20 6. The authority may issue refunding bonds for the purpose of paying any of
21 its bonds at or prior to maturity or upon acceleration or redemption. The authority
22 may issue refunding bonds at such time prior to the maturity or redemption of the
23 refunded bonds as the authority deems to be in the public interest. The refunding
24 bonds may be issued in sufficient amounts to pay or provide the principal of the bonds
25 being refunded, together with any redemption premium on the bonds, any interest

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1 accrued or to accrue to the date of payment of the bonds, the expenses of issue of the
2 refunding bonds, the expenses of redeeming the bonds being refunded, and such
3 reserves for debt service or other capital or current expenses from the proceeds of
4 such refunding bonds as may be required by the resolution, trust indenture, or other
5 security instruments. To the extent applicable, refunding bonds are subject to subd.
6 5.

7 (g) The governing bodies of the counties of Kenosha, Milwaukee, and Racine,
8 and of the most populous city in each of these 3 counties, may submit to the electors
9 in an advisory referendum the question of supporting an increase in the fees that
10 may be imposed by the authority under subch. XIII of ch. 77.

11 **SECTION 19.** 71.05 (1) (c) 9. of the statutes is created to read:

12 71.05 (1) (c) 9. The regional transit authority under s. 59.58 (6) (f).

13 **SECTION 20.** 71.22 (9) of the statutes is amended to read:

14 71.22 (9) "Person" includes corporations, unless the context requires
15 otherwise. "Person" may include, as determined by the department, any individual,
16 partnership, general partner of a partnership, limited liability company, registered
17 limited liability partnership, foreign limited liability partnership, syndicate, estate,
18 trust, trustee in bankruptcy, receiver, executor, administrator, assignee, or
19 organization.

20 **SECTION 21.** 71.255 of the statutes is created to read:

21 **71.255 Combined reporting.** (1) DEFINITIONS. In this section:

22 (a) "Combined group" means the group of all persons whose income and
23 apportionment factors are considered under sub. (2) to determine the taxpayer's
24 share of the net business income or loss that is apportionable to this state.

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1 (b) “Combined report” means a return under s. 71.24 that is filed on a form
2 prescribed by the department that specifies the income, credits, and tax of each
3 taxpayer member of a commonly controlled group operating as a unitary business.

4 (c) “Commonly controlled group” means any of the following, but does not
5 include an insurer that is exempt from taxation under s. 71.45 (1):

6 1. A parent corporation and any corporation or chain of corporations that are
7 connected to the parent corporation by direct or indirect ownership by the parent
8 corporation if the parent corporation owns stock representing more than 50 percent
9 of the voting power of at least one of the connected corporations or if the parent
10 corporation or any of the connected corporations owns stock that cumulatively
11 represents more than 50 percent of the voting power of each of the connected
12 corporations.

13 2. Any 2 or more corporations if a common owner, regardless of whether or not
14 the owner is a corporation, directly or indirectly owns stock representing more than
15 50 percent of the voting power of the corporations or the connected corporations.

16 3. Any 2 or more corporations if stock representing more than 50 percent of the
17 voting power in each corporation are interests that cannot be separately transferred.

18 4. Any 2 or more corporations if stock representing more than 50 percent of the
19 voting power in each corporation is directly owned by, or for the benefit of, family
20 members. In this subdivision, “family member” means an individual related by
21 blood, marriage, or adoption within the 2nd degree of kinship as computed under s.
22 852.03 (2), 1995 stats., or the spouse of such an individual.

23 (d) “Corporation” means a corporation, as defined in s. 71.22 (1k), that,
24 regardless of where the corporation is located, would be subject to the taxes imposed
25 under this chapter, if the corporation were doing business in this state. For purposes

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1 of this section, the business conducted by a pass-through entity that is directly or
2 indirectly held by a corporation is considered the corporation's business
3 proportionate to the corporation's distributive share of the pass-through entity's
4 income. "Corporation" does not include a tax-option corporation.

5 (e) "Department" means the department of revenue.

6 (f) "Internal Revenue Code" means the Internal Revenue Code as defined in s.
7 71.22 (4) and (4m), including any provision of a federal tax treaty that expressly
8 applies to the states of the United States, but not including any other application of
9 a federal tax treaty.

10 (g) "Pass-through entity" means a general or limited partnership, any
11 organization that is treated as a partnership for purposes of this chapter, a real
12 estate investment trust, a regulated investment company, a real estate mortgage
13 investment conduit, a financial asset securitization investment trust, a trust, or an
14 estate.

15 (h) "Tax haven" means a jurisdiction that, for any taxable year, is identified by
16 the organization for economic cooperation and development as a tax haven or as
17 having a harmful, preferential tax regime or has no, or a nominal, effective tax on
18 income and all of the following apply:

19 1. The jurisdiction has laws or practices that prevent the effective exchange of
20 information, for tax purposes, with other governments on taxpayers benefiting from
21 the tax regime.

22 2. The details of the legislative, legal, or administrative provisions of the
23 jurisdiction's tax regime are not publicly available and apparent or are not
24 consistently applied to similarly situated taxpayers or the information needed by tax

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1 authorities to determine a taxpayer's correct tax liability, including accounting
2 records and underlying documentation, is not adequately available.

3 3. The jurisdiction facilitates the establishment of foreign-owned entities
4 without requiring a local substantive presence or prohibits such entities from having
5 any commercial impact on the local economy.

6 4. The tax regime explicitly or implicitly excludes the jurisdiction's resident
7 taxpayers from taking advantage of the tax regime's benefits or prohibits enterprises
8 that benefit from the regime from operating in the jurisdiction's domestic market.

9 5. The jurisdiction has created a tax regime that is favorable for tax avoidance,
10 based upon an overall assessment of relevant factors, including whether the
11 jurisdiction has a significant untaxed offshore financial or other services sector
12 relative to its overall economy.

13 (i) "Taxpayer member" means a corporation that is subject to tax under s. 71.23
14 (1) or (2) and that is a member of a combined group.

15 (j) "Unitary business" means a single economic enterprise that consists of
16 separate parts of a single business entity or of a commonly controlled group of
17 business entities that are sufficiently interdependent, integrated, and interrelated
18 by their activities so as to provide a synergy and a mutual benefit that produces a
19 sharing or exchange of value among them and a significant flow of value to the
20 separate parts. For purposes of this section, 2 or more business entities are
21 considered a unitary business if the entities have unity of ownership, operation, and
22 use, as indicated by centralized management or a centralized executive force;
23 centralized purchasing, advertising, or accounting; intercorporate sales or leases;
24 intercorporate services; intercorporate debts; intercorporate use of proprietary
25 materials; interlocking directorates; or interlocking corporate officers. Any business

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1 conducted by a pass-through entity that is owned directly or indirectly by a
2 corporation is considered conducted by the corporation, to the extent of the
3 corporation's distributive share of the pass-through entity's income, regardless of
4 the percentage of the corporation's ownership interest. A business conducted
5 directly or indirectly by one corporation is unitary with that portion of a business
6 conducted by another corporation through its direct or indirect interest in a
7 pass-through entity, if the corporations are sufficiently interdependent, integrated,
8 and interrelated by their activities so as to provide a synergy and a mutual benefit
9 that produces a sharing or exchange of value among them and a significant flow of
10 value to the separate parts and the two corporations are members of the same
11 commonly controlled group.

