

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: **06/27/99**

Received By: **isagerro**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Walter**

This file may be shown to any legislator: **NO**

Drafter: **isagerro**

May Contact:

Alt. Drafters:

Subject: **Gambling - lottery**

Extra Copies: **JK**

**Pre Topic:**

SDC:.....Walter - Am #,

**Topic:**

Fund lottery from GPR

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	isagerro 06/28/99	chanaman 06/28/99		_____			
/1			ismith 06/28/99 mclark 06/28/99	_____	lrb_docadmin 06/29/99		
/2	isagerro 06/29/99	jgeller 06/29/99	jfrantze 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

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/?	isagerro 06/28/99	chanaman 06/28/99		_____			
/1		<i>1/2 6/29 JG</i>	ismith 06/28/99 mclark 06/28/99	_____	lrb_docadmin 06/29/99		
FE Sent For:			<i>JG 6/29</i>	<i>JE/MGD 6/29</i>			

<END>

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/?	isagerro	cmw /1 6/28	mrc 6/28	mrc/cmH 6/28			

FE Sent For:

<END>

ISR



**Legislative Fiscal Bureau**  
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 24, 1999

**TO:** Senator Charles Chvala  
Room 211 South, State Capitol

**FROM:** Rick Olin and Kelsie Doty

**SUBJECT:** Proposal Regarding State Property Tax Credits and State Aids

At your request, this memorandum describes your proposal regarding state property tax credits and state aids.

**Lottery and Gaming Credit**

Under current law and provisions included in SB 114, as adopted by the Senate, lottery and gaming proceeds are used to fund prizes, basic retailer compensation, vendor payments, general program operations, appropriations for the Departments of Justice and Administration, farmland tax relief credits and lottery and gaming property tax credits. The amount available for lottery and gaming tax credits is a residual amount that is determined after revenues have been committed to the other expenditure items. The following table reports estimated expenditures for the preceding items during the 1999-01 biennium.

**Estimated Lottery Fund Expenditures, 1999-01**

	<u>1999-00</u>	<u>2000-01</u>
Prizes	\$239,736,200	\$244,368,500
Basic Retailer Compensation	27,927,600	30,573,800
Vendor Payments	12,178,700	12,419,000
General Program Operations	21,095,800	21,095,800
Appropriation to DOJ	226,000	226,700
Appropriation to DOR	43,300	33,500
Farmland Tax Relief Credit	15,000,000	15,000,000
Lottery and Gaming Credit	<u>112,437,000</u>	<u>105,723,100</u>
Total Expenditures and Appropriations	\$428,644,600	\$429,440,400

This proposal would fund prizes with general program revenues (GPR), beginning on January 1, 2000, and would fund basic retailer compensation and general program operations related to the lottery with GPR, beginning on July 1, 2000. This would have the effect of increasing GPR expenditures by an estimated \$119,868,100 in 1999-00 and \$296,038,100 in 2000-01. The appropriation for the lottery and gaming tax credit would increase by identical amounts and would be estimated at \$232,305,100 in 1999-00 and \$401,761,200 in 2000-01. The estimated, statewide average tax credit would increase from \$90 to \$186 in 1999-00 and from \$85 to \$321 in 2000-01. The following table provides a comparison of the estimated property tax bills on a median-valued home taxed at statewide average tax rates for 1998(99) through 2000(01).

**Estimated Property Tax Bills on a Median-Valued Home  
Taxed at Statewide Average Tax Rates**

	<u>1998(99)</u>	<u>Current Funding</u>		<u>Proposed Funding</u>	
		<u>1999(00)</u>	<u>2000(01)</u>	<u>1999(00)</u>	<u>2000(01)</u>
Home Value	\$97,014	\$102,495	\$108,286	\$102,495	\$108,286
Gross Taxes	\$2,325	\$2,398	\$2,488	\$2,398	\$2,488
School Levy Credit	-183	-182	-179	-182	-179
Lottery & Gaming Credit	<u>-52</u>	<u>-90</u>	<u>-85</u>	<u>-186</u>	<u>-321</u>
Net Property Tax Bill	\$2,090	\$2,126	\$2,224	\$2,030	\$1,988
Change from Prior Year					
Amount		\$36	\$98	-\$60	-\$42
Percent		1.7%	4.6%	-2.9%	-2.1%
Change from Current Funding					
Amount				-\$96	-\$236
Percent				-4.5%	-10.6%

## **Property Tax/Rent Credit**

### **Current Law and Budget Bill Provision**

The PTRC is currently equal to 10% of property taxes, or rent constituting property taxes, paid on a principal residence up to a maximum of \$2,000 in property taxes. The maximum credit is \$200. On a one-time basis in 1998, the credit was increased to 14% of property taxes or rent up to a maximum of \$2,500 in taxes (\$350 maximum credit). For homeowners, the credit is based on the amount of property taxes paid on a principal residence during the year. The credit is available to renters based on the amount of rent constituting property taxes. Rent constituting property taxes is defined as 25% of actual rent if payment for heat is not included or 20% of actual rent if payment for heat is included. The PTRC is applied directly against income tax liability, but the credit is not refundable.

The PTRC would be eliminated beginning with the 2000 tax year as part of the 1999-01 biennial budget bill as recommended by the Governor and adopted by the Joint Committee on Finance.

### **Alternative Proposal**

The current law individual income tax structure would be retained under the alternative, with one exception. The percentage used by renters in claiming the PTRC would be increased from 10% of rent constituting property taxes to 14.1% beginning with tax year 2000. In addition, the calculation of the amount of rent that constitutes property taxes would be modified so that 35% of actual rent would be used if payment for heat is not included and 30% of rent would be used if payment for heat is included. The maximum amount of rent constituting property taxes that could be used to claim the credit would be retained at \$2,000; the maximum credit for renters would be \$282.

The credit for homeowners would remain at 10% of property taxes for a maximum credit of \$200. For purposes of this estimate, it was assumed that taxpayers who claim both property taxes as a homeowner and rent constituting property taxes as a renter in an amount that exceeds the \$2,000 maximum would allocate those taxes proportionately when determining how much rent would be eligible for the 14.1% credit and how much property taxes would be eligible for the 10% credit.

Eliminating the income tax modifications contained in the budget bill, as adopted by the Finance Committee, would increase tax revenues by an estimated \$317.9 million in 2000-01. Your proposal to increase the PTRC for renters would reduce revenues by an estimated \$49.7 million in 2000-01 as compared to current law. Compared to the budget bill, your proposal would increase revenues by \$268.2 million in 2000-01.

Attachment 1 to this memorandum provides distributional information on the proposal to increase the PTRC for renters as discussed above. This information is from the 1997 Wisconsin tax

sample, which has data from over 20,000 tax returns, weighted to reflect all taxpayers in 1997. However, changes over time in the number of taxpayers and the kinds and amounts of income, deductions and credits they claim cannot be shown. To the extent possible, changes in tax laws between 1997 and later years have been included. The fiscal effect shown in the attachment differs from the fiscal estimate discussed above because the table reflects 1997 data and the fiscal estimate is for the 2000-01 fiscal year.

