

## 2011 DRAFTING REQUEST

### Bill

Received: 11/09/2010

Received By: agary

Wanted: As time permits

Companion to LRB:

For: Jeff Stone (608) 266-8590

By/Representing: Mike Pyritz

May Contact:

Drafter: jkreye

Subject: **Transportation - motor vehicles**  
**Tax, Other - sales**  
**Tax, Property - exemption**

Addl. Drafters: **mgallagh**  
**agary**

Extra Copies: **EVM, RCT**

Submit via email: YES

Requester's email: **Rep.Stone@legis.wisconsin.gov**

Carbon copy (CC:) to: **aaron.gary@legis.wisconsin.gov**

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### Pre Topic:

No specific pre topic given

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### Topic:

Sales and use exemption for zero emissions vehicles; property tax exemption for charging stations; eliminating motor vehicle emission and inspection program; grants for plug in hybrid vehicles

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### Instructions:

Redraft 2009 AB-712

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/?	agary 11/09/2010 jkreye 11/09/2010	wjackson 11/16/2010		_____ _____ _____ _____			S&L Tax
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/4	agary 08/19/2011 mgallagh 08/19/2011 agary 08/19/2011 agary 09/19/2011	wjackson 08/22/2011 csicilia 09/19/2011	phenry 08/23/2011	_____	ggodwin 08/23/2011		S&L Tax
/5			rschluet 09/19/2011	_____	sbasford 09/19/2011	sbasford 09/19/2011	

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↳ At Intro.

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15 gjs 9/19  
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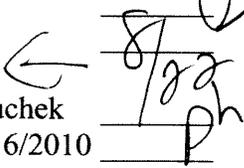
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*14 WLJ 8/22*

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State of Wisconsin  
2009 - 2010 LEGISLATURE

-0385/1  
LRB-89001  
ARG&JK: [handwritten initials]  
WJ  
RMNR

11

2009 ASSEMBLY BILL 112

in 11-9-10

Today please  
if possible or  
1st thing Wed.

February 9, 2010 - Introduced by Representatives STONE, RICHARDS, VOS, PASCH, HONADEL, FIELDS, GOTTlieb, ROYS, HUEBSCH, TURNER, DAVIS, GUNDERSON, MONTGOMERY, ROTH, STRACHOTA, ZIPPERER, TOWNSEND, BIES, STEINBRINK and KNODL, cosponsored by Senators PLALE, DARLING and SCHULTZ. Referred to Joint Survey Committee on Tax Exemptions.

Regen

1 AN ACT ~~to repeal~~ 20.370 (2) (cf), 20.395 (5) (hq) and (hx), 110.20, 110.21, 110.215,  
2 285.30, 285.39 (3) (a), 341.09 (5), 341.10 (8), 341.10 (10), 341.63 (1) (e) and  
3 632.365; **to amend** 13.48 (10) (a), 20.395 (5) (cq), 71.28 (4m) (b) (intro.), 71.47  
4 (4m) (b) (intro.), 77.54 (57) (b) 1., 77.54 (57) (b) 2., 341.03 (1), 341.04 (1) (intro.),  
5 341.05 (19), 341.09 (2m) (a) 1. b., 341.09 (2m) (a) 2., 341.09 (9), 341.26 (2m) (am),  
6 341.36 (2), 341.65 (2) (e) 2m., 625.12 (1) (e), 625.12 (2), 625.15 (1) and 628.34 (3)  
7 (a); and **to create** 20.143 (1) (dm), 20.855 (4) (x), 25.40 (2) (b) 27., 70.11 (27m),  
8 70.111 (27), 70.111 (28), 77.54 (57) (a) 5m., 77.54 (58), 110.20 (8) (c) and 560.127  
9 of the statutes; **relating to:** a sales and use tax exemption for extended-range  
10 electric vehicles; a property tax exemption for tangible personal property used  
11 to recharge electric vehicles; the motor vehicle emission inspection and  
12 maintenance program, extended-range electric vehicle grants; an income and  
13 franchise tax credit for research conducted in this state by a corporation; a  
14 property and sales and use tax exemption for certain machinery and tangible

**ASSEMBLY BILL 712**

1 personal property used to conduct research; granting rule-making authority;  
2 and making appropriations.

***Analysis by the Legislative Reference Bureau***

**SALES TAX EXEMPTIONS**

This bill provides a sales and use tax exemption for extended-range electric vehicles that are licensed for highway use.

**PROPERTY TAX EXEMPTIONS**

This bill exempts from property taxes all tangible personal property used exclusively to provide electricity to recharge electric vehicles that are licensed for highway use or ~~neighborhood electric~~ vehicles that are allowed, by ordinance, to operate on a roadway that has a speed limit of 35 miles per hour or less.

This bill also creates a property tax exemption and a sales and use tax exemption for machinery and other tangible personal property used for qualified research by persons engaged primarily in manufacturing, silviculture, or biotechnology in this state.

**VEHICLE EMISSION INSPECTIONS AND ELECTRIC VEHICLE GRANT PROGRAM**

Current law requires the Department of Transportation (DOT) to conduct a motor vehicle emission inspection and maintenance program (I/M program) in counties in which the air quality does not meet certain federal standards (nonattainment counties). Under the I/M program, most motor vehicles that are subject to emission limitations established by the Department of Natural Resources (DNR) must pass periodic emission inspections and may not be registered by DOT unless they have passed these inspections. Most nonexempt motor vehicles must undergo an initial emission inspection in the fourth year after the vehicle's model year and additional emission inspections every two years thereafter. DOT may contract with third parties to perform vehicle emission inspections under the I/M program. The costs of administering the program, including contracting for emission inspections, are primarily paid by DOT from the transportation fund, although a small portion of the costs are paid by DNR from the general fund.

This bill terminates the I/M program on July 1, ~~2011~~ and prohibits DOT from entering into any new contract, or renewing or extending any existing contract, for the operation of the I/M program before that date. The bill also creates appropriations to transfer money from the transportation fund to the general fund and to fund, from the general fund, an extended-range electric vehicle grant program. The bill requires the Department of Commerce (Commerce), after July 1, ~~2011~~, to award grants to promote the extended-range electric vehicle industry, and research, production, and use of extended-range electric vehicles, in the nonattainment counties. Commerce must promulgate rules to implement and administer the extended-range electric vehicle grant program.

*low speed*

2013

2013

## ASSEMBLY BILL 712

## SUPER RESEARCH AND DEVELOPMENT CREDIT

Under current law, for taxable years beginning on or after January 1, 2011, a corporation may ~~also~~ claim a “super research and development” income and franchise tax credit equal to the amount of its qualified research expenses in the taxable year for research conducted in this state that exceeds the amount equal to the average amount of the corporation’s qualified research expenses in the previous three taxable years multiplied by 1.25. If the credit claimed by a corporation exceeds the corporation’s tax liability, the state will not issue a refund, but the corporation may carry forward any remaining credit to 15 subsequent taxable years. Under the bill, a corporation may claim the super research and development credit for taxable years beginning on or after July 1, 2010.

**TAXEM** → This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. 13.48 (10) (a) ↓ of the statutes is amended to read:

2           13.48 (10) (a) No state board, agency, officer, department, commission or body  
3 corporate may enter into a contract for the construction, reconstruction, remodeling  
4 of or addition to any building, structure, or facility, in connection with any building  
5 project which involves a cost in excess of \$150,000 without completion of final plans  
6 and arrangement for supervision of construction and prior approval by the building  
7 commission. The building commission may not approve a contract for the  
8 construction, reconstruction, renovation or remodeling of or an addition to a state  
9 building as defined in s. 44.51 (2) unless it determines that s. 44.57 has been complied  
10 with or does not apply. This section applies to the department of transportation only  
11 in respect to buildings, structures and facilities to be used for administrative or  
12 operating functions, ~~including buildings, land and equipment to be used for the~~  
13 ~~motor vehicle emission inspection and maintenance program under s. 110.20.~~



## ASSEMBLY BILL 712

1 341.45, for administering the aircraft registration program under s. 114.20 and to  
2 compensate for services performed, as determined by the secretary of transportation,  
3 by any county providing registration services.

4 SECTION 6. 20.395 (5) (hq) and (hx) of the statutes are repealed.

5 SECTION 7. 20.855 (4) (x) of the statutes is created to read:

6 20.855 (4) (x) *Transfer to general fund; transportation fund.* Notwithstanding  
7 s. 25.40 (3) (a), from the transportation fund, the amounts in the schedule to be  
8 transferred to the general fund.

9 SECTION 8. 25.40 (2) (b) 27 of the statutes is created to read:

10 25.40 (2) (b) 27. Section 20.855 (4) (x).

11 SECTION 9. 70.11 (27m) of the statutes is created to read:

12 70.11 (27m) RESEARCH MACHINERY AND EQUIPMENT. (a) In this subsection:

13 1. "Biotechnology" has the meaning given in s. 77.54 (57) (a) 1f.

14 2. "Machinery" has the meaning given in sub. (27) (a) 2.

15 3. "Manufacturing" has the meaning given in sub. (27) (a) 3.

16 4. "Primarily" means more than 50 percent.

17 5. "Qualified research" means qualified research as defined under section 41  
18 (d) (1) of the Internal Revenue Code.

19 6. "Silviculture" means theory and practice of controlling regeneration,  
20 composition, and growth of stands of forest vegetation using knowledge of the life  
21 history, characteristics, and ecology of forest trees through:

22 a. Regeneration treatment.

23 b. Liberation cutting.

24 c. Thinning.

25 d. Crown thinning.

## ASSEMBLY BILL 712

## SECTION 9

1 e. Improvement cutting.

2 f. Planting.

3 g. Site preparation.

4 h. Pruning.

5 7. "Used exclusively" has the meaning given in sub. (27) (a) 8. ✓

6 (b) Machinery and equipment, including attachments, parts, and accessories,  
7 used by persons who are engaged primarily in manufacturing, silviculture, or  
8 biotechnology in this state and are used exclusively and directly in qualified  
9 research.

10 SECTION 10. 70.111 (27) of the statutes is created to read:

11 70.111 (27) CHARGING STATIONS. All tangible personal property used exclusively,  
12 as defined in s. 70.11 (27) (a) 8., to provide electricity to recharge electric vehicles that  
13 are licensed for highway use or neighborhood electric vehicles, as defined in s. 340.01  
14 (36r), regardless of the extent to which the tangible personal property is fastened to,  
15 (27h) connected to, or built into real property.

