

1 ***b0965/2.1* 910.** Page 1122, line 17: after that line insert:

2 ***b0965/2.1*** “SECTION 2127c. 121.004 (7) (c) 1. a. and b. of the statutes are
3 amended to read:

4 121.004 (7) (c) 1. a. A pupil enrolled in a ~~5-year-old~~ kindergarten program
5 requiring full-day attendance for 5 days a week for an entire school year shall be
6 counted as one pupil.

7 b. A pupil enrolled in a ~~5-year-old~~ kindergarten program requiring full-day
8 attendance for less than 5 days a week for an entire school year shall be counted as
9 the result obtained by multiplying the number of hours in each day in which the pupil
10 is enrolled by the total number of days for which the pupil is enrolled, and dividing
11 the result by the product of the number of hours of attendance per day required of
12 first grade pupils in the school district multiplied by 180.

13 ***b0965/2.1* SECTION 2127d.** 121.004 (7) (c) 2. of the statutes is amended to
14 read:

15 121.004 (7) (c) 2. In subd. 1. a. and b., “full-day” means the length of the school
16 day for pupils in the first grade of the school district operating the ~~5-year-old~~
17 kindergarten program.

18 ***b0965/2.1* SECTION 2127g.** 121.004 (7) (cm) of the statutes is repealed.”.

19 ***b1284/2.2* 911.** Page 1122, line 21: substitute “0.75” for “0.5”.

20 ***b1284/2.3* 912.** Page 1122, line 22: substitute “0.75” for “0.5”.

21 ***b1249/2.24* 913.** Page 1123, line 7: after that line insert:

22 ***b1249/2.24*** “SECTION 2131d. 121.05 (1) (a) 8. of the statutes is amended to
23 read:

1 21.05 (1) (a) 8. Pupils enrolled in a residential school operated by the state the
2 Wisconsin School for the Deaf or the school operated by the Wisconsin Center for the
3 Blind and Visually Impaired under subch. III of ch. 115 for whom the school district
4 is paying tuition under s. 115.53 (2) determined by multiplying the total number of
5 periods in each day in which the pupils are enrolled in the local public school by the
6 total number of days for which the pupils are enrolled in the local public school and
7 dividing the product by 1,080.”.

8 ***b1239/1.3* 914.** Page 1124, line 5: after “commenced” insert “, excludes any
9 expenditures from a capital improvement fund created under s. 120.13 (37)”.

10 ***b0916/1.1* 915.** Page 1124, line 7: after “(am)” insert “and the amount
11 described under s. 121.91 (4) (h)”.

12 ***b1281/1.4* 916.** Page 1124, line 21: delete “ss. 118.40 (2r) (e) and 119.23 (4)”
13 and substitute “s. 118.40 (2r)”.

14 ***b1281/1.5* 917.** Page 1124, line 24: after “(ac)” insert “, calculated as if the
15 reduction under par. (c) had not occurred”.

16 ***b1281/1.6* 918.** Page 1125, line 2: after “(ac)” insert “, calculated as if the
17 reduction under par. (c) had not occurred,”.

18 ***b1281/1.7* 919.** Page 1125, line 2: after that line insert:

19 “(b) The amount of state aid that the school district operating under ch. 119 is
20 eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also be reduced
21 by 50% of the amounts paid under s. 119.23 (4) and (4m) in the current school year.

22 (c) The amount of state aid that each school district other than the school
23 district operating under ch. 119 is eligible to be paid from the appropriation under
24 s. 20.255 (2) (ac) shall also be reduced by an amount calculated as follows:

1 1. Add the amounts paid under s. 119.23 (4) and (4m) in the current school year
2 and divide the sum by 2.

3 2. Divide the result obtained under subd. 1. by the total amount of state aid that
4 all school districts other than the school district operating under ch. 119 are eligible
5 to be paid from the appropriation under s. 20.255 (2) (ac), calculated as if the
6 reduction under par. (a) had not occurred.

7 3. Multiply the amount of state aid that the school district is eligible to be paid
8 from the appropriation under s. 20.225 (2) (ac), calculated as if the reduction under
9 par. (a) had not occurred, by the quotient under subd. 2.”.

10 ***b1281/1.8* 920.** Page 1125, line 3: substitute “(d)” for “(b)”.

11 ***b1281/1.9* 921.** Page 1125, line 4: delete “par. (a)” and substitute “pars. (a)
12 to (c)”.

13 ***b1239/1.4* 922.** Page 1126, line 5: after “(a) 3.” insert “, less the amount of
14 any revenue limit increase under s. 121.91 (4) (h)”.

15 ***b0971/1.3* 923.** Page 1126, line 5: delete the material beginning with “and”
16 and ending with “decimal.” on line 22.

17 ***b1249/2.25* 924.** Page 1127, line 17: after that line insert:

18 ***b1249/2.25* “SECTION 2142m.** 121.54 (3) of the statutes is amended to read:
19 121.54 (3) TRANSPORTATION FOR CHILDREN WITH DISABILITIES. Every school board
20 shall provide transportation for children with disabilities, as defined in s. 115.76 (5),
21 to any public or private elementary or high school, to the ~~Wisconsin school for the~~
22 ~~visually handicapped school operated by the Wisconsin Center for the Blind and~~
23 ~~Visually Impaired~~ or the Wisconsin ~~school~~ School for the deaf Deaf or to any special
24 education program for children with disabilities sponsored by a state tax-supported

1 institution of higher education, including a technical college, regardless of distance,
2 if the request for such transportation is approved by the state superintendent.
3 Approval shall be based on whether or not the child can walk to school with safety
4 and comfort. Section 121.53 shall apply to transportation provided under this
5 subsection.”.

6 *b0963/1.1* **925.** Page 1132, line 3: delete lines 3 to 7 and substitute:

7 *b0963/1.1* **SECTION 2146x.** 121.90 (1) (intro.) of the statutes is renumbered
8 121.90 (1) and amended to read:

9 121.90 (1) “Number of pupils enrolled” means the number of pupils enrolled
10 on the 3rd Friday of September, including pupils identified in s. 121.05 (1) (a) 1. to
11 11., except that “number of pupils enrolled” excludes the number of pupils attending
12 public school under s. 118.145 (4) ~~and except as follows:~~ Beginning in the 2001–02
13 school year “number of pupils” includes the summer enrollment. In determining a
14 school district’s revenue limit for the 2000–01 school year or for any school year
15 thereafter, the department shall calculate the number of pupils enrolled in each
16 school year prior to the 2000–01 school year as the number was calculated in that
17 school year under s. 121.85 (6) (b) 1. and (f), 1997 stats.

18 *b0963/1.1* **SECTION 2146y.** 121.90 (1) (a) to (d) of the statutes are repealed.”.

19 *b1284/2.4* **926.** Page 1135, line 24: delete the material beginning with that
20 line and ending with page 1136, line 9.

21 *b0916/1.2* **927.** Page 1136, line 9: after that line insert:

22 *b0916/1.2* **SECTION 2158s.** 121.91 (4) (h) of the statutes is created to read:
23 121.91 (4) (h) The limit otherwise applicable under sub. (2m) is increased by
24 the amount necessary to comply with an order of a court, a federal agency or a city,

1 village, town or county to remedy any violation of a federal law or regulation, state
2 statute or rule or municipal or county ordinance relating to health or safety.”

3 *b0930/1.1* **928.** Page 1136, line 9: after that line insert:

4 *b0930/1.1* “SECTION 2158w. 121.91 (4) (i) of the statutes is created to read:

5 121.91 (4) (i) The limit otherwise applicable to a school district’s revenue under
6 sub. (2m) in any school year is increased by an amount equal to the amount spent by
7 the school district in that school year to establish and maintain, in cooperation with
8 the school boards of other school districts in the area or with the county boards of the
9 counties in which the school district is located, or both, a toll-free telephone number
10 for pupils and school district employes to report security or safety concerns or
11 suspected criminal or dangerous activities.”.

12 *b0938/1.1* **929.** Page 1136, line 9: after that line insert:

13 *b0938/1.1* “SECTION 2158wt. 121.91 (4) (j) of the statutes is created to read:

14 121.91 (4) (j) The limit otherwise applicable to a school district’s revenue under
15 sub. (2m) in any school year is increased by an amount equal to the amount spent by
16 the school district in that school year for security measures designed to prevent
17 criminal activity in schools, as determined by the state superintendent.”.

18 *b1239/1.5* **930.** Page 1136, line 9: after that line insert:

19 *b1239/1.5* “SECTION 2158m. 121.91 (4) (h) of the statutes is created to read:

20 121.91 (4) (h) The limit otherwise applicable to a school district under sub. (2m)
21 in any school year is increased by an amount equal to the amount deposited in the
22 capital improvement fund under s. 120.13 (37) in that school year.”.

23 *b0868/1.1* **931.** Page 1137, line 5: after that line insert:

24 *b0868/1.1* “SECTION 2164r. 125.12 (1) (a) of the statutes is amended to read:

1 125.12 (1) (a) Except as provided in ~~par. (b)~~ this subsection, any municipality
2 or the department may revoke, suspend or refuse to renew any license or permit
3 under this chapter, as provided in this section.

4 ***b0868/1.1* SECTION 2164s.** 125.12 (1) (c) of the statutes is created to read:

5 125.12 (1) (c) Neither a municipality nor the department may consider an
6 arrest or conviction for a violation punishable under s. 945.03 (2m), 945.04 (2m) or
7 945.05 (1m) in any action to revoke, suspend or refuse to renew a Class "B" or "Class
8 B" license or permit."

9 ***b0840/2.3* 932.** Page 1139, line 11: after that line insert:

10 ***b0840/2.3* "SECTION 2167x.** 134.73 of the statutes is created to read:

11 **134.73 Identification of prisoner making telephone solicitation. (1)**

12 DEFINITIONS. In this section:

13 (a) "Contribution" has the meaning given in s. 440.41 (5).

14 (b) "Prisoner" means a prisoner of any public or private correctional or
15 detention facility that is located within or outside this state.

16 (c) "Solicit" has the meaning given in s. 440.41 (8).

17 (d) "Telephone solicitation" means the unsolicited initiation of a telephone
18 conversation for any of the following purposes:

19 1. To encourage a person to purchase property, goods or services.

20 2. To solicit a contribution from a person.

21 3. To conduct an opinion poll or survey.

22 **(2) REQUIREMENTS.** A prisoner who makes a telephone solicitation shall do all
23 of the following immediately after the person called answers the telephone:

24 (a) Identify himself or herself by name.

1 (b) State that he or she is a prisoner.

2 (c) Inform the person called of the name of the correctional or detention facility
3 in which he or she is a prisoner and the city and state in which the facility is located.

4 (3) TERRITORIAL APPLICATION. (a) *Intrastate*. This section applies to any
5 intrastate telephone solicitation.

6 (b) *Interstate*. This section applies to any interstate telephone solicitation
7 received by a person in this state.

8 (4) PENALTIES. (a) A prisoner who violates this section may be required to forfeit
9 not more than \$500.

10 (b) If a person who employes a prisoner to engage in telephone solicitation is
11 concerned in the commission of a violation of this section as provided under s. 134.99,
12 the person may be required to forfeit not more than \$10,000.

13 *b0840/2.3* SECTION 2167z. 134.95 (2) of the statutes is amended to read:

14 134.95 (2) SUPPLEMENTAL FORFEITURE. If a fine or a forfeiture is imposed on a
15 person for a violation under s. 100.171, 100.173, 100.174, 100.175, 100.177, 134.71,
16 134.72, 134.73 or 134.87 or ch. 136 or a rule promulgated under these sections or that
17 chapter, the person shall be subject to a supplemental forfeiture not to exceed
18 \$10,000 for that violation if the conduct by the defendant, for which the fine or
19 forfeiture was imposed, was perpetrated against an elderly person or disabled person
20 and if any of the factors under s. 100.264 (2) (a), (b) or (c) is present.”.

21 *b1117/2.1* 933. Page 1139, line 11: after that line insert:

22 *b1117/2.1* “SECTION 2167m. 134.48 of the statutes is created to read:

23 134.48 Contracts for the display of free newspapers. (1) DEFINITIONS.

24 In this section:

1 (a) "Newspaper" means a publication that is printed on newsprint and that is
2 published, printed and distributed periodically at daily, weekly or other short
3 intervals for the dissemination of current news and information of a general
4 character and of a general interest to the public.

5 (b) "Place of public accommodation" means a business, accommodation,
6 refreshment, entertainment, recreation or transportation facility where goods,
7 services, facilities, privileges, advantages or accommodations are offered, sold or
8 otherwise made available to the public.

9 (2) A contract for the display of a newspaper that is distributed free of charge
10 to the public in a place of public accommodation may not prohibit the person
11 displaying the newspaper for distribution from displaying any other newspaper that
12 is distributed free of charge to the public. A provision in a contract that violates this
13 subsection is unenforceable, but does not affect the enforceability of the remaining
14 provisions of the contract."

15 *b1426/3.3* **934.** Page 1139, line 11: after that line insert:

16 *b1426/3.3* "SECTION 2165v. 125.54 (3) of the statutes is created to read:

17 125.54 (3) HEARING FEES. The department may, by rule, establish and collect
18 from persons holding a permit issued under this section annual fees in amounts
19 necessary to reimburse the department for expenses incurred under s. 227.43 (3) (f)
20 and (4) (f).

21 *b1426/3.3* SECTION 2165x. 125.72 of the statutes is created to read:

22 **125.72 Relationships between wholesalers and suppliers of**
23 **intoxicating liquor. (1e) LEGISLATIVE FINDINGS.** The legislature finds that the
24 3-tier system for distributing intoxicating liquor to the public has existed in

1 Wisconsin for over 60 years and continues to be necessary to promote the public
2 health, safety and welfare; that the 3-tier system was established, among other
3 reasons, to prevent suppliers from controlling pricing and distribution in a manner
4 that harms the interests of the citizens of this state; that a stable and healthy middle
5 tier of the 3-tier system, the wholesaler, is integral to the 3-tier system because the
6 middle tier prevents supplier control of pricing and distribution and provides an
7 efficient and effective means of tax collection; that significant consolidation of
8 market power has occurred at the supplier level; that the number of wholesalers in
9 this state has declined significantly between 1979 and 1999, increasing the risk of
10 supplier control of pricing and distribution of intoxicating liquor; and that this
11 section is necessary to maintain a stable and healthy middle tier. The legislature
12 further finds that relationships between intoxicating liquor wholesalers and
13 suppliers have been subject to state regulation since the enactment of the 21st
14 Amendment to the U.S. Constitution and that the parties to those relationships
15 expect changes in state legislation regarding those relationships.

16 **(1m) APPLICABILITY.** (a) The effect of this section may not be varied by contract
17 or agreement. Any contract or agreement purporting to do so is void and
18 unenforceable to that extent only. Provisions of a relationship that prevent a
19 wholesaler, through choice of law or forum provisions, from bringing an action or
20 filing a notice of contest in this state under this section are void and unenforceable
21 to that extent only.

22 (b) This section applies to all relationships, regardless of when the
23 relationships were entered into, except that this section does not apply to a
24 relationship in which the volume of the business done by a wholesaler with a supplier

1 and the supplier's affiliates does not exceed 5% of the wholesaler's total business
2 volume.

3 (1s) DEFINITIONS. In this section:

4 (a) "Altered product" means an existing product that is all of the following:

5 1. Altered by age, by alcohol content, by blend mixture, by flavor or in some
6 other way.

7 2. Principally identified by a trademark, trade name, logotype or other
8 commercial symbol used to identify an existing product.

9 (am) "Existing product" means intoxicating liquor that is distributed in the
10 United States before or on the effective date of this paragraph [revisor inserts
11 date].

12 (ar) "Geographic area" means the area in which a wholesaler is both authorized
13 to sell intoxicating liquor under a relationship and has sold intoxicating liquor.

14 (b) "Good cause" means any of the following:

15 1. Failure by a wholesaler to comply substantially with essential and
16 reasonable requirements imposed upon the wholesaler by the supplier, or sought to
17 be imposed by the supplier, which requirements are not discriminatory as compared
18 with requirements imposed on other similarly situated wholesalers either by their
19 terms or in the manner of their enforcement.

20 2. Bad faith by the wholesaler in carrying out the terms of the relationship.

21 (c) "Goodwill" includes use of a trademark, trade name, logotype or other
22 commercial symbol, and use of a variation of a trademark, trade name, logotype,
23 advertisement or other commercial symbol.

24 (cm) "Intoxicating liquor" has the meaning given in s. 125.02 (8), but does not
25 include wine.

1 (d) “New product” means intoxicating liquor that is all of the following:

2 1. First distributed in the United States after the effective date of this
3 subdivision [revisor inserts date].

4 2. Not an altered product.

5 (e) “Relationship” means a written or oral contract or agreement, express or
6 implied, between a supplier and a wholesaler that grants the wholesaler the right
7 to purchase intoxicating liquor from the supplier for resale in this state.

8 (f) “Supplier” means any person, other than a wholesaler, who sells intoxicating
9 liquor to a wholesaler.

10 (g) “Transferee” means a person who acquires any asset or activity of a
11 supplier’s business and who uses the goodwill associated with the supplier’s goods.

12 (2) CHANGE OF RELATIONSHIP. (a) A supplier may not do any of the following:

13 1. Terminate, cancel, fail to renew or substantially change a relationship
14 without good cause. The supplier bears the burden of proving good cause and that
15 the change is not substantial.

16 2. Substantially change the competitive circumstances of a wholesaler’s
17 business without good cause. The supplier bears the burden of proving good cause
18 and that the change is not substantial.

19 3. Appoint more than one wholesaler to resell an existing product in a
20 geographic area in which there was only one wholesaler reselling that existing
21 product in that geographic area in the 12 months preceding the effective date of this
22 subdivision [revisor inserts date].

23 4. Except as provided in par. (b), refuse to sell an altered product or new product
24 to a wholesaler who has entered into a relationship with the supplier.

1 (b) A supplier who has relationships with more than one wholesaler in the same
2 geographic area shall offer an altered product only to a wholesaler who previously
3 resold the existing product principally identified by the same trademark, trade
4 name, logotype or other commercial symbol used to identify the altered product.

5 (c) A change in the ownership or management of a wholesaler or of a
6 wholesaler's business is not good cause if the changed ownership or management
7 meets the supplier's reasonable and material qualifications for wholesaler
8 applicants in effect at the time of the change.

9 (3) NOTICE OF TERMINATION OR CHANGE IN RELATIONSHIP. (a) 1. Except as provided
10 in subds. 2. and 3., a supplier shall provide a wholesaler at least 90 days' prior written
11 notice of termination, cancellation, nonrenewal or substantial change in the
12 relationship or a substantial change in the competitive circumstances of the
13 wholesaler's business. The notice shall be given by certified mail or personal service
14 to the wholesaler and to the secretary of the department. The notice shall state all
15 of the supplier's reasons for terminating, canceling, not renewing or substantially
16 changing the relationship or substantially changing in the competitive
17 circumstances of the wholesaler's business. The wholesaler shall have 60 days after
18 receiving the notice in which to correct any claimed deficiency. If the wholesaler
19 corrects the deficiency within 60 days after receiving the notice, the notice is void.

20 2. If the reason is nonpayment of sums owed, the wholesaler shall have only
21 10 days to correct the deficiency.