## **Homestead Credit**

### **Current Law**

The homestead tax credit program directs property tax relief to low-income homeowners and renters. The amount of the credit received by claimants depends on the interaction of household income and allowable property taxes or rent. For purposes of calculating the credit, household income is adjusted downward by \$250 for each dependent to account for family size. The homestead credit is refundable; that is, a check from the state is issued if the amount of the credit exceeds income tax liability.

For claimants with income of \$8,000 or less, the credit is equal to 80% of property taxes or rent constituting property taxes to a maximum of \$1,450 in property taxes or rent. The maximum credit is \$1,160. Rent constituting property taxes is calculated as under the PTRC.

For claimants with income exceeding \$8,000, the credit is phased-out at a rate of 13% until the credit equals zero when income reaches \$19,154. For claimants with less than \$1,450 in allowable rent or property taxes, the credit is eliminated at lower income levels. The credit formula can be expressed as a mathematical equation for individuals with income between \$8,000 and \$19,154 as shown below:

$$\text{Homestead Credit} = 80\% (\text{Property Taxes} - 13.0\% (\text{Household Income} - \$8,000))$$

The homestead credit cost \$79.8 million in 1997-98 and is estimated to cost \$79.0 million in 1998-99, \$75.7 million in 1999-00 and \$73.3 million in 2000-01.

### **Budget Bill Provision**

As part of the 1999-01 biennial budget bill, as recommended by the Governor and adopted by the Joint Committee on Finance, the maximum income amount would be increased to \$20,290, beginning with claims filed in 2000 and thereafter based on property taxes accrued during the previous year (tax year 1999). In addition, the bill would reduce the percentage used in phasing out the credit for higher-income claimants from 13% to 11.8%. The proposed homestead credit formula is shown below.

$$\text{Credit} = 80\% (\text{Property Taxes} - 11.8\% (\text{Household Income} - \$8,000))$$

Based on reestimates of the bill provision, the proposed expansion is expected to increase the cost of the credit by \$5.5 million in 1999-00 and \$5.3 million in 2000-01. In total, the proposed credit would cost \$81.2 million in 1999-00 and \$78.6 million in 2000-01.

### Alternative Expansion Proposal

The following chart shows the parameters of the homestead credit under current law, the budget bill recommendation and under the alternative to increase maximum income to \$22,000 beginning with claims filed in 2001 and thereafter based on property taxes accrued during the previous year (tax year 2000). The percentage used to phase out the credit for higher-income claimants would be reduced to 10.4%.

	<u>Current Law</u>	<u>Budget Bill Provision</u>	<u>Alternative</u>
Maximum Income	\$19,154	\$20,290	\$22,000
Maximum Property Taxes	1,450	1,450	1,450
Property Tax Reimbursement Rate	80%	80%	80%
Income Threshold	8,000	8,000	8,000
Phase-Out Rate	13.0%	11.8%	10.4%
Maximum Credit	1,160	1,160	1,160

It is estimated that the homestead credit would cost a total of \$86.3 million in 2000-01 under the alternative. This would increase the cost of the credit by \$13.0 million in 2000-01 as compared to current law and by \$7.7 million as compared to the budget bill provision.

Attachment 2 shows the homestead credit received by claimants at various income and property tax levels under current law, the budget bill provision and under the alternative proposal. As shown in the attachment, claimants with household income above \$8,000 would receive a credit increase under the proposal and households with income between \$19,154 and \$22,000 could become eligible for a credit. Claimants with income of \$8,000 or less would not receive an increased credit. Attachment 3 shows the amount of the additional credit as compared to current law and as compared to the budget bill provision.

### State Aid for Counties and Municipalities

The proposal would increase funding for the following state aid programs for counties and municipalities.

**Shared Revenue.** Total shared revenue funding would increase by \$38.0 million (a 4% increase) from \$950.6 million to \$988.6 million, effective with payments in 2000 and thereafter. Increases of 4% would be provided to the distributions under the municipal (\$30.5 million), county (\$6.7 million) and mandate relief (\$0.8 million) program components. The formulas used to



distribute municipal and county shared revenues would be modified, so that distributions would initially be calculated at the current law funding levels. Increases of 4% would then be added to those amounts.

Expenditure Restraint. Funding for the expenditure restraint program would be increased from \$48.0 million to \$60.0 million, effective with payments for 2000. The funding increase equals \$12.0 million, or 25%.

Small Municipalities Shared Revenue (SCIP). Funding for the small municipalities shared revenue program would be increased by \$2.5 million, or 25%, from \$10.0 million to \$12.5 million, effective with payments for 2000.

Payments for Municipal Services. Funding would be set at \$20,349,600 for 2000 and \$23,439,500 for 2001. As a result, payments are estimated to equal 91% of entitlements in 2000 and 100% of entitlements in 2001. Increases in GPR expenditures of \$2,284,300 in 1999-00 and \$5,374,200 in 2000-01 would result. These increases would be offset by additional GPR-earned through agency charge-backs estimated at \$1,050,800 in 1999-00 and \$2,472,100 in 2000-01. Therefore, this provision has a net impact of \$4.1 million, over the biennium.

Community Aids. The proposal would increase funding for the community aids program by \$9.1 million over the biennium. Base year funding for the program equals \$305.4 million, of which \$175.4 million is GPR. Under provisions adopted by the Joint Finance Committee, total funding would be set at \$304.6 million in 1999-00 and \$302.2 million in 2000-01. The proposal would increase those amounts by \$1.6 million, to \$306.2 million, in 1999-00 and by \$7.5 million, to \$309.7 million, in 2000-01.

Youth Aids. The proposal would increase funding for the youth aids program by \$502,700 in 1999-00 and \$507,300 in 2000-01. Total funding of \$84.7 million in 1999-00 and \$88.7 million in 2000-01 would result.

### **Property Tax Exemption for Computers and Related Equipment**

The proposal would delay the property tax exemption for computers and related equipment from January 1, 1999, to January 1, 2002. As a result, this property would remain taxable during the biennium and computer aid payments in 2000, 2001 and 2002 would be eliminated. This would result in reduced GPR expenditures of \$63.8 million in 1999-00 and \$71.0 million in 2000-01, or \$134.8 million over the biennium.

### **Transfer to Property Tax Relief Fund**

The proposal would eliminate the transfer of \$119.3 million from the general fund to the property tax relief fund that was adopted by the Joint Committee on Finance. This would make \$119.3 million in revenues available to fund expenditures in the current biennium.