16 SECTION 11. 70.111 (28) of the statutes is created to read:

17 70.111 (28) RESEARCH PROPERTY. (a) In this subsection:

18 1. "Biotechnology" has the meaning given in s. 77.54 (57) (a) 1f. ✓

19 2. "Manufacturing" has the meaning given in s. 70.11 (27) (a) 3. ✓

20 3. "Primarily" means more than 50 percent.

21 4. "Qualified research" means qualified research as defined under section 41

22 (d) (1) of the Internal Revenue Code.

23 5. "Silviculture" has the meaning given in s. 70.11 (27m) (a) 6. ✓

24 6. "Used exclusively" has the meaning given in s. 70.11 (27) (a) 8. ✓

ASSEMBLY BILL 712

1 (b) Tangible personal property used by persons who are engaged primarily in  
2 manufacturing, silviculture, or biotechnology in this state, if the tangible personal  
3 property is consumed or destroyed or loses its identity while being used exclusively  
4 and directly in qualified research.

5 SECTION 12. 71.28 (4m) (b) (intro.) of the statutes, as created by 2009 Wisconsin  
6 Act 28, is amended to read:

7 71.28 (4m) (b) *Credit.* (intro.) Subject to the limitations provided under this  
8 subsection, for taxable years beginning on or after ~~January 1, 2011~~ July 1, 2010, a  
9 corporation may claim as a credit against the tax imposed under s. 71.23, up to the  
10 amount of those taxes, an amount equal to the amount of qualified research expenses  
11 paid or incurred by the corporation in the taxable year that exceeds the amount  
12 calculated as follows:

13 SECTION 13. 71.47 (4m) (b) (intro.) of the statutes, as created by 2009 Wisconsin  
14 Act 28, is amended to read:

15 71.47 (4m) (b) *Credit.* (intro.) Subject to the limitations provided under this  
16 subsection, for taxable years beginning on or after ~~January 1, 2011~~ July 1, 2010, a  
17 corporation may claim as a credit against the tax imposed under s. 71.43, up to the  
18 amount of those taxes, an amount equal to the amount of qualified research expenses  
19 paid or incurred by the corporation in the taxable year that exceeds the amount  
20 calculated as follows:

21 SECTION 14. 77.54 (57) (a) 5m. of the statutes is created to read:

22 77.54 (57) (a) 5m. "Silviculture" has the meaning given in s. 70.11 (27m) (a) 6.

23 SECTION 15. 77.54 (57) (b) 1. of the statutes, as created by 2009 Wisconsin Act

24 28, is amended to read:

23  
24  
STET

as created by 2009 Wisconsin

as created by 2009 Wisconsin

as created by 2009 Wisconsin Act

STET

1 77.54 (57) (b) 1. Machinery and equipment, including attachments, parts, and  
2 accessories, that are sold to persons who are engaged primarily in manufacturing,  
3 silviculture, or biotechnology in this state and are used exclusively and directly in  
4 qualified research.

~~STET~~ STET

5 SECTION 16. 77.54 (57) (b) 2. of the statutes, as created by 2009 Wisconsin Act

6 28, is amended to read:

7 77.54 (57) (b) 2. Tangible personal property or item or property under s. 77.52  
8 (1) (b) or (c) that is sold to persons who are engaged primarily in manufacturing,  
9 silviculture, or biotechnology in this state, if the tangible personal property or item  
10 or property under s. 77.52 (1) (b) or (c) is consumed or destroyed or loses its identity  
11 while being used exclusively and directly in qualified research.

12 SECTION 17. 77.54 (58) of the statutes is created to read:

13 77.54 (58) The sales price from the sales of and the storage, use, or other  
14 consumption of extended-range electric vehicles, as defined in s. 560.127 (1), that are  
15 licensed for highway use, including accessories and parts for such vehicles, and  
16 purchased during the period beginning on the effective date of this subsection ....  
17 [LRB inserts date], and ending on December 31, 2020, except that the exemption  
18 under this subsection that applies to batteries for extended-range electric vehicles  
19 ends on December 31, 2025. The exemption under this subsection applies regardless  
20 of whether the vehicles are sold new or used. The taxes imposed under this  
21 subchapter on the vehicles, accessories, and parts described under this subsection  
22 after the exemptions under this subsection expire shall be deposited into the  
23 transportation fund.

insert 8-23

24 SECTION 18. 110.20 of the statutes, as affected by 2009 Wisconsin Act .... (this  
25 act), is repealed.

//

ASSEMBLY BILL 712

1

SECTION 19. 110.20 (8) <sup>(c)</sup> of the statutes is created to read:

2

110.20 (8) <sup>(d)</sup> Notwithstanding any other provision of this section, the  
3 department may not enter into any new contract under this section, or renew or  
4 extend any existing contract under this section, after the effective date of this  
5 paragraph .... [LRB inserts date].

6

SECTION 20. 110.21 of the statutes is repealed.

7

SECTION 21. 110.215 of the statutes is repealed.

8

SECTION 22. 285.30 of the statutes is repealed.

9

SECTION 23. 285.39 (3) (a) of the statutes is repealed.

10

SECTION 24. 341.03 (1) of the statutes is amended to read:

11

341.03 (1) PROHIBITION. No person may operate or knowingly permit the  
12 operation of a motor vehicle if the registration for that vehicle is suspended, revoked  
13 or canceled under s. ~~285.30 (6) (d) or~~ 342.255, ch. 344 or this chapter, or if the  
14 registration for that vehicle is suspended, canceled or revoked under the law of  
15 another jurisdiction.

16

SECTION 25. 341.04 (1) (intro.) of the statutes is amended to read:

17

341.04 (1) (intro.) It is unlawful for any person to operate or for an owner to  
18 consent to being operated on any highway of this state any motor vehicle,  
19 recreational vehicle, trailer, or semitrailer, or any other vehicle for which a  
20 registration fee is specifically prescribed, unless at the time of operation the vehicle  
21 in question either is registered in this state, or, except for registration under s. 341.30  
22 or 341.305, a complete application for registration, ~~including evidence of any~~  
23 ~~inspection under s. 110.20 when required,~~ accompanied by the required fee has been  
24 delivered to the department, submitted to a dealer under s. 341.09 (2m) for  
25 transmittal to the department, or deposited in the mail properly addressed with

## ASSEMBLY BILL 712

## SECTION 25

1 postage prepaid and, if the vehicle is an automobile or motor truck having a  
2 registered weight of 8,000 pounds or less, the vehicle displays a temporary operation  
3 plate issued for the vehicle unless the operator or owner of the vehicle produces proof  
4 that operation of the vehicle is within 2 business days of the vehicle's sale or transfer,  
5 or the vehicle in question is exempt from registration.

6 **SECTION 26.** 341.05 (19)<sup>↓</sup> of the statutes is amended to read:

7 341.05 (19) The vehicle is a repaired salvage vehicle operated to or from a  
8 location where it is to be inspected as required by s. 342.07, ~~or is an unregistered~~  
9 ~~vehicle operated to or from a location where it is to be inspected as required by s.~~  
10 ~~110.20.~~

11 **SECTION 27.** 341.09 (2m) (a) 1. b.<sup>↓</sup> of the statutes is amended to read:

12 341.09 (2m) (a) 1. b. A state resident who purchases or leases an automobile  
13 or motor truck having a registered weight of 8,000 pounds or less from a person other  
14 than the dealer for use on such vehicle if the state resident submits to the dealer a  
15 complete application for registration of the vehicle, ~~including evidence of any~~  
16 ~~inspection under s. 110.20 when required,~~ and for a new certificate of title for a  
17 purchased vehicle, together with a check or money order made payable to the  
18 department for all applicable title, registration, security interest and sales tax  
19 moneys, for transmittal to the department by the dealer.

20 **SECTION 28.** 341.09 (2m) (a) 2.<sup>↓</sup> of the statutes is amended to read:

21 341.09 (2m) (a) 2. Notwithstanding subd. 1., the department shall issue a  
22 sufficient number of temporary operation plates and temporary permits without  
23 charge to each dealer licensed in this state for issuance under this subdivision. Each  
24 dealer shall issue a temporary operation plate or a temporary permit without charge  
25 to any state resident who purchases or leases from the dealer an automobile or motor

**ASSEMBLY BILL 712**

1 truck having a registered weight of 8,000 pounds or less, for use on such vehicle if  
2 the state resident submits to the dealer a complete application for registration of the  
3 vehicle, ~~including evidence of inspection under s. 110.20 when required~~, and for a  
4 new certificate of title for a purchased vehicle, together with a check or money order  
5 made payable to the department for all applicable title, registration, security  
6 interest and sales tax moneys, for transmittal to the department by the dealer.

7 **SECTION 29.** 341.09 (5) of the statutes is repealed.

8 **SECTION 30.** 341.09 (9) of the statutes is amended to read:

9 341.09 (9) Notwithstanding any other provision of this section, the department  
10 shall issue a temporary operation plate or a temporary permit without charge for an  
11 automobile or motor truck having a registered weight of 8,000 pounds or less upon  
12 receipt of a complete application accompanied by the required fee for registration of  
13 the vehicle, ~~including evidence of any inspection under s. 110.20 when required~~, if  
14 the department does not immediately issue the regular registration plates for the  
15 vehicle and the department determines that the applicant has not otherwise been  
16 issued a temporary operation plate or a temporary permit under this section.

17 **SECTION 31.** 341.10 (8) of the statutes is repealed.

18 **SECTION 32.** 341.10 (10) of the statutes is repealed.

19 **SECTION 33.** 341.26 (2m) (am) of the statutes is amended to read:

20 341.26 (2m) (am) A fee of \$5 shall be paid to the department for the original  
21 issuance of a registration plate for any vehicle owned by this state or by any county  
22 or municipality or federally recognized Indian tribe or band in this state or leased to  
23 this state or to any county or municipality or federally recognized Indian tribe or  
24 band in this state, and operated exclusively, except for operation under s. 20.916 (7),  
25 in the public service by such state, county, municipality or Indian tribe or band. The

**ASSEMBLY BILL 712**

**SECTION 33**

1 registration shall be valid while the vehicle is owned and operated by the registrant  
2 or is leased to and operated by this state or by the county, municipality or Indian tribe  
3 or band, ~~and the registrant complies with s. 110.20 (6).~~

MSL  
12-3

4 **SECTION 34.** 341.36 (2) of the statutes is amended to read:

5 341.36 (2) Subsections (1) and (1m) do not apply to the reinstatement of a  
6 registration suspended under s. 341.63 (1) (c), or (d) ~~or (e)~~ or to the reinstatement of  
7 a registration suspended or revoked as a result of an error by the department.