22 3. No notice is required under this subsection for the termination, cancellation,
23 nonrenewal or substantial change of a relationship caused by an assignment for the
24 benefit of creditors or bankruptcy.

1 (b) 1. Within the time period for remedying any claimed deficiency, the
2 wholesaler may file a written request with the division of hearings and appeals in
3 the department of administration for a hearing and serve the supplier and the
4 secretary of revenue by certified mail or in person, with a notice of the contested
5 action. Service of notice stays any action proposed by the supplier in the notice
6 provided under par. (a) 1. If the supplier files a motion with the division of hearings
7 and appeals to allow the action to proceed, the division of hearings and appeals shall,
8 within 20 days after receiving that notice, hold a hearing to determine whether the
9 action should proceed.

10 2. The division of hearings and appeals shall conduct a contested case hearing
11 on the matter, as provided in ch. 227, within 180 days after the filing of a notice of
12 contest and shall determine whether the supplier has met the requirements of this
13 subsection and sub. (2).

14 3. If the division of hearings and appeals, after a hearing, determines the
15 supplier has failed to comply with this subsection or sub. (2), the relationship
16 between the supplier and the wholesaler is still in effect. The department may
17 revoke or refuse to renew the out-of-state shippers' permit of a supplier that fails
18 to comply with the terms of the relationship or may refuse to grant an out-of-state
19 shippers' permit to such a supplier. If the division of hearings and appeals, after a
20 hearing, determines that a transferee has failed to comply with this subsection or
21 sub. (2), the transferee shall comply with the terms of the relationship between the
22 supplier and the wholesaler. The department may revoke or refuse to renew the
23 out-of-state shippers' permit of a transferee that fails to comply with the terms of
24 the relationship, or may refuse to grant an out-of-state shippers' permit to such a
25 transferee.

1 3m. If the wholesaler prevails at the hearing, the wholesaler shall be awarded
2 its actual costs incurred in the hearing, including reasonable attorney fees. The
3 losing party shall pay to the division of hearings and appeals the costs of the hearing,
4 as determined under s. 227.43 (3) (f).

5 4. Any person aggrieved by a decision of the division of hearings and appeals
6 may seek judicial review under ss. 227.53 to 227.58 in the circuit court in the county
7 in which the wholesaler's premises is located.

8 (4) LIABILITY OF TRANSFEREE. A transferee of a supplier's business shall comply
9 with the requirements under subs. (2) and (3).

10 (5) ACTION FOR DAMAGES AND INJUNCTIVE RELIEF. A wholesaler may bring an
11 action to enjoin any violation of sub. (2), (3) or (4) to compel compliance with those
12 subsections, and in the same action may recover the damages, together with costs
13 including reasonable, actual attorney fees, notwithstanding s. 814.04 (1).

14 (6) OTHER RIGHTS, REMEDIES. This section does not limit any other right or
15 remedy provided by law.”.

16 ***b0923/1.1* 935.** Page 1140, line 6: after that line insert:

17 ***b0923/1.1* “SECTION 2171p.** 139.32 (5) of the statutes is amended to read:
18 139.32 (5) Manufacturers and distributors having a permit from the secretary
19 shall receive a discount of ~~1.6%~~ 2% of the tax.”.

20 ***b0935/3.1* 936.** Page 1140, line 7: delete lines 7 to 24.

21 ***b0935/3.2* 937.** Page 1143, line 13: delete “a portion” and substitute “70%”.

22 ***b0935/3.3* 938.** Page 1144, line 1: delete lines 1 and 2.

23 ***b0935/3.4* 939.** Page 1144, line 6: delete lines 6 to 9 and substitute “tax
24 imposed under s. 139.76 (1)”.

1 ***b0733/1.1* 940.** Page 1144, line 24: delete the material beginning with that
2 line and ending with page 1145, line 15.

3 ***b0733/1.2* 941.** Page 1146, line 1: delete lines 1 to 9.

4 ***b0733/1.3* 942.** Page 1146, line 19: delete the material beginning with that
5 line and ending with page 1147, line 9.

6 ***b0733/1.4* 943.** Page 1148, line 13: delete lines 13 to 19.

7 ***b0733/1.5* 944.** Page 1149, line 9: delete the material beginning with that
8 line and ending with page 1150, line 5.

9 ***b0830/3.7* 945.** Page 1155, line 13: after that line insert:

10 ***b0830/3.7* "SECTION 2246m.** 146.37 (1g) of the statutes is amended to read:
11 146.37 (1g) Except as provided in s. 153.85, no person acting in good faith who
12 participates in the review or evaluation of the services of health care providers or
13 facilities or the charges for such services conducted in connection with any program
14 organized and operated to help improve the quality of health care, to avoid improper
15 utilization of the services of health care providers or facilities or to determine the
16 reasonable charges for such services, or who participates in the obtaining of health
17 care information under ch. 153, or who participates in hospital rate price cap
18 activities under subch. II of ch. 196, is liable for any civil damages as a result of any
19 act or omission by such person in the course of such review or evaluation. Acts and
20 omissions to which this subsection applies include, but are not limited to, acts or
21 omissions by peer review committees or hospital governing bodies in censuring,
22 reprimanding, limiting or revoking hospital staff privileges or notifying the medical
23 examining board or podiatrists affiliated credentialing board under s. 50.36 or taking
24 any other disciplinary action against a health care provider or facility and acts or

1 omissions by a medical director, as defined in s. 146.50 (1) (j), in reviewing the
2 performance of emergency medical technicians or ambulance service providers.”.

3 ***b1047/1.3* 946.** Page 1158, line 11: after that line insert:

4 ***b1047/1.3* “SECTION 2251gm.** 146.82 (1) of the statutes is amended to read:

5 146.82 (1) CONFIDENTIALITY. All patient health care records shall remain
6 confidential. Patient health care records may be released only to the persons
7 designated in this section or to other persons with the informed consent of the patient
8 or of a person authorized by the patient. This subsection does not prohibit reports
9 made in compliance with s. 146.995, 253.12 (2) or 979.01 or testimony authorized
10 under s. 905.04 (4) (h).”.

11 ***b1391/2.2* 947.** Page 1158, line 11: after that line insert:

12 ***b1391/2.2* “SECTION 2251r.** 146.84 (3) of the statutes is amended to read:

13 146.84 (3) DISCIPLINE OF EMPLOYEES. Any person employed by the state, or any
14 political subdivision of the state who violates s. 146.82 or 146.83, except a health care
15 provider that negligently violates s. 153.50 (6) (c), may be discharged or suspended
16 without pay.”.

17 ***b1394/1.1* 948.** Page 1158, line 11: after that line insert:

18 ***b1394/1.1* “SECTION 2252g.** 146.83 (1) (b) of the statutes is amended to read:

19 146.83 (1) (b) Receive a copy of the patient’s health care records, whether
20 certified or not, upon payment of reasonable an approximation of actual costs. In this
21 paragraph, “approximation of actual costs” means, at a maximum, the fees that are
22 prescribed by the department by rule under s. 908.03 (6m) (d).

23 ***b1394/1.1* SECTION 2252h.** 146.83 (3m) of the statutes is created to read:

1 146.83 (3m) If a health care provider provides a copy of a patient health care
2 record after 30 days after receipt of a statement of informed consent for the release
3 of the copy, the health care provider, notwithstanding sub. (1) (b) and s. 908.03 (6m)
4 (d), may collect as payment no more than 25% of the approximation of actual costs,
5 as specified under sub. (1) (b).”

6 ***b1100/1.1* 949.** Page 1163, line 15: delete the material beginning with that
7 line and ending with page 1165, line 8 and substitute:

8 ***b1100/1.1* SECTION 2262e.** 149.143 (1) (b) (intro.) of the statutes is repealed.

9 ***b1100/1.1* SECTION 2262m.** 149.143 (1) (b) 1. (intro.) of the statutes is
10 repealed.

11 ***b1100/1.1* SECTION 2262r.** 149.143 (1) (b) 1. a. of the statutes is renumbered
12 149.143 (1) (b) and amended to read:

13 149.143 (1) (b) ~~First, Next~~ from premiums from eligible persons with coverage
14 under s. 149.14 set, except as reduced under sub. (2m), at 150% of the rate that a
15 standard risk would be charged under an individual policy providing substantially
16 the same coverage and deductibles as are provided under the plan, including
17 amounts received for premium and deductible subsidies under s. 149.144 and under
18 the transfer to the fund from the appropriation account under ss. s. 20.435 (5) (4) (ah)
19 ~~and 149.144~~, and from premiums collected from eligible persons with coverage under
20 s. 149.146 set in accordance with s. 149.146 (2) (b).

21 ***b1100/1.1* SECTION 2263b.** 149.143 (1) (b) 1. b. of the statutes is repealed.

22 ***b1100/1.1* SECTION 2263e.** 149.143 (1) (b) 1. c. of the statutes is repealed.

23 ***b1100/1.1* SECTION 2263m.** 149.143 (1) (b) 1. d. of the statutes is repealed.

1 ***b1100/1.1* SECTION 2263r.** 149.143 (1) (b) 2. of the statutes is renumbered
2 149.143 (1)(c) and 149.143 (1)(c)(intro.) and 2., as renumbered, are amended to read:

3 149.143 (1) (c) (intro.) ~~A total of 40%~~ The remainder as follows:

4 2. Fifty percent from adjustments to provider payment rates, excluding
5 adjustments to those rates under ~~ss. s.~~ s. 149.144 and 149.15 (3) (e).

6 ***b1100/1.1* SECTION 2264b.** 149.143 (2) (a) 1. of the statutes is repealed.

7 ***b1100/1.1* SECTION 2264e.** 149.143 (2) (a) 2. of the statutes is amended to
8 read:

9 149.143 (2) (a) 2. ~~After making the determinations under subd. 1., by~~ By rule
10 set premium rates for the new plan year, including the rates under s. 149.146 (2) (b),
11 in the manner specified in sub. (1) (b) ~~1. a. and c. and such that a rate for coverage~~
12 ~~under s. 149.14 is not less than 150% nor more than 200% of the rate that a standard~~
13 ~~risk would be charged under an individual policy providing substantially the same~~
14 ~~coverage and deductibles as are provided under the plan.~~

15 ***b1100/1.1* SECTION 2264m.** 149.143 (2) (a) 3. of the statutes is amended to
16 read:

17 149.143 (2) (a) 3. By rule set the total insurer assessments under s. 149.13 for
18 the new plan year by estimating and setting the assessments at the amount
19 necessary to equal the amounts specified in sub. (1) (b) ~~1. d. and 2. a. (c) 1.~~ and notify
20 the commissioner of the amount.

21 ***b1100/1.1* SECTION 2264r.** 149.143 (2) (a) 4. of the statutes is amended to
22 read:

23 149.143 (2) (a) 4. By the same rule as under subd. 3. adjust the provider
24 payment rate for the new plan year by estimating and setting the rate at the level

1 necessary to equal the amounts specified in sub. (1) ~~(b) 1. d. and 2. b.~~ (c) 2. and as
2 provided in s. 149.145.

3 ***b1100/1.1* SECTION 2265b.** 149.143 (2) (b) of the statutes is amended to read:

4 149.143 (2) (b) In setting the ~~premium rates under par. (a) 2.,~~ the insurer
5 assessment amount under par. (a) 3. and the provider payment rate under par. (a)
6 4. for the new plan year, the department shall include any increase or decrease
7 necessary to reflect the amount, if any, by which the ~~rates and amount~~ and rate set
8 under par. (a) for the current plan year differed from the ~~rates and amount~~ and rate
9 which would have equaled the amounts specified in sub. (1) ~~(b) (c)~~ in the current plan
10 year.”.

11 ***b1100/1.2* 950.** Page 1165, line 15: delete “60% of”.

12 ***b1100/1.3* 951.** Page 1165, line 20: delete “(1) (b) 1.” and substitute “(1) (b).”.

13 ***b1100/1.4* 952.** Page 1165, line 21: delete lines 21 to 24.

14 ***b1100/1.5* 953.** Page 1166, line 1: delete lines 1 to 8 and substitute:

15 ***b1100/1.5* “SECTION 2267c.** 149.143 (3) (a) of the statutes is renumbered
16 149.143 (3) and amended to read:

17 149.143 (3) If, during a plan year, the department determines that the amounts
18 estimated to be received as a result of the rates and amount set under sub. (2) (a) 2.
19 to 4. and any adjustments in insurer assessments and the provider payment rate
20 under s. 149.144 will not be sufficient to cover plan costs, the department may by rule
21 ~~increase the premium rates set under sub. (2) (a) 2. for the remainder of the plan year,~~
22 ~~subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2., by rule~~
23 increase the assessments set under sub. (2) (a) 3. for the remainder of the plan year,
24 subject to sub. (1) ~~(b) 2. a.~~ (c) 1., and by the same rule under which assessments are

1 increased adjust the provider payment rate set under sub. (2) (a) 4. for the remainder
2 of the plan year, subject to sub. (1) ~~(b) 2.~~ (c) 2.

3 *b1100/1.5* SECTION 2267g. 149.143 (3) (b) of the statutes is repealed.”.

4 *b1100/1.6* 954. Page 1166, line 15: delete “sub.” and substitute “subs.”.

5 *b1100/1.7* 955. Page 1166, line 16: after “(b)” insert “and (2m) (b) 1”.

6 *b1100/1.8* 956. Page 1167, line 19: delete “(a) and (b)” and substitute “~~(a)~~
7 and (b)”.

8 *b0830/3.8* 957. Page 1170, line 11: after that line insert:

9 *b0830/3.8* “SECTION 2279m. 153.05 (4n) of the statutes is created to read:

10 153.05 (4n) The office shall provide the public service commission with
11 information necessary for performance of duties of the public service commission
12 under subch. II of ch. 196 and as requested of the office by the public service
13 commission.”.

14 *b1391/2.3* 958. Page 1170, line 18: after that line insert:

15 *b1391/2.3* “SECTION 2280b. 153.45 (1) (b) of the statutes is renumbered
16 153.45 (1) (b) 1. and amended to read:

17 153.45 (1) (b) 1. ~~Public~~ For information that is submitted by hospitals or
18 ambulatory surgery centers, public use data files ~~which that~~ do not permit the
19 identification of specific patients, employers or health care providers, as defined by
20 rules promulgated by the department. The identification of ~~these groups~~ patients,
21 employers or health care providers shall be protected by all necessary means,
22 including the deletion of patient identifiers and the use of calculated variables and
23 aggregated variables.

24 *b1391/2.3* SECTION 2280c. 153.45 (1) (b) 2. of the statutes is created to read:

1 153.45 (1) (b) 2. For information that is submitted by health care providers
2 other than hospitals or ambulatory surgery centers, public use data files that do not
3 permit the identification of specific patients, employers or health care providers, as
4 defined by rules promulgated by the department. The identification of patients,
5 employers or health care providers shall be protected by all necessary means,
6 including the deletion of patient identifiers; the use of calculated variables and
7 aggregated variables; the specification of counties as to residence, rather than zip
8 codes; the use of 5-year categories for age, rather than exact age; not releasing
9 information concerning a patient's race or ethnicity or dates of admission, discharge,
10 procedures or visits; and masking sensitive diagnoses and procedures by use of
11 larger diagnostic and procedure categories. Public use data files under this
12 subdivision may include only the following:

- 13 a. The patient's county of residence.
- 14 b. The payment source, by type.
- 15 c. The patient's age category, by 5-year intervals up to age 80 and a category
16 of 80 years or older.
- 17 d. The patient's procedure code.
- 18 e. The patient's diagnosis code.
- 19 f. Charges assessed with respect to the procedure code.
- 20 g. The name and address of the facility in which the patient's services were
21 rendered.
- 22 h. The patient's sex.
- 23 i. Information that contains the name of a health care provider that is not a
24 hospital or ambulatory surgery center, if the independent review board first reviews
25 and approves the release or if the department promulgates rules that specify

1 circumstances under which the independent review board need not review and
2 approve the release.

3 j. Calendar quarters of service, except if the department specifies by rule that
4 the number of data elements included in the public use data file is too small to enable
5 protection of patient confidentiality.

6 k. Information other than patient-identifiable data, as defined in s. 153.50 (1)
7 (b), as approved by the independent review board.

8 ***b1391/2.3* SECTION 2280e.** 153.45 (1)(c) of the statutes is renumbered 153.45
9 (1) (c) (intro.) and amended to read:

10 153.45 (1) (c) (intro.) Custom-designed reports containing portions of the data
11 under par. (b). Of information submitted by health care providers that are not
12 hospitals or ambulatory surgery centers, requests under this paragraph for data
13 elements other than those available for public use data files under par. (b) 2.,
14 including the patient's month and year of birth, require review and approval by the
15 independent review board before the data elements may be released. Information
16 that contains the name of a health care provider that is not a hospital or ambulatory
17 surgery center may be released only if the independent review board first reviews
18 and approves the release or if the department promulgates rules that specify
19 circumstances under which the independent review board need not review and
20 approve the release. Reports under this paragraph may include the patient's zip code
21 only if at least one of the following applies:

22 ***b1391/2.3* SECTION 2280f.** 153.45 (1) (c) 1. to 4. of the statutes are created
23 to read:

24 153.45 (1) (c) 1. Other potentially identifying data elements are not released.

25 2. Population density is sufficient to mask patient identity.

1 3. Other potentially identifying data elements are grouped to provide
2 population density sufficient to protect identity.

3 4. Multiple years of data elements are added to protect identity.

4 ***b1391/2.3* SECTION 2280g.** 153.45 (6) of the statutes is created to read:

5 153.45 (6) The department may not sell or distribute data bases of information,
6 from health care providers who are not hospitals or ambulatory surgery centers, that
7 are able to be linked with public use data files, unless first approved by the
8 independent review board.

9 ***b1391/2.3* SECTION 2280ge.** 153.50 (1) (a) of the statutes is renumbered
10 153.01 (2m).

11 ***b1391/2.3* SECTION 2280gg.** 153.50 (1) (b) of the statutes is renumbered
12 153.50 (1) (b) 1., and 153.50 (1) (b) 1. (intro.), as renumbered, is amended to read:

13 153.50 (1) (b) 1. (intro.) “Patient–identifiable data”, for information submitted
14 by hospitals and ambulatory surgery centers, means all of the following data
15 elements:

16 ***b1391/2.3* SECTION 2280gm.** 153.50 (1) (b) 2. of the statutes is created to
17 read:

18 153.50 (1) (b) 2. “Patient–identifiable data”, for information submitted by
19 health care providers who are not hospitals or ambulatory surgery centers, means
20 all of the following data elements:

21 a. Data elements specified in subd. 1. a. to g., L. and m.

22 b. Whether the patient’s condition is related to employment, and occurrence
23 and place of an auto accident or other accident.

24 c. Date of first symptom of current illness, of current injury or of current
25 pregnancy.