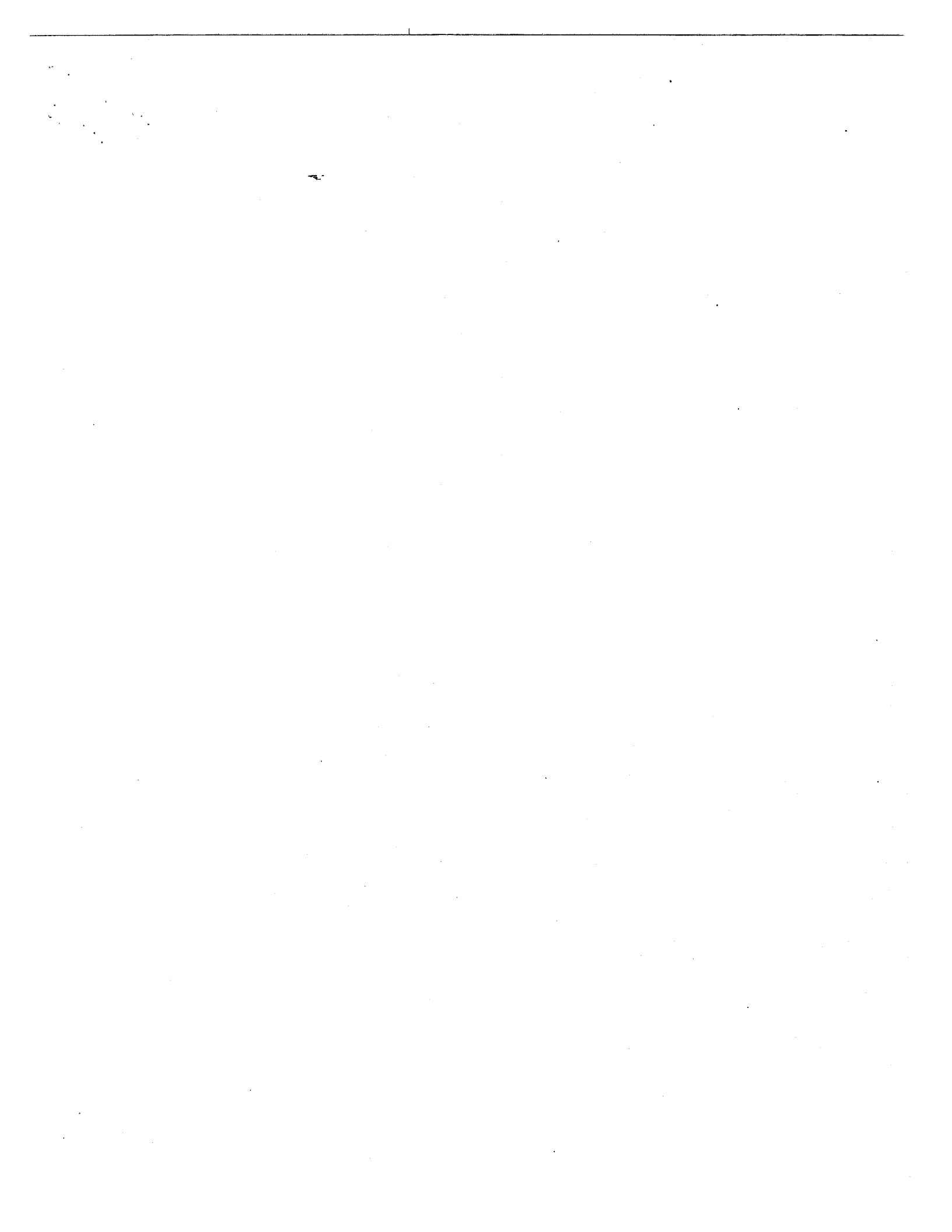
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**Reestimate General Fund Lapses**

The proposal utilizes the \$17.3 million in lapses reflected in the Legislative Fiscal Bureau memorandum of June 22, 1999, entitled, "Changes in Estimated General Fund Lapses for 1998-99 and 1999-01."

We hope this information is helpful. If we can be of further assistance, please contact us.

KD/sas  
Attachments



## ATTACHMENT 1

### Distribution of Taxpayers with a Tax Decrease Under a Proposal to Increase the PTRC for Renters in 2000

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease					Count of All Returns	% of All Returns in AGI Class
	Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease		
Under \$5,000	3,200	0.61%	-\$30,000	0.07%	-\$9	354,100	0.9%
5,000 to 10,000	23,000	4.36%	-751,000	1.73%	-33	283,100	8.1%
10,000 to 15,000	82,700	15.69%	-5,656,000	13.00%	-68	234,100	35.3%
15,000 to 20,000	83,000	15.75%	-6,643,000	15.27%	-80	214,700	38.7%
20,000 to 25,000	81,600	15.48%	-6,908,000	15.88%	-85	190,200	42.9%
25,000 to 30,000	66,600	12.64%	-6,060,000	13.93%	-91	157,400	42.3%
30,000 to 40,000	86,500	16.41%	-8,302,000	19.08%	-96	260,200	33.2%
40,000 to 50,000	47,200	8.95%	-4,534,000	10.42%	-96	214,600	22.0%
50,000 to 60,000	26,600	5.05%	-2,378,000	5.46%	-89	174,500	15.2%
60,000 to 70,000	14,200	2.69%	-1,276,000	2.93%	-90	126,000	11.3%
70,000 to 80,000	4,400	0.83%	-362,000	0.83%	-82	78,600	5.6%
80,000 to 90,000	2,800	0.53%	-223,000	0.51%	-80	53,700	5.2%
90,000 to 100,000	1,800	0.34%	-147,000	0.34%	-82	31,100	5.8%
100,000 to 150,000	2,300	0.44%	-161,000	0.37%	-70	56,900	4.0%
150,000 to 200,000	500	0.09%	-31,000	0.07%	-62	16,600	3.0%
200,000 to 250,000	400	0.08%	-20,000	0.05%	-50	7,300	5.5%
250,000 to 300,000	100	0.02%	-12,000	0.03%	-120	4,200	2.4%
300,000 and over	200	0.04%	-20,000	0.05%	-100	11,700	1.7%
<b>TOTALS</b>	<b>527,100</b>	<b>100.00%</b>	<b>-\$43,514,000</b>	<b>100.00%</b>	<b>-\$83</b>	<b>2,469,000</b>	<b>21.3%</b>

SOURCE: 1997 Wisconsin Tax Sample

- Approximately 527,100 taxpayers, or 21.3% of all taxpayers in 1997, would have a tax decrease under the proposal.

- Taxpayers with income between \$10,000 and \$50,000 would receive 87.6% of the total tax reduction and make up 84.9% of all taxpayers with a tax decrease.

- For all taxpayers with a tax decrease, the average tax reduction would be \$83.