8 **SECTION 35.** 341.63 (1) (e) of the statutes is repealed.

9 **SECTION 36.** 341.65 (2) (e) 2m. of the statutes is amended to read:

10 341.65 (2) (e) 2m. That a complete application for registration for the motor  
11 vehicle, ~~including evidence of inspection under s. 110.20 when required,~~  
12 accompanied by the required fee has been delivered to the department or deposited  
13 in the mail properly addressed with postage prepaid.

14 **SECTION 37.** 560.127 of the statutes is created to read:

15 **560.127 Extended-range electric vehicle grants.** (1) In this section,  
16 "extended-range electric vehicle" means a vehicle that is equipped with an electric  
17 motor and energy storage device capable of propelling the vehicle, without other  
18 methods of propulsion, for at least 30 miles on a single energy charge. An  
19 ~~extended-range electric vehicle~~ <sup>STED</sup> may incorporate additional methods of propulsion,  
20 including a chemically fueled internal combustion engine that is capable of operating  
21 on gasoline, diesel fuel, or alternative fuels.

22 (2) From the appropriation under s. 20.143 (1) (dm), after July 1, 201<sup>3</sup>, the  
23 department shall award grants to promote the extended-range electric vehicle  
24 industry, and research, production, and use of extended-range electric vehicles, in  
25 the counties of Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, and

## ASSEMBLY BILL 712

1 Waukesha. The department shall develop and administer a program to provide  
2 grants under this section and shall promulgate rules to implement and administer  
3 this section, including rules establishing criteria and standards for grant eligibility,  
4 for evaluating and ranking grant applications, for determining the amount of the  
5 grants awarded, and for identifying permissible uses of grant funds.

6 SECTION 38. 625.12 (1) (e) of the statutes is amended to read:

7 625.12 (1) (e) ~~Subject to s. 632.365, all~~ All other relevant factors, including the  
8 judgment of technical personnel.

9 SECTION 39. 625.12 (2) of the statutes is amended to read:

10 625.12 (2) CLASSIFICATION. Risks may be classified in any reasonable way for  
11 the establishment of rates and minimum premiums, except that no classifications  
12 may be based on race, color, creed or national origin, and classifications in automobile  
13 insurance may not be based on physical condition or developmental disability as  
14 defined in s. 51.01 (5). ~~Subject to s. 632.365, rates~~ Rates thus produced may be  
15 modified for individual risks in accordance with rating plans or schedules that  
16 establish reasonable standards for measuring probable variations in hazards,  
17 expenses, or both. Rates may also be modified for individual risks under s. 625.13  
18 (2).

19 SECTION 40. 625.15 (1) of the statutes is amended to read:

20 625.15 (1) RATE MAKING. An insurer may itself establish rates and  
21 supplementary rate information for one or more market segments based on the  
22 factors in s. 625.12 and, if the rates are for motor vehicle liability insurance, subject  
23 to s. 632.365 <sup>plain</sup> or the insurer may use rates and supplementary rate information  
24 prepared by a rate service organization, with average expense factors determined by

**ASSEMBLY BILL 712**

**SECTION 40**

1 the rate service organization or with such modification for its own expense and loss  
2 experience as the credibility of that experience allows.

3 **SECTION 41.** 628.34 (3) (a) of the statutes is amended to read:

4 628.34 (3) (a) No insurer may unfairly discriminate among policyholders by  
5 charging different premiums or by offering different terms of coverage except on the  
6 basis of classifications related to the nature and the degree of the risk covered or the  
7 expenses involved, subject to ss. ~~632.365~~, 632.746 and 632.748. Rates are not  
8 unfairly discriminatory if they are averaged broadly among persons insured under  
9 a group, blanket or franchise policy, and terms are not unfairly discriminatory  
10 merely because they are more favorable than in a similar individual policy.

11 **SECTION 42.** 632.365 of the statutes is repealed.

12 **SECTION 43. Initial applicability.**

13 (1) The treatment of sections 70.11 (27m) and 70.111 (27) and (28) of the  
14 statutes first applies to the property tax assessments as of January 1, 2010, 2011

15 **SECTION 44. Effective dates.** This act takes effect on the day after  
16 publication, except as follows:

17 (1) The treatment of section 77.54 (57) (a) 5m. and (b) 1. and 2. and (58) of the  
18 statutes takes effect on the first day of the 2nd month beginning after publication.

19 (2) The treatment of sections 13.48 (10) (a), 20.370 (2) (cf), 20.395 (5) (cq), (hq),  
20 and (hx), 110.21, 110.215, 285.30, 285.39 (3) (a), 341.03 (1), 341.04 (1) (intro.), 341.05  
21 (19), 341.09 (2m) (a) 1. b. and 2., (5), and (9), 341.10 (8) and (10), 341.26 (2m) (am), 341.307 (6),  
22 341.36 (2), 341.63 (1) (e), 341.65 (2) (e) 2m., 625.12 (1) (e) and (2), 625.15 (1), 628.34  
23 (3) (a), ~~632.365~~ and 909.02 (4) of the statutes and the repeal of section 110.20 of the statutes take  
24 effect on July 1, 2011.

insert  
14-11

2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0385/linsAG  
ARG:.....

1

2

**INSERT 8-23:**

3

**SECTION ~~#~~ 84.01 (34)** of the statutes is amended to read:

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9

84.01 (34) FARMLAND PRESERVATION EXEMPTION. Chapter 91 and ordinances adopted, rules promulgated, and agreements entered into under that chapter apply to the department only with respect to buildings, structures, and facilities to be used for administrative or operating functions, including buildings, land, and equipment to be used for the motor vehicle emission inspection and maintenance program under s. 110.20.

History: 1971 c. 40, 125; 1973 c. 12; 1973 c. 243 s. 82; 1975 c. 189; 1977 c. 29 ss. 918 to 924, 1654 (1), (8) (a), (f), 1656 (43); 1977 c. 190, 272; 1979 c. 221, 314; 1981 c. 346 s. 38; 1983 a. 27, 130; 1985 a. 29, 300; 1987 a. 27; 1989 a. 31, 125, 345; 1993 a. 246; 1995 a. 225, 338; 1997 a. 27, 106; 1999 a. 9; 2001 a. 16; 2005 a. 25, 89, 392, 410; 2007 a. 20, 97, 125; 2009 a. 28.

10

**INSERT 12-3:**

11

**SECTION ~~#~~ 341.307 (6)** of the statutes is amended to read:

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13

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17

341.307 (6) The department shall promulgate rules specifying the minimum number of vehicles that must be in a fleet for the fleet to be eligible for registration under this section and establishing procedures for the registration of vehicle fleets under this section, including provisions imposing any restrictions that the department determines to be appropriate and any provisions deemed necessary for vehicles that require inspection under s. 110.20 (6).

History: 2009 a. 28.

18

19

**INSERT 14-11:**

20

**SECTION ~~#~~ 909.02 (4)** of the statutes is amended to read:

21

22

909.02 (4) CERTIFIED COPIES OF PUBLIC RECORDS. A copy of an official record or report or entry therein, or of a document authorized by law to be recorded or filed and

1 actually recorded or filed in a public office, including data compilations in any form,  
2 certified as correct by the custodian or other person authorized to make the  
3 certification, by certificate complying with sub. (1), (2) or (3) or complying with any  
4 statute or rule adopted by the supreme court, or, with respect to records maintained  
5 by the department of transportation under s. 110.20<sup>↓</sup> or chs. 194, 218, 341 to 343, 345,  
6 or 348, certified electronically in any manner determined by the department of  
7 transportation to conform with the requirements of s. 909.01.

**History:** Sup. Ct. Order, 59 Wis. 2d R1, R340 (1973); Sup. Ct. Order, 67 Wis. 2d 585, viii (1975); 1975 c. 200; 1979 c. 89; Sup. Ct. Order, 158 Wis. 2d xxv (1990); 1991 a. 32, 148, 304, 315; 1999 a. 85; 2005 a. 25; Sup. Ct. Order No. 04-09, 2005 WI 148, 283 Wis. 2d xv; 2009 a. 28, 118.

8  
9

## Gary, Aaron

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**From:** Pyritz, Michael  
**Sent:** Tuesday, November 30, 2010 10:27 AM  
**To:** Gary, Aaron  
**Subject:** RE: Changes to LRB-0385/1

Aaron, sorry for the delay. Yes it would be good to use similar language for WERC as well as commerce. I will try and direct some info on the federal hub designation asap.

mike

---

**From:** Gary, Aaron  
**Sent:** Wednesday, November 24, 2010 2:30 PM  
**To:** Pyritz, Michael  
**Subject:** RE: Changes to LRB-0385/1

Mike,  
Regarding item 5., do you want to designate what WERC would use the money for? Do you want the language to be similar to the language for the Commerce grants on page 13 of the draft (research, production, use, promotion of extended-range electric vehicles) or do you just want payments made to WERC, period, and let WERC decide how best to use the money? Also, do you want to include language such as the following: "For each year in which DOT makes payments to WERC, WERC shall submit to the presiding officer of each house of the legislature an audited financial statement of its use of the payments under this section, prepared in accordance with generally accepted accounting principles. DOT shall discontinue payments to WERC if WERC dissolves or becomes insolvent."

Finally, I don't know what a federal hub designation is. Can you give me any more information on that - at least which federal agency does the designation and if hub is an acronym what it stands for?

Thanks. Aaron

Aaron R. Gary  
*Attorney, Legislative Reference Bureau*  
608.261.6926 (voice)  
608.264.6948 (fax)  
[aaron.gary@legis.state.wi.us](mailto:aaron.gary@legis.state.wi.us)

---

**From:** Pyritz, Michael  
**Sent:** Monday, November 22, 2010 1:18 PM  
**To:** Gary, Aaron  
**Subject:** RE: Changes to LRB-0385/1

Yes you can continue down that path. I would guess that the end point would need to be June 2013 pending approval. The other items would kick in sooner.

mike

---

**From:** Gary, Aaron  
**Sent:** Monday, November 22, 2010 12:38 PM  
**To:** Pyritz, Michael  
**Cc:** Kreye, Joseph  
**Subject:** RE: Changes to LRB-0385/1

Mike,  
In answer to item 4., section 632.365 prohibits an insurer from using info. collected during an emission inspection to set rates or premiums. If there are no emission inspections, this provision needs to be repealed and cross-references

also need to be repealed. That is all that sections 41-44 are doing. However, if ending the IM program becomes contingent, then I'm thinking these provisions won't need to be treated in the next draft.