- 1 d. First date of patient's same or similar illness, if any.
- 2 e. Dates that the patient has been unable to work in his or her current
3 occupation.
- 4 f. Dates of receipt by patient of medical service.
- 5 g. The patient's city, town or village.
- 6 ***b1391/2.3* SECTION 2280h.** 153.50 (2) of the statutes is repealed.
- 7 ***b1391/2.3* SECTION 2280i.** 153.50 (3) (b) 7. of the statutes is created to read:
8 153.50 (3) (b) 7. The patient's account number, after use only as verification of
9 data by the department.
- 10 ***b1391/2.3* SECTION 2280j.** 153.50 (3) (c) of the statutes is created to read:
11 153.50 (3) (c) Develop, for use by purchasers of data under this chapter, a data
12 use agreement that specifies data use restrictions, appropriate uses of data and
13 penalties for misuse of data, and notify prospective and current purchasers of data
14 of the appropriate uses.
- 15 ***b1391/2.3* SECTION 2280k.** 153.50 (3) (d) of the statutes is created to read:
16 153.50 (3) (d) Require that a purchaser of data under this chapter sign and have
17 notarized the data use agreement of the department specified in par. (c).
- 18 ***b1391/2.3* SECTION 2280km.** 153.50 (3m) of the statutes is created to read:
19 153.50 (3m) HEALTHCARE PROVIDER MEASURES TO ENSURE PATIENT IDENTITY
20 PROTECTION. A health care provider that is not a hospital or ambulatory surgery
21 center shall, before submitting information required by the department under this
22 chapter, convert to a payer category code as specified by the department any names
23 of an insured's payer or other insured's payer.
- 24 ***b1391/2.3* SECTION 2280kp.** 153.50 (4) (intro.) of the statutes is renumbered
25 153.50 (4) (a) (intro.) and amended to read:

1 153.50 (4) (a) (intro.) ~~Under~~ Except as specified in par. (b), under the
2 procedures specified in sub. (5), release of patient-identifiable data may be made
3 only to any of the following:

4 ***b1391/2.3* SECTION 2280kq.** 153.50 (4) (a) of the statutes is repealed.

5 ***b1391/2.3* SECTION 2280kr.** 153.50 (4) (b) to (e) of the statutes are
6 renumbered 153.50 (4) (a) 1. to 4.

7 ***b1391/2.3* SECTION 2280ks.** 153.50 (4) (b) of the statutes is created to read:

8 153.50 (4) (b) Of information submitted by health care providers that are not
9 hospitals or ambulatory surgery centers, patient-identifiable data that contains a
10 patient's date of birth may be released under par. (a) only under circumstances as
11 specified by rule by the department.

12 ***b1391/2.3* SECTION 2280ku.** 153.50 (5) (a) (intro.) of the statutes is amended
13 to read:

14 153.50 (5) (a) (intro.) The department may not release or provide access to
15 patient-identifiable data to a person authorized under sub. (4) (a), ~~(e), (d) or (e)~~
16 unless the authorized person requests the department, in writing, to release the
17 patient-identifiable data. The request shall include all of the following:

18 ***b1391/2.3* SECTION 2280kv.** 153.50 (5) (a) 3. of the statutes is amended to
19 read:

20 153.50 (5) (a) 3. For a person who is authorized under sub. (4) (a), ~~(e) or (d)~~ to
21 receive or have access to patient-identifiable data, evidence, in writing, that
22 indicates that authorization.

23 ***b1391/2.3* SECTION 2280kw.** 153.50 (5) (a) 4. (intro.) of the statutes is
24 amended to read:

1 153.50 (5) (a) 4. (intro.) For an entity that is authorized under sub. (4) (e) (a)
2 4. to receive or have access to patient-identifiable data, evidence, in writing, of all
3 of the following:

4 ***b1391/2.3* SECTION 2280kx.** 153.50 (5) (b) 3. of the statutes is amended to
5 read:

6 153.50 (5) (b) 3. For a person who believes that he or she is authorized under
7 sub. (4) (a), the action provided under s. 19.37.”

8 ***b1391/2.4* 959.** Page 1170, line 22: after that line insert:

9 ***b1391/2.4* “SECTION 2280p.** 153.50 (6) of the statutes is renumbered 153.50
10 (6) (a).

11 ***b1391/2.4* SECTION 2280q.** 153.50 (6) (b), (c), (d) and (e) of the statutes are
12 created to read:

13 153.50 (6) (b) The department may not require under this chapter a health care
14 provider that is a hospital or ambulatory surgery center to submit uniform patient
15 billing forms.

16 (c) A health care provider that is not a hospital or ambulatory surgery center
17 may not submit any of the following to the department under the requirements of
18 this chapter:

- 19 1. The data elements specified under sub. (3) (b).
- 20 2. The patient’s telephone number.
- 21 3. The insured’s employer’s name or school name.
- 22 4. Data regarding insureds other than the patient, other than the payer
23 category code under sub. (3m).
- 24 5. The patient’s employer’s name or school name.

- 1 6. The patient's relationship to the insured.
- 2 7. The insured's identification number.
- 3 8. The insured's policy or group number.
- 4 9. The insured's date of birth or sex.
- 5 10. The patient's marital, employment or student status.

6 (d) If a health care provider that is not a hospital or ambulatory surgery center
7 submits a data element that is specified in par. (c) 1. to 10., the department shall
8 immediately return this information to the health care provider or, if discovered
9 later, shall remove and destroy the information.

10 (e) A health care provider may not submit information that uses any of the
11 following as a patient account number:

12 1. The patient's social security number or any substantial portion of the
13 patient's social security number.

14 2. A number that is related to another patient identifying number.

15 ***b1391/2.4* SECTION 2280r.** 153.55 of the statutes is amended to read:

16 **153.55 Protection of health care provider confidentiality.** ~~Health care~~
17 ~~provider identifiable data~~ Data obtained under this chapter is not subject to
18 inspection, copying or receipt under s. 19.35 (1).”

19 ***b1391/2.5* 960.** Page 1172, line 14: after that line insert:

20 ***b1391/2.5* “SECTION 2283g.** 153.67 of the statutes is created to read:

21 **153.67 Independent review board.** The independent review board shall
22 review any request under s. 153.45 (1) (c) for data elements other than those
23 available for public use data files under s. 153.45 (1) (b). Unless the independent
24 review board approves such a request or unless independent review board approval

1 is not required under rules of the department promulgated under s. 153.45 (1) (c)
2 (intro.), the data elements requested may not be released.

3 ***b1391/2.5* SECTION 2283h.** 153.76 of the statutes is created to read:

4 **153.76 Rule-making by the independent review board.**

5 Notwithstanding s. 15.01 (1r), the independent review board may promulgate only
6 those rules that are first reviewed and approved by the board on health care
7 information.

8 ***b1391/2.5* SECTION 2283i.** 153.85 of the statutes is amended to read:

9 **153.85 Civil liability.** Any Except as provided in s. 153.86, any person
10 violating s. 153.50 or rules promulgated under s. 153.75 (1) (a) is liable to the patient
11 for actual damages and costs, plus exemplary damages of up to \$1,000 for a negligent
12 violation and up to \$5,000 for an intentional violation.

13 ***b1391/2.5* SECTION 2283j.** 153.86 of the statutes is created to read:

14 **153.86 Immunity from liability.** A health care provider that submits
15 information to the department under this chapter is immune from civil liability for
16 any act or omission of an employe, official or agent of the health care provider that
17 results in the release of a prohibited data element while submitting data to the
18 department of health and family services. The immunity provided under this section
19 does not apply to intentional, wilful or reckless acts or omissions.

20 ***b1391/2.5* SECTION 2283k.** 153.90 (1) of the statutes is amended to read:

21 153.90 (1) Whoever intentionally violates s. 153.45 (5) or 153.50 or rules
22 promulgated under s. 153.75 (1) (a) may be fined not more than ~~\$10,000~~ \$15,000 or
23 imprisoned for not more than ~~9 months~~ one year or both.”.

24 ***b0812/1.17* 961.** Page 1174, line 2: after that line insert:

1 ***b0812/1.17*** “**SECTION 2286e.** 165.25 (2m) of the statutes is created to read:
2 165.25 (2m) PROSECUTION SERVICES. Provide general program operations
3 related to ch. 978.

4 ***b0812/1.17*** **SECTION 2286f.** 165.25 (3g) of the statutes is created to read:
5 165.25 (3g) UNFUNDED PRIOR SERVICE FOR ASSISTANT DISTRICT ATTORNEYS.
6 Beginning in the 1999–2000 fiscal year and ending in the 2003–04 fiscal year, pay
7 \$80,000 in each fiscal year from the appropriation account under s. 20.475 (1) (d)
8 toward the unfunded prior service liability under the Wisconsin retirement system
9 that results from granting the creditable service under s. 40.02 (17) (gm).”.

10 ***b0864/1.3* 962.** Page 1174, line 2: after that line insert:

11 ***b0864/1.3*** “**SECTION 2287g.** 165.06 of the statutes is created to read:

12 **165.06 Assistant attorney general — consumer privacy advocate. (1)**
13 The attorney general shall designate an assistant attorney general on the attorney
14 general’s staff as the consumer privacy advocate. The consumer privacy advocate
15 shall represent the consumers’ interests in issues concerning consumer privacy,
16 including the purchase of products on the Internet and the prevention of theft of the
17 consumer’s personal identifying information. The secretary of administration shall
18 give the consumer privacy advocate written notices of all proceedings under subch.
19 VII of ch. 16. The prosecutor of any action under s. 943.201, 943.392, 943.41 or 943.70
20 shall give the consumer privacy advocate written notices of all proceedings under
21 those sections. The consumer privacy advocate shall be provided the minutes,
22 reports, recommendations and any documents provided by or to the joint committee
23 on information policy and the standing committees of the assembly and senate
24 dealing with privacy matters. Annually, the consumer privacy advocate shall report

1 to the appropriate standing committees of the assembly and senate on the status of
2 consumer privacy in this state.

3 (2) The consumer privacy advocate may, on his or her own initiative or upon
4 request of any committee of the legislature, formally intervene in all civil
5 proceedings described in sub. (1) whenever such intervention is needed for the
6 protection of consumers' rights to privacy, including the restriction of access to the
7 consumer's personal identifying information and the prevention of fraudulent use of
8 the consumer's personal identifying information on the Internet.

9 (3) Personnel of the department of administration shall, upon the request of
10 the consumer privacy advocate, make such investigations, studies and reports as the
11 advocate may request in connection with proceedings described in sub. (1), either
12 before or after formal intervention. Personnel of state agencies shall, at the
13 consumer privacy advocate's request, provide information, serve as witnesses in civil
14 proceedings described in sub. (1) and otherwise cooperate in the carrying out of the
15 consumer privacy advocate's functions. Formal intervention shall be by filing a
16 statement to that effect with the examiner or other person immediately in charge of
17 the proceeding. Upon filing the statement, the consumer privacy advocate shall be
18 considered a party in interest with full power to present evidence, subpoena and
19 cross-examine witnesses, submit proof, file briefs or do any other acts appropriate
20 for a party to the proceedings.

21 (4) The consumer privacy advocate may appeal from administrative rulings to
22 the courts. In all administrative proceedings and judicial review proceedings the
23 consumer privacy advocate shall be identified as "consumer privacy advocate". This
24 section does not preclude or prevent any division of any department or independent
25 agency from appearing by its staff as a party in those proceedings.

1 ***b0864/1.3* SECTION 2287j.** 165.061 of the statutes is created to read:

2 **165.061 Assistant attorney general; consumer privacy advocate;**
3 **authority.** In carrying out his or her duty to protect the consumers' right to privacy,
4 the consumer privacy advocate has the authority to initiate actions and proceedings
5 before any agency or court related to consumer privacy, including issues concerning
6 constitutionality, to present evidence and testimony and to make arguments.

7 ***b0864/1.3* SECTION 2287m.** 165.062 of the statutes is created to read:

8 **165.062 Assistant attorney general; consumer privacy advocate;**
9 **advisory committee.** The attorney general shall appoint a consumer privacy
10 advisory committee under s. 15.04 (1) (c). The consumer privacy advisory committee
11 shall consist of not less than 7 nor more than 9 members. The members shall have
12 backgrounds in or demonstrated experience or records relating to privacy protection,
13 record security or information technology. The consumer privacy advisory
14 committee shall advise the consumer privacy advocate consistent with his or her
15 duty to protect the consumers' right to privacy. The consumer privacy advisory
16 committee shall conduct meetings consistent with subch. V of ch. 19 and shall permit
17 public participation and public comment on consumer privacy advocate activities.”.

18 ***b1346/1.3* 963.** Page 1174, line 2: after that line insert:

19 ***b1346/1.3* “SECTION 2286k.** 165.07 of the statutes is created to read:

20 **165.07 Assistant attorney general — public intervenor. (1)** The attorney
21 general shall designate an assistant attorney general on the attorney general's staff
22 as public intervenor. Written notices of all proceedings under chs. 30, 31, 281 to 285
23 and 289 to 299, except s. 281.48, shall be given to the public intervenor and to the
24 administrators of divisions primarily assigned the departmental functions under

1 chs. 29, 281, 285 and 289 to 299, except s. 281.48, by the agency head responsible for
2 such proceedings. A copy of such notice shall also be given to the natural areas
3 preservation council.

4 (2) The public intervenor shall formally intervene in proceedings described in
5 sub. (1) when requested to do so by an administrator of a division primarily assigned
6 the departmental functions under chs. 29, 281, 285 or 289 to 299, except s. 281.48.
7 The public intervenor may, on the public intervenor's own initiative or upon request
8 of any committee of the legislature, formally intervene in all proceedings described
9 in sub. (1) whenever such intervention is needed for the protection of "public rights"
10 in water and other natural resources, as provided in chs. 30 and 31 and defined by
11 the supreme court.

12 (3) Personnel of the department of natural resources shall, upon the request
13 of the public intervenor, make such investigations, studies and reports as the public
14 intervenor may request in connection with proceedings described in sub. (1), either
15 before or after formal intervention. Personnel of state agencies shall at the public
16 intervenor's request provide information, serve as witnesses in proceedings
17 described in sub. (1) and otherwise cooperate in the carrying out of the public
18 intervenor's intervention functions. Formal intervention shall be by filing a
19 statement to that effect with the examiner or other person immediately in charge of
20 the proceeding. Thereupon the public intervenor shall be considered a party in
21 interest with full power to present evidence, subpoena and cross-examine witnesses,
22 submit proof, file briefs or do any other acts appropriate for a party to the
23 proceedings.

24 (4) The public intervenor may appeal from administrative rulings to the courts.
25 In all administrative proceedings and judicial review proceedings the public

1 intervenor shall be identified as “public intervenor”. This section does not preclude
2 or prevent any division of the department of natural resources, or any other
3 department or independent agency, from appearing by its staff as a party in such
4 proceedings.

5 ***b1346/1.3* SECTION 2286n.** 165.075 of the statutes is created to read:

6 **165.075 Assistant attorney general; public intervenor; authority.** In
7 carrying out his or her duty to protect public rights in water and other natural
8 resources, the public intervenor has the authority to initiate actions and proceedings
9 before any agency or court in order to raise issues, including issues concerning
10 constitutionality, present evidence and testimony and make arguments.

11 ***b1346/1.3* SECTION 2286q.** 165.076 of the statutes is created to read:

12 **165.076 Assistant attorney general; public intervenor; advisory**
13 **committee.** The attorney general shall appoint a public intervenor advisory
14 committee under s. 15.04 (1) (c). The public intervenor advisory committee shall
15 consist of not less than 7 nor more than 9 members. The members shall have
16 backgrounds in or demonstrated experience or records relating to environmental
17 protection or natural resource conservation. At least one of the members shall have
18 working knowledge in business. At least one of the members shall have working
19 knowledge in agriculture. The public intervenor advisory committee shall advise the
20 public intervenor consistent with his or her duty to protect public rights in water and
21 other natural resources. The public intervenor advisory committee shall conduct
22 meetings consistent with subch. V of ch. 19 and shall permit public participation and
23 public comment on public intervenor activities.”.

24 ***b1127/1.1* 964.** Page 1175, line 9: after that line insert:

1 ***b1127/1.1*** "SECTION 2289t. 165.842 of the statutes is created to read:

2 **165.842 Motor vehicle stops; collection of information; annual report.**

3 **(1) DEFINITIONS.** In this section:

4 (a) "Department" means the department of justice.

5 (b) "Law enforcement agency" has the meaning given in s. 165.77 (1) (b).

6 (c) "Law enforcement officer" means a person who is employed by a law
7 enforcement agency for the purpose of detecting and preventing crime and enforcing
8 laws or ordinances and who is authorized to make arrests for violations of the laws
9 or ordinances the person is employed to enforce, whether that enforcement authority
10 extends to all laws or ordinances or is limited to specific laws or ordinances.

11 (d) "Motor vehicle stop" means the stop of a motor vehicle that is traveling in
12 any public or private place, or the detention of an occupied motor vehicle that is
13 already stopped in any public or private place, for the purpose of investigating any
14 alleged or suspected violation of a state or federal law or city, village, town or county
15 ordinance.

16 **(2) INFORMATION COLLECTION REQUIRED.** All persons in charge of law
17 enforcement agencies shall obtain, or cause to be obtained, all of the following
18 information with respect to each motor vehicle stop made on or after January 1, 2001,
19 by a law enforcement officer employed by the law enforcement agency:

20 (a) The reason the law enforcement officer stopped the motor vehicle.

21 (b) The age, gender and race or ethnicity of the driver of the motor vehicle.

22 (c) The number of persons in the motor vehicle.

23 (d) Whether a search was conducted of the motor vehicle, the driver of the motor
24 vehicle or any passenger in the motor vehicle, and for each search conducted all of
25 the following information:

1 1. Whether the search was based on probable cause or reasonable suspicion,
2 on the consent of the person searched or, for a motor vehicle search, on the consent
3 of the driver or other authorized person.

4 2. If the search was of a passenger in the motor vehicle, the age, gender and race
5 or ethnicity of the passenger.

6 3. What, if anything, was seized as a result of the search.

7 (e) Whether a person was asked to give consent to a search of the motor vehicle
8 or of his or her person but refused to give consent.

9 (f) Whether the motor vehicle stop or a search conducted during the stop
10 resulted in the driver or any passenger being given a written warning of or a citation
11 for a violation of any law or ordinance and, if so, a listing of each warning or citation
12 given and the alleged violation for which the warning or citation was given.

13 (g) Whether the motor vehicle stop or a search conducted during the stop
14 resulted in the arrest of the driver or any passenger and, if so, a listing of each arrest
15 made and the reason for the arrest.

16 (h) Any other information required to be collected under the rules promulgated
17 by the department under sub. (5).

18 **(3) SUBMISSION OF INFORMATION COLLECTED.** The information obtained by a law
19 enforcement agency under sub. (2) shall be forwarded to the department using the
20 form prescribed by the rules promulgated under sub. (5) and in accordance with the
21 reporting schedule established under the rules promulgated under sub. (5).

22 **(4) ANALYSIS AND REPORT BY DEPARTMENT.** (a) The department shall compile the
23 information submitted to it by law enforcement agencies under sub. (3) and shall
24 analyze the information, along with any other relevant information, to determine
25 whether law enforcement officers target racial minorities when making motor

1 vehicle stops to investigate alleged or suspected violations of federal, state or local
2 laws or ordinances.

3 (b) For each calendar year, the department shall prepare an annual report that
4 summarizes the information submitted to it by law enforcement agencies concerning
5 motor vehicle stops made during the calendar year and that describes the methods
6 and conclusions of its analysis of the information. On or before March 31, 2002, and
7 on or before each March 31 thereafter, the department shall submit the annual
8 report required under this paragraph to the legislature under s. 13.172 (2), to the
9 governor and to the director of state courts.