**ATTACHMENT 2**

**Homestead Tax Credit Amounts Under Current Law,  
the Biennial Budget Proposal and the Alternative Proposed Expansion  
at Various Income and Property Tax Levels**

**Current Law Credit**

<u>Income</u>	<u>Property Taxes</u>					
	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>\$1,500</u>
\$0	\$200	\$400	\$600	\$800	\$1,000	\$1,160
5,000	200	400	600	800	1,000	1,160
8,000	200	400	600	800	1,000	1,160
10,000	0	192	392	592	792	952
12,000	0	0	184	384	584	744
14,000	0	0	0	176	376	536
16,000	0	0	0	0	168	328
18,000	0	0	0	0	0	120
20,000	0	0	0	0	0	0
22,000	0	0	0	0	0	0

**Governor's/Finance Committee's Recommendation**

<u>Income</u>	<u>Property Taxes</u>					
	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>\$1,500</u>
\$0	\$200	\$400	\$600	\$800	\$1,000	\$1,160
5,000	200	400	600	800	1,000	1,160
8,000	200	400	600	800	1,000	1,160
10,000	11	211	411	611	811	971
12,000	0	22	222	422	622	782
14,000	0	0	34	234	434	594
16,000	0	0	0	45	245	405
18,000	0	0	0	0	56	216
20,000	0	0	0	0	0	27
22,000	0	0	0	0	0	0

**Alternative Proposal**

<u>Income</u>	<u>Property Taxes</u>					
	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>\$1,500</u>
\$0	\$200	\$400	\$600	\$800	\$1,000	\$1,160
5,000	200	400	600	800	1,000	1,160
8,000	200	400	600	800	1,000	1,160
10,000	34	234	434	634	834	994
12,000	0	69	269	469	669	829
14,000	0	0	103	303	503	663
16,000	0	0	0	137	337	497
18,000	0	0	0	0	171	331
20,000	0	0	0	0	6	166
22,000	0	0	0	0	0	0

**ATTACHMENT 3**

**Alternative Homestead Tax Credit Proposal:  
Change to Current Law and the Biennial Budget Recommendation**

**Alternative Proposal -- Change to Current Law**

<u>Income</u>	<u>Property Taxes</u>					
	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>\$1,500</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
5,000	0	0	0	0	0	0
8,000	0	0	0	0	0	0
10,000	34	42	42	42	42	42
12,000	0	69	85	85	85	85
14,000	0	0	103	127	127	127
16,000	0	0	0	137	169	169
18,000	0	0	0	0	171	211
20,000	0	0	0	0	6	166
22,000	0	0	0	0	0	0

**Alternative Proposal -- Change to Governor's/Finance Committee's Recommendation**

<u>Income</u>	<u>Property Taxes</u>					
	<u>\$250</u>	<u>\$500</u>	<u>\$750</u>	<u>\$1,000</u>	<u>\$1,250</u>	<u>\$1,500</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
5,000	0	0	0	0	0	0
8,000	0	0	0	0	0	0
10,000	23	23	23	23	23	23
12,000	0	47	47	47	47	47
14,000	0	0	69	69	69	69
16,000	0	0	0	92	92	92
18,000	0	0	0	0	115	115
20,000	0	0	0	0	6	139
22,000	0	0	0	0	0	0

\* Per Rick Olin at LFB

- lottery prizes funded from GPR beginning Jan. 1, 2000
- retail compensation and gen. program ops funded from GPR beginning July 1, 2000
- all other approps stay from lottery proceeds.

1999 - 2000 LEGISLATURE

1424/1  
LRBb:145/3  
ISR:SK:jlg:ksh  
*cmf*  
*RM not run*

~~ARC:.....Kratochwill - Tax #8, Only lottery prizes and tax relief to homeowners to be paid from lottery and gaming proceeds~~

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

*Dnote*  
*seem*

1 At the locations indicated, amend the substitute amendment as follows:

2 ~~1. Page 219, line 13: after that line insert:~~

3 ~~"(fm) Gaming law enforcement GPR A 226,000 226,700".~~

4 ~~2. Page 221, line 5: decrease the dollar amount for fiscal year 1999-00 by~~  
5 ~~\$226,000 and decrease the dollar amount for fiscal year 2000-01 by \$226,700 to~~  
6 ~~decrease the number of authorized FTE positions by 2.75 SEG positions and for the~~  
7 ~~purpose of reducing funding for gaming enforcement.~~

8 ~~3. Page 253, line 13: after that line insert:~~

9 ~~"(am) Lottery credit administration GPR A 43,300 33,500".~~



1 ~~4. Page 254, line 7: decrease the dollar amount for fiscal year 1999-00 by~~  
 2 ~~\$43,300 and decrease the dollar amount for fiscal year 2000-01 by \$33,500 for the~~  
 3 ~~purpose of reducing funding for lottery credit administration.~~

4 ✓ 5. Page 255, line 8: after that line insert:

5	(a) General program operations	GPR	A	<del>21,095,800</del> <sup>(-0-)</sup>	21,095,800
6	(b) Retailer compensation	GPR	S	-0-	-0-
7	(c) <sup>Prizes</sup> <del>Vendor fees</del>	GPR	S	-0-	-0-

8 6. Page 255, line 9: decrease the dollar amount ~~for fiscal year 1999-00 by~~  
 9 ~~\$21,095,800 and decrease the dollar amount~~ for fiscal year 2000-01 by \$21,095,800  
 10 to decrease the authorized FTE positions by 110.5 SEG positions and for the purpose  
 11 of decreasing the funding for general program operations for the lottery.

12 7. ~~Page 265, line 3: after that line insert:~~

13	<del>(dn) Farmland tax relief credit</del>	<del>GPR</del>	<del>S</del>	<del>-0-</del>	<del>0-</del>
----	--	----------------	--------------	----------------	---------------

14 8. ~~Page 366, line 3: after that line insert:~~

15 ~~"SECTION 481d. 20.455 (2) (fm) of the statutes is created to read"~~  
 16 ~~20.455 (2) (fm) Gaming law enforcement. The amounts in the schedule for the~~  
 17 ~~performance of the department's gaming law enforcement responsibilities as~~  
 18 ~~specified in s. 165.70 (3m). No moneys may be encumbered or expended from this~~  
 19 ~~appropriation account after the day of publication of the 2001-03 biennial budget~~  
 20 ~~act..~~

21 9. ~~Page 367, line 25: after that line insert:~~

22 ~~"SECTION 490g. 20.455 (2) (r) of the statutes is amended to read:~~

1       ~~20.455 (2) (r) Gaming law enforcement; lottery revenues. From the lottery fund,~~  
2       ~~the amounts in the schedule for the performance of the department's gaming law~~  
3       ~~enforcement responsibilities as specified in s. 165.70 (3m). No moneys may be~~  
4       ~~encumbered or expended from this appropriation account during the 1999-2001~~  
5       ~~fiscal biennium.~~

6       **10.** Page 391, line 20: after that line insert:

7       ~~"SECTION 595g. 20.566 (2) (am) of the statutes is created to read:~~

8       ~~20.566 (2) (am) Lottery credit administration. The amounts in the schedule for~~  
9       ~~the administration of the lottery credit. No moneys may be encumbered or expended~~  
10       ~~from this appropriation account after the day of publication of the 2001-03 biennial~~  
11       ~~budget act.~~

12       ~~SECTION 595m. 20.566 (2) (r) of the statutes is amended to read:~~

13       ~~20.566 (2) (r) Lottery credit administration. From the lottery fund, the~~  
14       ~~amounts in the schedule for the administration of the lottery credit. No moneys may~~  
15       ~~be encumbered or expended from this appropriation account during the 1999-2001~~  
16       ~~fiscal year biennium.~~

