

Today
Noon
DUE

1999 - 2000 LEGISLATURE

LRBb1659/5
MDK:kmg&cmh:jf

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SENATE AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

PM
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RUN

Ed.
- only
changes are
on pages
19 20 ✓

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 24, line 9: after that line insert:
- 3 **"SECTION 28m.** 15.107 (17) of the statutes is created to read:
- 4 15.107 (17) COUNCIL ON UTILITY PUBLIC BENEFITS. There is created a council on
- 5 utility public benefits that is attached to the department of administration under s.
- 6 15.03. The council shall consist of the following members appointed for 3-year
- 7 terms:
- 8 (a) Two members appointed by the governor.
- 9 (b) Two members appointed by the senate majority leader.
- 10 (c) One member appointed by the senate minority leader.
- 11 (d) Two members appointed by the speaker of the assembly.
- 12 (e) One member appointed by the assembly minority leader.

1 “**SECTION 587b.** 20.505 (10) of the statutes is created to read:

2 20.505 (10) UTILITY PUBLIC BENEFITS. (q) *General program operations.* From
3 the utility public benefits fund, the amounts in the schedule for general program
4 operations.

5 (r) *Low-income assistance grants.* From the utility public benefits fund, a sum
6 sufficient for low-income assistance grants under s. 16.957 (2) (a).

7 (s) *Energy conservation and efficiency and renewable resource grants.* From the
8 utility public benefits fund, a sum sufficient for energy conservation and efficiency
9 and renewable resource grants under s. 16.957 (2) (b) 1.”

10 **9.** Page 464, line 10: after that line insert:

11 “**SECTION 699m.** 25.17 (1) (xii) of the statutes is created to read:

12 25.17 (1) (xm) Utility public benefits fund (s. 25.96);”

13 **10.** Page 470, line 18: after that line insert:

14 “**SECTION 718b.** 25.96 of the statutes is created to read:

15 **25.96 Utility public benefits fund.** There is established a separate
16 nonlapsible trust fund designated as the utility public benefits fund, consisting of
17 deposits by the public service commission under s. 196.374 (3), public benefits fees
18 received under s. 16.957 (4) (a) and (5) (c) and (d) and contributions received under
19 s. 16.957 (2) (c) 4. and (d) 2.”

20 **11.** Page 953, line 3: after that line insert:

21 “**SECTION 1809b.** 76.28 (1) (d) of the statutes is amended to read:

22 76.28 (1) (d) “Gross revenues” for a light, heat and power company other than
23 a qualified wholesale electric company or a transmission company means total
24 operating revenues as reported to the public service commission except revenues for

1 interdepartmental sales and for interdepartmental rents as reported to the public
2 service commission and deductions from the sales and use tax under s. 77.61 (4),
3 except that the company may subtract from revenues either the actual cost of power
4 purchased for resale, as reported to the public service commission, by a light, heat
5 and power company, except a municipal light, heat and power company, that
6 purchases under federal or state approved wholesale rates more than 50% of its
7 electric power from a person other than an affiliated interest, as defined in s. 196.52
8 (1), if the revenue from that purchased electric power is included in the seller's gross
9 revenues or the following percentages of the actual cost of power purchased for
10 resale, as reported to the public service commission, by a light, heat and power
11 company, except a municipal light, heat and power company that purchases more
12 than 90% of its power and that has less than \$50,000,000 of gross revenues: 10% for
13 the fee assessed on May 1, 1988, 30% for the fee assessed on May 1, 1989, and 50%
14 for the fee assessed on May 1, 1990, and thereafter. For a qualified wholesale electric
15 company, "gross revenues" means total business revenues from those businesses
16 included under par. (e) 1. to 4. For a transmission company, "gross revenues" means
17 total operating revenues as reported to the public service commission, except
18 revenues for transmission service that is provided to a public utility that is subject
19 to the license fee under sub. (2) (d), to a public utility, as defined in s. 196.01 (5), or
20 to a cooperative association organized under ch. 185 for the purpose of providing
21 electricity to its members only. For an electric utility, as defined in s. 16.957 (1) (g),
22 "gross revenues" does not include public benefits fees collected by the electric utility
23 under s. 16.957 (4) (a) or (5) (a) or grants received by the electric utility under a
24 program established under s. 16.957 (2) (a) or (b) or (c). For a wholesale supplier, as
25 defined in s. 16.957 (1) (w), "gross revenues" does not include any public benefits fees

1 that are received from a municipal utility or retail electric cooperative. For a
2 municipal utility, "gross revenues" does not include public benefits fees received by
3 the municipal utility from a municipal utility or retail electric cooperative under a
4 joint program established under s. 16.957 (5) (f).

5 **SECTION 1809f.** 76.28 (1) (e) (intro.) of the statutes is amended to read:

6 76.28 (1) (e) (intro.) "Light, heat and power companies" means any person,
7 association, company or corporation, including corporations described in s. 66.069 (2)
8 ~~and including,~~ qualified wholesale electric companies and transmission companies
9 and except only business enterprises carried on exclusively either for the private use
10 of the person, association, company or corporation engaged in them, or for the private
11 use of a person, association, company or corporation owning a majority of all
12 outstanding capital stock or who control the operation of business enterprises and
13 except electric cooperatives taxed under s. 76.48 that engage in any of the following
14 businesses:

15 **SECTION 1809k.** 76.28 (1) (e) 5. of the statutes is created to read:

16 76.28 (1) (e) 5. Transmitting electric current for light, heat or power.