10 (5) RULES. (a) The department shall promulgate rules to implement the
11 requirements of this section, including rules prescribing a form for use in obtaining
12 information under sub. (2) and establishing a schedule for forwarding the
13 information obtained to the department. The department shall make the form
14 prescribed by its rules available to law enforcement agencies.

15 (b) The department may by rule require the collection of information in
16 addition to that specified in sub. (2) (a) to (g) if the department determines that the
17 information will help to determine whether law enforcement officers target racial
18 minorities when making motor vehicle stops to investigate alleged or suspected
19 violations of federal, state or local laws or ordinances.”.

20 *b1119/1.2* **965.** Page 1176, line 24: after that line insert:

21 *b1119/1.2* **SECTION 2301d.** 165.90 (4s) of the statutes is created to read:

22 165.90 (4s) Notwithstanding subs. (1), (3m) and (4), the department shall
23 approve a joint program plan submitted under this section by Polk County and the
24 St. Croix Chippewa Indian tribe and shall approve a joint program plan submitted

1 under this section by Burnett County and the St. Croix Chippewa Indian tribe. Prior
2 to January 15 of the year for which funding is sought, the department shall distribute
3 \$100,000 from the appropriations under s. 20.455 (2) (kt) to each joint program plan
4 approved under this subsection, subject to the following limitations:

5 (a) A program may use funds received under s. 20.455 (2) (kt) only for law
6 enforcement operations.

7 (b) A program shall, prior to the receipt of funds under s. 20.455 (2) (kt) for the
8 2nd and any subsequent year, submit a report to the department regarding the
9 performance of law enforcement activities on the reservation in the previous fiscal
10 year.”

11 *b0830/3.9* **966.** Page 1179, line 19: after that line insert:

12 *b0830/3.9* “**SECTION 2309d.** Chapter 196 (title) of the statutes is amended
13 to read:

14 **CHAPTER 196**

15 **REGULATION OF PUBLIC UTILITIES**

16 **SERVICE COMMISSION**

17 *b0830/3.9* **SECTION 2309f.** Subchapter I (title) of chapter 196 [precedes
18 196.01] of the statutes is created to read:

19 **CHAPTER 196**

20 **SUBCHAPTER I**

21 **REGULATION OF PUBLIC UTILITIES**

22 *b0830/3.9* **SECTION 2309h.** 196.01 (intro.) of the statutes is amended to read:

23 **196.01 Definitions.** (intro.) As used in this ~~chapter~~ subchapter and ch. 197,
24 unless the context requires otherwise.”

1 ***b0881/2.1* 967.** Page 1179, line 19: after that line insert:

2 ***b0881/2.1* "SECTION 2308pq.** 186.113 (15) (a) of the statutes is amended to
3 read:

4 186.113 (15) (a) Directly or indirectly, acquire, place and operate, or participate
5 in the acquisition, placement and operation of, at locations other than its offices,
6 remote terminals, in accordance with rules established by the office of credit unions.
7 The rules shall provide that any remote terminal shall be available for use, on a
8 nondiscriminatory basis, by any state or federal credit union which has its principal
9 place of business in this state, by any other credit union obtaining the consent of a
10 state or federal credit union which has its principal place of business in this state and
11 is using the terminal and by all members designated by a credit union using the
12 terminal. This subsection does not authorize a credit union which has its principal
13 place of business outside the state to conduct business as a credit union in this state.
14 The remote terminals also shall be available for use, on a nondiscriminatory basis,
15 by any state or national bank, state or federal savings bank or state or federal savings
16 and loan association, whose home office is located in this state, if the bank, savings
17 bank or savings and loan association requests to share its use, subject to the joint
18 rules established under s. 221.0303 (2). The joint rules under s. 221.0303 (2) shall
19 prohibit a state or federal credit union that owns or operates a remote terminal from
20 charging a person a fee for a transaction using that remote terminal, unless the
21 transaction relates to or affects an account held by that person with that credit union.
22 The office of credit unions by order may authorize the installation and operation of
23 a remote terminal in a mobile facility, after notice and hearing upon the proposed
24 service stops of the mobile facility.”.

1 ***b0882/1.2* 968.** Page 1179, line 19: after that line insert:

2 ***b0882/1.2* SECTION 2308mc.** 186.01 (2) of the statutes is amended to read:

3 186.01 (2) "Credit union" means a cooperative, nonprofit corporation,
4 incorporated under this chapter ~~to encourage thrift among its members, create a~~
5 ~~source of credit at a fair and reasonable cost and provide an opportunity for its~~
6 ~~members to improve their economic and social conditions, except as specifically~~
7 provided under ss. 186.41 (1) and 186.45 (1).

8 ***b0882/1.2* SECTION 2308mf.** 186.01 (8) of the statutes is repealed.

9 ***b0882/1.2* SECTION 2308mh.** 186.02 (2) (a) 1. of the statutes is amended to
10 read:

11 186.02 (2) (a) 1. The conditions ~~of residence or occupation~~ which ~~qualify persons~~
12 determine eligibility for membership.

13 ***b0882/1.2* SECTION 2308mj.** 186.02 (2) (a) 3. and 4. of the statutes are
14 repealed.

15 ***b0882/1.2* SECTION 2308mL.** 186.02 (2) (b) 2. of the statutes is amended to
16 read:

17 186.02 (2) (b) 2. ~~Residents within a well-defined neighborhood, community or~~
18 Individuals that reside or are employed in neighborhoods, communities, rural
19 district districts or multicounty regions, unless the office of credit unions determines
20 that it is impractical for a particular credit union to serve the area in which the
21 individuals reside or are employed.

22 ***b0882/1.2* SECTION 2308mn.** 186.02 (2) (b) 3. of the statutes is amended to
23 read:

1 186.02 (2) (b) 3. ~~Employes of related or vicinal industries or employes of~~
2 industries that operate at least one facility within a neighborhood or urban,
3 suburban or rural community the limits of which are not determined by any
4 arbitrary physical standard.

5 ***b0882/1.2* SECTION 2308mp.** 186.02 (2) (c) of the statutes is amended to read:

6 186.02 (2) (c) Members of the immediate family of all qualified persons are
7 eligible for membership. ~~In this paragraph, "members of the immediate family"~~
8 ~~include the wife, husband, parents, stepchildren and children of a member whether~~
9 ~~living together in the same household or not and any other relatives of the member~~
10 ~~or spouse of a member living together in the same household as the member.~~

11 ***b0882/1.2* SECTION 2308mr.** 186.02 (2) (d) of the statutes is renumbered

12 186.02 (2) (d) 1. and amended to read:

13 186.02 (2) (d) 1. ~~Organizations and associations~~ An organization or association
14 of individuals, the majority of whom the directors, owners or members of which are
15 eligible for membership, may be admitted to membership in the same manner and
16 under the same conditions as individuals.

17 ***b0882/1.2* SECTION 2308mt.** 186.02 (2) (d) 2. of the statutes is created to read:

18 186.02 (2) (d) 2. An organization or association that has a business location
19 within any geographic limits of the credit union's field of membership or an
20 organization or association that, in the ordinary course of business, provides goods
21 and services to credit unions, credit union organizations or persons who are eligible
22 for membership in the credit union may be admitted to membership.

23 ***b0882/1.2* SECTION 2308mv.** 186.08 (1m) (h) of the statutes is created to read:

1 186.08 (1m) (h) Establishing a policy determining which individuals qualify
2 as members of the immediate family of a qualified person for the purpose of
3 determining eligibility for membership in the credit union under s. 186.02 (2) (c).

4 ***b0882/1.2* SECTION 2308mx.** 186.11 (4) (title) and (a) of the statutes are
5 amended to read:

6 186.11 (4) (title) INVESTMENT IN CREDIT UNION SERVICE ~~CORPORATIONS~~
7 ORGANIZATIONS. (a) ~~A Unless the office of credit unions approves a higher percentage,~~
8 a credit union may invest not more than 1.5% of its total assets in the capital shares
9 or obligations of a credit union service ~~corporation~~ organizations that are
10 corporations, limited partnerships, limited liability companies or other entities
11 approved by the office of credit unions, and that are organized primarily to provide
12 goods and services, in the ordinary course of business, to credit unions, credit union
13 organizations and credit union members.

14 ***b0882/1.2* SECTION 2308pc.** 186.11 (4) (b) (intro.) and 1. of the statutes are
15 amended to read:

16 186.11 (4) (b) (intro.) A credit union service ~~corporation~~ organization under par.
17 (a) may provide goods and services including any of the following:

18 1. Credit union operations services, including service centers, credit and debit
19 card services, automated teller and remote terminal services, electronic transaction
20 services, accounting systems, data processing, management training and support,
21 payment item processing, record retention and storage, locator services, research,
22 debt collection, credit analysis and loan servicing, coin and currency services and
23 marketing and advertising services.

24 ***b0882/1.2* SECTION 2308pf.** 186.11 (4) (b) 6. and 7. of the statutes are
25 renumbered 186.11 (4) (b) 9. and 10.

1 ***b0882/1.2* SECTION 2308ph.** 186.11 (4) (b) 6m., 7m. and 8. of the statutes are
2 created to read:

3 186.11 (4) (b) 6m. Management, development, sale or lease of fixed assets and
4 sale, lease or servicing of computer hardware or software.

5 7m. Securities brokerage services.

6 8. Travel agency services.

7 ***b0882/1.2* SECTION 2308pj.** 186.11 (4) (c) of the statutes is amended to read:
8 186.11 (4) (c) A credit union service corporation organization may be subject
9 to audit examination by the office of credit unions.

10 ***b0882/1.2* SECTION 2308pL.** 186.113 (1) of the statutes is amended to read:
11 186.113 (1) BRANCH OFFICES. ~~If the need and necessity exist and with~~ With the
12 approval of the office of credit unions, establish branch offices inside ~~this state or no~~
13 ~~more than 25 miles or~~ outside of this state. Permanent records may be maintained
14 at branch offices established under this subsection. In this subsection, the term
15 “branch office” does not include a remote terminal, a limited services office or a
16 service center.

17 ***b0882/1.2* SECTION 2308pn.** 186.113 (1m) (a) (intro.) of the statutes is
18 amended to read:

19 186.113 (1m) (a) (intro.) Establish Before the effective date of this paragraph
20 [revisor inserts date], establish limited services offices outside this state to serve
21 any member of the credit union if all of the following requirements are met:

22 ***b0882/1.2* SECTION 2308pp.** 186.113 (6) (b) and (c) of the statutes are
23 amended to read:

1 186.113 (6) (b) Act as trustees or custodians of member tax deferred retirement
2 funds, individual retirement accounts, medical savings accounts or other employe
3 benefit accounts or funds permitted by federal law to be deposited in a credit union.

4 (c) Act as a depository for ~~member-deferred~~ member qualified and
5 nonqualified deferred compensation funds as permitted by federal law.

6 ***b0882/1.2* SECTION 2308pr.** 186.113 (24) of the statutes is created to read:

7 186.113 (24) FUNERAL TRUSTS. Accept deposits made by members for the
8 purpose of funding burial agreements by trusts created pursuant to s. 445.125.

9 ***b0882/1.2* SECTION 2308pt.** 186.113 (25) of the statutes is created to read:

10 186.113 (25) SELL OR PURCHASE ASSETS. Discount or sell any of its assets and,
11 with the prior approval of the office of credit unions, purchase assets of another
12 lender or seller.

13 ***b0882/1.2* SECTION 2308pv.** 186.114 of the statutes is created to read:

14 **186.114. Federal and other powers. (1) EXERCISE OF FEDERAL CREDIT UNION**
15 **POWERS BY WISCONSIN CREDIT UNION.** (a) *In general.* Subject to the limitations in this
16 subsection, a credit union may exercise all powers that may be exercised, directly or
17 indirectly through a credit union service organization, by a federally chartered credit
18 union or by an affiliate of such an institution.

19 (b) *Required notification for exercise of a federal power.* A credit union shall give
20 60 days' prior written notice to the office of credit unions of the credit union's
21 intention to exercise a power under this subsection.

22 (c) *Exercise of federal powers through a credit union service organization.* The
23 office of credit unions may require that certain powers exercisable by credit unions
24 under this subsection be exercised through a credit union service organization with
25 appropriate safeguards to limit the risk exposure of the credit union.

1 (2) EXERCISE OF OTHER SERVICE AND INCIDENTAL ACTIVITY POWERS. (a) *Necessary*
2 *or convenient powers.* Unless otherwise prohibited or limited by this chapter, a credit
3 union may exercise all powers necessary or convenient to effect the purposes for
4 which the credit union is organized or to further the businesses in which the credit
5 union is lawfully engaged.

6 (b) *Reasonably related powers.* Subject to any applicable state or federal
7 regulatory or licensing requirements, a credit union may engage, directly or
8 indirectly through a credit union service organization, in activities reasonably
9 related or incident to the purposes of the credit union. Activities reasonably related
10 or incident to the purposes of the credit union are those activities that are part of the
11 business of credit unions, or closely related to the business of credit unions, or
12 convenient and useful to the business of credit unions, or reasonably related or
13 incident to the operation of credit unions or are financial in nature.

14 (c) *Notice requirement.* A credit union shall give 60 days' prior written notice
15 to the office of credit unions of the credit union's intention to engage in an activity
16 under this subsection.

17 (d) *Standards for denial.* The office of credit unions may deny the authority
18 of a credit union to engage in an activity under this subsection if the office of credit
19 unions determines that the activity is not an activity reasonably related or incident
20 to the purposes of the credit union, that the credit union is not well-capitalized or
21 adequately capitalized, that the credit union is the subject of an enforcement action
22 or that the credit union does not have satisfactory management expertise for the
23 proposed activity.

24 (e) *Other activities approved by the office of credit unions.* A credit union may
25 engage in any other activity that is approved by rule of the office of credit unions.

1 (f) *Activities provided through a subsidiary.* A credit union may engage in
2 activities under this subsection, directly or indirectly through a credit union service
3 organization, unless the office of credit unions determines that an activity must be
4 conducted through a credit union service organization with appropriate safeguards
5 to limit the risk exposure of the credit union.

6 **(3) RULE-MAKING AUTHORITY.** The office of credit unions may promulgate rules
7 to administer this section. The rules may impose limitations or conditions on the
8 exercise of powers under this section if the office of credit unions determines that the
9 limits or conditions are necessary for the protection of depositors, members,
10 investors or the public.

11 ***b0882/1.2* SECTION 2308px.** 186.115 (1) of the statutes is amended to read:

12 186.115 (1) **SCOPE OF AUTHORITY.** Subject to any regulatory approval required
13 by law and subject to sub. (2), a credit union, directly or through a subsidiary, may
14 undertake any activity, exercise any power or offer any financially related product
15 or service in this state that any other provider of financial products or services may
16 undertake, exercise or provide or that the office of credit unions finds to be financially
17 related. The authority granted under this subsection is in addition to any power or
18 authority granted to a credit union under s. 186.114 (1) and (2) (a) and (b).

19 ***b0882/1.2* SECTION 2308sc.** 186.235 (7) (a) (intro.) of the statutes is amended
20 to read:

21 186.235 (7) (a) (intro.) Employees of the office of credit unions and members of
22 the review board shall keep secret all the facts and information obtained in the
23 course of examinations, or contained in any report provided by a credit union other
24 than a call report, except in any of the following situations:

25 ***b0882/1.2* SECTION 2308sf.** 186.235 (7) (c) of the statutes is created to read:

1 186.235 (7) (c) If any person mentioned in par. (a) discloses any information
2 about the private account or transactions of a credit union or any information
3 obtained in the course of an examination of a credit union, except as provided in pars.
4 (a) and (b), that person may be required to forfeit his or her office or position and may
5 be fined not less than \$100 nor more than \$1,000 or imprisoned for not less than 6
6 months nor more than 3 years or both.

7 ***b0882/1.2* SECTION 2308sh.** 186.235 (7m) of the statutes is created to read:

8 186.235 (7m) RETURN OF EXAMINATION REPORTS. Examination reports possessed
9 by a credit union are confidential, remain the property of the office of credit unions
10 and shall be returned to the office of credit unions immediately upon request.

11 ***b0882/1.2* SECTION 2308sj.** 186.235 (16) (a) of the statutes is renumbered
12 186.235 (16).

13 ***b0882/1.2* SECTION 2308sL.** 186.235 (16) (b) of the statutes is repealed.

14 ***b0882/1.2* SECTION 2308sn.** 186.36 of the statutes is amended to read:

15 **186.36 Sale of insurance in credit unions.** Any officer or employe of a credit
16 union, when acting as an agent for the sale of insurance on behalf of the credit union,
17 shall pay all commissions received from the sale of ~~credit life insurance or credit~~
18 ~~accident and sickness insurance~~ to the credit union.

19 ***b0882/1.2* SECTION 2308sp.** 186.41 (title) of the statutes is amended to read:

20 **186.41 (title) Interstate acquisition acquisitions and merger mergers**
21 **of credit unions.**

22 ***b0882/1.2* SECTION 2308sr.** 186.41 (1) (a) of the statutes is renumbered
23 186.41 (1) (bm) and amended to read:

24 186.41 (1) (bm) “~~In-state~~ Wisconsin credit union” means a credit union having
25 its principal office located in this state.

1 ***b0882/1.2* SECTION 2308st.** 186.41 (1) (c) of the statutes is renumbered
2 186.41 (1) (am) and amended to read:

3 186.41 (1) (am) "~~Regional Out-of-state~~ credit union" means a state or federal
4 credit union ~~that has its, the principal office of which is located in one of the regional~~
5 ~~states a state other than this state.~~

6 ***b0882/1.2* SECTION 2308sv.** 186.41 (1) (d) of the statutes is repealed.

7 ***b0882/1.2* SECTION 2308sx.** 186.41 (2) and (3) of the statutes are amended
8 to read:

9 186.41 (2) ~~IN-STATE WISCONSIN~~ CREDIT UNION. (a) ~~An in-state~~ A Wisconsin credit
10 union may do any of the following:

11 1. Acquire an interest in, or some or all of the assets and liabilities of, one or
12 more ~~regional out-of-state~~ credit unions.

13 2. Merge with one or more ~~regional out-of-state~~ credit unions.

14 (b) ~~An in-state~~ A Wisconsin credit union proposing any action under par. (a)
15 shall provide the office of credit unions a copy of any original application seeking
16 approval by a federal agency or by an agency of ~~the regional~~ another state and of any
17 supplemental material or amendments filed in connection with any application.

18 (3) ~~REGIONAL Out-of-state~~ CREDIT UNIONS. Except as provided in sub. (4), a
19 ~~regional~~ an out-of-state credit union may do any of the following:

20 (a) Acquire an interest in, or some or all of the assets of, one or more ~~in-state~~
21 Wisconsin credit unions.

22 (b) Merge with one or more ~~in-state~~ Wisconsin credit unions.

23 ***b0882/1.2* SECTION 2308vc.** 186.41 (4) (intro.), (a) to (d) and (f) of the statutes
24 are amended to read:

1 186.41 (4) LIMITATIONS. (intro.) ~~A regional~~ An out-of-state credit union may
2 not take any action under sub. (3) until all of the following conditions have been met:

3 (a) The office of credit unions finds that the statutes of the ~~regional~~ state in
4 which the ~~regional out-of-state~~ credit union has its principal office permit ~~in-state~~
5 Wisconsin credit unions to both acquire ~~regional out-of-state~~ credit union assets and
6 merge with one or more ~~regional out-of-state~~ credit unions in the ~~regional~~ that state.