17       **11.** Page 391, line 25: after that line insert:

18       ~~"SECTION 596q. 20.566 (8) (a) of the statutes is created to read:~~

19       ~~20.566 (8) (a) General program operations. The amounts in the schedule for~~  
20       ~~general program operations under ch. 565. No moneys may be encumbered or~~  
21       ~~expended from this appropriation account after the day of publication of the 2001-03~~  
22       ~~biennial budget act.~~

23       ~~SECTION 596r. 20.566 (8) (b) of the statutes is created to read:~~

1           20.566 (8) (b) *Retailer compensation*. A sum sufficient to pay compensation to  
2 retailers under s. 565.10 (14) (b). ~~No moneys may be encumbered or expended from~~  
3 ~~this appropriation account after the day of publication of the 2001-03 biennial~~  
4 ~~budget act.~~

5           **SECTION 596s.** 20.566 (8) (c) of the statutes is created to read:

6           ~~20.566 (8) (c) *Vendor fees*. A sum sufficient to pay vendors for on-line and~~  
7 ~~instant ticket services and supplies provided by the vendors under contract under~~  
8 ~~s. 565.25 (2) (a). No moneys may be encumbered or expended from this appropriation~~  
9 ~~account after the day of publication of the 2001-03 biennial budget act."~~

10           **12.** Page 392, line 6: delete "(kg)." and substitute "(kg). ~~No moneys may be~~  
11 ~~encumbered or expended from this appropriation account during the 1999-2001~~  
12 ~~fiscal biennium."~~

13           **13.** Page 392, line 6: after that line insert:

14           ~~"SECTION 597c.~~ 20.566 (8) (r) of the statutes is amended to read:

15           ~~20.566 (8) (r) *Retailer compensation*. From the lottery fund, a sum sufficient~~  
16 ~~to pay compensation to retailers under s. 565.10 (14) (b). ~~No moneys may be~~~~  
17 ~~encumbered or expended from this appropriation account during the 1999-2001~~  
18 ~~fiscal biennium.~~ *after June 30, 2000*

19           ~~SECTION 597f.~~ 20.566 (8) (v) of the statutes is amended to read:

20           ~~20.566 (8) (v) *Vendor fees*. From the lottery fund, a sum sufficient to pay~~  
21 ~~vendors for on-line and instant ticket services and supplies provided by the vendors~~  
22 ~~under contract under s. 565.25 (2) (a). ~~No moneys may be encumbered or expended~~~~  
23 ~~from this appropriation account during the 1999-2001 fiscal biennium."~~

24           **14.** Page 395, line 4: after that line insert:

1       ~~“SECTION 606t. 20.835 (2) (dn) of the statutes is created to read:~~  
 2       ~~20.835 (2) (dn) *Farmland tax relief credit*. A sum sufficient to pay the aggregate~~  
 3       ~~claims approved under ss. 71.07 (3m) (c), 71.28 (2m) (c) and 71.47 (2m) (c). No moneys~~  
 4       ~~may be encumbered or expended from this appropriation after the day of publication~~  
 5       ~~of the 2001-03 biennial budget act.”~~

6       **15.** Page 395, line 19: after that line insert:

7       ~~SECTION 612p. 20.835 (2) (q) of the statutes is amended to read:~~  
 8       ~~20.835 (2) (q) *Farmland tax relief credit*. From the lottery fund, a sum~~  
 9       ~~sufficient to pay the aggregate claims approved under ss. 71.07 (3m) (c), 71.28 (2m)~~  
 10       ~~(c) and 71.47 (2m) (c). No moneys may be encumbered or expended from this~~  
 11       ~~appropriation account during the 1999-2001 fiscal biennium.”~~

12       **16.** Page 470, line 14: after that line insert:

13       ~~“SECTION 717xa. 25.75 (1) (b) of the statutes is amended to read:~~

14       ~~25.75 (1) (b) “Gross lottery revenues” means gross revenues from the sale of~~  
 15       ~~lottery tickets and lottery shares under ch. 565 and revenues from the imposition of~~  
 16       ~~fees, if any, under s. 565.10 (8) and includes compensation, including bonuses, if any,~~  
 17       ~~paid to retailers under s. 565.10 (14), regardless of whether the compensation is~~  
 18       ~~deducted by the retailer prior to transmitting lottery ticket and lottery share~~  
 19       ~~revenues to the commission.~~

20       ~~SECTION 717xb. 25.75 (1) (b) of the statutes, as affected by 1999 Wisconsin Act~~  
 21       ~~... (this act), is repealed and recreated to read:~~

22       ~~25.75 (1) (b) “Gross lottery revenues” means gross revenues from the sale of~~  
 23       ~~lottery tickets and lottery shares under ch. 565 and revenues from the imposition of~~  
 24       ~~fees, if any, under s. 565.10 (8) and includes compensation, including bonuses, if any,~~

1 ~~paid to retailers under s. 565.10 (14), regardless of whether the compensation is~~  
2 ~~deducted by the retailer prior to transmitting lottery ticket and lottery share~~  
3 ~~revenues to the commission.~~

4 ~~SECTION 717xf. 25.75 (1) (c) 3. of the statutes is repealed.~~

5 ~~SECTION 717xg. 25.75 (1) (c) 3. of the statutes is created to read:~~

6 ~~25.75 (1) (c) 3. Amounts for other expenses including compensation paid to~~  
7 ~~retailers under s. 565.10 (14) and amounts paid to vendors for on-line services and~~  
8 ~~supplies provided by the vendors under contract under s. 565.25 (2) (a).~~

9 ~~SECTION 717xi. 25.75 (3) (b) of the statutes is repealed.~~

10 ~~SECTION 717xj. 25.75 (3) (b) of the statutes is created to read:~~

11 ~~25.75 (3) (b) Expenses. No more than an amount equal to 10% of gross lottery~~  
12 ~~revenues for each year may be expended to pay the expenses for the operation and~~  
13 ~~administration of the lottery, except that expenses for the operation and~~  
14 ~~administration of the lottery may exceed 10% of gross lottery revenues if so approved~~  
15 ~~by the joint committee on finance under s. 13.10. In computing expenses subject to~~  
16 ~~the 10% limitation under this paragraph:~~

- 17 1. Compensation paid to retailers under s. 565.10 (14) shall not be included.
- 18 2. Capital expenditures may be amortized.
- 19 3. Payments to vendors for on-line services and supplies provided by the
- 20 vendors under contract under s. 565.25 (2) (a) shall be included.
- 21 4. Moneys appropriated from the lottery fund under s. 20.455 (2) (r) shall not
- 22 be included.

23 ~~SECTION 717ym. 25.75 (3) (e) of the statutes is repealed.~~

24 ~~SECTION 717yn. 25.75 (3) (e) of the statutes is created to read:~~

1           25.75 (3) (e) From the appropriation under s. 20.566 (2) (r), lottery proceeds  
2 shall be used to offset department of revenue expenses in administering the lottery  
3 credit.”.