12 **(2) CORPORATIONS REQUIRED TO USE COMBINED REPORTING.** (a) A corporation
13 engaged in a unitary business with any other corporation shall file a combined report
14 that includes the income, determined under sub. (3), and apportionment factor,
15 determined under sub. (5) and s. 71.25, of the following members of the unitary
16 business:

17 1. Any member incorporated in the United States, including the District of
18 Columbia and any territory or possession of the United States, or formed under the
19 laws of any state, the District of Columbia, or any territory or possession of the
20 United States.

21 2. Any member, regardless of where the entity is incorporated or formed, if the
22 average of the following ratios is 20 percent or more:

23 a. The value of the member's real property and tangible personal property
24 located in the United States, including the District of Columbia and any territory or
25 possession of the United States, not including property that is used to produce

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1 nonapportionable income, divided by the value of all of the member's real property
2 and tangible personal property, not including property that is used to produce
3 nonapportionable income. For purposes of this subd. 2. a., the value of property that
4 the member rents is the net annual rental amount for the property, multiplied by 8.

5 b. The amount of the member's payroll that is paid in the United States,
6 including the District of Columbia and any territory or possession of the United
7 States, divided by the amount of the member's total payroll. For purposes of this
8 subd. 2. b., payroll includes compensation paid to employees, but does not include
9 payroll used to produce nonapportionable income. The payroll paid in the United
10 States, including the District of Columbia and any territory or possession of the
11 United States, shall be determined in the same manner as payroll is determined for
12 this state under s. 71.25 (8) (b) 1. to 5.

13 c. The member's sales in the United States, including the District of Columbia
14 and any territory or possession of the United States, divided by the member's total
15 sales. For purposes of this subd. 2. c., sales include items identified in s. 71.25 (9) (e),
16 but not items identified in s. 71.25 (9) (f), and the situs of a sale shall be determined
17 in the same manner as for state sales in s. 71.25 (9) (b), (d), (df), and (dh), not
18 including s. 71.25 (9) (b) 2m. and 3., (c), (df) 3., and (dh) 4.

19 3. Any member that is a domestic international sales corporation as described
20 in sections 991 to 994 of the Internal Revenue Code, a foreign sales corporation as
21 described in sections 921 to 927 of the Internal Revenue Code, or an export trade
22 corporation as described in sections 970 to 971 of the Internal Revenue Code.

23 4. Any member that is a controlled foreign corporation as defined in section 957
24 of the Internal Revenue Code, to the extent of the member's income that is defined
25 in section 952 of of the Internal Revenue Code, including any lower-tier subsidiary's

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1 distribution of such income that was previously taxed, determined without regard
2 to federal treaties, and the apportionment factors related to that income. For
3 purposes of this subdivision, any item of income received by a controlled foreign
4 corporation is excluded if the income was subject to an income tax imposed by a
5 foreign country at an effective tax rate greater than 90 percent of the maximum tax
6 rate specified in section 11 of the Internal Revenue Code.

7 5. Any member that earns more than 20 percent of its income, directly or
8 indirectly, from intangible property or service-related activities that are deductible
9 against the business income of other members of the combined group, to the extent
10 of that income and the apportionment factors related to that income.

11 6. Any member that is doing business in a tax haven, if the member is engaged
12 in an activity that is sufficient for that tax haven jurisdiction to impose a tax under
13 federal law. If the member's business activity in a tax haven is entirely outside the
14 scope of the laws and practices that cause the jurisdiction to be a tax haven, the
15 member's business activity is not considered to be conducted in a tax haven for
16 purposes of this section.

17 7. Any member not described in subds. 1. to 6., to the extent that its income is
18 derived from or attributable to sources within the United States, including the
19 District of Columbia and any territory or possession of the United States, as
20 determined under the Internal Revenue Code and by its apportionment factors
21 related to that income.

22 (b) The department may require that a combined report filed under this section
23 include the income and associated apportionment factors of any persons not
24 described under par. (a) that are members of a unitary business to reflect the proper
25 apportionment of income of the entire unitary business, including persons that are

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1 not, or would not be, subject to the taxes imposed under this chapter if doing business
2 in this state.

3 **(3) COMPONENTS OF INCOME SUBJECT TO TAX.** Each taxpayer member is
4 responsible for the tax imposed under this chapter based on its taxable income or loss
5 apportioned or allocated to this state, including:

6 (a) Its share of any business income apportionable to this state of each of the
7 combined groups of which it is a member, as determined under subs. (4) and (5).

8 (b) Its share of any business income apportionable to this state of a distinct
9 business activity conducted in and outside this state wholly by the taxpayer member,
10 as determined under s. 71.25.

11 (c) Its income from a business conducted wholly by the taxpayer member
12 entirely in this state.

13 (d) Its income sourced to this state from the sale or exchange of capital or assets
14 and from involuntary conversions, as determined under sub. (4) (a) 8.

15 (e) Its nonbusiness income or loss allocable to this state.

16 (f) Its income or loss allocated or apportioned in an earlier year that is state
17 source income during the income year, other than a net business loss carry-forward.

18 (g) Its net business loss carry-forward. If the taxable income computed under
19 this subsection and subs. (4) and (5) results in a loss for a taxpayer member of the
20 combined group, the taxpayer member has a net business loss, subject to the net
21 business loss limitations and carry-forward provisions in s. 71.26 (4). The business
22 loss is applied as a deduction in a subsequent year only if the taxpayer member has
23 net income sourced to this state, regardless of whether the taxpayer is a member of
24 a combined group in the subsequent year.

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1 **(4) BUSINESS INCOME OF THE COMBINED GROUP.** The business income of a
2 combined group is determined as follows:

3 (a) Compute the sum of the income of each member of the combined group as
4 determined for federal income tax purposes, as if the members were not consolidated
5 for federal purposes, and modified as provided under s. 71.26. Each member of the
6 combined group shall determine its income as follows:

7 1. For any member incorporated in the United States, including the District of
8 Columbia and any territory or possession of the United States, or included in a
9 consolidated federal corporate income tax return, the income included in the total
10 income of the combined group is the corporation's taxable income as determined
11 under s. 71.26.

12 2. Except as provided in subd. 3, for any member not included in subd. 1., the
13 income included in the total income of the combined group shall be determined as
14 follows:

15 a. Each foreign branch or foreign corporation shall prepare a profit and loss
16 statement in the currency in which the branch's or corporation's books of account are
17 regularly maintained.

18 b. The member shall adjust any statement prepared under subd. 2. a. to
19 conform to the accounting principles generally accepted in the United States for the
20 preparation of profit and loss statements.

21 c. The member shall adjust any statement prepared under subd. 2. a. to
22 conform to the tax accounting standards required by the department for the
23 administration of this chapter.

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1 d. Each member of the combined group shall translate its profit and loss
2 statements, and the related apportionment factors, into the currency in which the
3 parent corporation maintains its books and records.

