

JOURNAL OF THE SENATE

Eighty-Fourth Regular Session

WEDNESDAY, May 14, 1980.

The chief clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Elections Board

May 6, 1980

Donald J. Schneider
Senate Chief Clerk
State Capitol
Madison, Wisconsin

To the Honorable, the Senate:

Please be advised that Susan S. Engeleiter, Republican, 21725 Ann Rita Drive, Brookfield, Wisconsin 53005, was elected State Senator at the Special Election held in the 33rd Senate District on April 29, 1980.

Sincerely,

GERALD J. FERWERDA
Secretary

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

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| Senate Bill | Chapter No. | Date Approved |
|------------------------------|-------------|---------------|
| 115 ----- | 275 ----- | May 6, 1980 |
| 166 ----- | 276 ----- | May 6, 1980 |
| 316 ----- | 277 ----- | May 6, 1980 |
| 472 ----- | 278 ----- | May 6, 1980 |
| 551 ----- | 279 ----- | May 6, 1980 |
| 26 ----- | 302 ----- | May 7, 1980 |
| 59 ----- | 303 ----- | May 7, 1980 |
| 62 ----- | 304 ----- | May 7, 1980 |
| 171 ----- | 305 ----- | May 7, 1980 |
| 222 -----(partial veto)----- | 306 ----- | May 7, 1980 |
| 252 ----- | 307 ----- | May 7, 1980 |
| 256 ----- | 308 ----- | May 7, 1980 |
| 301 ----- | 309 ----- | May 7, 1980 |
| 332 ----- | 310 ----- | May 7, 1980 |
| 362 ----- | 311 ----- | May 7, 1980 |
| 382 ----- | 312 ----- | May 7, 1980 |
| 400 -----(partial veto)----- | 313 ----- | May 7, 1980 |
| 482 ----- | 314 ----- | May 7, 1980 |
| 475 ----- | 315 ----- | May 7, 1980 |
| 128 ----- | 351 ----- | May 9, 1980 |
| 249 ----- | 352 ----- | May 9, 1980 |
| 570 ----- | 353 ----- | May 9, 1980 |

Sincerely,
LEE SHERMAN DREYFUS
 Governor

State of Wisconsin
 Office of the Governor
 Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have signed Senate Bill 222 and deposited it with the Secretary of State.

However, I have used my line item veto powers to strike out certain sections of the bill. The fee schedule it established was inconsistent with some of the fee provisions contained in the annual review budget, therefore, I have vetoed the conflicting language.

The bill also prohibited the Department of Transportation from requiring an applicant to provide information on his or her race on the application. I have vetoed this provision to ensure this

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information will be available to law enforcement officers. I would add however, that the information on race will not appear on the license itself.

There is also a section in Senate Bill 222 which would prohibit DOT from keeping negatives or duplicate photographs. I have vetoed this provision because it would have required a person to come in to be re-photographed any time the person needs a duplicate license. This veto should reduce public inconvenience.

This bill did not require persons to have their photographs taken for a photo driver's license if it would violate their religious or personal convictions. I vetoed this provision. Religious convictions are protected under court decisions. Personal conviction lacks definition and standards, and therefore could easily be used to undermine the intent of the bill.

Finally, I have vetoed the requirement that the Department promulgate rules within 90 days after publication because it is not a realistic time frame for the development of these rules. In addition, the only possible way to do the rules in 90 days would be by emergency rule which would expire in 120 days. Since the law will not take effect until January 1, 1982, there is plenty of time to follow the regular rule-making process.

I believe these vetoes represent a responsible effort to improve the photo license program.

Sincerely,
LEE SHERMAN DREYFUS
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have signed **Senate Bill 400** and deposited it with the Secretary of State.

I have, however, vetoed several sections which are mainly technical in nature. They remedy conflicts in the law, eliminate potentials for abuse and allow the Insurance Commissioner flexibility to utilize actuarial principles in setting rates.

Section 619.14(1)(b). This section provides for continuous coverage for a person becoming insured under the plan who is covered under another health insurance policy or medical assistance. There is a concern that providers of health care services might use this

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requirement to make coverage under the plan available for a claim in process. The deletion of the continued coverage clause should prevent situations from arising in which individuals enroll in the plan for the purpose of paying for expensive services that have already been performed.