4           **17.** Page 849, line 7: after that line insert:

5           “**SECTION 1710db.** 71.07 (3m) (b) 1. a. of the statutes is amended to read:

6           71.07 (3m) (b) 1. a. Subject to the limitations provided in this subsection and  
7 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
8 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
9 claim exceeds the income taxes otherwise due on the claimant’s income or if there are  
10 no Wisconsin income taxes due on the claimant’s income, the amount of the claim not  
11 used as an offset against income taxes shall be certified to the department of  
12 administration for payment to the claimant by check, share draft or other draft paid  
13 from the appropriation under s. 20.835 (2) (q) (dn).

14           **SECTION 1710dc.** 71.07 (3m) (b) 1. a. of the statutes, as affected by 1999  
15 Wisconsin Act ... (this act), is repealed and recreated to read:

16           71.07 (3m) (b) 1. a. Subject to the limitations provided in this subsection and  
17 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
18 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
19 claim exceeds the income taxes otherwise due on the claimant’s income or if there are  
20 no Wisconsin income taxes due on the claimant’s income, the amount of the claim not  
21 used as an offset against income taxes shall be certified to the department of  
22 administration for payment to the claimant by check, share draft or other draft paid  
23 from the appropriation under s. 20.835 (2) (q).”.

24           **18.** Page 913, line 7: after that line insert:

1       “**SECTION 1744bd.** 71.28 (2m) (b) 1. a. of the statutes is amended to read:

2       71.28 (2m) (b) 1. a. Subject to the limitations provided in this subsection and  
3 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income or  
4 franchise taxes otherwise due, the amount derived under par. (c). If the allowable  
5 amount of claim exceeds the income or franchise taxes otherwise due on or measured  
6 by the claimant's income or if there are no Wisconsin income or franchise taxes due  
7 on or measured by the claimant's income, the amount of the claim not used as an  
8 offset against income or franchise taxes shall be certified to the department of  
9 administration for payment to the claimant by check, share draft or other draft paid  
10 from the appropriation under s. 20.835 (2) (g) (dn).

11       **SECTION 1744be.** 71.28 (2m) (b) 1. a. of the statutes, as affected by 1999  
12 Wisconsin Act .... (this act), is repealed and recreated to read:

13       71.28 (2m) (b) 1. a. Subject to the limitations provided in this subsection and  
14 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
15 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
16 claim exceeds the income taxes otherwise due on the claimant's income or if there are  
17 no Wisconsin income taxes due on the claimant's income, the amount of the claim not  
18 used as an offset against income taxes shall be certified to the department of  
19 administration for payment to the claimant by check, share draft or other draft paid  
20 from the appropriation under s. 20.835 (2) (q).”

21       **19.** Page 943, line 22: after that line insert:

22       “**SECTION 1757bd.** 71.47 (2m) (b) 1. a. of the statutes is amended to read:

23       71.47 (2m) (b) 1. a. Subject to the limitations provided in this subsection and  
24 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income or

1 franchise taxes otherwise due, the amount derived under par. (c). If the allowable  
2 amount of claim exceeds the income or franchise taxes otherwise due on or measured  
3 by the claimant's income or if there are no Wisconsin income or franchise taxes due  
4 on or measured by the claimant's income, the amount of the claim not used as an  
5 offset against income or franchise taxes shall be certified to the department of  
6 administration for payment to the claimant by check, share draft or other draft paid  
7 from the appropriation under s. 20.835 (2) (q) (dn).

8 **SECTION 1757be.** 71.47 (2m) (b) 1. a. of the statutes, as affected by 1999  
9 Wisconsin Act .... (this act), is repealed and recreated to read:

10 71.47 (2m) (b) 1. a. Subject to the limitations provided in this subsection and  
11 s. 71.80 (3) and (3m), a claimant may claim as a credit against Wisconsin income  
12 taxes otherwise due, the amount derived under par. (c). If the allowable amount of  
13 claim exceeds the income taxes otherwise due on the claimant's income or if there are  
14 no Wisconsin income taxes due on the claimant's income, the amount of the claim not  
15 used as an offset against income taxes shall be certified to the department of  
16 administration for payment to the claimant by check, share draft or other draft paid  
17 from the appropriation under s. 20.835 (2) (q).”

18 **20.** Page 958, line 14: after that line insert:

19 “**SECTION 1818Lb.** 79.10 (11) (b) of the statutes is amended to read:

20 79.10 (11) (b) Before October 16, the department of administration shall  
21 determine the total funds available for distribution under the lottery credit in the  
22 following year and shall inform the joint committee on finance of that total. Total  
23 funds available for distribution shall be all existing and projected lottery proceeds  
24 and interest for the fiscal year of the distribution, less the amount estimated to be



1 expended under ss. 20.455 (2) (r), 20.566 (2) (r) and 20.835 (2) (q) and less the  
 2 required reserve under s. 20.003 (5). The joint committee on finance may revise the  
 3 total amount to be distributed if it does so at a meeting that takes place before  
 4 November 1. If the joint committee on finance does not schedule a meeting to take  
 5 place before November 1, the total determined by the department of administration  
 6 shall be the total amount estimated to be distributed under the lottery credit in the  
 7 following year.

8 **SECTION 1818Lb.** 79.10 (11) (b) of the statutes, as affected by 1999 Wisconsin  
 9 Act ... (this act), is repealed and recreated to read:

10 79.10 (11) (b) Before October 16, the department of administration shall  
 11 determine the total funds available for distribution under the lottery credit in the  
 12 following year and shall inform the joint committee on finance of that total. Total  
 13 funds available for distribution shall be all existing and projected lottery proceeds  
 14 and interest for the fiscal year of the distribution, less the amount estimated to be  
 15 expended under ss. 20.455 (2) (r), 20.566 (2) (r) and 20.835 (2) (q) and less the  
 16 required reserve under s. 20.003 (5). The joint committee on finance may revise the  
 17 total amount to be distributed if it does so at a meeting that takes place before  
 18 November 1. If the joint committee on finance does not schedule a meeting to take  
 19 place before November 1, the total determined by the department of administration  
 20 shall be the total amount estimated to be distributed under the lottery credit in the  
 21 following year."

22 **21.** Page 1402, line 19: after that line insert:

23 **SECTION 3025w.** 565.45 of the statutes is ~~amended to read:~~ <sup>repealed.</sup>

*who  
 placed  
 23  
 fix  
 component*

*Insert 10-22 ✓  
 es*

*repealed. ✓*

1 **565.45 Report on expense limitation.** Before January 1, 1992 2002, and  
 2 every 2 years thereafter, the department shall submit a report to the chief clerk of  
 3 each house of the legislature, for distribution to the legislature under s. 13.172 (2),  
 4 on the effects on the operation of the lottery of the 10% expense limitation under s.  
 5 25.75 (3) (b)."