4 e. Each member shall express in U.S. dollars the income apportioned to this
5 state.

6 3. If the department determines that the income determination under this
7 subsection reasonably approximates income as determined under s. 71.26, any
8 member not included in subd. 1. may determine its income based on a consolidated
9 profit and loss statement that includes the member and that is prepared for the
10 purpose of filing, by related corporations, with the securities and exchange
11 commission. If the member is not required to file with the securities and exchange
12 commission, the department may allow, for purposes of this subdivision, the use of
13 the consolidated profit and loss statement prepared for reporting to shareholders
14 and subject to review by an independent auditor. If a statement described in this
15 subdivision does not reasonably approximate income as determined under s. 71.26,
16 the department may accept the statement if the member makes appropriate
17 adjustments to the statement, as determined by the department, to approximate the
18 income determined under s. 71.26.

19 4. If a unitary business includes income from a pass-through entity, the total
20 income of the combined group includes the member's direct and indirect distributive
21 share of the pass-through entity's unitary business income.

22 5. All dividends paid by one member to another are not included in the
23 recipients income, if the dividends are paid out of the earnings and profits of the
24 unitary business in the current taxable year or in an earlier taxable year. This

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1 subdivision does not apply to dividends received from members of a unitary business
2 that are not a part of the combined group.

3 6. Except as provided by the department by rule, business income or loss from
4 an intercompany transaction between members of the same combined group shall be
5 deferred in a manner similar to 26 CFR 1.1502-13. Upon the occurrence of any of
6 the following events, deferred business income or loss resulting from an
7 intercompany transaction between members of a combined group shall be included
8 in the income of the seller and shall be apportioned as business income earned
9 immediately before the event:

10 a. The object of the deferred intercompany transaction is sold by the buyer to
11 an entity that is not a member of the combined group.

12 b. The object of the deferred intercompany transaction is sold by the buyer to
13 an entity that is a member of the combined group for use outside the unitary business
14 in which the buyer and seller are engaged.

15 c. The object of the deferred intercompany transaction is converted by the buyer
16 to a use outside the unitary business in which the buyer and seller are engaged.

17 d. The buyer and seller are no longer members of the same combined group,
18 regardless of whether the members remain a unitary business.

19 7. A charitable expense incurred by a member of a combined group, to the
20 extent allowable as a deduction under section 170 of the Internal Revenue Code,
21 shall be subtracted first from the business income of the combined group, subject to
22 the income limitations of section 170 of the Internal Revenue Code as it applies to
23 the entire business income of the group, and any remaining amount shall be treated
24 as a nonbusiness expense allocable to the member that incurred the expense, subject
25 to the income limitations of section 170 of the Internal Revenue Code as it applies

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1 to the nonbusiness income of that member. Any charitable deduction described
2 under this subdivision that is allowed as a carryover deduction in a subsequent year
3 is considered to be originally incurred in the subsequent year by the same member,
4 and this section applies in the subsequent year for purposes of determining the
5 allowable deduction in that year.

6 8. Gain or loss from the sale or exchange of capital assets, property described
7 in section 1231 (a) (3) of the Internal Revenue Code, and property subject to an
8 involuntary conversion, is removed from the total separate net income of each
9 member of a combined group and is apportioned and allocated as follows:

10 a. For short-term capital gains or losses, long-term capital gains or losses,
11 gains or losses under section 1231 of the Internal Revenue Code, and involuntary
12 conversions, the business gain and loss of all members are combined within each
13 class of net business gain or loss and each such class is separately apportioned to each
14 member using the member's apportionment percentage determined under sub. (5).

15 b. Each taxpayer member shall net its apportioned business gain or loss for all
16 classes, as determined under subd. 8. a., including any such apportioned business
17 gain and loss from other combined groups, against the taxpayer member's
18 nonbusiness gain and loss for all classes allocated to this state as provided under
19 sections 1231 and 1222 of the Internal Revenue Code, not including nonbusiness
20 items allocated to another state.

21 c. Any resulting state source income or loss, if the loss is not subject to section
22 1211 of the Internal Revenue Code, of a taxpayer member produced by the
23 application of subd. 8. a. and b. shall then be applied to all other state source income
24 or loss of that member.

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1 d. Any resulting state source loss of a member that is subject to section 1211
2 of the Internal Revenue Code shall be carried forward or carried back by that
3 member and shall be treated as state source short-term capital loss incurred by that
4 member for the year for which the carry-forward or carry-back applies.

5 9. Any expense of one member of the unitary business that is directly or
6 indirectly attributable to the nonbusiness or exempt income of another member of
7 the unitary business shall be allocated to that other member as corresponding
8 nonbusiness or exempt expense, as appropriate.

9 (b) Subtract any nonbusiness income of the combined group from the amount
10 determined under par. (a) and add any nonbusiness expense or loss of the combined
11 group to the amount determined under par. (a).

12 **(5) TAXPAYER'S SHARE OF BUSINESS INCOME OF A COMBINED GROUP.** The taxpayer's
13 share of the business income apportionable to this state of each combined group of
14 which it is a member shall be the product of the business income of the combined
15 group as determined under sub. (4) and the taxpayer member's sales factor
16 percentage, determined under s. 71.25, modified as follows:

17 (a) Include in the numerator the taxpayer member's sales associated with the
18 combined group's unitary business in this state.

19 (b) Include in the numerator the taxpayer member's sales associated with the
20 combined group's unitary business to another state in which the taxpayer member
21 is not engaged in business, regardless of whether another member of the combined
22 group is engaged in business in the other state.

23 (c) Include in the denominator the sales of all members of the combined group,
24 including the taxpayer, that are associated with the combined group's unitary
25 business regardless of where that business is located.

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1 (d) Include sales of a pass-through entity owned directly or indirectly by a
2 corporation in proportion to a ratio the numerator of which is the amount of the
3 corporation's distributive share of the pass-through entity's unitary income included
4 in the income of the combined group in under sub. (4) and the denominator of which
5 is the amount of the pass-through entity's total unitary income.

6 (e) Exclude sales between members of the combined group.

7 (f) If a member of a combined group is not subject to the taxes imposed under
8 s. 71.23 because it is not engaged in business in this state, the numerator of the
9 member's sales factor is zero.

10 **(6) CREDITS AND POST-APPORTIONMENT DEDUCTIONS.** No tax credit or
11 post-apportionment deduction earned by one member of the combined group, but not
12 completed, used by, or allowed to that member, may be used in whole or in part by
13 another member of the combined group or applied in whole or in part against the total
14 income of the combined group.

15 **(7) DESIGNATED AGENT.** (a) For purposes of administering this section, each
16 combined group shall appoint a sole designated agent. The designated agent is the
17 parent corporation of the combined group, if the parent corporation is a taxpayer
18 member of the combined group and the income of the parent corporation is included
19 in the combined report. If there is no such parent corporation, the designated agent
20 may be appointed by the taxpayer members. If there is no such parent corporation
21 and no taxpayer member is appointed, the designated agent is the taxpayer member
22 that has the most significant operations in this state on a recurring basis, as
23 determined by the department. The designated agent may change only when the
24 designated agent is no longer subject to the tax imposed under s. 71.23 (1) or (2), in

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1 which case the combined group shall notify the department of such a change in the
2 manner prescribed by the department.