With regard to item 5., the IM program, like everything else, is funded in two-year intervals. I cannot direct money to WERC beyond the upcoming biennium, although I can put in place the appropriations that would carry out the funding in the future. That said, I'm wondering when you want this all to kick in. The last time we took this approach, we planned for a termination date for the IM program of the last day of the fiscal biennium (that was the 2007 session, and the program would end on June 30, 2009 if permissible under federal law). In my view, this approach of having a date certain for ending the program, and ending it at the end of the biennium, if there is federal approval by that time, is a good way to go as there needs to be time to wind down operations and resolve liabilities to the contractor(s). (The draft I'm referring to is 2007 LRB-1458.) Is it OK to continue using this approach?

Thanks. Aaron

Aaron R. Gary  
Attorney, Legislative Reference Bureau  
608.261.6926 (voice)  
608.264.6948 (fax)  
aaron.gary@legis.state.wi.us

---

**From:** Pyritz, Michael  
**Sent:** Friday, November 19, 2010 1:11 PM  
**To:** Gary, Aaron  
**Subject:** Changes to LRB-0385/1

Aaron, thank for your help getting this done so quickly. Here are a couple of items that we are hoping to change or with some have a quick explanation of the item.

1. We will need to make the ending of the IM program contingent on EPA approval.
2. We would like to push back the end of the sales tax from Dec 2020 to 2022.
3. We do not want this credit to go to low speed electric vehicles.
4. What is the reasoning for including the insurance items in Sections 41-45?
5. What would be needed to see if we could send the funds gained from ending the IM program to the Wisconsin Energy Research Consortium (WERC)? It is my understanding that this group will be applying for a federal hub designation. If they do receive that, we would like to funnel the funding into this group.

Thanks,

mike

**Gary, Aaron**

---

**From:** Pyritz, Michael  
**Sent:** Tuesday, November 30, 2010 12:20 PM  
**To:** Gary, Aaron  
**Subject:** RE: Changes to LRB-0385/1

Aaron the person to talk to about the federal designation is

John Bobrowich  
414-349-0399.

VM from : bidding for batteries and energy

He is the head of WERC.

Storage innervation hub

Thanks again,

sponsored by DOE

m

---

**From:** Gary, Aaron  
**Sent:** Wednesday, November 24, 2010 2:30 PM  
**To:** Pyritz, Michael  
**Subject:** RE: Changes to LRB-0385/1

Mike,

Regarding item 5., do you want to designate what WERC would use the money for? Do you want the language to be similar to the language for the Commerce grants on page 13 of the draft (research, production, use, promotion of extended-range electric vehicles) or do you just want payments made to WERC, period, and let WERC decide how best to use the money? Also, do you want to include language such as the following: "For each year in which DOT makes payments to WERC, WERC shall submit to the presiding officer of each house of the legislature an audited financial statement of its use of the payments under this section, prepared in accordance with generally accepted accounting principles. DOT shall discontinue payments to WERC if WERC dissolves or becomes insolvent."

Finally, I don't know what a federal hub designation is. Can you give me any more information on that - at least which federal agency does the designation and if hub is an acronym what it stands for?

Thanks. Aaron

Aaron R. Gary  
Attorney, Legislative Reference Bureau  
608.261.6926 (voice)  
608.264.6948 (fax)  
aaron.gary@legis.state.wi.us

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**From:** Pyritz, Michael  
**Sent:** Monday, November 22, 2010 1:18 PM  
**To:** Gary, Aaron  
**Subject:** RE: Changes to LRB-0385/1

Yes you can continue down that path. I would guess that the end point would need to be June 2013 pending approval. The other items would kick in sooner.

mike



U.S. DEPARTMENT OF  
**ENERGY**

## Office of Science — DOE Energy Innovation Hubs

**July 22, 2010.** **The Joint Center for Artificial Photosynthesis (JCAP) will become the DOE Energy Innovation Hub to develop methods to produce Fuels from Sunlight.** As part of a broad effort to achieve breakthrough innovations in energy production, U.S. Deputy Secretary of Energy Daniel Poneman today announced an award of up to \$122 million over five years to a multidisciplinary team of top scientists to establish an Energy Innovation Hub aimed at developing revolutionary methods to generate fuels directly from sunlight. JCAP will be led by the California Institute of Technology in partnership with Lawrence Berkeley National Laboratory and other California institutions. (DOE [Press Release](#))



 [Fuels from Sunlight Hub Web Site](#)

 [JCAP Technical Summary](#)

 [JCAP Fact Sheet](#)

**FY 2011 Office of Science Budget Request.** Two of the four DOE [Energy Innovation Hubs](#) being requested in FY 2011 are funded through the [Basic Energy Sciences](#) (BES) program of the Office of Science (SC). The Hubs will focus multiple teams of researchers—each working in separate but collaborative research areas—on overcoming the related scientific barriers to development of a complete energy system that has potential for implementation into a transformative energy technology. The two Hubs funded and managed by SC/BES will bring together teams of experts from multiple disciplines to focus on two grand challenges in energy: (1) *Fuels from Sunlight*, a Hub established in FY 2010 and (2) *Batteries and Energy Storage*, a new Hub in the FY 2011 request.

The **Fuels from Sunlight Hub** was initiated in FY 2010 with \$22,000,000 provided through the Office of Energy Efficiency and Renewable Energy. The Fuels from Sunlight Hub will develop an effective solar energy to chemical fuel conversion system. The system should operate at an overall efficiency and produce fuel of sufficient energy content to enable transition from bench-top discovery to proof-of-concept prototyping. SC/BES provides programmatic oversight for the Fuels from Sunlight Hub, including management of the solicitation and its merit review process, and coordination with the two other Energy Innovation Hubs initiated in FY 2010—Modeling and Simulation for Nuclear Reactors in the Office of Nuclear Energy and Energy Efficient Building Systems Design in the Office of Energy Efficiency and Renewable Energy. The Funding Opportunity Announcement (FOA) for the Fuels from Sunlight Hub was issued on December 22, 2009, and the closing deadline for applications was March 29, 2010. After the competitive merit review of applications, the Joint Center for Artificial Photosynthesis (JCAP) was announced as the DOE Energy Innovation Hub for Fuels from Sunlight Hub on July 22, 2010.

The **Batteries and Energy Storage Hub** will be initiated in FY 2011 with \$24,020,000 funding plus one-time funding of \$10,000,000 for Hub start-up needs, excluding new construction. Today's electrical energy storage approaches suffer from limited energy and power capacities, lower-than-desired rates of charge and discharge, calendar and cycle life limitations, low abuse tolerance, high cost, and poor performance at high or low temperatures. These performance deficiencies adversely affect the successful use and integration of renewable, intermittent power sources onto the grid as well as broader applications of energy storage to enhance grid reliability. These same fundamental problems also limit broad consumer acceptance and market adaptation of hybrid and all electric vehicles. The Batteries and Energy Storage Hub would address a number of specific areas of research that were identified in the BES workshop report *Basic Research Needs for Electrical Energy Storage* that include: efficacy of materials architectures and structure in energy storage; charge transfer and transport; electrolytes; multi-scale modeling; and probes of energy storage chemistry and physics at all time and length scales. The FOA that will fully describing the research opportunities for the Batteries and Energy Storage Hub will be issued following the FY 2011 appropriation.

The Batteries and Energy Storage Hub complements existing research and development activities funded across the Department of Energy. The Hub will provide an interdisciplinary environment in which both basic

and applied research will be simultaneously directed at the research challenges for energy storage, going beyond the activities currently supported by DOE.

	<i>Investigators</i>	<i>Diversity of Disciplines Per Award</i>	<i>Period of Award; Management</i>	<i>Annual Average Award</i>	<i>Core Motivation, Research Focus</i>
<b>Core BES Program</b>	Single or small-groups of researchers	Few	3-year renewable awards	~\$300k	Fundamental research to understand the underlying science of materials and chemistry issues related to electrical energy storage. Current projects focus on electrode and electrolyte phenomena.
<b>Energy Frontier Research Centers</b>	Self-assembled group of ~12-20 investigators.	Several	Five years with 5-year renewal possible. Managed by DOE SC-BES.	~\$3M	Fundamental research on electrical energy storage with a link to new energy technologies or technology roadblocks. Address subject matter from among a large set of scientific grand challenges and electrical energy storage-related topics based on the "Directing matter and Energy: Five Challenges for Science and the Imagination", and "Basic Research Needs in Electrical Energy Storage" reports, respectively. Research focuses on tailored interfaces, nanostructures, and fundamentals of chemistry and chemical reactions for energy storage.
<b>Batteries and Energy Storage Innovation Hub</b>	Large investigator set spanning multiple science and engineering disciplines and possibly areas such as energy policy, economics, and market analysis.	Many	Five years with 5-year renewal possible. Managed by DOE SC with broad DOE participation. A Board of Advisors consisting of senior leadership will coordinate across DOE.	~\$25M per year for R&D	Integrate from fundamental research through potential commercialization of electrical energy storage relevant to transportation and the electric grid. The breadth and emphasis of activities will be influenced by the nature of the selected Hub proposal. Some may place a greater emphasis on basic and applied research, while others may focus more on technology development. This DOE Hub will be managed by SC with input from Office of Electricity Delivery and Energy Reliability (OE) and the Office of Energy Efficiency & Renewable Energy (EERE)
<b>ARPA-E</b>	Single investigator, small group, or small teams.	Few	1-3 years Managed by ARPA-E, which reports to the Secretary of Energy	\$1 -7M	High risk translational research driven by the potential for significant commercial impact in the near-term. Solicitation on Batteries for Electrical Energy Storage in Transportation focused on ultra-high energy density, low-cost battery technologies. Solicitation on Grid Storage focuses on new concepts for extremely low cost scalable grid storage.