7 (b) The office of credit unions has not disapproved the acquisition of ~~in-state~~
8 Wisconsin credit union assets or the merger with the ~~in-state~~ Wisconsin credit union
9 under sub. (5).

10 (c) The office of credit unions gives a class 3 notice, under ch. 985, in the official
11 state newspaper, of the application to take an action under sub. (3) and of the
12 opportunity for a hearing and, if at least 25 residents of this state petition for a
13 hearing within 30 days of the final notice or if the office of credit unions on its own
14 motion calls for a hearing within 30 days of the final notice, the office of credit unions
15 holds a public hearing on the application, except that a hearing is not required if the
16 office of credit unions finds that an emergency exists and that the proposed action
17 under sub. (3) is necessary and appropriate to prevent the probable failure of ~~an~~
18 ~~in-state~~ a Wisconsin credit union that is closed or in danger of closing.

19 (d) The office of credit unions is provided a copy of any original application
20 seeking approval by a federal agency of the acquisition of ~~in-state~~ Wisconsin credit
21 union assets or of the merger with ~~an in-state~~ a Wisconsin credit union and of any
22 supplemental material or amendments filed with the application.

23 (f) With regard to an acquisition of assets of ~~an in-state~~ a Wisconsin credit
24 union that is chartered on or after May 9, 1986, the ~~in-state~~ Wisconsin credit union
25 has been in existence for at least 5 years before the date of acquisition.

1 ***b0882/1.2* SECTION 2308vf.** 186.41 (5) (a), (b), (c) and (cr) of the statutes are
2 amended to read:

3 186.41 (5) (a) Considering the financial and managerial resources and future
4 prospects of the applicant and of the ~~in-state~~ Wisconsin credit union concerned, the
5 action would be contrary to the best interests of the members of the ~~in-state~~
6 Wisconsin credit union.

7 (b) The action would be detrimental to the safety and soundness of the
8 applicant or of the ~~in-state~~ Wisconsin credit union concerned, or to a subsidiary or
9 affiliate of the applicant or of the ~~in-state~~ Wisconsin credit union.

10 (c) Because the applicant, its executive officers or directors have not
11 established a record of sound performance, efficient management, financial
12 responsibility and integrity, the action would be contrary to the best interests of the
13 creditors, members or other customers of the applicant or of the ~~in-state~~ Wisconsin
14 credit union or contrary to the best interests of the public.

15 (cr) The applicant has failed to propose to provide adequate and appropriate
16 services of the type contemplated by the community reinvestment act of 1977 in the
17 community in which the ~~in-state~~ Wisconsin credit union which the applicant
18 proposes to acquire or merge with is located.

19 ***b0882/1.2* SECTION 2308vh.** 186.41 (6) (a) of the statutes is renumbered
20 186.41 (6).

21 ***b0882/1.2* SECTION 2308vj.** 186.41 (6) (b) of the statutes is repealed.

22 ***b0882/1.2* SECTION 2308vL.** 186.41 (8) of the statutes is repealed.

23 ***b0882/1.2* SECTION 2308vn.** 186.45 of the statutes is created to read:

24 **186.45 Non-Wisconsin credit union, Wisconsin offices. (1) DEFINITIONS.**

25 In this section:

1 (a) “Non–Wisconsin credit union” means a credit union organized under the
2 laws of and with its principal office located in a state other than this state.

3 (b) “Wisconsin credit union” has the meaning given in s. 186.41 (1) (bm).

4 (2) APPROVAL. A non–Wisconsin credit union may open an office and conduct
5 business as a credit union in this state if the office of credit unions finds that
6 Wisconsin credit unions are allowed to do business in the other state under
7 conditions similar to those contained in this section and that all of the following apply
8 to the non–Wisconsin credit union:

9 (a) It is a credit union organized under laws similar to the credit union laws of
10 this state.

11 (b) It is financially solvent based upon national board ratings.

12 (c) It has member savings insured with federal share insurance.

13 (d) It is effectively examined and supervised by the credit union authorities of
14 the state in which it is organized.

15 (e) It has received approval from the credit union authorities of the state in
16 which it is organized.

17 (f) It has a need to place an office in this state to adequately serve its members
18 in this state.

19 (g) It meets all other relevant standards or qualifications established by the
20 office of credit unions.

21 (3) REQUIREMENTS. A non–Wisconsin credit union shall agree to do all of the
22 following:

23 (a) Grant loans at rates not in excess of the rates permitted for Wisconsin credit
24 unions.

25 (b) Comply with this state’s laws.

1 (c) Designate and maintain an agent for the service of process in this state.

2 (4) RECORDS. As a condition of a non-Wisconsin credit union doing business in
3 this state under this section, the office of credit unions may require copies of
4 examination reports and related correspondence regarding the non-Wisconsin
5 credit union.

6 *b0882/1.2* SECTION 2308vp. 186.80 of the statutes is created to read:

7 186.80 False statements. A person who knowingly publishes false reports or
8 makes false statements about a credit union may be fined not less than \$1,000 nor
9 more than \$5,000 or imprisoned for not less than one year nor more than 15 years
10 or both.”.

11 *b0840/2.4* 969. Page 1179, line 21: after that line insert:

12 *b0840/2.4* SECTION 2313m. 196.208 (5p) of the statutes is created to read:

13 196.208 (5p) TOLL-FREE CALLS ANSWERED BY PRISONERS. (a) In this subsection:

- 14 1. “Charitable organization” has the meaning given in s. 440.41 (1).
15 2. “Prisoner” has the meaning given in s. 134.73 (1) (b).

16 (b) If a prisoner is employed directly or indirectly by a charitable organization
17 or toll-free service vendor to answer calls made to the charitable organization or
18 toll-free service vendor, the prisoner shall do all of the following immediately upon
19 answering a call:

- 20 1. Identify himself or herself by name.
21 2. State that he or she is a prisoner.
22 3. Inform the calling party of the name of the correctional or detention facility
23 in which he or she is a prisoner and the city and state in which the facility is located.

1 (c) A charitable organization or toll-free service vendor that directly or
2 indirectly employs a prisoner shall provide reasonable supervision of the prisoner to
3 assure the prisoner's compliance with par. (b).

4 ***b0840/2.4* SECTION 2313r.** 196.208 (10) (a) of the statutes is amended to read:

5 196.208 (10) (a) Subsections (2) to (5) apply to any pay-per-call service that
6 a caller may access by a call originating in this state and ~~sub. subs. (5p) and (5t)~~
7 ~~applies apply to any charitable organization, toll-free service vendor or employe of~~
8 ~~a charitable organization or toll-free service vendor~~ that a caller may access by a call
9 originating in this state.

10 ***b0840/2.4* SECTION 2313u.** 196.208 (11) (d) of the statutes is renumbered
11 196.208 (11) (d) 1. and amended to read:

12 196.208 (11) (d) 1. ~~Any~~ Except as provided in subd. 2., any person who violates
13 subs. (2) to (9) shall be required to forfeit not less than \$25 nor more than \$5,000 for
14 each offense.

15 3. Forfeitures under ~~this paragraph~~ subds. 1. and 2. shall be enforced by action
16 on behalf of the state by the department of justice or, upon informing the department
17 of justice, by the district attorney of the county where the violation occurs.

18 ***b0840/2.4* SECTION 2313y.** 196.208 (11) (d) 2. of the statutes is created to
19 read:

20 196.208 (11) (d) 2. a. A prisoner who violates sub. (5p) (b) may be required to
21 forfeit not more than \$500.

22 b. A person who employs a prisoner to answer calls made to a toll-free
23 telephone number may be required to forfeit not more than \$10,000 if the person
24 violates sub. (5p) (c), aids and abets a prisoner's violation of sub. (5p) (b), is a party

1 to a conspiracy with a prisoner to commit a violation of sub. (5p) (b) or advises, hires
2 or counsels or otherwise procures a prisoner to commit a violation of sub. (5p) (b).”.

3 *b1257/1.1* **970.** Page 1179, line 21: after that line insert:

4 *b1257/1.1* “**SECTION 2309q.** 196.04 (4) of the statutes is renumbered 196.04
5 (4) (b) and amended to read:

6 196.04 (4) (b) If the parties cannot agree and the commission finds that public
7 convenience and necessity or the rendition of reasonably adequate service to the
8 public requires that a public utility, telecommunications provider, sewerage system
9 operator or cable operator, ~~as defined in s. 66.082 (2) (b)~~, be permitted to extend its
10 lines on, over or under the right-of-way of any railroad, or requires that the tracks
11 of any railroad be extended on, over or under the right-of-way of any public utility,
12 telecommunications provider, sewerage system operator or cable operator, the
13 commission may order the extension by the public utility, telecommunications
14 provider, sewerage system operator, cable operator or railroad on, over or under the
15 right-of-way of the other if it will not materially impair the ability of the railroad,
16 telecommunications provider, sewerage system operator, cable operator or public
17 utility, on, over or under whose right-of-way the extension would be made, to serve
18 the public. The commission shall prescribe lawful conditions and compensation
19 which the commission deems equitable and reasonable in light of all the
20 circumstances.

21 *b1257/1.1* **SECTION 2309s.** 196.04 (4) (a) of the statutes is created to read:

22 196.04 (4) (a) In this subsection:

- 23 1. “Cable operator” has the meaning given in s. 66.082 (2) (b).
24 2. “Sewerage system operator” means any of the following:

- 1 a. A municipality that operates a sewerage system under s. 66.076.
- 2 b. A town sanitary district commission that operates a sewerage system under
3 60.77 (4).
- 4 c. A city or village that obtains a sewerage system under s. 60.79.
- 5 d. A metropolitan sewerage district commission that operates a sewerage
6 system under s. 66.24 (2) or 66.89 (1).
- 7 e. A public inland lake protection and rehabilitation district that exercises the
8 powers of a town sanitary district under s. 33.22 (3) and that operates a sewerage
9 system under s. 60.77 (4).”.

10 *b1329/1.12* **971.** Page 1179, line 21: after that line insert:

11 *b1329/1.12* “SECTION 2315c. 196.025 of the statutes is renumbered 196.025
12 (1).

13 *b1329/1.12* SECTION 2315g. 196.025 (2) of the statutes is created to read:

14 196.025 (2) The commission shall promulgate rules establishing requirements
15 and procedures for the commission to carry out the duties under s. 1.11. Rules
16 promulgated under this subsection shall include requirements and procedures for
17 each of the following:

18 (a) Standards for determining the necessity of preparing an environmental
19 impact statement.

20 (b) Adequate opportunities for interested persons to be heard on environmental
21 impact statements, including adequate time for the preparation and submission of
22 comments.

1 (c) Deadlines that allow thorough review of environmental issues without
2 imposing unnecessary delays in addressing the need for additional electric
3 transmission capacity in this state.

4 *b1329/1.12* SECTION 2315L. 196.025 (3) of the statutes is created to read:

5 196.025 (3) The commission shall promulgate rules establishing requirements
6 and procedures for electric utilities, as defined under s. 196.491 (1) (d), to file reports
7 with the commission, on a frequency that the commission determines is reasonably
8 necessary, on their current reliability status, including the status of operating and
9 planning reserves, available transmission capacity and outages of major operational
10 units and transmission lines. A report filed under the rules promulgated under this
11 subsection is subject to inspection and copying under s. 19.35 (1), except that the
12 commission may withhold the report from inspection and copying for a period of time
13 that the commission determines is reasonably necessary to prevent an adverse
14 impact on the supply or price of energy in this state.

15 *b1329/1.12* SECTION 2315p. 196.025 (4) of the statutes is created to read:

16 196.025 (4) (a) In consultation with the department of administration and the
17 department of revenue, the commission shall study the establishment of a program
18 for providing incentives for the development of high-efficiency, small-scale electric
19 generating facilities in this state that do either of the following:

20 1. Provide benefits in the form of support for electric distribution or
21 transmission systems, power quality or environmental performance.

22 2. Employ technologies such as combined heat and power systems, fuel cells,
23 microturbines or photovoltaic systems that may be situated in, on or next to
24 buildings or other electric load centers.

1 (b) No later than January 1, 2001, the commission shall submit a report of its
2 findings and recommendations under par. (a) to the chief clerk of each house of the
3 legislature for distribution to the appropriate standing committees under s. 13.172
4 (3).

5 ***b1329/1.12* SECTION 2315t.** 196.025 (5) of the statutes is created to read:

6 196.025 (5) (a) The commission shall contract with an expert consultant in
7 economics to conduct a study on the potential for horizontal market power, including
8 the horizontal market power of electric generators, to frustrate the creation of an
9 effectively competitive retail electricity market in this state and to make
10 recommendations on measures to eliminate such market power on a sustainable
11 basis. The study shall include each of the following:

- 12 1. An assessment of the effect of each recommendation on public utility workers
13 and shareholders and on rates for each class of public utility customers.
- 14 2. An evaluation of the impact of transmission constraints on the market power
15 of electric generators in local areas.

16 (b) No later than January 1, 2001, the commission shall submit a report of the
17 results of the study under par. (a) to the chief clerk of each house of the legislature
18 for distribution to the appropriate standing committees under s. 13.172 (3).

19 ***b1329/1.12* SECTION 2315x.** 196.192 of the statutes is created to read:

20 **196.192 Market-based compensation, rates and contracts.** (1) In this
21 section, “electric public utility” means a public utility whose purpose is the
22 generation, distribution and sale of electric energy.

23 (2) No later than March 1, 2000, each investor-owned electric public utility
24 shall do each of the following:

1 (a) File with the commission rates that result in customers receiving
2 market-based compensation for voluntary interruptions of firm load during peak
3 periods of electric use.

4 (b) File with the commission market-based pricing options and options for
5 individual contracts that allow a retail customer, through service from its existing
6 public utility, to receive market benefits and subject itself to market risks for the
7 customer's purchases of capacity or energy.

8 (3) (a) The commission shall approve market-based rates that are consistent
9 with the options specified in sub. (2), except that the commission may not approve
10 a market-based rate unless the commission determines that the rate will not harm
11 shareholders of the investor-owned electric public utility or customers who are not
12 subject to the rate.

13 (b) Nothing in s. 196.20, 196.21, 196.22, 196.37, 196.60 or 196.604 prohibits the
14 commission from approving a filing under sub. (2) or approving market-based rates
15 under par. (a).

16 (4) Subject to any approval of the commission that is necessary, an electric
17 public utility that is not an investor-owned electric public utility may implement
18 market-based rates approved under sub. (3) (a) or implement the options in filings
19 under sub. (2) that are approved by the commission.”

20 *b1329/1.13* **972.** Page 1185, line 19: after that line insert:

21 *b1329/1.13* “SECTION 2334d. 196.31 (1) (intro.) of the statutes is amended
22 to read:

23 196.31 (1) (intro.) In any proceeding before the commission, the commission
24 may shall compensate any participant in the proceeding who is not a public utility,

1 for some or all of the reasonable costs of participation in the proceeding if the
2 commission finds that:

3 ***b1329/1.13* SECTION 2334h.** 196.31 (1)(a) of the statutes is amended to read:

4 196.31 (1) (a) The participation is necessary to provide for the record an
5 adequate presentation of a significant position in which the participant has a
6 substantial interest, and that an adequate presentation would not be possible occur
7 without a grant of compensation; or

8 ***b1329/1.13* SECTION 2334p.** 196.374 of the statutes is repealed and
9 recreated to read:

10 **196.374 Low-income assistance, energy efficiency and other**
11 **programs.** (1) In this section:

12 (a) "Department" means the department of administration.

13 (b) "Fund" means the utility public benefits fund.

14 (c) "Utility" means a Class A gas or electric utility, as defined by the
15 commission, but does not include a municipal utility, as defined in s. 16.957 (1) (q),
16 a municipal electric company, as defined in s. 66.073 (3) (d), or a cooperative
17 association organized under ch. 185.

18 (2) The commission shall determine the amount that each utility spent in 1998
19 on programs for low-income assistance, including writing off uncollectibles and
20 arrearages, low-income weatherization, energy conservation and efficiency,
21 environmental research and development, and renewable resources.

22 (3) In 1999, 2000 and 2001, the commission shall require each utility to spend
23 a decreasing portion of the amount determined under sub. (2) on programs specified
24 in sub. (2) and contribute the remaining portion of the amount to the commission for
25 deposit in the fund. In each year after 2001, each utility shall contribute the entire

1 amount determined under sub. (2) to the commission for deposit in the fund. The
2 commission shall ensure in rate-making orders that a utility recovers from its
3 ratepayers the amounts spent on programs or contributed to the fund under this
4 subsection. The commission shall allow each utility the option of continuing to use,
5 until January 1, 2001, the moneys that it has recovered under s. 196.374 (3), 1997
6 stats., to administer the programs that it has funded under s. 196.374 (1), 1997 stats.
7 The commission may allow each utility to spend additional moneys on the programs
8 specified in sub. (2) if the utility otherwise complies with the requirements of this
9 section and s. 16.957 (4).

10 (4) If the department notifies the commission under s. 16.957 (2) (b) 2. that the
11 department has reduced funding for energy conservation and efficiency and
12 renewable resource programs, the commission shall reduce the amount that a utility
13 is required to spend on programs or contribute to the fund under sub. (3) by the
14 percentage by which the department has reduced the funding.

15 *b1329/1.13* SECTION 2334t. 196.378 of the statutes is created to read:

16 **196.378 Renewable resources.** (1) DEFINITIONS. In this section:

17 (a) "Biomass" means a resource that derives energy from wood or plant
18 material or residue, biological waste, crops grown for use as a resource or landfill
19 gases. "Biomass" does not include garbage, as defined in s. 289.01 (9), or
20 nonvegetation-based industrial, commercial or household waste, except that
21 "biomass" includes refuse-derived fuel used for a renewable facility that was in
22 service in this state before January 1, 1998.

23 (b) "Conventional resource" means a resource that derives energy from coal, oil,
24 nuclear power or natural gas, except for natural gas used in a fuel cell.

25 (bm) "Department" means the department of administration.

1 (c) “Electric provider” means an electric utility or retail electric cooperative.

2 (d) “Electric utility” means a public utility that sells electricity at retail. For
3 purposes of this paragraph, a public utility is not considered to sell electricity at
4 retail solely on the basis of its ownership or operation of a retail electric distribution
5 system.

6 (e) “Excludable renewable capacity” means the portion of an electric provider’s
7 total renewable capacity that is supplied from renewable facilities that were placed
8 in service before January 1, 1998, and that, before January 1, 1998, derived
9 electricity from hydroelectric power, even if the output of the renewable facilities is
10 used to satisfy requirements under federal law.

11 (f) “Nonsystem renewable energy” means the amount of electricity that an
12 electric provider sells to its retail customers or members and that is supplied or
13 allocated under executed wholesale purchase contracts from renewable facilities
14 that are not owned or operated by the electric provider. “Nonsystem renewable
15 energy” does not include any electricity that is not used to satisfy the electric
16 provider’s retail load obligations.

17 (g) “Renewable facility” means an installed and operational electric generating
18 facility in which energy is derived from a renewable resource. “Renewable facility”
19 includes a facility the installation or operation of which is required under federal law,
20 but does not include a facility the installation or operation of which is required under
21 the laws of another state even if the installation or operation of the facility is also
22 required under federal law.