3 (b) The designated agent is responsible for acting on behalf of the taxpayer
4 members of the combined group and shall do all of the following:

5 1. File with the department a combined report under sub. (1) (b).

6 2. File any extensions under s. 71.24.

7 3. File any amended combined reports and claims for refund or credit.

8 4. Send and receive all correspondence with the department regarding the
9 combined report.

10 5. Remit all taxes, including estimated taxes, to the department. For purposes
11 of computing interest on late payments, all payments remitted are considered to be
12 made on a proportionate basis by all taxpayer members of the combined group,
13 unless otherwise specified by the designated agent.

14 6. Participate on behalf of the combined group members in any investigation
15 or hearing requested by the department regarding a combined report, produce all
16 information requested by the department regarding the combined report, and file
17 any appeal related to a combined report. Any appeal filed by the designated agent
18 is considered filed by all members of the combined group.

19 7. Execute any waiver, closing agreement, power of attorney, or other document
20 regarding the combined report filed under sub. (1) (b). Any waiver, agreement, or
21 document executed by the designated agent is considered executed by all members
22 of the combined group.

23 8. Receive notices regarding the combined report. Any such notice the
24 department sends to the designated agent is considered sent to all taxpayer members
25 of the combined group.

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1 9. Receive refunds regarding the combined report. Any such refund shall be
2 paid to and in the name of the designated agent and shall discharge any liability of
3 the state to any member of the combined group regarding the refund.

4 (c) The department may relieve the designated agent from any of the duties
5 described in par. (b) to the extent that the duties relate to income, expense, or loss
6 that is not includable in the business income of the combined group under sub. (4).
7 Unless the department provides for such relief by rule, a designated agent shall
8 obtain written approval from the department to be relieved of any such duties.

9 **(8) TAXABLE YEAR OF THE COMBINED GROUP.** (a) Except as provided in par. (b), the
10 combined group's taxable year is the designated agent's taxable year. If a member's
11 taxable year is different from the combined group's taxable year, the designated
12 agent may elect to determine the portion of each member's income to be included in
13 the combined report either from a separate income statement from each member that
14 is prepared by the member's books and records for the months that are included in
15 the combined group's taxable year or by including in the combined report all of the
16 income of each member for the year that ends during the combined group's taxable
17 year. Any election made under this paragraph remains in effect for subsequent years
18 unless the designated agent submits a request to the department to change the
19 election and the department approves in writing.

20 (b) If 2 or more members of a combined group file a federal consolidated return,
21 the combined group's taxable year is the taxable year that corresponds to the federal
22 consolidated return.

23 **(9) PART-YEAR MEMBERS OF A COMBINED GROUP.** If a corporation becomes a
24 member of a combined group, or ceases to be a member of a combined group, after
25 the beginning of the combined group's taxable year, the corporation's income shall

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1 be determined as provided under subs. (3), (4), and (5) for that portion of the year in
2 which the corporation was a member of the combined group, and the income shall be
3 included in the combined report. The income for the remaining short period shall be
4 reported on a separate return or separate combined report.

5 **(10) PRESUMPTIONS AND BURDEN OF PROOF.** A commonly controlled group is
6 presumed to be engaged in a unitary business and all of the income of the unitary
7 business is presumed to be apportionable business income under this section. A
8 corporation has the burden of proving that it is not a member of a combined group
9 that is subject to this section.

10 **SECTION 22.** 71.26 (1m) (j) of the statutes is created to read:

11 71.26 **(1m)** (j) Those issued under s. 59.58 (6) (f).

12 **SECTION 23.** 71.26 (3) (x) of the statutes is amended to read:

13 71.26 **(3)** (x) Sections 1501 to 1505, 1551, 1552, 1563 and 1564 (relating to
14 consolidated returns) are excluded, except as provided under section 1502 of the U.S.
15 treasury regulations as it relates to deferred gain or loss from an intercompany
16 transaction under s. 71.255 (4) (a) 6.

17 **SECTION 24.** 71.45 (1t) (j) of the statutes is created to read:

18 71.45 **(1t)** (j) Those issued under s. 59.58 (6) (f).

19 **SECTION 25.** 77.9971 of the statutes is amended to read:

20 **77.9971 Imposition.** A regional transit authority under s. 59.58 (6) may
21 impose a fee at a rate not to exceed \$2, or not to exceed \$15 if the governing body of
22 the regional transit authority approves a fee under this section at such a rate, for
23 each transaction in the region, as defined in s. 59.58 (6) (a) 2., on the rental, but not
24 for rental and not for rental as a service or repair replacement vehicle, of Type 1
25 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in

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1 short-term rental of passenger cars without drivers, for a period of 30 days or less,
2 unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9),
3 or (9a). The fee imposed under this subchapter shall be effective on the first day of
4 the first month that begins at least 90 days after the governing body of the regional
5 transit authority approves the imposition of the fee and notifies the department of
6 revenue. The governing body shall notify the department of a repeal of the fee
7 imposed under this subchapter at least 60 days before the effective date of the repeal.

8 **SECTION 26.** 231.01 (4) (a) of the statutes is amended to read:

9 231.01 (4) (a) “Cost” means the sum of all costs incurred by a participating
10 health institution, participating educational institution, participating research
11 institution, or participating child care provider, as approved by the authority, as are
12 reasonable and necessary to accomplish the project, exclusive of any private or
13 federal, state, or local financial assistance received by the participating health
14 institution, participating educational institution, participating research institution,
15 or participating child care provider for the payment of the project cost.

16 **SECTION 27.** 231.01 (4) (b) 1. of the statutes is amended to read:

17 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health
18 institution, participating educational institution, participating research institution,
19 or participating child care provider of all necessary developmental, planning, and
20 feasibility studies, surveys, plans, and specifications, architectural, engineering,
21 legal, or other special services, the cost of acquisition of land and any buildings and
22 improvements on the land, site preparation, and development including demolition
23 or removal of existing structures, construction, reconstruction, and equipment,
24 including machinery, fixed equipment, and personal property.

25 **SECTION 28.** 231.01 (4) (b) 2. of the statutes is amended to read:

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1 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
2 health institution, participating educational institution, participating research
3 institution, or participating child care provider in the course of the development of
4 the project to the occupancy date.

5 **SECTION 29.** 231.01 (4) (c) of the statutes is amended to read:

6 231.01 (4) (c) All rents and other net revenues from the operation of the real
7 property, improvements, or personal property on the project site by a participating
8 health institution, participating educational institution, participating research
9 institution, or participating child care provider on and after the date on which the
10 contract between a participating health institution, participating educational
11 institution, participating research institution, or participating child care provider
12 and the authority was entered into, but prior to the occupancy date, shall reduce the
13 sum of all costs in this subsection.

14 **SECTION 30.** 231.01 (6t) of the statutes is created to read:

15 231.01 (6t) "Participating research institution" means an entity that provides
16 or operates a research facility and that undertakes the financing and construction
17 or acquisition of a project or undertakes the refunding or refinancing of obligations
18 or of a mortgage or of advances as provided in this chapter.