Office of Basic Energy Sciences | SC-22/Germantown Building | U.S. Department of Energy  
1000 Independence Avenue, SW | Washington, DC 20585-1290 | 301/903-3081 | FAX: 301/903-6594  
<http://www.sc.doe.gov/bes> | [SC.BES@science.doe.gov](mailto:SC.BES@science.doe.gov)



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0385/2  
ARG&JK:wlj:md

stays

2011 BILL

J-note

m 11-30-10

Regen

1 AN ACT *to repeal* 20.370 (2) (cf), 20.395 (5) (hq) and (hx), 110.20, 110.21, 110.215,  
 2 285.30, 285.39 (3) (a), 341.09 (5), 341.10 (8), 341.10 (10), 341.63 (1) (e) and  
 3 632.365; *to amend* 13.48 (10) (a), 20.395 (5) (cq), 71.28 (4m) (b) (intro.), 71.47  
 4 (4m) (b) (intro.), 77.54 (57) (b) 1., 77.54 (57) (b) 2., 84.01 (34), 341.03 (1), 341.04  
 5 (1) (intro.), 341.05 (19), 341.09 (2m) (a) 1. b., 341.09 (2m) (a) 2., 341.09 (9),  
 6 341.26 (2m) (am), 341.307 (6), 341.36 (2), 341.65 (2) (e) 2m., 625.12 (1) (e),  
 7 625.12 (2), 625.15 (1), 628.34 (3) (a) and 909.02 (4); and *to create* 20.143 (1)  
 8 (dm), 20.855 (4) (x), 25.40 (2) (b) 27., 70.11 (27m), 70.111 (27), 70.111 (28), 77.54  
 9 (57) (a) 5m., 77.54 (58), 110.20 (8) (d) and 560.127 of the statutes; **relating to:**  
 10 a sales and use tax exemption for extended-range electric vehicles; a property  
 11 tax exemption for tangible personal property used to recharge electric vehicles;  
 12 the motor vehicle emission inspection and maintenance program;  
 13 extended-range electric vehicle grants; an income and franchise tax credit for  
 14 research conducted in this state by a corporation; a property and sales and use

and payments to the Wisconsin Energy Research Consortium related to

**BILL**

1 tax exemption for certain machinery and tangible personal property used to  
 2 conduct research; granting rule-making authority; and making *an*  
 3 appropriations *g*

***Analysis by the Legislative Reference Bureau***

**SALES TAX EXEMPTIONS**

This bill provides a sales and use tax exemption for extended-range electric vehicles that are licensed for highway use.

**PROPERTY TAX EXEMPTIONS**

This bill exempts from property taxes all tangible personal property used exclusively to provide electricity to recharge electric vehicles that are licensed for highway use or low-speed vehicles that are allowed, by ordinance, to operate on a roadway that has a speed limit of 35 miles per hour or less.

This bill also creates a property tax exemption and a sales and use tax exemption for machinery and other tangible personal property used for qualified research by persons engaged primarily in manufacturing, silviculture, or biotechnology in this state.

*\**

**VEHICLE EMISSION INSPECTIONS AND <sup>CS</sup> ~~ELECTRIC VEHICLE GRANT PROGRAM~~**

Current law requires the Department of Transportation (DOT) to conduct *the* motor vehicle emission inspection and maintenance program (I/M program) in counties in which the air quality does not meet certain federal standards (nonattainment counties). Under the I/M program, most motor vehicles that are subject to emission limitations established by the Department of Natural Resources (DNR) must pass periodic emission inspections and may not be registered by DOT unless they have passed these inspections. Most nonexempt motor vehicles must undergo an initial emission inspection in the fourth year after the vehicle's model year and additional emission inspections every two years thereafter. DOT may contract with third parties to perform vehicle emission inspections under the I/M program. The costs of administering the program, including contracting for emission inspections, are primarily paid by DOT from the transportation fund, although a small portion of the costs are paid by DNR from the general fund.

This bill terminates the I/M program on July 1, 2013, and prohibits DOT from entering into any new contract, or renewing or extending any existing contract, for the operation of the I/M program before that date. The bill also creates appropriations to transfer money from the transportation fund to the general fund and to fund, from the general fund, an extended-range electric vehicle grant program. The bill requires the Department of Commerce (Commerce), after July 1, 2013, to award grants to promote the extended-range electric vehicle industry, and research, production, and use of extended-range electric vehicles, in the nonattainment counties. Commerce must promulgate rules to implement and administer the extended-range electric vehicle grant program.

*insert  
ANAL*

**BILL****SUPER RESEARCH AND DEVELOPMENT CREDIT**

Under current law, for taxable years beginning on or after January 1, 2011, a corporation may claim a "super research and development" income and franchise tax credit equal to the amount of its qualified research expenses in the taxable year for research conducted in this state that exceeds the amount equal to the average amount of the corporation's qualified research expenses in the previous three taxable years multiplied by 1.25. If the credit claimed by a corporation exceeds the corporation's tax liability, the state will not issue a refund, but the corporation may carry forward any remaining credit to 15 subsequent taxable years. Under the bill, a corporation may claim the super research and development credit for taxable years beginning on or after July 1, 2010.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1     ~~SECTION 1. 13.48 (10) (a) of the statutes is amended to read:~~

2             ~~13.48 (10) (a) No state board, agency, officer, department, commission or body~~  
3     ~~corporate may enter into a contract for the construction, reconstruction, remodeling~~  
4     ~~of or addition to any building, structure, or facility, in connection with any building~~  
5     ~~project which involves a cost in excess of \$150,000 without completion of final plans~~  
6     ~~and arrangement for supervision of construction and prior approval by the building~~  
7     ~~commission. The building commission may not approve a contract for the~~  
8     ~~construction, reconstruction, renovation or remodeling of or an addition to a state~~  
9     ~~building as defined in s. 44.51 (2) unless it determines that s. 44.57 has been complied~~  
10    ~~with or does not apply. This section applies to the department of transportation only~~  
11    ~~in respect to buildings, structures and facilities to be used for administrative or~~  
12    ~~operating functions, including buildings, land and equipment to be used for the~~  
13    ~~motor vehicle emission inspection and maintenance program under s. 110.20.~~



**BILL**

1 341.45, for administering the aircraft registration program under s. 114.20 and to  
2 compensate for services performed, as determined by the secretary of transportation,  
3 by any county providing registration services.

4 **SECTION 6.** 20.395 (5) (hq) and (hx) of the statutes are repealed.

5 **SECTION 7.** 20.855 (4) (x) of the statutes is created to read:

6 20.855 ~~(4)~~ (x) *Transfer to general fund, transportation fund.* Notwithstanding  
7 s. 25.40 (3) (a), from the transportation fund, the amounts in the schedule to be  
8 transferred to the general fund.

9 **SECTION 8.** 25.40 (2) (b) 27. of the statutes is created to read:

10 25.40 (2) (b) 27. Section 20.855 (4) (x).

11 **SECTION 9.** 70.11 (27m) of the statutes is created to read:

12 70.11 **(27m)** RESEARCH MACHINERY AND EQUIPMENT. (a) In this subsection:

- 13 1. "Biotechnology" has the meaning given in s. 77.54 (57) (a) 1f.  
14 2. "Machinery" has the meaning given in sub. (27) (a) 2.  
15 3. "Manufacturing" has the meaning given in sub. (27) (a) 3.  
16 4. "Primarily" means more than 50 percent.  
17 5. "Qualified research" means qualified research as defined under section 41  
18 (d) (1) of the Internal Revenue Code.  
19 6. "Silviculture" means theory and practice of controlling regeneration,  
20 composition, and growth of stands of forest vegetation using knowledge of the life  
21 history, characteristics, and ecology of forest trees through:  
22 a. Regeneration treatment.  
23 b. Liberation cutting.  
24 c. Thinning.  
25 d. Crown thinning.

**BILL**

1 e. Improvement cutting.

2 f. Planting.

3 g. Site preparation.

4 h. Pruning.

5 7. "Used exclusively" has the meaning given in sub. (27) (a) 8.

6 (b) Machinery and equipment, including attachments, parts, and accessories,  
7 used by persons who are engaged primarily in manufacturing, silviculture, or  
8 biotechnology in this state and are used exclusively and directly in qualified  
9 research.

10 **SECTION 10.** 70.111 (27) of the statutes is created to read:

11 70.111 (27) CHARGING STATIONS. All tangible personal property used exclusively,  
12 as defined in s. 70.11 (27) (a) 8., to provide electricity to recharge electric vehicles that  
13 are licensed for highway use or low-speed vehicles, as defined in s. 340.01 (27h),  
14 regardless of the extent to which the tangible personal property is fastened to,  
15 connected to, or built into real property.

16 **SECTION 11.** 70.111 (28) of the statutes is created to read:

17 70.111 (28) RESEARCH PROPERTY. (a) In this subsection:

18 1. "Biotechnology" has the meaning given in s. 77.54 (57) (a) 1f.

19 2. "Manufacturing" has the meaning given in s. 70.11 (27) (a) 3.

20 3. "Primarily" means more than 50 percent.

21 4. "Qualified research" means qualified research as defined under section 41  
22 (d) (1) of the Internal Revenue Code.

23 5. "Silviculture" has the meaning given in s. 70.11 (27m) (a) 6.

24 6. "Used exclusively" has the meaning given in s. 70.11 (27) (a) 8.

**BILL**

1 (b) Tangible personal property used by persons who are engaged primarily in  
2 manufacturing, silviculture, or biotechnology in this state, if the tangible personal  
3 property is consumed or destroyed or loses its identity while being used exclusively  
4 and directly in qualified research.

5 **SECTION 12.** 71.28 (4m) (b) (intro.) of the statutes is amended to read:

6 71.28 (4m) (b) *Credit.* (intro.) Subject to the limitations provided under this  
7 subsection, for taxable years beginning on or after ~~January 1, 2011~~ July 1, 2010, a  
8 corporation may claim as a credit against the tax imposed under s. 71.23, up to the  
9 amount of those taxes, an amount equal to the amount of qualified research expenses  
10 paid or incurred by the corporation in the taxable year that exceeds the amount  
11 calculated as follows:

12 **SECTION 13.** 71.47 (4m) (b) (intro.) of the statutes is amended to read:

13 71.47 (4m) (b) *Credit.* (intro.) Subject to the limitations provided under this  
14 subsection, for taxable years beginning on or after ~~January 1, 2011~~ July 1, 2010, a  
15 corporation may claim as a credit against the tax imposed under s. 71.43, up to the  
16 amount of those taxes, an amount equal to the amount of qualified research expenses  
17 paid or incurred by the corporation in the taxable year that exceeds the amount  
18 calculated as follows:

19 **SECTION 14.** 77.54 (57) (a) 5m. of the statutes is created to read:

20 77.54 (57) (a) 5m. "Silviculture" has the meaning given in s. 70.11 (27m) (a) 6.