17 **SECTION 1809h.** 76.28 (1) (eg) of the statutes is created to read:

18 76.28 (1) (eg) "Municipal utility" has the meaning given in s. 16.957 (1) (q).

19 **SECTION 1809j.** 76.28 (1) (gr) of the statutes is created to read:

20 76.28 (1) (gr) "Retail electric cooperative" has the meaning given in s. 16.957

21 (1) (t).

22 **SECTION 1809no.** 76.28 (1) (j) of the statutes is created to read:

23 76.28 (1) (j) "Transmission company" has the meaning given in s. 196.485 (1)

24 (ge).

25 **SECTION 1809s.** 76.28 (2) (c) (intro.) of the statutes is amended to read:

1 “(1zt) TRANSMISSION COMPANY LICENSE FEE. The treatment of sections 76.28 (1)
2 (d), (e) (intro.) and 5. and (j) and (2) (c) (intro.), (d) and (e) and 196.485 (1) (ge) of the
3 statutes first applies to taxable years beginning on January 1 of the year in which
4 this subsection takes effect, except that if this subsection takes effect after July 31
5 the treatment of sections 76.28 (1) (d), (e) (intro.) and 5. and (j) and (2) (c) (intro.), (d)
6 and (e) of the statutes first applies to taxable years beginning on January 1 of the
7 year following the year in which this subsection takes effect.”.

8

(END)

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MEMORANDUM
Confidential

TO: Mark Kunkel

FROM: Lee Cullen
Curt Pawlisch

RE: Drafting clarifications on final technical amendment

DATE: August 30, 1999

Of Counsel:
Cheryl Rosen Weston

Legislative Council has reviewed our drafting instructions to you concerning the most recent version of the technical amendment. They make two suggestions which we would like to you to implement.

1. ✓ **Exemption from the real estate transfer fee.** Limit the exemption to only those transfers of transmission facilities that occur in exchange for securities. This change would provide parallel treatment with the sales tax exemption for transfers of transmission facilities. Draft language to implement this change has been provided.
2. **Establish parallel gross revenue tax exempt treatment for public benefit fees under secs. 76.28 and 76.48, Stats.** In redrafting proposed 76.48, we failed to make parallel changes in sec. 76.28 for wholesale suppliers. Draft language to correct these provisions has been provided.

cc: Senator Charles Chvala
Customers First! Coalition
Energize Wisconsin
Allen W. Williams
Leonard Sosnowski
John Stolzenberg, David Lovell, Legislative Council
David Worzala, Faith Russell, Legislative Fiscal Bureau

1 interdepartmental sales and for interdepartmental rents as reported to the public
2 service commission and deductions from the sales and use tax under s. 77.61 (4),
3 except that the company may subtract from revenues either the actual cost of power
4 purchased for resale, as reported to the public service commission, by a light, heat
5 and power company, except a municipal light, heat and power company, that
6 purchases under federal or state approved wholesale rates more than 50% of its
7 electric power from a person other than an affiliated interest, as defined in s. 196.52
8 (1), if the revenue from that purchased electric power is included in the seller's gross
9 revenues or the following percentages of the actual cost of power purchased for
10 resale, as reported to the public service commission, by a light, heat and power
11 company, except a municipal light, heat and power company that purchases more
12 than 90% of its power and that has less than \$50,000,000 of gross revenues: 10% for
13 the fee assessed on May 1, 1988, 30% for the fee assessed on May 1, 1989, and 50%
14 for the fee assessed on May 1, 1990, and thereafter. For a qualified wholesale electric
15 company, "gross revenues" means total business revenues from those businesses
16 included under par. (e) 1. to 4. For a transmission company, "gross revenues" means
17 total operating revenues as reported to the public service commission, except
18 revenues for transmission service that is provided to a public utility that is subject
19 to the license fee under sub. (2) (d), to a public utility, as defined in s. 196.01 (5), or
20 to a cooperative association organized under ch. 185 for the purpose of providing
21 electricity to its members only. For an electric utility, as defined in s. 16.957 (1) (g),
22 "gross revenues" does not include public benefits fees collected by the electric utility
23 under s. 16.957 (4) (a) or (5) (a). For a wholesale supplier, as defined in s. 16.957 (1)
24 (w), "gross revenues" does not include any public benefits fees that are received from
25 a municipal utility or retail electric cooperative. For a municipal utility, "gross

or under a joint program established under

s. 16.957(5)(f)

1 revenues” does not include public benefits fees received by the municipal utility from
2 a municipal utility or retail electric cooperative ~~of~~ under a joint program established
3 under s. 16.957 (5) (f).