19 **SECTION 31.** 231.01 (7) (a) 1. of the statutes is amended to read:

20 231.01 (7) (a) 1. A specific health facility, educational facility, research facility,
21 or child care center work or improvement to be refinanced, acquired, constructed,
22 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority
23 with funds provided in whole or in part under this chapter.

24 **SECTION 32.** 231.01 (7) (a) 2. of the statutes is amended to read:

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1 231.01 (7) (a) 2. One or more structures suitable for use as a child care center,
2 research facility, health facility, laboratory, laundry, nurses’ or interns’ residence or
3 other multi-unit housing facility for staff, employees, patients or relatives of
4 patients admitted for treatment or care in a health facility, physician’s facility,
5 administration building, research facility, maintenance, storage, or utility facility.

6 **SECTION 33.** 231.01 (7) (a) 4. of the statutes is amended to read:

7 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
8 educational facility, research facility, or child care center, including facilities or
9 supporting service structures essential or convenient for the orderly conduct of the
10 health facility, educational facility, research facility, or child care center.

11 **SECTION 34.** 231.01 (7) (c) of the statutes is amended to read:

12 231.01 (7) (c) “Project” may include any combination of projects undertaken
13 jointly by any participating health institution, participating educational institution,
14 participating research institution, or participating child care provider with one or
15 more other participating health institutions, participating educational institutions,
16 participating research institutions, or participating child care providers.

17 **SECTION 35.** 231.01 (8c) of the statutes is created to read:

18 231.01 (8c) “Research facility” means an institution, place, building, or agency
19 that satisfies all of the following:

20 (a) Is owned by an entity that is described in section 501 (c) (3) of the Internal
21 Revenue Code and that is exempt from federal income tax under section 501 (a) of
22 the Internal Revenue Code.

23 (b) Is or will be used in whole or in part for basic research for the advancement
24 of scientific, medical, or technological knowledge and that does not have a specific
25 commercial objective.

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1 **SECTION 36.** 231.02 (6) (b) of the statutes is amended to read:

2 231.02 **(6)** (b) Notwithstanding any other provision of law, it is not a conflict

3 of interest or violation of this section or of any other law for a trustee, director, officer,

4 or employee of a participating health institution, participating educational

5 institution, participating research institution, or participating child care provider or

6 for a person having the required favorable reputation for skill, knowledge, and

7 experience in state and municipal finance or for a person having the required

8 favorable reputation for skill, knowledge, and experience in the field of health

9 facility, educational facility, research facility, or child care center architecture to

10 serve as a member of the authority; if in each case to which par. (a) is applicable, the

11 trustee, director, officer, or employee of the participating health institution,

12 participating educational institution, participating research institution, or

13 participating child care provider abstains from discussion, deliberation, action, and

14 vote by the authority in specific respect to any undertaking pursuant to this chapter

15 in which his or her participating health institution, participating educational

16 institution, participating research institution, or participating child care provider

17 has an interest, or the person having the required favorable reputation for skill,

18 knowledge, and experience in state and municipal finance abstains from discussion,

19 deliberation, action, and vote by the authority in specific respect to any sale,

20 purchase, or ownership of bonds of the authority in which any business of which such

21 person is a participant, owner, officer, or employee has a past, current, or future

22 interest, or such person having the required favorable reputation for skill,

23 knowledge, and experience in the field of health facility, educational facility, research

24 facility, or child care center architecture abstains from discussion, deliberation,

25 action, and vote by the authority in specific respect to construction or acquisition of

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1 any project of the authority in which any business of which such person is a
2 participant, owner, officer, or employee has a past, current, or future interest.

3 **SECTION 37.** 231.03 (5) of the statutes is amended to read:

4 231.03 (5) Determine the location and character of any project to be financed
5 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
6 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
7 such purpose, enter into contracts for the management and operation of a project or
8 other health facilities, educational facilities, research facilities, or child care centers
9 owned by the authority, and designate a participating health institution,
10 participating educational institution, participating research institution, or
11 participating child care provider as its agent to determine the location and character
12 of a project undertaken by the participating health institution, participating
13 educational institution, participating research institution, or participating child
14 care provider under this chapter and as the agent of the authority, to construct,
15 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease
16 as lessee or lessor and regulate the same, and as the agent of the authority, to enter
17 into contracts for any such purpose, including contracts for the management and
18 operation of such project or other health facilities, educational facilities, research
19 facilities, or child care centers owned by the authority.

20 **SECTION 38.** 231.03 (6) (h) of the statutes is created to read:

21 231.03 (6) (h) Finance any project undertaken for a research facility by a
22 participating research institution.

23 **SECTION 39.** 231.03 (6) (i) of the statutes is created to read:

24 231.03 (6) (i) Refinance outstanding debt of any participating research
25 institution.

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1 **SECTION 40.** 231.03 (7) of the statutes is amended to read:

2 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
3 fees, and charges for the use of and for the services furnished or to be furnished by
4 a project or other health facilities, educational facilities, research facilities, or child
5 care centers owned by the authority or any portion thereof, contract with any person
6 in respect thereto and coordinate its policies and procedures, and cooperate with
7 recognized health facility, educational facility, research facility, or child care center
8 rate setting mechanisms.

9 **SECTION 41.** 231.03 (8) of the statutes is amended to read:

10 231.03 (8) Adopt rules for the use of a project or other health facility,
11 educational facility, research facility, or child care center or any portion of the project
12 or facility owned, financed, or refinanced in whole or in part by the authority,
13 including any property used as security for a loan secured through, from, or with the
14 assistance of the authority. The authority may designate a participating health
15 institution, participating educational institution, participating research institution,
16 or participating child care provider as its agent to establish rules for the use of a
17 project or other health facilities, educational facilities, research facilities, or child
18 care centers undertaken for that participating health institution, participating
19 educational institution, participating research institution, or participating child
20 care provider. The rules shall ensure that a project, health facility, educational
21 facility, research facility, child care center, or property may not be used primarily for
22 sectarian instruction or study or as a place for devotional activities or religious
23 worship.

24 **SECTION 42.** 231.03 (11) of the statutes is amended to read:

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1 231.03 (11) Establish or contract with others to carry out on its behalf a health
2 facility, educational facility, research facility, or child care center project cost
3 estimating service, and make this service available on all projects to provide expert
4 cost estimates and guidance to the participating health institution, participating
5 educational institution, participating research institution, or participating child
6 care provider and to the authority. To implement this service and, through it, to
7 contribute to cost containment, the authority may require such reasonable reports
8 and documents from health facility, educational facility, research facility, or child
9 care center projects as are required for this service and for the development of cost
10 reports and guidelines. The authority shall appoint a technical committee on health
11 facility, educational facility, research facility, or child care center project costs and
12 cost containment.