21 **SECTION 15.** 77.54 (57) (b) 1. of the statutes, as created by 2009 Wisconsin Act  
22 28, is amended to read:

23 77.54 (57) (b) 1. Machinery and equipment, including attachments, parts, and  
24 accessories, that are sold to persons who are engaged primarily in manufacturing.

**BILL**

1 silviculture, or biotechnology in this state and are used exclusively and directly in  
2 qualified research.

3 **SECTION 16.** 77.54 (57) (b) 2. of the statutes, as created by 2009 Wisconsin Act  
4 28, is amended to read:

5 77.54 (57) (b) 2. Tangible personal property or item or property under s. 77.52  
6 (1) (b) or (c) that is sold to persons who are engaged primarily in manufacturing,  
7 silviculture, or biotechnology in this state, if the tangible personal property or item  
8 or property under s. 77.52 (1) (b) or (c) is consumed or destroyed or loses its identity  
9 while being used exclusively and directly in qualified research.

10 **SECTION 17.** 77.54 (58) of the statutes is created to read:

11 77.54 (58) The sales price from the sales of and the storage, use, or other  
12 consumption of extended-range electric vehicles, as defined in s. 560.127 (1), that are  
13 licensed for highway use, including accessories and parts for such vehicles, and  
14 purchased during the period beginning on the effective date of this subsection ....  
15 [LRB inserts date], and ending on December 31, 2020, except that the exemption  
16 under this subsection that applies to batteries for extended-range electric vehicles  
17 ends on December 31, 2025. The exemption under this subsection applies regardless  
18 of whether the vehicles are sold new or used. The taxes imposed under this  
19 subchapter on the vehicles, accessories, and parts described under this subsection  
20 after the exemptions under this subsection expire shall be deposited into the  
21 transportation fund.

22 **SECTION 18.** 84.01 (34) of the statutes is amended to read:

23 84.01 (34) FARMLAND PRESERVATION EXEMPTION. Chapter 91 and ordinances  
24 adopted, rules promulgated, and agreements entered into under that chapter apply  
25 to the department only with respect to buildings, structures, and facilities to be used

1 ~~for administrative or operating functions, including buildings, land, and equipment~~  
2 ~~to be used for the motor vehicle emission inspection and maintenance program under~~  
3 ~~s. 110.20.~~

4 **SECTION 19.** 110.20 of the statutes, as affected by 2011 Wisconsin Act .... (this  
5 act), is repealed.

6 **SECTION 20.** 110.20 (8) (d) of the statutes is created to read:

7 110.20 (8) (d) Notwithstanding any other provision of this section, the  
8 department may not enter into any new contract under this section, or renew or  
9 extend any existing contract under this section, after the effective date of this  
10 paragraph .... [LRB inserts date].

11 **SECTION 21.** 110.21 of the statutes is repealed.

12 **SECTION 22.** 110.215 of the statutes is repealed.

13 **SECTION 23.** 285.30 of the statutes is repealed.

14 **SECTION 24.** 285.39 (3) (a) of the statutes is repealed.

15 **SECTION 25.** 341.03 (1) of the statutes is amended to read:

16 341.03 (1) PROHIBITION. No person may operate or knowingly permit the  
17 operation of a motor vehicle if the registration for that vehicle is suspended, revoked  
18 or canceled under s. 285.30 (6) (d) or 342.255, ch. 344 or this chapter, or if the  
19 registration for that vehicle is suspended, canceled or revoked under the law of  
20 another jurisdiction.

21 **SECTION 26.** 341.04 (1) (intro.) of the statutes is amended to read:

22 341.04 (1) (intro.) It is unlawful for any person to operate or for an owner to  
23 consent to being operated on any highway of this state any motor vehicle,  
24 recreational vehicle, trailer, or semitrailer, or any other vehicle for which a  
25 registration fee is specifically prescribed, unless at the time of operation the vehicle

Insert  
9-12

**BILL****SECTION 26**

1 in question either is registered in this state, or, except for registration under s. 341.30  
2 or 341.305, a complete application for registration, ~~including evidence of any~~  
3 ~~inspection under s. 110.20 when required~~, accompanied by the required fee has been  
4 delivered to the department, submitted to a dealer under s. 341.09 (2m) for  
5 transmittal to the department, or deposited in the mail properly addressed with  
6 postage prepaid and, if the vehicle is an automobile or motor truck having a  
7 registered weight of 8,000 pounds or less, the vehicle displays a temporary operation  
8 plate issued for the vehicle unless the operator or owner of the vehicle produces proof  
9 that operation of the vehicle is within 2 business days of the vehicle's sale or transfer,  
10 or the vehicle in question is exempt from registration.

11 **SECTION 27.** 341.05 (19) of the statutes is amended to read:

12 341.05 (19) The vehicle is a repaired salvage vehicle operated to or from a  
13 location where it is to be inspected as required by s. 342.07, ~~or is an unregistered~~  
14 ~~vehicle operated to or from a location where it is to be inspected as required by s.~~  
15 ~~110.20.~~

16 **SECTION 28.** 341.09 (2m) (a) 1. b. of the statutes is amended to read:

17 341.09 (2m) (a) 1. b. A state resident who purchases or leases an automobile  
18 or motor truck having a registered weight of 8,000 pounds or less from a person other  
19 than the dealer for use on such vehicle if the state resident submits to the dealer a  
20 complete application for registration of the vehicle, ~~including evidence of any~~  
21 ~~inspection under s. 110.20 when required~~, and for a new certificate of title for a  
22 purchased vehicle, together with a check or money order made payable to the  
23 department for all applicable title, registration, security interest and sales tax  
24 moneys, for transmittal to the department by the dealer.

25 **SECTION 29.** 341.09 (2m) (a) 2. of the statutes is amended to read:

**BILL**

1       341.09 (2m) (a) 2. Notwithstanding subd. 1., the department shall issue a  
2 sufficient number of temporary operation plates and temporary permits without  
3 charge to each dealer licensed in this state for issuance under this subdivision. Each  
4 dealer shall issue a temporary operation plate or a temporary permit without charge  
5 to any state resident who purchases or leases from the dealer an automobile or motor  
6 truck having a registered weight of 8,000 pounds or less, for use on such vehicle if  
7 the state resident submits to the dealer a complete application for registration of the  
8 vehicle, ~~including evidence of inspection under s. 110.20 when required,~~ and for a  
9 new certificate of title for a purchased vehicle, together with a check or money order  
10 made payable to the department for all applicable title, registration, security  
11 interest and sales tax moneys, for transmittal to the department by the dealer.

12       **SECTION 30.** 341.09 (5) of the statutes is repealed.

13       **SECTION 31.** 341.09 (9) of the statutes is amended to read:

14       341.09 (9) Notwithstanding any other provision of this section, the department  
15 shall issue a temporary operation plate or a temporary permit without charge for an  
16 automobile or motor truck having a registered weight of 8,000 pounds or less upon  
17 receipt of a complete application accompanied by the required fee for registration of  
18 the vehicle, ~~including evidence of any inspection under s. 110.20 when required,~~ if  
19 the department does not immediately issue the regular registration plates for the  
20 vehicle and the department determines that the applicant has not otherwise been  
21 issued a temporary operation plate or a temporary permit under this section.

22       **SECTION 32.** 341.10 (8) of the statutes is repealed.

23       **SECTION 33.** 341.10 (10) of the statutes is repealed.

24       **SECTION 34.** 341.26 (2m) (am) of the statutes is amended to read:

**BILL****SECTION 34**

1       341.26 **(2m)** (am) A fee of \$5 shall be paid to the department for the original  
2 issuance of a registration plate for any vehicle owned by this state or by any county  
3 or municipality or federally recognized Indian tribe or band in this state or leased to  
4 this state or to any county or municipality or federally recognized Indian tribe or  
5 band in this state, and operated exclusively, except for operation under s. 20.916 (7),  
6 in the public service by such state, county, municipality or Indian tribe or band. The  
7 registration shall be valid while the vehicle is owned and operated by the registrant  
8 or is leased to and operated by this state or by the county, municipality or Indian tribe  
9 or band, ~~and the registrant complies with s. 110.20 (6).~~

10       **SECTION 35.** 341.307 (6) of the statutes is amended to read:

11       341.307 **(6)** The department shall promulgate rules specifying the minimum  
12 number of vehicles that must be in a fleet for the fleet to be eligible for registration  
13 under this section and establishing procedures for the registration of vehicle fleets  
14 under this section, including provisions imposing any restrictions that the  
15 department determines to be appropriate ~~and any provisions deemed necessary for~~  
16 ~~vehicles that require inspection under s. 110.20 (6).~~

17       **SECTION 36.** 341.36 (2) of the statutes is amended to read:

18       341.36 **(2)** Subsections (1) and (1m) do not apply to the reinstatement of a  
19 registration suspended under s. 341.63 (1) ~~(c), or (d) or (e)~~ or to the reinstatement of  
20 a registration suspended or revoked as a result of an error by the department.

21       **SECTION 37.** 341.63 (1) (e) of the statutes is repealed.

22       **SECTION 38.** 341.65 (2) (e) 2m. of the statutes is amended to read:

23       341.65 **(2)** (e) 2m. That a complete application for registration for the motor  
24 vehicle, ~~including evidence of inspection under s. 110.20 when required,~~

**BILL**

1 accompanied by the required fee has been delivered to the department or deposited  
2 in the mail properly addressed with postage prepaid.

3 **SECTION 39.** 560.127 of the statutes is created to read:

4 **560.127 Extended-range electric vehicle grants.** (1) In this section,  
5 “extended-range electric vehicle” means a vehicle that is equipped with an electric  
6 motor and energy storage device capable of propelling the vehicle, without other  
7 methods of propulsion, for at least 30 miles on a single energy charge. An  
8 “extended-range electric vehicle” may incorporate additional methods of propulsion,  
9 including a chemically fueled internal combustion engine that is capable of operating  
10 on gasoline, diesel fuel, or alternative fuels.

11 (2) From the appropriation under s. 20.143 (1) (dm), after July 1, 2013, the  
12 department shall award grants to promote the extended-range electric vehicle  
13 industry, and research, production, and use of extended-range electric vehicles, in  
14 the counties of Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, and  
15 Waukesha. The department shall develop and administer a program to provide  
16 grants under this section and shall promulgate rules to implement and administer  
17 this section, including rules establishing criteria and standards for grant eligibility,  
18 for evaluating and ranking grant applications, for determining the amount of the  
19 grants awarded, and for identifying permissible uses of grant funds.