23 (h) “Renewable resource” means any of the following:

24 1. A resource that derives electricity from any of the following:

25 a. A fuel cell that uses, as determined by the commission, a renewable fuel.

1 b. Tidal or wave action.

2 c. Solar thermal electric or photovoltaic energy.

3 d. Wind power.

4 e. Geothermal technology.

5 g. Biomass.

6 1m. A resource with a capacity of less than 60 megawatts that derives
7 electricity from hydroelectric power.

8 2. Any other resource, except a conventional resource, that the commission
9 designates as a renewable resource in rules promulgated under sub. (4).

10 (i) "Renewable resource credit" means a credit calculated in accordance with
11 rules promulgated under sub. (3) (a).

12 (j) "Resource" means a source of electric power generation.

13 (k) "Retail electric cooperative" means a cooperative association organized
14 under ch. 185 that sells electricity at retail to its members only. For purposes of this
15 paragraph, a cooperative association is not considered to sell electricity at retail
16 solely on the basis of its ownership or operation of a retail electric distribution
17 system.

18 (n) "System renewable energy" means the amount of electricity that an electric
19 provider sells to its retail customers or members and that is supplied by renewable
20 facilities owned or operated by the electric provider.

21 (o) "Total renewable energy" means the sum of an electric provider's system and
22 nonsystem renewable energy.

23 **(2) RENEWABLE RESOURCE ENERGY.** (a) Each electric provider shall provide to its
24 retail electric customers or members total renewable energy in at least the following

1 percentages of its total retail energy sales, either directly or through renewable
2 resource credits from another electric provider:

- 3 1. By December 31, 2000, 0.5%.
- 4 2. By December 31, 2002, 0.85%.
- 5 3. By December 31, 2004, 1.2%.
- 6 4. By December 31, 2006, 1.55%.
- 7 5. By December 31, 2008, 1.9%.
- 8 6. By December 31, 2010, 2.2%.

9 (b) For purposes of determining compliance with par. (a):

10 1. Total retail energy sales shall be calculated on the basis of an average of an
11 electric provider's retail energy sales in this state during the prior 3 years.

12 2. The amount of electricity supplied by a renewable facility in which biomass
13 and conventional fuels are fired together shall be equal to the product of the
14 maximum amount of electricity that the facility is capable of generating and the ratio
15 of the British thermal unit content of the biomass fuels to the British thermal unit
16 content of both the biomass and conventional resource fuels.

17 3. Any excludable renewable energy that exceeds 0.6% of an electric provider's
18 total retail energy sales shall be excluded from the electric provider's total renewable
19 energy.

20 (c) No later than April 15 annually, an electric provider shall submit a report
21 to the department that describes the electric provider's compliance with par. (a).
22 Reports under this paragraph may include certifications from wholesale suppliers
23 regarding the sources and amounts of energy supplied to an electric provider. The
24 department may specify the documentation that is required to be included with
25 reports submitted under this paragraph.

1 (d) The commission shall allow an electric utility to recover from ratepayers the
2 cost of providing total renewable energy to its retail customers or members in
3 amounts that equal or exceed the percentages specified in par. (a). Subject to any
4 approval of the commission that is necessary, an electric utility may recover costs
5 under this paragraph by any of the following methods:

6 1. Allocating the costs equally to all customers or members on a kilowatt-hour
7 basis.

8 2. Establishing alternative price structures, including price structures under
9 which customers or members pay a premium for renewable energy.

10 3. Any combination of the methods specified in subds. 1. and 2.

11 (e) 1. This subsection does not apply to any of the following:

12 a. An electric provider that provides more than 10% of its summer peak demand
13 in this state from renewable facilities.

14 b. An electric provider that provides more than 10% of its summer peak demand
15 from renewable resources.

16 2. For purposes of calculating the percentages under subd. 1., an electric
17 provider may include renewable facilities located in this or another state and
18 renewable facilities located on its or another electric provider's system.

19 3. Notwithstanding subd. 1., this subsection applies to an electric provider
20 unless the electric provider provides documentation to the commission that
21 establishes, to the satisfaction of the commission, that the electric provider satisfies
22 the requirements under subd. 1. a. or b.

23 **(3) RENEWABLE RESOURCE CREDITS.** (a) An electric provider that provides total
24 renewable energy to its retail electric customers or members in excess of the
25 percentages specified in sub. (2) (a) 1. to 6. may, in the applicable year, sell to any

1 other electric provider a renewable resource credit or a portion of a renewable
2 resource credit at any negotiated price. Alternatively, an electric provider may use
3 a renewable resource credit or portion of a renewable resource credit in a subsequent
4 year to establish compliance with sub. (2) (a). The commission shall promulgate
5 rules that establish requirements for calculating the amount of a renewable resource
6 credit.

7 (b) The commission may promulgate rules that establish requirements and
8 procedures for a sale under par. (a).

9 (4) RULES. The commission may promulgate rules that designate a resource,
10 except for a conventional resource, as a renewable resource in addition to the
11 resources specified in sub. (1) (g) 1. and 1m.

12 (5) PENALTY. Any person who violates sub. (2) or any wholesale supplier who
13 provides an electric provider with a false or misleading certification regarding the
14 sources or amounts of energy supplied to the electric provider shall forfeit not less
15 than \$5,000 nor more than \$500,000. Forfeitures under this subsection shall be
16 enforced by action on behalf of the state by the attorney general. A court imposing
17 a forfeiture under this subsection shall consider all of the following in determining
18 the amount of the forfeiture:

19 (a) The appropriateness of the forfeiture to the person's or wholesale supplier's
20 volume of business.

21 (b) The gravity of the violation.

22 (c) Whether a violation of sub. (2) is due to circumstances beyond the violator's
23 control.”.

24 *b1329/1.14* **973**. Page 1186, line 2: after that line insert:

1 ***b1329/1.14* SECTION 2335ta.** 196.485 (title) of the statutes is repealed and
2 recreated to read:

3 **196.485 (title) Transmission system requirements.**

4 ***b1329/1.14* SECTION 2335tb.** 196.485 (1) (am) of the statutes is created to
5 read:

6 196.485 (1) (am) “Contribute a transmission facility” means to divest a person’s
7 interest in the transmission facility and to transfer ownership of the transmission
8 facility and associated deferred tax reserves to another person.

9 ***b1329/1.14* SECTION 2335tc.** 196.485 (1) (be) of the statutes is created to
10 read:

11 196.485 (1) (be) “Director” means, with respect to a transmission company
12 organized as a corporation under ch. 180, a member of the board of directors of the
13 transmission company.

14 ***b1329/1.14* SECTION 2335td.** 196.485 (1) (bs) of the statutes is created to
15 read:

16 196.485 (1) (bs) “Electric utility” has the meaning given in s. 196.491 (1) (d).

17 ***b1329/1.14* SECTION 2335te.** 196.485 (1) (dm) (intro.) of the statutes is
18 amended to read:

19 196.485 (1) (dm) (intro.) “Independent transmission owner” ~~means;~~

20 1m. Means a person that satisfies each of the following:

21 ***b1329/1.14* SECTION 2335tf.** 196.485 (1) (dm) 1. of the statutes is
22 renumbered 196.485 (1) (dm) 1m. a.

23 ***b1329/1.14* SECTION 2335tg.** 196.485 (1) (dm) 2. of the statutes is created to
24 read:

25 196.485 (1) (dm) 2. Does not include the transmission company.

1 ***b1329/1.14* SECTION 2335th.** 196.485 (1) (dm) 3. of the statutes is
2 renumbered 196.485 (1) (dm) 1m. b. and amended to read:

3 196.485 (1) (dm) 1m. b. The person is not an affiliated interest of a person
4 specified in subd. ~~1.~~ 1m. a.

5 ***b1329/1.14* SECTION 2335ti.** 196.485 (1) (do) of the statutes is created to
6 read:

7 196.485 (1) (do) “Land right” means any right in real property, including fee
8 simple ownership or a right-of-way or easement, that has been acquired for a
9 transmission facility that is located or intended to be located on the real property.

10 ***b1329/1.14* SECTION 2335tk.** 196.485 (1) (dq) of the statutes is created to
11 read:

12 196.485 (1) (dq) “Manager” means, with respect to a transmission company
13 organized as a limited liability company under ch. 183, a manager, as defined in s.
14 183.0102 (13), of the transmission company.

15 ***b1329/1.14* SECTION 2335tL.** 196.485 (1) (dr) of the statutes is created to
16 read:

17 196.485 (1) (dr) “Merger enforcement policy” means the enforcement policy of
18 the federal department of justice and the federal trade commission regarding
19 horizontal acquisitions and mergers that are subject to 15 USC 1, 18 or 45.

20 ***b1329/1.14* SECTION 2335tm.** 196.485 (1) (ds) of the statutes is created to
21 read:

22 196.485 (1) (ds) “Midwest independent system operator” means the
23 independent system operator the establishment of which the federal energy
24 regulatory commission has conditionally authorized in an order issued on September
25 16, 1998, or the successor to such independent system operator.

1 ***b1329/1.14* SECTION 2335tn.** 196.485 (1) (dt) of the statutes is created to
2 read:

3 196.485 (1) (dt) “Nontransmission utility security holder” means a security
4 holder that is not a transmission utility security holder.

5 ***b1329/1.14* SECTION 2335to.** 196.485 (1) (dv) of the statutes is created to
6 read:

7 196.485 (1) (dv) “Organizational start-up date” means, with respect to a
8 transmission company that is organized as a limited liability company under ch. 183,
9 the date on which the articles of organization become effective under s. 183.0111 or,
10 with respect to a transmission company that is organized as a corporation under ch.
11 180, the date on which the articles of incorporation become effective under s.
12 180.0123.

13 ***b1329/1.14* SECTION 2335tp.** 196.485 (1) (em) of the statutes is created to
14 read:

15 196.485 (1) (em) “Retail electric cooperative” means a cooperative that provides
16 retail electric service to its members.

17 ***b1329/1.14* SECTION 2335tq.** 196.485 (1) (fe) of the statutes is created to
18 read:

19 196.485 (1) (fe) “Security” means, with respect to a transmission company
20 organized as a corporation under ch. 180, a share, as defined in s. 180.0103 (15), and,
21 with respect to a transmission company organized as a limited liability company
22 under ch. 183, a limited liability company interest, as defined in s. 183.0102 (11).

23 ***b1329/1.14* SECTION 2335tr.** 196.485 (1) (ge) of the statutes is created to
24 read:

1 196.485 (1) (ge) “Transmission company” means a corporation organized under
2 ch. 180 or a limited liability company organized under ch. 183 that has as its sole
3 purpose the planning, constructing, operating, maintaining and expanding of
4 transmission facilities that it owns to provide for an adequate and reliable
5 transmission system that meets the needs of all users that are dependent on the
6 transmission system and that supports effective competition in energy markets
7 without favoring any market participant.

8 ***b1329/1.14* SECTION 2335ts.** 196.485 (1) (gm) of the statutes is created to
9 read:

10 196.485 (1) (gm) “Transmission dependent utility” means an electric utility
11 that is not a transmission utility and that is dependent on the transmission system
12 of another person for delivering electricity to the public utility’s customers.

13 ***b1329/1.14* SECTION 2335tt.** 196.485 (1) (j) of the statutes is created to read:

14 196.485 (1) (j) “Transmission utility security holder” means a person that is a
15 security holder of a transmission company, is an investor–owned transmission utility
16 in the transmission area and has contributed its transmission facilities to the
17 transmission company.

18 ***b1329/1.14* SECTION 2335tu.** 196.485 (1m) of the statutes is created to read:

19 196.485 (1m) DUTY TO PROVIDE TRANSMISSION SERVICE. (a) The duty of any
20 electric utility that has contributed its transmission facilities to the transmission
21 company to finance, construct, maintain or operate a transmission facility shall
22 terminate on the date, as determined by the commission under sub. (2) (d), that the
23 transmission company begins operations.

24 (b) After beginning operations, the transmission company shall have the
25 exclusive duty to provide transmission service in those areas in which transmission

1 facilities have been contributed. The duty under this paragraph shall terminate on
2 the date, as determined by the commission under sub. (2) (d), that the Midwest
3 independent system operator begins operations.

4 (c) After beginning operations, the Midwest independent system operator shall
5 have the exclusive duty to provide transmission service in the transmission area and
6 shall ensure that each transmission facility in the transmission area that is under
7 its operational control is planned, constructed, operated, maintained and controlled
8 as part of a single transmission system.

9 ***b1329/1.14* SECTION 2335tv.** 196.485 (2) (a) (intro.) of the statutes is
10 amended to read:

11 196.485 (2) (a) (intro.) By June 30, 2000, if a transmission utility has not
12 transferred control over its transmission facilities to an independent system
13 operator that is approved by the applicable federal agency or divested, with approval
14 of the applicable federal agency and, for a public utility, the commission, its interest
15 in its transmission facilities to an independent transmission owner, the commission
16 shall, subject to ~~par.~~ pars. (am) and (ar), order the transmission utility to apply to the
17 applicable federal agency to do one of the following:

18 ***b1329/1.14* SECTION 2335tw.** 196.485 (2) (ar) of the statutes is created to
19 read:

20 196.485 (2) (ar) The commission shall waive the requirement to issue an order
21 against a transmission utility under par. (a) if the transmission utility shows, to the
22 satisfaction of the commission, that a transfer of its transmission facilities to the
23 Midwest independent system operator may have the effect of jeopardizing the
24 tax-exempt status of the transmission utility or its securities under the Internal
25 Revenue Code. A waiver under this paragraph shall be in effect until the commission

1 determines that the proposed transfer does not have the effect described in this
2 paragraph.

3 *b1329/1.14* SECTION 2335tx. 196.485 (2) (bx) of the statutes is created to
4 read:

5 196.485 (2) (bx) If the Midwest system operator fails to commence operations
6 or ceases operations, the requirements of this section that apply to the Midwest
7 independent system operator shall apply to any other independent system operator
8 or regional transmission organization that is authorized under federal law to operate
9 in this state. The commission shall require that any transfer of transmission
10 facilities to such independent system operator or regional transmission organization
11 satisfies the requirements of this section.

12 *b1329/1.14* SECTION 2335ty. 196.485 (2) (d) of the statutes is created to read:

13 196.485 (2) (d) The commission shall determine each of the following:

14 1. The date on which the transmission company begins operations.

15 2. Whether the Midwest independent system operator has begun operations
16 and the date on which such operations have begun.

17 *b1329/1.14* SECTION 2335tz. 196.485 (3) (bm) of the statutes is repealed.

18 *b1329/1.14* SECTION 2335ub. 196.485 (3m) of the statutes is created to read:

19 196.485 (3m) TRANSMISSION COMPANY. (a) *Duties*. 1. The transmission company
20 shall do each of the following:

21 a. Apply for any approval under state or federal law that is necessary for the
22 transmission company to begin operations no later than November 1, 2000.

23 b. Subject to any approval required under state or federal law, contract with
24 each transmission utility that has transferred transmission facilities to the
25 transmission company for the transmission utility to provide reasonable and

1 cost-effective operation and maintenance services to the transmission company
2 during the 3-year period after the transmission company first begins operations.
3 The transmission company and a transmission utility may, subject to any approval
4 required under federal or state law, agree to an extension of such 3-year period.

5 c. Assume the obligations of a transmission utility that has transferred
6 ownership of its transmission facilities to the transmission company under any
7 agreement by the transmission utility to provide transmission service over its
8 transmission facilities or credits for the use of transmission facilities, except that the
9 transmission company may modify such an agreement to the extent allowed under
10 the agreement and to the extent allowed under state or federal law.

11 d. Apply for membership in the Midwest independent system operator as a
12 single zone for pricing purposes that includes the transmission area and, upon a
13 determination by the commission under sub. (2) (d) that the Midwest independent
14 system operator has begun operations, transfer operational control of the
15 transmission company's transmission facilities to the Midwest independent system
16 operator.

17 e. Remain a member of the Midwest independent system operator, or any
18 independent system operator or regional transmission organization that has been
19 approved under federal law to succeed the Midwest independent system operator, for
20 at least the 6-year transition period that is specified in the agreement conditionally
21 approved by the federal energy regulatory commission that establishes the Midwest
22 independent system operator.

23 f. Except as provided in subd. 4., elect to be included in a single zone for the
24 purpose of any tariff administered by the Midwest independent system operator.

25 2. The transmission company may not do any of the following:

1 a. Sell or transfer its assets to, or merge its assets with, another person, unless
2 the assets are sold, transferred or merged on an integrated basis and in a manner
3 that ensures that the transmission facilities in the transmission area are planned,
4 constructed, operated, maintained and controlled as a single transmission system.

5 b. Bypass the distribution facilities of an electric utility or provide electric
6 service directly to a retail customer.

7 c. Own electric generation facilities or sell, market or broker electric capacity
8 or energy in a relevant wholesale or retail market as determined by the commission,
9 except that, if authorized or required by the federal energy regulatory commission,
10 the transmission company may procure or resell ancillary services obtained from 3rd
11 parties, engage in redispatch activities that are necessary to relieve transmission
12 constraints or operate a control area.

13 3. Notwithstanding subd. 1. a., the transmission company may not begin
14 operations until it provides an opinion to the commission from a nationally
15 recognized investment banking firm that the transmission company is able to
16 finance, at a reasonable cost, its start-up costs, working capital and operating
17 expenses and the cost of any new facilities that are planned.

18 4. If the transmission charges or rates of any transmission utility in the
19 transmission area are 10% or more below the average transmission charges or rates
20 of the transmission utilities in the transmission area on the date, as determined by
21 the commission, that the last public utility affiliate files a commitment with the
22 commission under sub. (5) (a) 2., the transmission company shall, after consulting
23 with each public utility affiliate that has filed a commitment under sub. (5) (a) 2.,
24 prepare a plan for phasing in a combined single zone rate for the purpose of pricing
25 network use by users of the transmission system operated by the Midwest

1 independent system operator and shall seek plan approval by the federal energy
2 regulatory commission and the Midwest independent system operator. A plan under
3 this subdivision shall phase in an average-cost price for the combined single zone in
4 equal increments over a 5-year period, except that, under the plan, transmission
5 service shall be provided to all users of the transmission system on a single-zone
6 basis during the phase-in period.

7 (b) *Powers.* The transmission company may do any of the following:

8 1. Subject to the approval of the commission under s. 196.491 (3), construct and
9 own transmission facilities, including high-voltage transmission lines, as defined in
10 s. 196.491 (1) (f), in the transmission area or in any other area of the state in which
11 transmission facilities that have been contributed to the transmission company are
12 located. This subdivision does not affect the right or duty of an electric utility that
13 is not located in the transmission area or that has not contributed its transmission
14 facilities to the transmission company to construct or own transmission facilities.

15 2. Subject to any approval required under state or federal law, purchase or
16 acquire transmission facilities in addition to the transmission facilities contributed
17 under sub. (5) (b).

18 (c) *Organization.* The articles of organization, as defined in s. 183.0102 (1), of
19 a transmission company that is organized as a limited liability company under ch.
20 183 or the bylaws of a transmission company that is organized as a corporation under
21 ch. 180 shall provide for each of the following:

22 1. That the transmission company has no less than 5 nor more than 14
23 managers or directors, except that the articles of organization or bylaws may allow
24 the requirements of this subdivision to be modified upon a unanimous vote of the
25 managers or directors during the 10-year period after the organizational start-up

1 date or upon a two-thirds vote of the board of directors or managers after such
2 10-year period.