13 **SECTION 43.** 231.03 (13) of the statutes is amended to read:

14 231.03 (13) Make loans to any participating health institution, participating
15 educational institution, participating research institution, or, before May 1, 2000,
16 participating child care provider for the cost of a project in accordance with an
17 agreement between the authority and the participating health institution,
18 participating educational institution, participating research institution, or
19 participating child care provider. The authority may secure the loan by a mortgage
20 or other security arrangement on the health facility, educational facility, research
21 facility, or child care center granted by the participating health institution,
22 participating educational institution, participating research institution, or
23 participating child care provider to the authority. The loan may not exceed the total
24 cost of the project as determined by the participating health institution,

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1 participating educational institution, participating research institution, or
2 participating child care provider and approved by the authority.

3 **SECTION 44.** 231.03 (14) of the statutes is amended to read:

4 231.03 (14) Make loans to a health facility, educational facility, research
5 facility, or, before May 1, 2000, child care center for which bonds may be issued under
6 sub. (6) (b) or (d) or under s. 231.03 (6) (f), 1999 stats., to refinance the health
7 facility's, educational facility's, research facility's, or child care center's outstanding
8 debt. The authority may secure the loan or bond by a mortgage or other security
9 arrangement on the health facility, educational facility, research facility, or child care
10 center granted by the participating health institution, participating educational
11 institution, participating research institution, or participating child care provider to
12 the authority.

13 **SECTION 45.** 231.03 (15) of the statutes is amended to read:

14 231.03 (15) Mortgage all or any portion of a project and other health facilities,
15 educational facilities, research facilities, or child care centers and the site thereof,
16 whether owned or thereafter acquired, for the benefit of the holders of bonds issued
17 to finance the project, health facilities, educational facilities, research facilities, or
18 child care centers or any portion thereof or issued to refund or refinance outstanding
19 indebtedness of participating health institutions, educational institutions,
20 participating research institutions, or child care providers as permitted by this
21 chapter.

22 **SECTION 46.** 231.03 (16) of the statutes is amended to read:

23 231.03 (16) Lease to a participating health institution, participating
24 educational institution, participating research institution, or participating child
25 care provider the project being financed or other health facilities, educational

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1 facilities, research facilities, or child care centers conveyed to the authority in
2 connection with such financing, upon such terms and conditions as the authority
3 deems proper, and charge and collect rents therefor, and terminate any such lease
4 upon the failure of the lessee to comply with any of the obligations thereof; and
5 include in any such lease, if desired, provisions that the lessee thereof shall have
6 options to renew the term of the lease for such periods and at such rent as the
7 authority determines or to purchase all or any part of the health facilities,
8 educational facilities, research facilities, or child care centers or that, upon payment
9 of all of the indebtedness incurred by the authority for the financing of such project
10 or health facilities, educational facilities, research facilities, or child care centers or
11 for refunding outstanding indebtedness of a participating health institution,
12 participating educational institution, participating research institution, or
13 participating child care provider, the authority may convey all or any part of the
14 project or such other health facilities, educational facilities, research facilities, or
15 child care centers to the lessees thereof with or without consideration.

16 **SECTION 47.** 231.03 (17) of the statutes is amended to read:

17 231.03 (17) Charge to and apportion among participating health institutions,
18 participating educational institutions, participating research institutions, and
19 participating child care providers its administrative costs and expenses incurred in
20 the exercise of the powers and duties conferred by this chapter.

21 **SECTION 48.** 231.03 (18) of the statutes is amended to read:

22 231.03 (18) Make studies of needed health facilities, educational facilities,
23 research facilities, and child care centers that could not sustain a loan were it made
24 under this chapter and recommend remedial action to the legislature; and do the

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1 same with regard to any laws or rules that prevent health facilities, educational
2 facilities, research facilities, and child care centers from benefiting from this chapter.

3 **SECTION 49.** 231.03 (19) of the statutes is amended to read:

4 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
5 United States or of this state or any private company, any insurance or guaranty
6 concerning the payment or repayment of, interest or principal, or both, or any part
7 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
8 the same, made or entered into under the provisions of this chapter; and
9 notwithstanding any other provisions of this chapter, to enter into any agreement,
10 contract, or any other instrument with respect to that insurance or guaranty, to
11 accept payment in the manner and form provided therein in the event of default by
12 a participating health institution, participating educational institution,
13 participating research institution, or participating child care provider, and to assign
14 the insurance or guaranty as security for the authority's bonds.

15 **SECTION 50.** 231.04 of the statutes is amended to read:

16 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
17 chapter shall be payable solely from funds provided under the authority of this
18 chapter, and no liability may be incurred by the authority beyond the extent to which
19 moneys have been provided under this chapter except that, for the purposes of
20 meeting the necessary expenses of initial organization and operation of the authority
21 for the period commencing on June 19, 1974 and continuing until such date as the
22 authority derives moneys from funds provided to it under the authority of this
23 chapter, the authority may borrow such moneys as it requires to supplement the
24 funds provided under s. 20.440. Such moneys borrowed by the authority shall
25 subsequently be charged to and apportioned among participating health

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1 institutions, participating educational institutions, participating research
2 institutions, and participating child care providers in an equitable manner, and
3 repaid with appropriate interest over a reasonable period of time.

4 **SECTION 51.** 231.05 (1) of the statutes is amended to read:

5 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
6 assistance and alternative methods of financing to nonprofit health institutions to
7 aid them in providing needed health services consistent with the state's health plan,
8 to nonprofit educational institutions to aid them in providing needed educational
9 services, to nonprofit research institutions to aid them in providing needed research
10 facilities, and to nonprofit child care providers to aid them in providing needed child
11 care services.

12 **SECTION 52.** 231.06 of the statutes is amended to read:

13 **231.06 Property acquisition.** The authority may acquire, directly or by and
14 through a participating health institution, participating educational institution,
15 participating research institution, or participating child care provider as its agent,
16 by purchase or by gift or devise, such lands, structures, property, rights,
17 rights-of-way, franchises, easements, and other interests in lands, including lands
18 lying under water and riparian rights, which are located within this state as it deems
19 necessary or convenient for the construction or operation of a project, upon such
20 terms and at such prices as it considers reasonable and can be agreed upon between
21 it and the owner thereof, and take title thereto in the name of the authority or in the
22 name of a health facility, educational facility, research facility, or child care center
23 as its agent.

24 **SECTION 53.** 231.07 (1) (b) of the statutes is amended to read:

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1 231.07 (1) (b) Convey to the participating health institution, participating
2 educational institution, participating research institution, or participating child
3 care provider the authority's interest in the project and in any other health facility,
4 educational facility, research facility, or child care center leased, mortgaged, or
5 subject to a deed of trust or any other form of security arrangement to secure the
6 bond.

7 **SECTION 54.** 231.07 (2) (a) of the statutes is amended to read:

8 231.07 (2) (a) The principal of and interest on any bond issued by the authority
9 to finance a project or to refinance or refund outstanding indebtedness of one or more
10 participating health institutions, participating educational institutions,
11 participating research institutions, or participating child care providers, including
12 any refunding bonds issued to refund and refinance the bond, have been fully paid
13 and the bonds retired or if the adequate provision has been made to pay fully and
14 retire the bond; and

15 **SECTION 55.** 231.08 (5) of the statutes is amended to read:

16 231.08 (5) In addition to the other authorizations under this section, bonds of
17 the authority may be secured by a pooling of leases whereby the authority may assign
18 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
19 educational facilities, research facilities, or child care centers with 2 or more health
20 institutions, educational institutions, research institutions, or child care providers,
21 as lessees respectively, upon such terms as may be provided for in bond resolutions
22 of the authority.