20 **SECTION 40.** 625.12 (1) (e) of the statutes is amended to read:

21 625.12 (1) (e) ~~Subject to s. 632.365, all~~ All other relevant factors, including the  
22 judgment of technical personnel.

23 **SECTION 41.** 625.12 (2) of the statutes is amended to read:

24 625.12 (2) **CLASSIFICATION.** Risks may be classified in any reasonable way for  
25 the establishment of rates and minimum premiums, except that no classifications

**BILL****SECTION 41**

1 may be based on race, color, creed or national origin, and classifications in automobile  
2 insurance may not be based on physical condition or developmental disability as  
3 defined in s. 51.01 (5). ~~Subject to s. 632.365, rates~~ Rates thus produced may be  
4 modified for individual risks in accordance with rating plans or schedules that  
5 establish reasonable standards for measuring probable variations in hazards,  
6 expenses, or both. Rates may also be modified for individual risks under s. 625.13  
7 (2).

8 **SECTION 42.** 625.15 (1) of the statutes is amended to read:

9 625.15 (1) RATE MAKING. An insurer may itself establish rates and  
10 supplementary rate information for one or more market segments based on the  
11 factors in s. 625.12 and, ~~if the rates are for motor vehicle liability insurance, subject~~  
12 ~~to s. 632.365, or the insurer may use rates and supplementary rate information~~  
13 prepared by a rate service organization, with average expense factors determined by  
14 the rate service organization or with such modification for its own expense and loss  
15 experience as the credibility of that experience allows.

16 **SECTION 43.** 628.34 (3) (a) of the statutes is amended to read:

17 628.34 (3) (a) No insurer may unfairly discriminate among policyholders by  
18 charging different premiums or by offering different terms of coverage except on the  
19 basis of classifications related to the nature and the degree of the risk covered or the  
20 expenses involved, subject to ss. ~~632.365, 632.746 and 632.748.~~ Rates are not  
21 unfairly discriminatory if they are averaged broadly among persons insured under  
22 a group, blanket or franchise policy, and terms are not unfairly discriminatory  
23 merely because they are more favorable than in a similar individual policy.

24 **SECTION 44.** 632.365 of the statutes is repealed.

25 **SECTION 45.** 909.02 (4) of the statutes is amended to read:

**BILL**

1           ~~909.02 (4) CERTIFIED COPIES OF PUBLIC RECORDS. A copy of an official record or~~  
2           ~~report or entry therein, or of a document authorized by law to be recorded or filed and~~  
3           ~~actually recorded or filed in a public office, including data compilations in any form,~~  
4           ~~certified as correct by the custodian or other person authorized to make the~~  
5           ~~certification, by certificate complying with sub. (1), (2) or (3) or complying with any~~  
6           ~~statute or rule adopted by the supreme court, or, with respect to records maintained~~  
7           ~~by the department of transportation under s. 110.20 or chs. 194, 218, 341 to 343, 345,~~  
8           ~~or 348, certified electronically in any manner determined by the department of~~  
9           ~~transportation to conform with the requirements of s. 909.01.~~

**SECTION 46. Initial applicability.**

(1) The treatment of sections 70.11 (27m) and 70.111 (27) and (28) of the statutes first applies to the property tax assessments as of January 1, 2011.

**SECTION 47. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) The treatment of section 77.54 (57) (a) 5m. and (b) 1. and 2. and (58) of the statutes takes effect on the first day of the 2nd month beginning after publication.

17           ~~(2) The treatment of sections 13.48 (10) (a), 20.370 (2) (cf), 20.395 (5) (cq), (hq),~~  
18           ~~and (hx), 84.01 (34), 110.21, 110.215, 285.30, 285.39 (3) (a), 341.03 (1), 341.04 (1)~~  
19           ~~(intro.), 341.05 (19), 341.09 (2m) (a) 1. b. and 2., (5), and (9), 341.10 (8) and (10),~~  
20           ~~341.26 (2m) (am), 341.307 (6), 341.36 (2), 341.63 (1) (e), 341.65 (2) (e) 2m., 625.12 (1)~~  
21           ~~(e) and (2), 625.15 (1), 628.34 (3) (a), 632.365, and 909.02 (4) of the statutes and the~~  
22           ~~repeal of section 110.20 of the statutes take effect on July 1, 2013.~~

Insert  
K-18

(END)

D-Note

1           **INSERT ANAL:**

This bill terminates the I/M program on June 30, 2013, if termination of the program on that date is consistent with the requirements under federal law or if this state receives a waiver of the requirements under federal law or approval from the applicable federal agency to terminate the program. If any of these conditions are satisfied so that termination may occur, DOT may not thereafter enter into, or renew or extend, any contract to perform testing and inspections under the program for a period that extends beyond June 30, 2013. The bill also eliminates the requirement that DOT's testing and inspection contracts must be for at least a 3-year period.

three years

Under the bill, beginning on July 1, 2013, DOT must pay to the Wisconsin Energy Research Consortium (WERC) amounts appropriated for these payments if the I/M program is terminated on June 30, 2013, and if WERC is designated by the federal Department of Energy as an Energy Innovation Hub. These payments must be used for purposes related to the research, production, promotion, and use of extended-range electric vehicles primarily in the nonattainment counties. The bill does not provide funding for these payments in the 2011-13 fiscal biennium. For each year in which DOT makes payments to WERC, WERC must submit to the presiding officer of each house of the legislature an audited financial statement of its use of the payments, prepared in accordance with generally accepted accounting principles. DOT must discontinue payments to WERC if WERC dissolves or becomes insolvent.

2

3           **INSERT 4-4:**

4           **20.395 Transportation, department of**

5           (5)    **MOTOR VEHICLE SERVICES AND ENFORCEMENT** ✓

6           (cr)    Vehicle inspection and mainte-

7           nance; payments; state funds        SEG    A        600,000        600,000

8           **SECTION ~~20.370~~ 20.370 (2) (cf) of the statutes is amended to read:**

9           20.370 (2) (cf) *Air management — motor vehicle emission inspection and*  
10          *maintenance program, state funds.* The amounts in the schedule for the  
11          administration of the motor vehicle emission inspection and maintenance program  
12          under s. 285.30. If this program is terminated on June 30, 2013, for the reasons

1 specified in s. 110.20 (2), no moneys may be encumbered from this appropriation  
2 account after June 30, 2013.

3 **INSERT 5-4:**

4 **SECTION ~~4~~ 20.395 (5) (cr)** of the statutes is created to read:

5 20.395 (5) (cr) *Vehicle inspection and maintenance; payments; state funds.* The  
6 amounts in the schedule for administering the motor vehicle emission inspection and  
7 maintenance program under s. 110.20 or, if this program is terminated on June 30,  
8 2013, for the reasons specified in s. 110.20 (2),<sup>✓</sup> for making payments under s. 85.63.<sup>✓</sup>

9 **SECTION ~~4~~ 20.395 (5) (hq)** of the statutes is amended to read:

10 20.395 (5) (hq) *Motor vehicle emission inspection and maintenance program;*  
11 *contractor costs and equipment grants; payments; state funds.* The amounts in the  
12 schedule to provide for contracts for the operation of inspection stations under s.  
13 110.20 and for the motor vehicle emission control equipment grant program under  
14 s. 110.215 or, if these programs are terminated on June 30, 2013, for the reasons  
15 specified in s. 110.20 (2), for making payments under s. 85.63.<sup>✓</sup>

16 **SECTION ~~4~~ 20.395 (5) (hx)** of the statutes is amended to read:

17 20.395 (5) (hx) *Motor vehicle emission inspection and maintenance programs,*  
18 *federal funds.* All moneys received from the federal government for the purpose of  
19 the motor vehicle emission inspection and maintenance program under s. 110.20, for  
20 such purposes. If this program is terminated on June 30, 2013, for the reasons  
21 specified in s. 110.20 (2), no moneys may be encumbered from this appropriation  
22 account after June 30, 2013.

23  
24  
25

1           **INSERT 9-12:**

2           **SECTION ~~4~~ 85.63** of the statutes is created to read:

3           **85.63 Payments to the Wisconsin Energy Research Consortium.** (1) In  
4 this section, "extended-range electric vehicle" means a vehicle that is equipped with  
5 an electric motor and energy storage device capable of propelling the vehicle, without  
6 other methods of propulsion, for at least 30 miles on a single energy charge, but does  
7 not include a "low-speed vehicle," as defined in s. 340.01 (27h)<sup>√</sup>, or a golf cart. An  
8 "extended-range electric vehicle" may incorporate additional methods of propulsion,  
9 including a chemically fueled internal combustion engine that is capable of operating  
10 on gasoline, diesel fuel, or alternative fuels.

11           (2) (a) Subject to sub. (4), beginning on July 1, 2013, the department shall pay  
12 to the Wisconsin Energy Research Consortium the amounts appropriated under s.  
13 20.395 (5) (cr) and (hq) if all of the following occur:

14           1. The Wisconsin Energy Research Consortium is designated by the federal  
15 Department of Energy as an Energy Innovation Hub.

16           2. The inspection and maintenance program under s. 110.20 is terminated as  
17 provided in s. 110.20 (2).

18           (b) Payments under par. (a) shall be used for purposes related to the research,  
19 production, promotion, and use of extended-range electric vehicles primarily in the  
20 counties of Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, and  
21 Waukesha.

22           (3) For each year in which the department makes payments under sub. (2) (a),  
23 the Wisconsin Energy Research Consortium shall submit to the presiding officer of  
24 each house of the legislature an audited financial statement of its use of the

1 payments under this section, prepared in accordance with generally accepted  
2 accounting principles.

3 (4) The department shall discontinue payments to the Wisconsin Energy  
4 Research Consortium under this section if the Wisconsin Energy Research  
5 Consortium dissolves or becomes insolvent.