Section 619.14(5)(a), 619.17(1): It is not administratively feasible to calculate rates based on the mean of the rates charged for an individual policy providing substantially the same coverage and deductibles as that of the individual policy provided by the ten insurers which write the largest volume of health insurance in the state. No particular insurer issues an individual policy which is substantially the same as that of the plan and the ten insurers with the largest premium volume would not all issue substantially similar plans. This veto would allow the insurance commissioner to establish the premium rates for the plan on the basis of actuarial principles.

In addition, the bill requires that a rating plan calculated in accordance with generally accepted actuarial principles be included. This will give the board and the Commissioner sufficient authority and standards for calculating the premiums for the plan.

Section 619.14(6)(a). The inclusion of the words "if the condition first manifested itself" severely limits the preexisting condition limitation. For example, a person with a chronic condition, e.g., cancer, ulcers, etc., who received treatment or was diagnosed for that condition during the six months immediately preceding the filing of the application would still be covered for the preexisting condition because the condition did not first manifest itself during the six month period. Since the preexisting condition is only excluded during the first 30 days, such a broad definition of the limitation is not needed and may cause unwarranted expense for the plan.

Section 619.16(3)(c)3. Section 636.10(1) presently provides that a claim shall be overdue if not paid within 30 days after the insurer is furnished written notice of the fact of a covered loss and the amount of the loss. The provision in (3) for notifying within 30 working days whether the claim is accepted, rejected or compromised would be in violation of s. 636.10(1).

Section 619.10(5). The words "under subch. VI of ch. 632" are not precisely correct. Policies of health insurance are not issued under that subchapter nor are insurers licensed under that subchapter. The subchapter includes various requirements, including mandated benefits and provisions, applicable to disability insurance. The deletion of the incorrect language would not seem to affect the policies or insurers affected nor the symmetry of the drafting of the statute.

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Section 619.14(1)(a). The words standard or group and the word form are not needed. A group policy will not be offered.

Section 619.10(5). This definition of self-insurer is included so that self-insurers will participate in the losses and costs of administering the plan under s.519.13. Assessments to provide for claims paid in administrative expenses should be a trifling percent of the benefits paid and administrative costs of any self-insurer providing coverage for a limited number of persons so that the expense of levying and assessment on small self-insurers may exceed the assessment collected. The specification of "50 or more" persons in the definition of self-insurers is deleted, the commissioner and the board can establish the assessment procedure under s.619.13 to determine each insurers' portion of participation in the plan and to levy assessments on insurers and self-insurers only if the amount of the assessment will exceed the expense of collecting it.

Sincerely,

LEE SHERMAN DREYFUS

Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have vetoed **Senate Bill 156**.

This bill replaces the affidavit with a statement by the circulator of nomination papers. It is difficult to see what this change accomplishes.

The requirement that nomination papers be validated and attested is a traditional safeguard of the integrity of the electoral process. This bill purports to bring the law into accord with actual practice -- to recognize that circulators are often not personally familiar with the persons who sign nomination papers. However, this bill does not accomplish this -- it still requires that circulators execute a statement that they are personally familiar with the signer. It says to the people we are remedying a perceived problem when we are not.

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This also is not an appropriate time to change the nomination paper format since the date for circulating papers for the fall election is less than one month away.

Sincerely,
LEE SHERMAN DREYFUS
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have vetoed **Senate Bill 195**.

Frankly, I would like to have signed this bill. Politically, it would be the "safe thing to do." And in terms of rational taxation, I think there is some merit in placing federal retirees who receive no Social Security on an equal footing with Social Security recipients whose benefits are tax exempt.

Unfortunately, this bill goes too far. Rather than increasing the current \$1,680 exemption to \$3,200, a level which would account for past inflation, Senate Bill 195 incurs an almost \$1 million annual revenue loss in raising the exemption to \$5,000.

Senate Bill 195 also approaches the entire question of tax treatment for pensions in a poorly conceived and piecemeal fashion. Of the 600,000 Wisconsin residents receiving retirement income, only 15,000 ex-federal civil servants will benefit from this legislation. Virtually all other public and private sector pensions remain fully taxable, including those of some 14,000 police, fire, and other local officials not covered by Social Security.

It should be noted that more than 80% of federal retirees in Wisconsin also receive Social Security. The average federal pension is fully indexed for inflation and exceeds \$9,000 per year. Contrast that with average Social Security benefits of about \$4,000 and state pension payments of about \$2,400.

Wisconsin has traditionally provided broad-based tax relief for the elderly. An elderly married couple, for example, pays no state income tax on the first \$7,200 of income, regardless of its source.