23 **SECTION 56.** 231.10 (1) of the statutes is amended to read:

24 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
25 and bonds are not a debt of the state. All notes and bonds of the authority shall

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1 contain on the face thereof a statement to this effect. The issuance of bonds under
2 this chapter shall not, directly or indirectly or contingently, obligate the state or any
3 political subdivision thereof to levy any form of taxation therefor or to make any
4 appropriation for their payment. Nothing in this section prevents the authority from
5 pledging its full faith and credit or the full faith and credit of a health institution,
6 educational institution, research institution, or child care provider to the payment
7 of bonds authorized under this chapter.

8 **SECTION 57.** 231.12 of the statutes is amended to read:

9 **231.12 Studies and recommendations.** It is the intent and purpose of this
10 chapter that the exercise by the authority of the powers granted to it shall be in all
11 respects for the benefit of the people of this state to assist them to provide needed
12 health facilities, educational facilities, research facilities, and child care centers of
13 the number, size, type, distribution, and operation that will assure admission and
14 health care, education, research opportunities, or child care of high quality to all who
15 need it. The authority shall identify and study all projects which are determined by
16 health planning agencies to be needed, but which could not sustain a loan were such
17 to be made to it under this chapter. The authority shall formulate and recommend
18 to the legislature such amendments to this and other laws, and such other specific
19 measures as grants, loan guarantees, interest subsidies, or other actions the state
20 may provide which would render the construction and operation of needed health
21 facilities, educational facilities, research facilities, and child care centers feasible
22 and in the public interest. The authority also shall identify and study any laws or
23 rules which it finds handicaps or bars a needed health facility, educational facility,
24 research facility, or child care center from participating in the benefits of this chapter,
25 and recommend to the legislature such actions as will remedy such situation.

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1 **SECTION 58.** 231.13 (1) (intro.) of the statutes is amended to read:

2 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
3 revenues relating to the financing of, each project. The authority shall contract with
4 a participating health institution, participating educational institution,
5 participating research institution, or participating child care provider for each
6 issuance of bonds. The contract shall provide that the rents or other revenues
7 payable by the health facility, educational facility, research facility, or child care
8 center shall be sufficient at all times to:

9 **SECTION 59.** 231.13 (2) of the statutes is amended to read:

10 231.13 (2) The authority shall pledge the revenues derived and to be derived
11 from a project and other related health facilities, educational facilities, research
12 facilities, or child care centers for the purposes specified in sub. (1), and additional
13 bonds may be issued which may rank on a parity with other bonds relating to the
14 project to the extent and on the terms and conditions provided in the bond resolution.
15 Such pledge shall be valid and binding from the time when the pledge is made, the
16 revenues so pledged by the authority shall immediately be subject to the lien of such
17 pledge without any physical delivery thereof or further act and the lien of any such
18 pledge shall be valid and binding as against all parties having claims of any kind in
19 tort, contract, or otherwise against the authority, irrespective of whether such
20 parties have notice thereof. Neither the bond resolution nor any financing
21 statement, continuation statement, or other instrument by which a pledge is created
22 or by which the authority's interest in revenues is assigned need be filed or recorded
23 in any public records in order to perfect the lien thereof as against 3rd parties, except
24 that a copy thereof shall be filed in the records of the authority and with the
25 department of financial institutions.

SENATE BILL 510**SECTION 60**

1 **SECTION 60.** 231.16 (1) of the statutes is amended to read:

2 231.16 (1) The authority may issue bonds to refund any outstanding bond of
3 the authority or indebtedness that a participating health institution, participating
4 educational institution, participating research institution, or participating child
5 care provider may have incurred for the construction or acquisition of a project prior
6 to or after April 30, 1980, including the payment of any redemption premium on the
7 outstanding bond or indebtedness and any interest accrued or to accrue to the
8 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all
9 or any part of the cost of constructing and acquiring additions, improvements,
10 extensions, or enlargements of a project or any portion of a project. Except for bonds
11 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this
12 section unless the authority has first entered into a new or amended agreement with
13 a participating health institution, participating educational institution,
14 participating research institution, or participating child care provider to provide
15 sufficient revenues to pay the costs and other items described in s. 231.13.

16 **SECTION 61.** 231.20 of the statutes is amended to read:

17 **231.20 Waiver of construction and bidding requirements.** In exercising
18 its powers under s. 101.12, the department of commerce or any city, village, town, or
19 county may, within its discretion for proper cause shown, waive any particular
20 requirements relating to public buildings, structures, grounds, works, and
21 improvements imposed by law upon projects under this chapter; the requirements
22 of s. 101.13 may not be waived, however. If, however, the prospective lessee so
23 requests in writing, the authority shall, through the participating health institution,
24 participating educational institution, participating research institution, or

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1 participating child care provider as its agent, call for construction bids in such
2 manner as is determined by the authority with the approval of the lessee.

3 **SECTION 62.** 231.23 of the statutes is amended to read:

4 **231.23 Nonprofit institutions.** It is intended that all nonprofit health and
5 institutions, educational institutions, research institutions, and child care providers
6 in this state be enabled to benefit from and participate in this chapter. To this end,
7 all nonprofit health and institutions, educational institutions, research institutions,
8 and child care providers operating, or authorized to be operated, under any law of
9 this state may undertake projects and utilize the capital financing sources and
10 methods of repayment provided by this chapter, the provisions of any other laws to
11 the contrary notwithstanding.

12 **SECTION 63.** 560.126 (1) (intro.) of the statutes, as created by 2007 Wisconsin
13 Act 20, is amended to read:

14 560.126 (1) (intro.) The department may award a grant or make a loan from
15 the appropriations under s. 20.143 (1) (cr), (ie) or, and (tm) to a business or researcher
16 to fund any of the following projects:

17 **SECTION 64.** 560.126 (1) (intro.) of the statutes, as affected by 2007 Wisconsin
18 Act (this act), is repealed and recreated to read:

19 560.126 (1) (intro.) The department may award a grant or make a loan from
20 the appropriations under s. 20.143 (1) (ie) and (tm) to a business or researcher to fund
21 any of the following projects:

22 **SECTION 65.** 560.7995 (3) (b) of the statutes is amended to read:

23 560.7995 (3) (b) When the department designates an area as an airport
24 development zone, the department shall establish a limit, not to exceed \$3,000,000,
25 for tax benefits applicable to the airport development zone. The total tax benefits

SENATE BILL 510**SECTION 65**

1 applicable to all airport development zones may not exceed \$9,000,000, less any
2 amount allocated to technology zones under s. 560.96 (2) (b) and except that the total
3 amount allocated to all technology zones under s. 560.96 (2) (b) may not exceed
4 \$6,000,000. The department may, after 48 months from the month of any
5 designation under this section, evaluate the area designated as an airport
6 development zone and reallocate the amount of available tax benefits.