6 **22.** Page 1527, line 15: after that line insert:  
 7 "(2e) GAMING LAW ENFORCEMENT POSITION AUTHORIZATION. The authorized FTE  
 8 positions for the department of justice are increased by 2.75 GPR positions to be  
 9 funded from the appropriation under section 20.455 (2) (fm) of the statutes, as  
 10 created by this act, for the purpose of gaming law enforcement."

11 **23.** Page 1545, line 18: after that line insert:  
 12 "(3e) LOTTERY GENERAL PROGRAM OPERATIONS POSITION AUTHORIZATION. The  
 13 authorized FTE positions for the department of revenue are increased by 110.5 GPR  
 14 positions <sup>on July 1, 2000,</sup> to be funded from the appropriation under section 20.566 (8) (a) of the  
 15 statutes, as created by this act, for the purpose of conducting general program  
 16 operations for the lottery."

17 **24.** Page 1600, line 20: after that line insert:  
 18 "(24e) LOTTERY ~~FUND~~ <sup>prizes</sup>. The repeal and recreation of sections 20.566 (8)(s) and  
 19 (3m)(b) 1. a., 71.28 (2m)(b) 1. a., 71.47 (2m)(b) 1. a. and 79.10 (11)(b) of the statutes  
 20 and the creation of section 25.75 (1)(c) 3. and (3)(b) and (e) of the statutes take effect  
 21 on the effective date of the 2001-03 biennial budget act. ✓

22 (END)  
 January 1, 2000

(24) <sup>CS</sup> Lottery program operations and retailer compensation.  
 The repeal of sections 20.566 (8)(g) and (r) and 25.75  
 (1)(c) 3. and ~~25.75 (3)(b)~~ of the statutes and the amendment of  
 section 25.75(1)(b) of the statutes take effect on  
 July 1, 2000."

Initial App  
 Letter "g"

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb1424/lins  
ISR:.....

Insert 4-5

20.566 (8) (c) *Prizes*. A sum sufficient to pay holders of winning lottery tickets or lottery shares under ch. 565.”.

**1.** Page 392, line 6: after that line insert:

“SECTION 597c. 20.566 (8) (q) of the statutes, as affected by 1999 Wisconsin Act ... (this act), is repealed.

SECTION 597e. 20.566 (8) (r) of the statutes is repealed.

SECTION 597g. 20.566 (8) (s) of the statutes is repealed.”.

Insert 6-3

SECTION 717xd. 25.75 (1) (c) 2. of the statutes is repealed.

Insert 6-8

SECTION 717xh. 25.75 (3) (a) of the statutes is repealed.

Insert 11-10

Item# ~~28~~ Page 1545, line 5: delete “(r)” and substitute “~~(r)~~ (b)”.  
(END OF INSERT)

Insert 10-22

Section 3025r. 56 5. ~~30~~ (3m) <sup>of the statutes</sup> is amended to read:

→ Insert A



Insert A

565.30

<sup>B</sup>  
~~565.30(3m)~~

<sup>C</sup>

50% of the

**(3m) Value of certain prizes.** A prize that is a lottery ticket or lottery share in the same lottery game in which the prize is won or in another lottery game shall, for prize structure accounting purposes, be valued at the same percentage of the retail price, as specified under s. 25.75(3)(a), as are other prizes in the same lottery game in which the prize is won.

↑  
strike

↑  
strike

(END OF INSERT)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb1424/1dn  
ISR:.....

June 26,1999

This amendment requires that lottery prizes be funded from general program revenue beginning on January 1, 2000, and that lottery retailer compensation and general program operations for the lottery be funded from general program revenue beginning on July 1, 2000. The lottery and gaming credit, the farmland tax relief credit, department of justice gaming enforcement activities, lottery vendor fees and the administration of the lottery and gaming credit continue to be funded from ~~the~~ lottery *proceeds* fund. Is this your intent?

Please review this amendment carefully to make sure it achieves your intent. If you have any questions or comments, please feel free to contact me.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb1424/1dn  
ISR:jlg&cmh:mrc

June 28, 1999

This amendment requires that lottery prizes be funded from general program revenue beginning on January 1, 2000, and that lottery retailer compensation and general program operations for the lottery be funded from general program revenue beginning on July 1, 2000. The lottery and gaming credit, the farmland tax relief credit, department of justice gaming enforcement activities, lottery vendor fees and the administration of the lottery and gaming credit continue to be funded from lottery proceeds. Is this your intent?

Please review this amendment carefully to make sure it achieves your intent. If you have any questions or comments, please feel free to contact me.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: [Ivy.Sager-Rosenthal@legis.state.wi.us](mailto:Ivy.Sager-Rosenthal@legis.state.wi.us)

SDC:.....Walter – Am #, Fund lottery from GPR

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 255, line 8: after that line insert:

3	"(a) General program operations	GPR	A	-0-	21,095,800
4	(b) Retailer compensation	GPR	S	-0-	-0-
5	(c) Prizes	GPR	S	-0-	-0-".

6 **2.** Page 255, line 9: decrease the dollar amount for fiscal year 2000-01 by  
7 \$21,095,800 to decrease the authorized FTE positions by 110.5 SEG positions and for  
8 the purpose of decreasing the funding for general program operations for the lottery.

9 **3.** Page 391, line 25: after that line insert:

1           **SECTION 596q.** 20.566 (8) (a) of the statutes is created to read:  
2           20.566 (8) (a) *General program operations.* The amounts in the schedule for  
3 general program operations under ch. 565.

4           **SECTION 596r.** 20.566 (8) (b) of the statutes is created to read:  
5           20.566 (8) (b) *Retailer compensation.* A sum sufficient to pay compensation to  
6 retailers under s. 565.10 (14) (b).

7           **SECTION 596s.** 20.566 (8) (c) of the statutes is created to read:  
8           20.566 (8) (c) *Prizes.* A sum sufficient to pay holders of winning lottery tickets  
9 or lottery shares under ch. 565.”.

10          **4.** Page 392, line 6: after that line insert:

11          **SECTION 597c.** 20.566 (8) (q) of the statutes, as affected by 1999 Wisconsin Act  
12 .... (this act), is repealed.

13          **SECTION 597e.** 20.566 (8) (r) of the statutes is repealed.

14          **SECTION 597g.** 20.566 (8) (s) of the statutes is repealed.”.

15          **5.** Page 470, line 14: after that line insert:

16          **SECTION 717xa.** 25.75 (1) (b) of the statutes is amended to read:  
17          25.75 (1) (b) “Gross lottery revenues” means gross revenues from the sale of  
18 lottery tickets and lottery shares under ch. 565 and revenues from the imposition of  
19 fees, if any, under s. 565.10 (8) ~~and includes compensation, including bonuses, if any,~~  
20 ~~paid to retailers under s. 565.10 (14), regardless of whether the compensation is~~  
21 ~~deducted by the retailer prior to transmitting lottery ticket and lottery share~~  
22 ~~revenues to the commission.~~

23          **SECTION 717xd.** 25.75 (1) (c) 2. of the statutes is repealed.

24          **SECTION 717xf.** 25.75 (1) (c) 3. of the statutes is repealed.