6 ~~SECTION #~~ 110.20 (2) of the statutes is amended to read:

7 110.20 (2) PROGRAM ESTABLISHED. The department shall establish an inspection  
8 and maintenance program as provided in this section. This program shall terminate  
9 on, and the provisions of this section do not apply after, June 30, 2013, if termination  
10 of the program on that date is consistent with the requirements of the federal act or  
11 if this state receives a waiver of the requirements of the federal act or approval from  
12 the applicable federal agency to terminate the program. If this program is  
13 terminated for the reasons specified in this subsection, the department shall provide  
14 for notice of such termination to be published by the legislative reference bureau in  
15 the Wisconsin Administrative Register under s. 35.93 (4).<sup>✓</sup>

History: 1979 c. 274; 1981 c. 20; 1983 a. 27; 1987 a. 27, 218; 1989 a. 56; 1991 a. 39, 302; 1993 a. 16, 288, 491; 1995 a. 227; 1997 a. 46; 2001 a. 16; 2003 a. 220; 2005 a. 49; 2007 a. 20; 2009 a. 228.

16

17 ~~SECTION #~~ 110.20 (8) (am) 1.<sup>✓</sup> of the statutes is amended to read:

18 110.20 (8) (am) 1. The emissions test and equipment inspection of nonexempt  
19 vehicles may be performed by persons under contract with the department. Each  
20 such contract shall require the contractor to operate inspection stations, which may  
21 be permanent or mobile, ~~for a minimum of 3 years~~ and shall provide for equitable  
22 compensation to the contractor if the operation of an inspection and maintenance  
23 program within any county is terminated ~~within 3 years after the inspection and~~  
24 ~~maintenance program in the county is begun~~ before the end of the contract period.

1 No officer, director or employee of the contractor may be an employee of the  
2 department. The department may contract with any person, including any person  
3 engaged in the business of selling, maintaining, or repairing motor vehicles or of  
4 selling motor vehicle replacement or repair parts. The department shall require the  
5 contractor to operate a sufficient number of inspection stations, permanent or  
6 mobile, to ensure public convenience in those counties identified under sub. (5).

History: 1979 c. 274; 1981 c. 20; 1983 a. 27; 1987 a. 27, 218; 1989 a. 56; 1991 a. 39, 302; 1993 a. 16, 288, 491; 1995 a. 227; 1997 a. 46; 2001 a. 16; 2003 a. 220; 2005 a. 49; 2007 a. 20; 2009 a. 228.

7

8 ~~SECTION 110.20~~ 110.20 (9) (o) of the statutes is created to read:

9 110.20 (9) (o) Do not apply after June 30, 2013, if the inspection and  
10 maintenance program is terminated as provided in sub. (2).<sup>✓</sup>

11 ~~SECTION 110.20~~ 110.20 (10) (e)<sup>✓</sup> of the statutes is created to read:

12 110.20 (10) (e) Do not apply after June 30, 2013, if the inspection and  
13 maintenance program is terminated as provided in sub. (2).<sup>✓</sup>

14 ~~SECTION 110.21~~ 110.21 of the statutes is amended to read:

15 **110.21 Education and training related to motor vehicle emissions.** The  
16 department and its contractors under s. 110.20 (8) (am) shall conduct a program of  
17 public education related to the motor vehicle emission and equipment inspection and  
18 maintenance program established under s. 110.20 (6). The program under s. 110.20  
19 (6) may include a pilot project of motor vehicle emissions inspections for those owners  
20 who elect to present their motor vehicles for inspection. This section does not apply  
21 after June 30, 2013, if the inspection and maintenance program is terminated as  
22 provided in s. 110.20 (2).

History: 1979 c. 274; 1987 a. 27; 1991 a. 39; 1993 a. 288; 2007 a. 20.

23 ~~SECTION 110.215~~ 110.215 of the statutes is amended to read:

**110.215 Motor vehicle emission control equipment grant program.**

From the appropriation under s. 20.395 (5) (hq), the department shall, in consultation with the department of natural resources, develop and administer a program to provide grants for the purchase and installation of oxidation catalyst mufflers on school buses customarily kept in counties identified in s. 110.20 (5). The department shall adopt rules to implement and administer this section, including procedures, standards, and criteria for awarding and distributing the grants. The program under this section shall terminate on, and the provisions of this section and any rule adopted under this section do not apply after, June 30, 2013, if the inspection and maintenance program is terminated as provided in s. 110.20 (2).

History: 2003 a. 220.

~~SECTION 12.~~ 285.30 (7) of the statutes is created to read:

285.30 (7) SUNSET DATE IF CONSISTENT WITH FEDERAL LAW. This section, and any rule adopted under this section, does not apply after June 30, 2013, if the inspection and maintenance program is terminated as provided in s. 110.20 (2).

~~SECTION 13.~~ 285.39 (3) (a) of the statutes is amended to read:

285.39 (3) (a) Promulgate rules under s. 285.30 (6) (e), relating to the inspection of vehicles for tampering with air pollution control equipment. These rules do not apply after June 30, 2013, if the inspection and maintenance program is terminated as provided in s. 110.20 (2).

History: 1987 a. 27, 399; 1991 a. 302; 1995 a. 27 s. 9116 (5); 1995 a. 227 s. 500; Stats. 1995 s. 285.39.

~~SECTION 14.~~ 341.26 (2m) (am) of the statutes is amended to read:

341.26 (2m) (am) A fee of \$5 shall be paid to the department for the original issuance of a registration plate for any vehicle owned by this state or by any county or municipality or federally recognized Indian tribe or band in this state or leased to

1 this state or to any county or municipality or federally recognized Indian tribe or  
 2 band in this state, and operated exclusively, except for operation under s. 20.916 (7),  
 3 in the public service by such state, county, municipality or Indian tribe or band. The  
 4 registration shall be valid while the vehicle is owned and operated by the registrant  
 5 or is leased to and operated by this state or by the county, municipality or Indian tribe  
 6 or band, and the registrant complies with s. 110.20 (6) when required.

History: 1971 c. 164 s. 83; 1971 c. 250; 1973 c. 200, 325, 333; 1975 c. 429; 1977 c. 23; 1977 c. 29 ss. 1431 to 1434, 1654 (7) (a); 1977 c. 145, 292, 418, 447; 1979 c. 32 ss. 69, 92 (1); 1979 c. 221; 1981 c. 20; 1983 a. 152, 175, 180, 192, 227, 270, 538; 1985 a. 120, 187; 1987 a. 106, 154, 216; 1987 a. 312 s. 17; 1987 a. 399, 403; 1989 a. 31; 1991 a. 39, 316; 1993 a. 64, 350; 1995 a. 358; 1997 a. 27, 237; 1999 a. 9, 80, 85, 142, 159; 2003 a. 321; 2005 a. 22, 143.

7 **SECTION 15. Nonstatutory provisions.**

Handwritten: Create A.R. A  
 Handwritten: ARAL

8 (1) If termination of the inspection and maintenance program becomes  
 9 consistent with the requirements of the federal act, as defined in section 110.20 (1)  
 10 (am) of the statutes, or if this state receives a waiver of the requirements of the  
 11 federal act or approval from the applicable federal agency to terminate the inspection  
 12 and maintenance program, the department of transportation may not thereafter  
 13 enter into, or renew or extend, any contract under section 110.20 (8) (am) of the  
 14 statutes, as affected by this act, for a period that extends beyond June 30, 2013.

15 **SECTION 16. Fiscal changes.**

Handwritten: Create A.R. B  
 Handwritten: Create A.R. B1

16 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
 17 to the department of transportation under section 20.395 (5) (cq) of the statutes, as  
 18 affected by the acts of 2011, the dollar amount is decreased by \$600,000 for the first  
 19 fiscal year of the fiscal biennium in which this subsection takes effect, and is  
 20 decreased by \$600,000 for the second fiscal year of the fiscal biennium in which this  
 21 subsection takes effect, to delete funding for administering the motor vehicle  
 22 emission inspection and maintenance program under section 110.20 of the statutes.

Handwritten: as affected by this act

1           **INSERT 15-18:**

2           (2) The treatment of sections 20.005 (3) (schedule),<sup>✓</sup> 20.370 (2) (cf),<sup>✓</sup> 20.395 (5)  
3           (cq),<sup>✓</sup> (cr),<sup>✓</sup> (hq),<sup>✓</sup> and (hx),<sup>✓</sup> 85.63,<sup>✓</sup> 110.20 (2),<sup>✓</sup> (8) (am) 1.,<sup>✓</sup> (9) (o),<sup>✓</sup> and (10) (e),<sup>✓</sup> 110.21,<sup>✓</sup>  
4           <sup>Use</sup> 110.215,<sup>✓</sup> 285.30 (7),<sup>✓</sup> 285.39 (3) (a),<sup>✓</sup> and 341.26 (2m) (am)<sup>✓</sup> of the statutes and sections  
5           <sup>A.R.S</sup> <sup>(A)</sup> 15 (1) and 16 (1) of this act take<sup>2</sup> effect on the day after publication, or on the 2nd day  
6           after publication of the 2011-13 biennial budget act, whichever is later.

7

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0385/2dn

ARG:.....

Wlj

Date

ATTN: Michael Pyritz

The attached draft requires payments to the Wisconsin Energy Research Consortium (WERC) if the motor vehicle emission ~~and~~ inspection (I/M) program is terminated and WERC is designated as <sup>an</sup> Energy Innovation Hub. (My understanding is that WERC has applied to be DOE's "Batteries and Energy Storage Hub.") Payments would not begin until the next fiscal biennium. The amount of the payments would be determined as part of the 2013-15 budget process, but the presumed "base" for these appropriations would be the amount that was formerly appropriated from the transportation fund for the I/M program <sup>and maintenance</sup>.

Because the budget bill repeals and recreates all appropriations, the effective date of the attached draft is delayed until after enactment of this biennium's budget bill.

To accomplish the purposes of this draft, I isolated funding for the I/M program. The amounts identified in the ch. 20 schedule and in the fiscal change provision are essentially placeholders. We will need to obtain more accurate figures from DOT or the Fiscal Bureau as to how much of the appropriation amount for s. 20.395 (5) (cq) is currently allocated for the I/M program. The new figures may be added in a redraft or later by amendment.

If the I/M program terminates on June 30, 2013, but WERC fails to satisfy the conditions necessary for payments, any amounts appropriated from the transportation fund would annually lapse back to the transportation fund. Also, a small amount of money is currently appropriated to DNR from the general fund for the I/M program and this money would lapse back to the general fund, regardless of whether WERC satisfies the conditions necessary for receiving the DOT payments.

Please let me know if you would like any changes made to the attached draft.

Aaron R. Gary  
Legislative Attorney  
Phone: (608) 261-6926  
E-mail: aaron.gary@legis.wisconsin.gov

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

LRB-0385/2dn  
ARG:wlj:md

December 6, 2010

ATTN: Michael Pyritz

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