4 **SECTION 1809f.** 76.28 (1) (e) (intro.) of the statutes is amended to read:

5 76.28 (1) (e) (intro.) “Light, heat and power companies” means any person,
6 association, company or corporation, including corporations described in s. 66.069 (2)
7 ~~and including~~, qualified wholesale electric companies and transmission companies
8 and except only business enterprises carried on exclusively either for the private use
9 of the person, association, company or corporation engaged in them, or for the private
10 use of a person, association, company or corporation owning a majority of all
11 outstanding capital stock or who control the operation of business enterprises and
12 except electric cooperatives taxed under s. 76.48 that engage in any of the following
13 businesses:

14 **SECTION 1809k.** 76.28 (1) (e) 5. of the statutes is created to read:

15 76.28 (1) (e) 5. Transmitting electric current for light, heat or power.

16 **SECTION 1809h.** 76.28 (1) (eg) of the statutes is created to read:

17 76.28 (1) (eg) “Municipal utility” has the meaning given in s. 16.957 (1) (q).

18 **SECTION 1809j.** 76.28 (1) (gr) of the statutes is created to read:

19 76.28 (1) (gr) “Retail electric cooperative” has the meaning given in s. 16.957
20 (1) (t).

21 **SECTION 1809no.** 76.28 (1) (j) of the statutes is created to read:

22 76.28 (1) (j) “Transmission company” has the meaning given in s. 196.485 (1)
23 (ge).

24 **SECTION 1809s.** 76.28 (2) (c) (intro.) of the statutes is amended to read:

1 76.28 (2) (c) (intro.) ~~For~~ Except as provided under par. (e), for private light, heat
2 and power companies for 1986 and thereafter, an amount equal to the apportionment
3 factor multiplied by the sum of:

4 **SECTION 1809w.** 76.28 (2) (d) of the statutes is amended to read:

5 76.28 (2) (d) ~~For~~ Except as provided under par. (e), for municipal light, heat and
6 power companies, an amount equal to the gross revenues, except gross revenues from
7 operations within the municipality that operates the company, multiplied by the
8 rates under par. (b) or (c).

9 **SECTION 1809y.** 76.28 (2) (e) of the statutes is created to read:

10 76.28 (2) (e) For transmission companies, an amount equal to the gross
11 revenues multiplied by the rates under par. (c).”.

12 **12.** Page 953, line 4: before that line insert:

13 “**SECTION 1809zm.** 76.48 (1g) (d) of the statutes is amended to read:

14 76.48 (1g) (d) “Gross revenues” means total operating revenues, except
15 revenues for interdepartmental sales and for interdepartmental rents, less
16 deductions from the sales and use tax under s. 77.61 (4) and, in respect to any electric
17 cooperative that purchases more than 50% of the power it sells, less the actual cost
18 of power purchased for resale by an electric cooperative, if the revenue from that
19 purchased electric power is included in the seller’s gross revenues or if the electric
20 cooperative purchased more than 50% of the power it sold in the year prior to January
21 1, 1988, from a seller located outside this state. For a retail electric cooperative,
22 “gross revenues” does not include public benefits fees collected by the retail electric
23 cooperative under s. 16.957 (5) (a), public benefits fees received by the retail electric
24 cooperative from a retail electric cooperative or municipal utility under a joint

1 program established under s. 16.957 (5) (f). For a wholesale supplier, as defined in
2 s. 16.957 (1) (w), "gross revenues" does not include any public benefits fees that are
3 received from a municipal utility, as defined in s. 16.957 (1) (q), or retail electric
4 cooperative or under a joint program established under s. 16.957 (5) (f).

5 SECTION 1809zo. 76.48 (1g) (dm) of the statutes is created to read:

6 76.48 (1g) (dm) "Municipal utility" has the meaning given in s. 16.957 (1) (q).

7 SECTION 1809zp. 76.48 (1g) (fm) of the statutes is created to read:

8 76.48 (1g) (fm) "Retail electric cooperative" has the meaning given in s. 16.957
9 (1) (t)."

10 13. Page 953, line 14: after that line insert:

11 "SECTION 1810m. 77.25 (21) of the statutes is created to read:

12 77.25 (21) Of transmission facilities or land rights to the transmission
13 *as defined in s. 196.485 (1) (ge), in exchange for securities, as defined*
14 *in s. 196.485 (1) (fe)*
15 company under s. 196.485 (5) (b) or (c) or (6) (a)."

14 14. Page 953, line 21: after that line insert:

15 "SECTION 1813s. 77.51 (14g) (fm) of the statutes is created to read:

16 77.51 (14g) (fm) The transfer of transmission facilities, as defined in s. 196.485
17 (1) (h), to a transmission company, as defined in s. 196.485 (1) (ge), after the
18 organizational start-up date, as defined in s. 196.485 (1) (dv), of such company in
19 exchange for securities, as defined in s. 196.485 (1) (fe);

20 SECTION 1183v. 77.54 (44) of the statutes is created to read:

21 77.54 (44) The gross receipts from the collection of public benefits fees that are
22 charged under s. 16.957 (4) (a) or (5) (a)."

23 15. Page 1179, line 21: after that line insert:

24 "SECTION 2315c. 196.025 of the statutes is renumbered 196.025 (1).

as defined in s. 196.485 (1) (fe)