3 2. That at least 4 managers or directors of the transmission company have
4 staggered 4-year terms, are elected by a majority vote of the security holders and are
5 not directors, employees or independent contractors of a person engaged in the
6 production, sale, marketing, transmission or distribution of electricity or natural gas
7 or of an affiliate of such a person.

8 3. That, during the 10-year period after the organizational start-up date, each
9 of the following is satisfied, subject to the limitation on the number of managers or
10 directors under subd. 1.:

11 a. Each nontransmission utility security holder that owns 10% or more of the
12 outstanding voting securities of the transmission company may appoint one
13 manager or director of the transmission company for a one-year term, except that
14 the requirements of this subd. 3. a. may be modified upon a unanimous vote of the
15 managers or directors.

16 b. Each group of nontransmission utility security holders that, as a group, owns
17 10% or more of the outstanding voting securities of the transmission company may
18 appoint one manager or director of the transmission company for a one-year term
19 if the group has entered into a written agreement regarding the appointment and the
20 group files the agreement with the secretary of the transmission company, except
21 that the requirements of this subd. 3. b. may be modified upon a unanimous vote of
22 the managers or directors.

23 c. Each person that receives at least 5% of the voting securities of the
24 transmission company under sub. (6) (a) or (b) may appoint one manager or director

1 of the transmission company for a one-year term if the person continues to hold at
2 least a 5% equity interest in the transmission company during the one-year term.

3 d. Each transmission utility security holder may appoint one manager or
4 director of the transmission company for a one-year term.

5 4. That, during the 5-year period after the organizational start-up date, no
6 public utility affiliate that contributes transmission facility assets to the
7 transmission company under sub. (5) (b) and no affiliate of such a public utility
8 affiliate may increase its percentage share of the outstanding securities of the
9 transmission company prior to any initial issuance of securities by the transmission
10 company to any 3rd party other than a 3rd party exercising its right to purchase
11 securities under sub. (6) (b), except that this subdivision does not apply to securities
12 that are issued by the transmission company in exchange for transmission facilities
13 that are contributed in addition to the transmission facilities that are contributed
14 under sub. (5) (b) and except that the requirements of this subdivision may be
15 modified upon a unanimous vote of the managers or directors.

16 5. That, beginning 3 years after the organizational start-up date, any holder
17 of 10% or more of the securities of the transmission company may require the
18 transmission company to comply with any state or federal law that is necessary for
19 the security holder to sell or transfer its shares.

20 (d) *Commission jurisdiction.* The transmission company is subject to the
21 jurisdiction of the commission except to the extent that it is subject to the exclusive
22 jurisdiction of the federal energy regulatory commission.

23 *b1329/1.14* SECTION 2335ud. 196.485 (4) (a) (intro.) of the statutes is
24 amended to read:

1 196.485 (4) (a) (intro.) ~~A~~ Except as provided in par. (am), a transmission utility
2 may not transfer control over, or divest its interest in, its transmission facilities to
3 an independent system operator or independent transmission owner unless, to the
4 satisfaction of the commission, each of the following requirements is satisfied:

5 ***b1329/1.14* SECTION 2335uf.** 196.485 (4) (am) of the statutes is created to
6 read:

7 196.485 (4) (am) Each transmission utility in the transmission area that is a
8 public utility shall become a member of the Midwest independent system operator
9 no later than June 30, 2000, and shall transfer operational control over its
10 transmission facilities to the Midwest independent system operator. Each such
11 transmission utility that has not contributed its transmission facilities to the
12 transmission company shall elect to become part of the single zone for pricing
13 purposes within the Midwest independent system operator and any phase-in plan
14 prepared under sub. (3m) (a) 4.

15 ***b1329/1.14* SECTION 2335uh.** 196.485 (5) of the statutes is created to read:
16 196.485 (5) PUBLIC UTILITY AFFILIATES. (a) *Asset cap exception.* Section 196.795
17 (6m) (e) does not apply to the eligible assets of a nonutility affiliate in a holding
18 company system unless each public utility affiliate in the holding company system
19 does each of the following:

20 1. Petitions the commission and the federal energy regulatory commission to
21 approve the transfer of operational control of all the public utility affiliate's
22 transmission facilities in this state and in Iowa, Michigan, Minnesota and Illinois to
23 the Midwest independent system operator.

24 2. Files with the commission an unconditional, irrevocable and binding
25 commitment to contribute, no later than June 30, 2000, all of the transmission

1 facilities that the public utility affiliate owns or operates in this state on the effective
2 date of this subdivision [revisor inserts date], and land rights, to the transmission
3 company. A filing under this subdivision shall specify a date no later than June 30,
4 2000, on which the public utility affiliate will complete the contribution of
5 transmission facilities.

6 3. Files with the commission an unconditional, irrevocable and binding
7 commitment to contribute, and to cause each entity into which it merges or
8 consolidates or to which it transfers substantially all of its assets to contribute, any
9 transmission facility in this state the ownership or control of which it acquires after
10 the effective date of this subdivision [revisor inserts date], and land rights, to the
11 transmission company.

12 4. Notifies the commission in writing that the public utility affiliate has become
13 a member of the Midwest independent system operator, has agreed to transfer its
14 transmission facilities to the Midwest independent system operator and has
15 committed not to withdraw its membership prior to the date on which the public
16 utility affiliate contributes transmission facilities to the transmission company
17 under par. (b).

18 5. Petitions the commission and the federal energy regulatory commission to
19 approve the contributions specified in subds. 2. and 3. and agrees in such a petition
20 not to withdraw the petition in the event that the commission or the federal energy
21 regulatory commission conditions its approval on changes that are consistent with
22 state or federal law.

23 (b) *Contribution of transmission facilities.* 1. A public utility affiliate may not
24 contribute a transmission facility to the transmission company until the commission
25 has reviewed the terms and conditions of the transfer to determine whether the

1 transfer satisfies the requirements of this subsection and has issued an order
2 approving or modifying the terms and conditions of the transfer. An order under this
3 subdivision that modifies the terms and conditions of a transfer may allow a public
4 utility affiliate to recover in retail rates any adverse tax consequences of the transfer
5 as a transition cost.

6 2. The transmission company and a public utility affiliate that files a
7 commitment to contribute transmission facilities under par. (a) 2. shall structure the
8 transfer of the transmission facilities in a manner that satisfies each of the following:

9 a. The structure of the transfer avoids or minimizes the material adverse tax
10 consequences to the public utility affiliate that result from the transfer and avoids
11 or minimizes material adverse consequences on public utility rates that do not arise
12 out of combining the transmission company's facilities into a single zone in the
13 Midwest independent system operator.

14 b. To the extent practicable, the structure of the transfer satisfies the
15 requirements of the Internal Revenue Service for a tax-free transfer.

16 3. The requirements under subd. 2. b. shall, if practicable, be satisfied by the
17 transmission company's issuance of a preferred class of securities that provides the
18 fixed-cost portion of the resulting capital structure of the transmission company.
19 The transmission company shall issue preferred securities under this subdivision on
20 a basis that does not dilute the voting rights of the initial security holders relative
21 to the value of their initial contributions.

22 4. If the transfer of transmission assets under this paragraph results in a
23 capital structure of the transmission company in which the percentage of common
24 equity is materially higher than that of the public utility affiliates who made the
25 transfer, or if the cost of the fixed-cost portion of the capital structure of the

1 transmission company is materially higher than that of the public utility affiliates
2 who made the transfer, the public utility affiliates shall enter into a contract with the
3 transmission company under which the public utility affiliates agree to accept from
4 the transmission company a return on common equity based upon the equity rate of
5 return approved by the federal energy regulatory commission and upon an imputed
6 capital structure that assigns to a portion of the public utility affiliates' common
7 equity holdings an imputed debt return that is consistent with the requirements of
8 this subdivision. A contract under this subdivision shall specify that the public
9 utility affiliates shall be required to accept the return on common equity described
10 in this subdivision only until such time that the federal energy regulatory
11 commission determines that the actual capital structure and capital costs of the
12 transmission company are appropriate and consistent with industry practice for a
13 regulated public utility that provides electric transmission service in interstate
14 commerce.

15 5. If, at the time that a public utility affiliate files a commitment under par. (a)
16 2., the public utility affiliate has applied for or obtained a certificate of public
17 convenience and necessity under s. 196.491 (3) or a certificate under s. 196.49 for the
18 construction of transmission facilities, the public utility affiliate shall do each of the
19 following:

20 a. Proceed with diligence with respect to obtaining the certificate and, except
21 as provided in subd. 6., constructing the transmission facilities.

22 b. If the commission determines that the cost of the transmission facilities is
23 reasonable and prudent, transfer the transmission facilities to the transmission
24 company at net book value when construction is completed in exchange for additional

1 securities of the transmission company on a basis that is consistent with the
2 securities that were initially issued to the public utility affiliate.

3 6. If the construction of a transmission facility specified in subd. 5. a. is not
4 completed within 3 years after a certificate is issued for the transmission facility
5 under s. 196.49 or 196.491 (3), the transmission company may assume responsibility
6 for completing construction of the transmission facility. If the transmission company
7 assumes responsibility for completing construction under this subdivision, the
8 transmission company shall carry out any obligation under any contract entered into
9 by the public utility with respect to the construction until the contract is modified or
10 rescinded by the transmission company to the extent allowed under the contract.

11 7. Any transmission facilities that are contributed to the transmission
12 company shall be valued at net book value at the time of the transfer.

13 (bm) *Lease of transmission facilities.* If a public utility affiliate is not able to
14 contribute its transmission facilities to the transmission company as required under
15 par. (b) due to merger-related accounting requirements, the public utility affiliate
16 shall transfer the transmission facilities to the transmission company under a lease
17 for the period of time during which the accounting requirements are in effect and,
18 after such requirements are no longer in effect, contribute the transmission facilities
19 to the transmission company under par. (b). A public utility affiliate that transfers
20 transmission facilities under a lease under this paragraph does not qualify for the
21 asset cap exception under par. (a) unless, during the term of the lease, the public
22 utility affiliate does not receive any voting interest in the transmission company.

23 (c) *Contribution of land rights.* 1. A public utility affiliate that commits to
24 contributing land rights to the transmission company under par. (a) 2. shall do each
25 of the following:

1 a. Except as provided in subd. 2., if the land right is assigned to a transmission
2 account for rate-making purposes and is not jointly used for electric and gas
3 distribution facilities by the public utility affiliate, the public utility affiliate shall
4 convey or assign at book value all of its interest in the land right to the transmission
5 company, except that any conveyance or assignment under this subd. 1. a. shall be
6 subject to the rights of any joint user of the land right and to the right of the public
7 utility affiliate to nondiscriminatory access to the real estate that is subject to the
8 land right.

9 b. If the land right is jointly used, or is intended to be jointly used, for electric
10 and gas distribution facilities by the public utility affiliate, the public utility affiliate
11 shall enter into a contract with the transmission company that grants the
12 transmission company a right to place, maintain, modify or replace the transmission
13 company's transmission facilities on the real property that is subject to the land right
14 during the life of the transmission facilities and the life of any replacements of the
15 transmission facilities. A right granted in a contract under this subd. 1. b. shall be
16 paramount to the right of any other user of the land right, except that a right granted
17 in such a contract shall be on par with the right of the public utility affiliate to use
18 the land right for electric or gas distribution facilities.

19 2. If a public utility affiliate is prohibited from making a conveyance or
20 assignment described in subd. 1. a., the public utility affiliate shall enter into a
21 contract with the transmission company that grants the transmission company
22 substantially the same rights as under such a conveyance or assignment. For
23 purposes of a contract under this subdivision, a land right shall be valued at book
24 value, not at market value.

1 3. The commission shall resolve any dispute over the contribution of a land
2 right under subd. 1. or 2., including a dispute over the valuation of such a land right,
3 unless a federal agency exercises jurisdiction over the dispute. During the pendency
4 of any dispute that is before the commission or a federal agency, the transmission
5 company shall be entitled to use the land right that is the subject to the dispute and
6 shall be required to pay any compensation that is in dispute into an escrow account.

7 ***b1329/1.14* SECTION 2335uj.** 196.485 (6) of the statutes is created to read:

8 196.485 (6) ELECTRIC UTILITIES, TRANSMISSION DEPENDENT UTILITIES AND RETAIL
9 ELECTRIC COOPERATIVES. No later than the first day of the 12th month beginning after
10 the first public utility affiliate files a commitment under sub. (5) (a) 2.:

11 (a) An electric utility, other than a public utility affiliate, may transfer all of its
12 integrated transmission facilities to the transmission company on the same terms
13 and conditions as a contribution of transmission facilities and land rights by a public
14 utility affiliate under sub. (5) (b) and (c).

15 (b) A transmission-dependent utility or retail electric cooperative may
16 purchase equity interests in the transmission company at a price that is equivalent
17 to net book value and on terms and conditions that are comparable to those for public
18 utility affiliates that have contributed transmission facilities to the transmission
19 company. A purchaser under this paragraph may contribute funds to the
20 transmission company that are no more than the value of its prorated shares based
21 on firm electric usage in this state in 1999.

22 ***b1329/1.14* SECTION 2335uk.** 196.485 (6m) of the statutes is created to read:

23 196.485 (6m) DIVIDENDS, PROFITS AND GAINS. The commission may not treat any
24 dividend received by a transmission utility from the transmission company or any
25 gain or profit of a transmission utility from the sale or other disposition of securities

1 issued by the transmission company as a credit against the retail revenue
2 requirements of the transmission utility.

3 *b1329/1.14* SECTION 2335um. 196.485 (7) of the statutes is created to read:

4 196.485 (7) ENFORCEMENT. A wholesale or retail customer of a public utility
5 affiliate may petition the circuit court for Dane County for specific performance of
6 a commitment filed under sub. (5) (a) 2. or 3.

7 *b1329/1.14* SECTION 2335uo. 196.485 (8) of the statutes is created to read:

8 196.485 (8) PENALTIES. A public utility affiliate that fails to complete the
9 contribution of transmission facilities to the transmission company by the
10 completion date specified in the filing under sub. (5) (a) 2. shall forfeit \$25,000 for
11 each day that completion of the contribution is delayed if the transmission company
12 is legally able to accept the contribution.

13 *b1329/1.14* SECTION 2335uq. 196.487 of the statutes is created to read:

14 **196.487 Reliability of electric service. (1) DEFINITIONS.** In this section:

15 (a) "Public utility affiliate" has the meaning given in s. 196.795 (1) (L).

16 (b) "Transmission company" has the meaning given in s. 196.485 (1) (ge).

17 (2) COMMISSION ORDER. If the commission determines that a public utility
18 affiliate or the transmission company is not making investments in the facilities
19 under its control that are sufficient to ensure reliable electric service, the commission
20 shall order the public utility affiliate or transmission company to make adequate
21 investments in its facilities that are sufficient to ensure reliable electric service. An
22 order under this subsection shall require the public utility affiliate or transmission
23 company to provide security in an amount and form that, to the satisfaction of the
24 commission, is sufficient to ensure that the public utility affiliate or transmission
25 company expeditiously makes any investment that is ordered.

1 **(3) COST RECOVERY.** The commission shall allow a public utility affiliate that is
2 subject to an order under sub. (2) to recover in its retail electric rates the costs that
3 are prudently incurred in complying with the order.

4 ***b1329/1.14* SECTION 2335wb.** 196.491 (3) (d) 3r. of the statutes is created to
5 read:

6 196.491 (3) (d) 3r. For a high-voltage transmission line that is proposed to
7 increase the transmission import capability into this state, existing rights-of-way
8 are used to the extent practicable and the routing and design of the high-voltage
9 transmission line minimizes environmental impacts in a manner that is consistent
10 with achieving reasonable electric rates.

11 ***b1329/1.14* SECTION 2335wd.** 196.491 (3) (d) 3t. of the statutes is created to
12 read:

13 196.491 (3) (d) 3t. For a high-voltage transmission line that is designed for
14 operation at a nominal voltage of 345 kilovolts or more, the high-voltage
15 transmission line provides usage, service or increased regional reliability benefits to
16 the wholesale and retail customers or members in this state and the benefits of the
17 high-voltage transmission line are reasonable in relation to the cost of the
18 high-voltage transmission line.

19 ***b1329/1.14* SECTION 2335wf.** 196.491 (3) (gm) of the statutes is created to
20 read:

21 196.491 (3) (gm) The commission may not approve an application filed after the
22 effective date of this paragraph [revisor inserts date], under this section for a
23 certificate of public convenience and necessity for a high-voltage transmission line
24 that is designed for operation at a nominal voltage of 345 kilovolts or more unless the
25 approval includes the condition that the applicant shall pay the fees specified in sub.

1 (3g) (a). If the commission has approved an application under this section for a
2 certificate of public convenience and necessity for a high-voltage transmission line
3 that is designed for operation at a nominal voltage of 345 kilovolts or more that was
4 filed after April 1, 1999, and before the effective date of this paragraph [revisor
5 inserts date], the commission shall require the applicant to pay the fees specified in
6 sub. (3g) (a). For any application subject to this paragraph, the commission shall
7 determine the cost of the high-voltage transmission line, identify the counties,
8 towns, villages and cities through which the high-voltage transmission line is routed
9 and allocate the amount of investment associated with the high-voltage
10 transmission line to each such county, town, village and city.

11 *b1329/1.14* SECTION 2335wh. 196.491 (3g) of the statutes is created to read:

12 196.491 (3g) FEES FOR CERTAIN HIGH-VOLTAGE TRANSMISSION LINES. (a) A person
13 who receives a certificate of public convenience and necessity for a high-voltage
14 transmission line that is designed for operation at a nominal voltage of 345 kilovolts
15 or more under sub. (3) shall pay the department of administration an annual impact
16 fee as specified in the rules promulgated by the department of administration under
17 s. 16.969 (2) (a) and shall pay the department of administration a one-time
18 environmental impact fee as specified in the rules promulgated by the department
19 of administration under s. 16.969 (2) (b).

20 (b) A person that pays a fee under par. (a) may not use the payment to offset
21 any other mitigation measure that is required in an order by the commission under
22 sub. (3) regarding the certificate of public convenience and necessity specified in par.
23 (a).

24 *b1329/1.14* SECTION 2335wj. 196.491 (3m) (b) 2. of the statutes is amended
25 to read:

1 196.491 (3m) (b) 2. The analytical process specified in subd. 1. b. shall, to the
2 extent practicable, be consistent with the analytical process described in the merger
3 ~~enforcement policy of the federal department of justice and the federal trade~~
4 ~~commission regarding horizontal acquisitions and mergers that are subject to 15~~
5 ~~USC 1, 18 or 45, as defined in s. 196.485 (1) (dr).~~

6 ***b1329/1.14* SECTION 2335wL.** 196.494 (3) of the statutes is amended to read:

7 196.494 (3) ~~No later than December 31, 2004, the~~ The commission ~~may~~ shall,
8 under this subsection, issue an order requiring an electric utility to construct or
9 procure, on a competitive basis, the construction of transmission facilities specified
10 by the commission in its order if the commission determines that, ~~based on the~~
11 ~~results of the study under sub. (2),~~ such construction is necessary to relieve a
12 constraint on a transmission system and the construction will materially benefit the
13 customers of the electric utility or other electric utilities or of an independent system
14 operator, as defined in s. 196.485 (1) (d), or independent transmission owner, as
15 defined in s. 196.485 (1) (dm).