Insert 2-23



1           **SECTION 717xh.** 25.75 (3) (a) of the statutes is repealed.

2           **SECTION 717xi.** 25.75 (3) (b) of the statutes is repealed.”.

3           **6.** Page 1402, line 19: after that line insert:

4           “**SECTION 3025r.** 565.30 (3m) of the statutes is amended to read:

5           565.30 **(3m)** VALUE OF CERTAIN PRIZES. A prize that is a lottery ticket or lottery  
6 share in the same lottery game in which the prize is won or in another lottery game  
7 shall, for prize structure accounting purposes, be valued at ~~the same percentage of~~  
8 ~~the 50% of the retail price, as specified under s. 25.75 (3) (a),~~ as are other prizes in  
9 the same lottery game in which the prize is won.

10          **SECTION 3025w.** 565.45 of the statutes is repealed.”.

11          **7.** Page 1545, line 5: delete “(r)” and substitute “(b)”.

12          **8.** Page 1545, line 18: after that line insert:

13          “(3e) **LOTTERY GENERAL PROGRAM OPERATIONS POSITION AUTHORIZATION.** The  
14 authorized FTE positions for the department of revenue are increased by 110.5 GPR  
15 positions on July 1, 2000, to be funded from the appropriation under section 20.566  
16 (8) (a) of the statutes, as created by this act, for the purpose of conducting general  
17 program operations for the lottery.”.

18          **9.** Page 1600, line 20: after that line insert:

19          “(24e) **LOTTERY PRIZES.** The repeal of sections 20.566 (8) (s) and 25.75 (1) (c) 2.  
20 and (3) (b) of the statutes takes effect on January 1, 2000.

21          “(24g) **LOTTERY PROGRAM OPERATIONS AND RETAILER COMPENSATION.** The repeal of  
22 sections 20.566 (8) (q) and (r) and 25.75 (1) (c) 3. and (3) (b) of the statutes and the  
23 amendment of section 25.75 (1) (b) of the statutes take effect on July 1, 2000.”.

24

(END)

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb1424/2ins  
ISR:.....

Insert 2-23

\*

717xf ✓  
SECTION 25.75 (1) (c) 3. ✓ of the statutes is amended to read:

25.75 (1) (c) 3. Amounts for other expenses, including ~~compensation paid to~~  
~~retailers under s. 565.10 (14)~~ and ✓ amounts paid to vendors for on-line services and  
supplies provided by the vendors under contract under s. 565.25 (2) (a).

History: 1987 a. 119, 399; 1989 a. 31, 336; 1991 a. 39, 225, 269; 1993 a. 16; 1995 a. 27; 1997 a. 27.



SDC:.....Walter – Am #, Fund lottery from GPR

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

1           At the locations indicated, amend the substitute amendment as follows:

2           **1.** Page 255, line 8: after that line insert:

3	“(a) General program operations	GPR	A	-0-	21,095,800
4	(b) Retailer compensation	GPR	S	-0-	-0-
5	(c) Prizes	GPR	S	-0-	-0-”.

6           **2.** Page 255, line 9: decrease the dollar amount for fiscal year 2000-01 by  
7 \$21,095,800 to decrease the authorized FTE positions by 110.5 SEG positions and for  
8 the purpose of decreasing the funding for general program operations for the lottery.

9           **3.** Page 391, line 25: after that line insert:

1           **SECTION 596q.** 20.566 (8) (a) of the statutes is created to read:

2           20.566 (8) (a) *General program operations.* The amounts in the schedule for  
3 general program operations under ch. 565.

4           **SECTION 596r.** 20.566 (8) (b) of the statutes is created to read:

5           20.566 (8) (b) *Retailer compensation.* A sum sufficient to pay compensation to  
6 retailers under s. 565.10 (14) (b).

7           **SECTION 596s.** 20.566 (8) (c) of the statutes is created to read:

8           20.566 (8) (c) *Prizes.* A sum sufficient to pay holders of winning lottery tickets  
9 or lottery shares under ch. 565.”.

10          **4.** Page 392, line 6: after that line insert:

11          **SECTION 597c.** 20.566 (8) (q) of the statutes, as affected by 1999 Wisconsin Act  
12 .... (this act), is repealed.

13          **SECTION 597e.** 20.566 (8) (r) of the statutes is repealed.

14          **SECTION 597g.** 20.566 (8) (s) of the statutes is repealed.”.

15          **5.** Page 470, line 14: after that line insert:

16          **SECTION 717xa.** 25.75 (1) (b) of the statutes is amended to read:

17          25.75 (1) (b) “Gross lottery revenues” means gross revenues from the sale of  
18 lottery tickets and lottery shares under ch. 565 and revenues from the imposition of  
19 fees, if any, under s. 565.10 (8) ~~and includes compensation, including bonuses, if any,~~  
20 ~~paid to retailers under s. 565.10 (14), regardless of whether the compensation is~~  
21 ~~deducted by the retailer prior to transmitting lottery ticket and lottery share~~  
22 ~~revenues to the commission.~~

23          **SECTION 717xd.** 25.75 (1) (c) 2. of the statutes is repealed.

24          **SECTION 717xf.** 25.75 (1) (c) 3. of the statutes is amended to read:

1           25.75 (1) (c) 3. Amounts for other expenses, including compensation paid to  
2     retailers under s. 565.10 (14) and amounts paid to vendors for on-line services and  
3     supplies provided by the vendors under contract under s. 565.25 (2) (a).

4           **SECTION 717xh.** 25.75 (3) (a) of the statutes is repealed.

5           **SECTION 717xi.** 25.75 (3) (b) of the statutes is repealed.”.

6           **6.** Page 1402, line 19: after that line insert:

7           **SECTION 3025r.** 565.30 (3m) of the statutes is amended to read:

8           565.30 (3m) VALUE OF CERTAIN PRIZES. A prize that is a lottery ticket or lottery  
9     share in the same lottery game in which the prize is won or in another lottery game  
10    shall, for prize structure accounting purposes, be valued at the same percentage of  
11    the 50% of the retail price, as specified under s. 25.75 (3) (a), as are other prizes in  
12    the same lottery game in which the prize is won.

13           **SECTION 3025w.** 565.45 of the statutes is repealed.”.

14           **7.** Page 1545, line 5: delete “(r)” and substitute “(b)”.

15           **8.** Page 1545, line 18: after that line insert:

16           “(3e) LOTTERY GENERAL PROGRAM OPERATIONS POSITION AUTHORIZATION. The  
17     authorized FTE positions for the department of revenue are increased by 110.5 GPR  
18     positions on July 1, 2000, to be funded from the appropriation under section 20.566  
19     (8) (a) of the statutes, as created by this act, for the purpose of conducting general  
20     program operations for the lottery.”.

21           **9.** Page 1600, line 20: after that line insert:

22           “(24e) LOTTERY PRIZES. The repeal of sections 20.566 (8) (s) and 25.75 (1) (c) 2.  
23     and (3) (b) of the statutes takes effect on January 1, 2000.