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I believe tax law changes should not be made piecemeal. A more responsible approach should be considered as part of the revenue bill next year.

Sincerely,
LEE SHERMAN DREYFUS
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have vetoed **Senate Bill 344**.

I have previously signed Assembly Bills 313 and 1043 and Senate Bill 345 which will offer greater protection for crime victims.

This bill modifies the Crime Victim Compensation Program by eliminating the current \$200 minimum on awards, by increasing the maximum award from \$10,000 to \$15,000, and by eliminating the current prohibitions against compensation where financial hardship did not occur, where the victim is a member of the offender's immediate family or where the victim has been maintaining a sexual relationship with a member of the offender's family.

The ultimate fiscal effect of these changes on the state is unknown but is estimated conservatively to be between \$200,000 and \$280,000 annually. I cannot approve the commitment of such a substantial amount of state funds or the assumption by the state of such open-ended sum sufficient obligation when the financial condition of the state is so uncertain.

In addition, a potential for collusion on and for abuse may be created if members of the offender's family and indirectly, therefore, the offender himself, are allowed to take advantage of the program.

The Crime Victim Compensation Program was created because society feels an obligation to assist innocent victims of crimes who suffer losses and are essentially victims by chance or fate to the crime. Expanding it to domestic quarrels and the like opens an entirely new area, the cost of which is unknown and which would be better addressed in other ways.

Sincerely,
LEE SHERMAN DREYFUS
Governor

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State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have vetoed **Senate Bill 409**.

This bill transfers responsibility for administering the plumbing and related codes from the Department of Health and Social Services to the Department of Industry, Labor and Human Relations. The goal of this legislation, namely eliminating duplication of effort and enforcement inconsistencies between these two state agencies regarding state building codes, was accomplished in Assembly Bill 1180, the Annual Review Budget Bill.

I believe that the provision of Assembly Bill 1180 provided a more specific and complete framework within which a smooth transition can take place.

Sincerely,
LEE SHERMAN DREYFUS
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 9, 1980.

To the Honorable, the Senate:

I have vetoed **Senate Bill 461**.

This bill gives the Joint Committee for the Review of Administrative Rules the authority to extend an emergency rule for up to 60 days. Under current law, emergency rules remain in effect for 120 days or approximately four months, and then expire. Problems regularly arise because the administrative rule-making process often takes more than four months, closer to eight or nine months, to complete.

I am vetoing Senate Bill 461 for two reasons.

Although the need for a longer emergency rule life-span is broadly recognized, the 60-day (two-month) extension limit will still be generally inadequate to fill the gap between the time an emergency rule runs out and the normal administrative rule review process is completed (eight-nine months). I believe that instead of looking at the stop-gap measure, we need to turn our attention to the

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underlying issue and look to see if it is necessary to extend by law the time limit of an emergency rule at least in some circumstances.

This bill also raises the constitutional question of legislative delegation of authority by giving a single legislative committee unilateral authority to determine whether to extend the life of any specific emergency rule for 60 days, without the consent of the entire Legislature and the involvement of the Executive.

Sincerely,
LEE SHERMAN DREYFUS
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

May 13, 1980.

To the Honorable, the Senate:

At this time I wish to withdraw my appointment of Annabelle Zabolio of Genoa, as a member of the Wisconsin Waterways Commission.

Sincerely,
LEE SHERMAN DREYFUS
Governor

SENATE CLEARINGHOUSE RULES

Clearinghouse Rule 79-20

A rule to create Ins 3.40, relating to standard coordination of benefits for group and blanket disability insurance policies.

Submitted by Office of the Commissioner of Insurance.

Report received from agency, May 12, 1980.

Referred to committee on Insurance and Utilities, May 14, 1980.

Clearinghouse Rule 80-54

A rule to amend Ind 70.001, 70.03, 70.05, 70.06 and 70.12, relating to child labor-employment of minors.

Submitted by Department of Industry, Labor and Human Relations.

Report received from agency, May 7, 1980.

Referred to committee on Agriculture, Labor and Local Affairs, May 14, 1980.

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Clearinghouse Rule 80-91

A rule to create Ch. Ag 52, relating to grain moisture test devices.

Submitted by Department of Agriculture, Trade and Consumer Protection.

Report received from agency, May 9, 1980.

Referred to committee on Agriculture, Labor and Local Affairs, May 14, 1980.