16 ***b1329/1.14* SECTION 2335wn.** 196.494 (5) of the statutes is created to read:

17 196.494 (5) The governor may, on behalf of this state, enter into an interstate
18 compact that establishes a joint process for the states in the upper midwest region
19 of the United States to determine the need for and siting of regional electric
20 transmission facilities that may affect electric service in this state. The governor
21 may not enter into a compact under this subsection unless the compact includes
22 requirements and procedures for establishing each of the following:

23 (a) Compliance with each state's environmental and siting standards for
24 transmission facilities.

25 (b) A regional need determination for transmission facilities.

1 (c) A mechanism for resolving conflicts between the states regarding the siting
2 of transmission facilities.

3 *b1329/1.14* SECTION 2335wp. 196.52 (3) (a) of the statutes is amended to
4 read:

5 196.52 (3) (a) In this subsection, "contract or arrangement" means a contract
6 or arrangement providing for the furnishing of management, supervisory,
7 construction, engineering, accounting, legal, financial or similar services and any
8 contract or arrangement for the purchase, sale, lease or exchange of any property,
9 right, or thing, or for the furnishing of any service, property, right, or thing, other
10 than management, supervisory, construction, engineering, accounting, legal,
11 financial or similar services, but "contract or arrangement" does not include a
12 contract or arrangement under which a transmission utility, as defined in s. 196.485
13 (1) (i), sells or transfers securities, as defined in s. 196.485 (1) (fe), that have been
14 issued by a transmission company, as defined in s. 196.485 (1) (ge). Except as
15 provided under par. (b), unless and until the commission gives its written approval,
16 any contract or arrangement is not valid or effective if the contract or arrangement
17 is made between a public utility and an affiliated interest after June 7, 1931. Every
18 public utility shall file with the commission a verified copy of any contract or
19 arrangement, a verified summary of any unwritten contract or arrangement, and
20 any contract or arrangement, written or unwritten, which was in effect on June 7,
21 1931. The commission shall approve a contract or arrangement made or entered into
22 after June 7, 1931, only if it shall clearly appear and be established upon
23 investigation that it is reasonable and consistent with the public interest. The
24 commission may not approve any contract or arrangement unless satisfactory proof
25 is submitted to the commission of the cost to the affiliated interest of rendering the

1 services or of furnishing the property or service to each public utility or of the cost
2 to the public utility of rendering the services or of furnishing the property or service
3 to each affiliated interest. No proof is satisfactory under this paragraph unless it
4 includes the original (or verified copies) of the relevant cost records and other
5 relevant accounts of the affiliated interest, or an abstract of the records and accounts
6 or a summary taken from the records and accounts if the commission deems the
7 abstract or summary adequate. The accounts shall be properly identified and duly
8 authenticated. The commission, where reasonable, may approve or disapprove a
9 contract or arrangement without submission of the cost records or accounts.

10 ***b1329/1.14* SECTION 2335ya.** 196.795 (1) (g) 1. of the statutes is amended to
11 read:

12 196.795 (1) (g) 1. As a beneficial owner, to take, hold or acquire 5% or more of
13 the outstanding voting securities of a public utility, other than a transmission
14 company, with the unconditional power to vote those securities.

15 ***b1329/1.14* SECTION 2335yb.** 196.795 (1) (g) 2. of the statutes is amended to
16 read:

17 196.795 (1) (g) 2. To exchange or convert 50% or more of the outstanding voting
18 securities of a public utility, other than a municipality or other political subdivision
19 or a transmission company, for or into the voting securities of a company organized,
20 created, appointed or formed by or at the direction of the public utility or of a
21 subsidiary of such company.

22 ***b1329/1.14* SECTION 2335yc.** 196.795 (1) (h) 3. of the statutes is created to
23 read:

24 196.795 (1) (h) 3. "Holding company" does not include a transmission company.

1 ***b1329/1.14* SECTION 2335yd.** 196.795 (1) (p) of the statutes is created to
2 read:

3 196.795 (1) (p) “Transmission company” has the meaning given in s. 196.485
4 (1) (ge).

5 ***b1329/1.14* SECTION 2335ye.** 196.795 (5) (i) 1. of the statutes is amended to
6 read:

7 196.795 (5) (i) 1. Shall consider the public utility affiliate as a wholly
8 independent corporation and shall impute a capital structure to the public utility
9 affiliate and establish a cost of capital for the public utility affiliate on a stand-alone
10 basis;

11 ***b1329/1.14* SECTION 2335yf.** 196.795 (5) (p) 1., 2., 3. and 4. of the statutes
12 are renumbered 196.795 (6m) (b) 1., 2., 3. and 4.

13 ***b1329/1.14* SECTION 2335yg.** 196.795 (5) (pm) 1. (intro.) of the statutes is
14 repealed.

15 ***b1329/1.14* SECTION 2335yh.** 196.795 (5) (pm) 1. a. of the statutes is
16 renumbered 196.795 (6m) (a) 3.

17 ***b1329/1.14* SECTION 2335yi.** 196.795 (5) (pm) 1. b. of the statutes is
18 renumbered 196.795 (6m) (a) 5.

19 ***b1329/1.14* SECTION 2335yj.** 196.795 (5) (pm) 1. c. of the statutes is
20 renumbered 196.795 (6m) (a) 6.

21 ***b1329/1.14* SECTION 2335yk.** 196.795 (5) (pm) 2. of the statutes is
22 renumbered 196.795 (6m) (c) and amended to read:

23 196.795 (6m) (c) Wholesale merchant plants. The assets of a wholesale
24 merchant plant shall not be included in the sum of the assets of a public utility
25 affiliate under par. (p) (b) 1. a., b. or c. and shall not be included in a nonutility

1 affiliate's total assets under par. ~~(p)~~ (b) 2. a. if the requirements specified in s. 196.491
2 (3m) (a) 1. and 2. are satisfied or if the wholesale merchant plant qualifies for the
3 exemption under s. 196.491 (3m) (e).

4 *b1329/1.14* SECTION 2335yL. 196.795 (5) (pm) 3. of the statutes is
5 renumbered 196.795 (6m) (d) and amended to read:

6 196.795 (6m) (d) *Foreign affiliates*. The assets of a foreign affiliate shall be
7 included in the sum of the assets of a public utility affiliate under par. ~~(p)~~ (b) 1. a.,
8 b. or c. and shall not be included in a nonutility affiliate's total assets under par. ~~(p)~~
9 (b) 2. a.

10 *b1329/1.14* SECTION 2335ym. 196.795 (6m) (title) of the statutes is created
11 to read:

12 196.795 (6m) (title) ASSET CAP.

13 *b1329/1.14* SECTION 2335yn. 196.795 (6m) (a) (intro.) of the statutes is
14 created to read:

15 196.795 (6m) (a) *Definitions*. (intro.) In this subsection:

16 *b1329/1.14* SECTION 2335yo. 196.795 (6m) (a) 1. of the statutes is created
17 to read:

18 196.795 (6m) (a) 1. "Contributor public utility affiliate" means a public utility
19 affiliate that has contributed its transmission facilities to the transmission company
20 under s. 196.485 (5) (b).

21 *b1329/1.14* SECTION 2335yp. 196.795 (6m) (a) 2. of the statutes is created
22 to read:

23 196.795 (6m) (a) 2. "Eligible asset" means an asset of a nonutility affiliate that
24 is used for any of the following:

1 a. Producing, generating, transmitting, delivering, selling or furnishing gas,
2 oil, electricity or steam energy.

3 b. Providing an energy management, conservation or efficiency product or
4 service or a demand-side management product or service.

5 c. Providing an energy customer service, including metering or billing.

6 d. Recovering or producing energy from waste materials.

7 e. Processing waste materials.

8 f. Manufacturing, distributing or selling products for filtration, pumping water
9 or other fluids, processing or heating water, handling fluids or other related
10 activities.

11 g. Providing a telecommunications service, as defined in s. 196.01 (9m).

12 *b1329/1.14* SECTION 2335yq. 196.795 (6m) (a) 4. of the statutes is created
13 to read:

14 196.795 (6m) (a) 4. "Generation assets" means assets that are classified as
15 electric generation assets on the books of account of a public utility, as determined
16 by the commission.

17 *b1329/1.14* SECTION 2335yr. 196.795 (6m) (b) (title) of the statutes is created
18 to read:

19 196.795 (6m) (b) *In general.*

20 *b1329/1.14* SECTION 2335ys. 196.795 (6m) (e) of the statutes is created to
21 read:

22 196.795 (6m) (e) *Contributor public utility affiliates.* 1. The eligible assets of
23 a nonutility affiliate in a holding company system that includes each of the
24 contributor public utility affiliates in the holding company system shall not be
25 included in the sum of the assets of the public utility affiliates under par. (b) 1. a.,

1 b. or c. and shall not be included in the nonutility affiliate's total assets under par.

2 (b) 2. a.

3 2. For purposes of subd. 1., all of the assets of a nonutility affiliate shall be
4 considered eligible assets if each of the following is satisfied:

5 a. The bylaws of the nonutility affiliate or a resolution adopted by its board of
6 directors specifies that the business of the nonutility affiliate is limited to activities
7 involving eligible assets.

8 b. Substantially all of the assets of the nonutility affiliate are eligible assets.

9 3. The net book value of transmission facility assets that a contributor public
10 utility affiliate has contributed to a transmission company under s. 196.485 (5) (b)
11 shall be included in the sum of the assets of the public utility affiliate under par. (b)
12 1. a., b. and c. In determining net book value under this subdivision, accumulated
13 depreciation shall be calculated as if the contributor public utility affiliate had not
14 contributed the assets.

15 4. The net book value of generation assets that a contributor public utility
16 affiliate has transferred to a person that is not affiliated with the public utility
17 affiliate pursuant to the order of the commission, a court or a federal regulatory
18 agency shall be included in the sum of the assets of the public utility affiliate under
19 par. (b) 1. a., b. and c. In determining net book value under this subdivision,
20 accumulated depreciation shall be calculated as if the contributor public utility
21 affiliate had not transferred the assets.

22 *b1329/1.14* SECTION 2335yt. 196.795 (11) (b) of the statutes is amended to
23 read:

24 196.795 (11) (b) This section shall be deemed to legalize and confirm the
25 formation, prior to November 28, 1985, of any holding company, which is not itself

1 a public utility, and shall be deemed to legalize and confirm the operations and
2 issuances of securities of the holding company, except that nothing in this section
3 shall be deemed to prevent the commission from imposing reasonable terms,
4 limitations or conditions on any holding company which are consistent with the
5 requirements of sub. ~~(5) (pm)~~ (6m) (c) or (d) or which are consistent with and
6 necessary to satisfy the requirements of sub. (5) (b) to (o) and (q) to (s) or which relate
7 to future investments by the holding company unless the holding company owns,
8 operates, manages or controls a telecommunications utility and does not also own,
9 operate, manage or control a public utility which is not a telecommunications utility.

10 ***b1329/1.14* SECTION 2335yu.** 196.795 (11) (c) of the statutes is created to
11 read:

12 196.795 (11) (c) The commission may not impose upon a holding company the
13 formation of which is considered to be legalized and confirmed under par. (b) any
14 term, limitation or condition under par. (b) that establishes the sum of the holding
15 company's nonutility affiliate assets at less than 25% of the sum of the holding
16 company's utility affiliate assets. For purposes of this paragraph, any term,
17 limitation or condition on nonutility affiliate assets shall not apply to the ownership,
18 operation, management or control of any eligible asset, as defined under sub. (6m)
19 (a) 2., or an asset that is used for manufacturing, distributing or selling swimming
20 pools or spas.

21 ***b1329/1.14* SECTION 2335z.** 196.807 of the statutes is created to read:

22 **196.807 Energy affiliate and utility employes.** (1) DEFINITIONS. In this
23 section:

24 (a) "Affiliate or utility" means a nonutility affiliate, a holding company system
25 or an electric utility, as defined in s. 196.491 (1) (d).

1 (b) “Energy unit” means a unit in this state that is engaged in activities related
2 to the production, generation, transmission or distribution of electricity, gas or steam
3 or the recovery of energy from waste materials.

4 (c) “Holding company system” has the meaning given in s. 196.795 (1) (i).

5 (d) “Nonutility affiliate” has the meaning given in s. 196.795 (1) (j).

6 (e) “Public utility affiliate” has the meaning given in s. 196.795 (1) (L).

7 (f) “Sell an energy unit” means to sell, offer by lease, or otherwise transfer
8 ownership or control of the energy unit.

9 (g) “Unit” means a division, department or other operational business unit of
10 an affiliate or utility.

11 **(2) OFFER OF EMPLOYMENT.** (a) Except as provided in par. (b), a person may not
12 sell an energy unit unless the terms of the transfer require the person to which the
13 energy unit is transferred to offer employment to the nonsupervisory employees who
14 are employed with the energy unit immediately prior to the transfer and who are
15 necessary for the operation and maintenance of the energy unit.

16 (b) A public utility affiliate may not sell an energy unit to a nonutility affiliate
17 in the same holding company system unless the terms of the transfer require the
18 nonutility affiliate to offer employment to all of the nonsupervisory employees who are
19 employed with the energy unit immediately prior to the transfer.

20 **(3) EMPLOYMENT TERMS AND CONDITIONS.** (a) Except as provided in par. (b), the
21 employment that is offered under sub. (2) shall satisfy each of the following during
22 the 30-month period beginning immediately after the transfer:

23 1. Wage rates shall be no less than the wage rates in effect immediately prior
24 to the transfer.

1 (4) “Rates” means individual charges of a hospital for the services that it
2 provides or, if authorized under s. 196.993, the aggregate charges based on case mix
3 measurements.

4 **196.992 Hospital rate price caps.** (1) The commission shall promulgate
5 rules that establish price caps for hospital rates. The commission shall consider each
6 of the following in promulgating rules under this subsection:

7 (a) The need to reduce the rate of hospital cost increases while preserving the
8 quality of health care in all parts of the state.

9 (b) A variety of cost-related trend factors based on nationally or regionally
10 recognized economic models.

11 (c) The past budget and rate experiences of hospitals in this state.

12 (2) Rules promulgated under sub. (1) shall include requirements and
13 procedures for hospitals to provide the commission with information that the
14 commission determines is necessary to carry out its duties under this subchapter and
15 for hospitals to notify the commission and patients of rates charged and any proposed
16 increases or decreases in rates. The rules shall also include requirements and
17 procedures for the commission to regularly review and, if necessary, revise the price
18 caps established in the rules promulgated under sub. (1).

19 (3) Rules promulgated under sub. (1) may include requirements and
20 procedures for each of the following:

21 (a) Exceptions from price caps for rural or teaching hospitals if the commission
22 determines that such hospitals are subject to special circumstances that warrant an
23 exception.

1 (b) A uniform system for hospitals to make reports to the commission if the
2 commission determines that such a system is necessary for the commission to carry
3 out its duties under this subchapter.

4 **196.993 Case mix measurements.** The commission may promulgate rules
5 establishing a system that defines rates as aggregate charges based on case mix
6 measurements if the commission submits its proposed system to the joint committee
7 on finance under s. 13.10, receives that committee's approval and holds a public
8 hearing prior to promulgating its rules. Such a system may not take effect prior to
9 January 1, 2001, shall be consistent with the standard under s. 196.992 (1) (a) and
10 shall ensure quality of care at a reasonable cost to patients.

11 **196.994 Commission prohibitions.** In carrying out its duties under this
12 subchapter, the commission may not do any of the following:

13 (a) Interfere directly in the personal or decision-making relationships between
14 a patient and the patient's physician.

15 (b) Restrict the freedom of patients to receive care at a hospital consistent with
16 their religious preferences or request a hospital that is affiliated with a religious
17 group to act in a manner contrary to the mission and philosophy of the religious
18 group.

19 (c) Restrict directly the freedom of hospitals to exercise management decisions
20 in complying with the price caps established in rules promulgated under s. 196.992
21 (1).

22 (d) Require the submission of unrelated financial data from religious groups
23 affiliated with a hospital.

24 **196.995 Enforcement.** (1) The commission may seek a judicial remedy to
25 enforce compliance with any requirement of this subchapter or with any rule or order

1 of the commission under this subchapter if it first notifies the hospital and provides
2 the hospital a reasonable time to correct a violation. The commission shall commence
3 any action under this subsection in the circuit court for the county in which the
4 hospital is located.

5 (2) Any court that finds an intentional failure to comply with a price cap
6 established in rules promulgated under s. 196.992 (1) may impose a forfeiture of up
7 to \$5,000. Each week that a hospital continues its intentional failure to comply with
8 the price cap constitutes a separate violation.

9 (3) Any court with jurisdiction over an action brought under this section may
10 adopt remedies that it finds necessary to enforce compliance. Remedies under this
11 section apply notwithstanding the existence or pursuit of any other remedy.

12 **196.996 Assessments.** (1) In this section:

13 (a) “Commercial insurance” includes a group or individual disability insurance
14 policy, as defined in s. 632.895 (1) (a), an employer’s self-insured health care plan
15 and worker’s compensation.

16 (b) “Deduction” means the portion of a charge that was incurred by a patient
17 but was not received from 3rd-party payers or governmental or private payment.
18 “Deduction” includes charity care but does not include bad debt.

19 (c) “Expense” means the cost of operation, including bad debt, that is charged
20 to a hospital during the hospital’s fiscal year.

21 (d) “Gross patient revenue” means the total charges to medicare, as defined in
22 s. 49.498 (1) (f), the medical assistance program, other public programs, commercial
23 insurance and other self-payers or nonpublic payers, that are generated by a
24 hospital from inpatient and outpatient services.

1 (e) "Net income" means total revenue and nonoperating gains in excess of
2 expenses and nonoperating losses.

3 (f) "Net patient revenue" means gross patient revenue minus deductions.

4 (g) "Nonoperating gains" means gifts, donations, endowments, return on
5 investments and any other gains that are not related to patient care.

6 (h) "Nonoperating losses" means state and federal corporate income and real
7 estate taxes and other losses that are not directly related to patient care or
8 hospital-related patient services.

9 (i) "Other public programs" include programs operated by or contracted for by
10 county departments under s. 46.215, 46.22 or 46.23 and the relief block grant
11 program under ch. 49.

12 (j) "Other revenue" means revenue from services, other than health care
13 services, provided to patients and revenue from sales to and services provided to
14 nonpatients.

15 (k) "Total revenue" means the sum of net patient revenue and other revenue.

16 (2) Beginning July 1, 2000, the commission shall, within 90 days after the
17 commencement of each fiscal year, estimate the total amount of revenue required for
18 administration by the commission of this subchapter during that fiscal year and
19 assess that estimated total amount to hospitals in proportion to each hospital's
20 respective net income during the hospital's most recently concluded entire fiscal
21 year. The commission may not assess under this subsection a hospital that has a net
22 income of 3% or less over the net income for the hospital's next most recently
23 concluded entire fiscal year. Each hospital that is assessed shall pay the assessment
24 by the December 1 following the assessment. The commission shall credit all
25 payments of assessments to the appropriation account under s. 20.155 (3) (gm)."