7 **SECTION 66.** 560.96 (2) (b) of the statutes is amended to read:

8 560.96 (2) (b) The designation of an area as a technology zone shall be in effect
9 for 10 years from the time that the department first designates the area. ~~However,~~
10 ~~not~~ Not more than \$5,000,000 in tax credits may be claimed in a technology zone,
11 except that the department may allocate the amount of unallocated airport
12 development zone tax credits, as provided under s. 560.7995 (3) (b), to technology
13 zones for which the \$5,000,000 maximum allocation is insufficient. The department
14 may change the boundaries of a technology zone during the time that its designation
15 is in effect. A change in the boundaries of a technology zone does not affect the
16 duration of the designation of the area or the maximum tax credit amount that may
17 be claimed in the technology zone.

18 **SECTION 67.** 611.11 (4) (a) of the statutes is amended to read:

19 611.11 (4) (a) In this subsection, "municipality" has the meaning given in s.
20 345.05 (1) (c), but also includes the regional transit authority under s. 59.58 (6).

21 **SECTION 68.** 2007 Wisconsin Act 20, section 9201 (1c) (a) is amended to read:

22 [2007 Wisconsin Act 20] Section 9201 (1c) (a) Notwithstanding sections 20.001
23 (3) (a) to (c) and 25.40 (3) of the statutes, but subject to paragraph (d), the secretary
24 of administration shall lapse to the general fund or transfer to the general fund from
25 the unencumbered balances of appropriations to executive branch state agencies,

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1 other than sum sufficient appropriations and appropriations of federal revenues, an
2 amount equal to ~~\$200,000,000~~ \$175,000,000 during the 2007-09 fiscal biennium and
3 ~~\$200,000,000~~ \$150,000,000 during the 2009-11 fiscal biennium. This paragraph
4 shall not apply to appropriations to the Board of Regents of the University of
5 Wisconsin System and to the technical college system board.

SECTION 69. Nonstatutory provisions.

7 (1) DEPARTMENT OF TRANSPORTATION APPROPRIATION LAPSES UNDER ACT 20.

8 (a) Notwithstanding section 9201 (1c) of 2007 Wisconsin Act 20, as affected by
9 this act, the secretary of administration may not, under section 9201 (1c) (a) of 2007
10 Wisconsin Act 20, as affected by this act, do any of the following:

11 1. Lapse or transfer more than a total of \$25,000,000 in fiscal year 2007-08
12 from the appropriations made to the department of transportation.

13 2. Lapse or transfer any amount in fiscal year 2007-08 from any appropriation
14 made to the department of transportation other than the appropriation account
15 under section 20.395 (3) (bq) of the statutes.

16 3. Lapse or transfer any amount in fiscal year 2008-09, 2009-10, or 2010-11
17 from any appropriation made to the department of transportation.

18 (b) If the secretary of administration has, prior to the effective date of this
19 subsection, lapsed or transferred moneys under section 9201 (1c) (a) of 2007
20 Wisconsin Act 20 in a manner that would have been inconsistent with paragraph (a)
21 1. or 2. if the lapse or transfer occurred after the effective date of this subsection, the
22 secretary of administration shall do all of the following:

23 1. If the lapse or transfer would have been inconsistent with paragraph (a) 1.,
24 the secretary of administration shall transfer, from the general fund to the fund or
25 appropriation account from which the lapse or transfer was made except with respect

SENATE BILL 510**SECTION 69**

1 to the appropriation account under under section 20.395 (3) (bq) of the statutes, pro
2 rata amounts as determined by the secretary totalling the amount by which the lapse
3 or transfer exceeded \$25,000,000.

4 2. If the lapse or transfer would have been inconsistent with paragraph (a) 2.,
5 the secretary of administration shall transfer, from the general fund to the fund or
6 appropriation account from which the lapse or transfer was made, any amount
7 lapsed or transferred other than an amount lapsed or transferred from the
8 appropriation account under section 20.395 (3) (bq) of the statutes.

9 (2) ESTIMATES FOR A CERTAIN DEPARTMENT OF TRANSPORTATION SEGREGATED FUND
10 REVENUES-SERVICE APPROPRIATION. The secretary of administration and department
11 of transportation shall estimate additional revenues of \$50,000,000 in fiscal year
12 2007-08, and decreased revenues of \$50,000,000 in fiscal year 2008-09, for the
13 appropriation account under section 20.395 (3) (br) of the statutes, which additional
14 or decreased revenues are not reflected in the schedule under section 20.005 (3) of
15 the statutes, as created by 2007 Wisconsin Act 20.

16 (3) DEPARTMENT OF TRANSPORTATION REQUESTS FOR 2009-11 BIENNIAL BUDGET BILL.
17 Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information
18 under section 16.42 of the statutes for purposes of the 2009-11 biennial budget bill,
19 the department of transportation shall submit a dollar amount for the appropriation
20 under section 20.395 (3) (bq) of the statutes that is \$50,000,000 less than the total
21 amount appropriated under section 20.395 (3) (bq) of the statutes for the 2008-09
22 fiscal year, before submitting any information relating to any increase or decrease
23 in the dollar amount for that appropriation for the 2009-11 fiscal biennium. In
24 addition, the department of transportation's submission of information under
25 section 16.42 of the statutes for purposes of the 2009-11 biennial budget bill shall not

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1 reflect the modified estimates required under subsection (2) related to the
2 appropriation account under section 20.395 (3) (br) of the statutes.

3 **SECTION 70. Fiscal changes.**

4 (1) TRAINING IN ADVANCED MANUFACTURING SKILLS. In the schedule under section
5 20.005 (3) of the statutes for the appropriation to the technical college system board
6 under section 20.292 (1) (dc) of the statutes, as affected by the acts of 2007, the dollar
7 amount is increased by \$5,000,000 for fiscal year 2008-09 to increase funding for
8 grants to technical college districts under section 38.27 (1) (b) 1. of the statutes.

9 (2) APPROPRIATION CHANGES FOR MAJOR HIGHWAY PROJECTS. In the schedule under
10 section 20.005 (3) of the statutes for the appropriation to the department of
11 transportation under section 20.395 (3) (bq) of the statutes, as affected by the acts
12 of 2007, the dollar amount is decreased by \$20,000,000 for fiscal year 2007-08 and
13 the dollar amount is increased by \$55,000,000 for fiscal year 2008-09 to increase
14 funding for major development of state trunk and connecting highways.

15 (3) APPROPRIATION CHANGES FOR STATE HIGHWAY REHABILITATION. In the schedule
16 under section 20.005 (3) of the statutes for the appropriation to the department of
17 transportation under section 20.395 (3) (cq) of the statutes, as affected by the acts of
18 2007, the dollar amount is increased by \$20,000,000 for fiscal year 2007-08 and the
19 dollar amount is increased by \$20,000,000 for fiscal year 2008-09 to increase funding
20 for improvement of existing state trunk and connecting highways and construction
21 and rehabilitation of the national system of interstate and defense highways and
22 bridges and related appurtenances.

23 (4) GENERAL FUND TRANSFER TO TRANSPORTATION FUND. The secretary of
24 administration shall transfer \$75,000,000 from the general fund to the
25 transportation fund in fiscal year 2008-09.

