

2013 DRAFTING REQUEST

Senate Amendment (SA-SB1)

Received: 1/31/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: John Lehman (608) 266-1832 By/Representing: beau
May Contact: Drafter: jkreye
Subject: Tax, Other - miscellaneous Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Lehman@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Mining: severance tax instead of a net proceeds tax; economic diversification grants and loans

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 1/31/2013	kfollett 1/31/2013	rschluet 1/31/2013	_____			
/1				_____	sbasford 1/31/2013	sbasford 1/31/2013	

FE Sent For:

<END>

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/? jkreye

1/kjf
1/31
BIB
pnr

FE Sent For:

<END>

Kreye, Joseph

From: Tradewell, Becky
Sent: Thursday, January 31, 2013 8:06 AM
To: Kreye, Joseph
Subject: FW: More Amendments for Drafting

Joe,

See number 7. If you do the tax part and direct 30% of the money to the economic development Fund, I'll handle the rest.

Becky

From: Stafford, Beau
Sent: Wednesday, January 30, 2013 5:01 PM
To: Tradewell, Becky
Subject: More Amendments for Drafting

Sorry to do it Becky, but John wanted a couple more amendments drafted. Here is the full list, but I think I already gave you the first three...

- 1) Remove all environmental changes
- 2) Cullen Bill Substitute Amendment
- 3) Add in upfront payments language from the JFC version
- 4) Add in job training language from the JFC version
- 5) Have the contested case hearing happen before the approval/denial of the mining permit
- 6) Adopt the Cullen Bill timelines
- 7) Replace net proceeds with a severance tax and have 70% go to the ILIFB and 30% go to WEDC for economic diversification, but with restrictions that the money must be spent in close proximity to the mine and no more than 100 miles away.

Thanks for your help Becky! I hope this is the last of them.

Beau Stafford

Chief of Staff
Office of Senator John Lehman
21st Senate District
319 South
608-266-1832
Beau.stafford@legis.wisconsin.gov



PM [Signature]

CJS + KJF

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE BILL 1

in 1-31-13
Today

1 At the locations indicated, amend the bill as follows:

2 1. Page 27, line 1: before that line insert: Insert 27-1

3 2. Page 27, line 1: delete "SECTION 1" and substitute "SECTION 1b".

4 3. Page 28, line 23: delete lines 23 and 24.

5 4. Page 34, line 21: after that line insert: Insert 34-21

6 5. Page 34, line 24: after that line insert: Insert 34-24

7 6. Page 35, line 5: delete lines 5 to 13 and substitute: Insert 35-5

8 7. Page 45, line 14: delete lines 14 to 19 and substitute: Insert 45-14

9 (END)

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:

Insert
27-1

1 " SECTION ¹²³ ~~16~~ 20.192 (1) (g) of the statutes is created to read:
2 20.192 (1) (g) *Regional Wisconsin diversification program*. All moneys received
3 under s. 70.395 (1e) for grants, loans, and disbursements under s. 238.14. "

Insert
34-24

4 " SECTION ^{29d} ~~3~~ 70.375 (2) (a) of the statutes is amended to read:
5 70.375 (2) (a) ~~In~~ Except as provided in sub. (7), with respect to mines not in
6 operation on November 28, 1981, there is imposed upon persons engaged in mining
7 metalliferous minerals in this state a net proceeds occupation tax effective on the
8 date on which extraction begins to compensate the state and municipalities for the
9 loss of valuable, irreplaceable metalliferous minerals. The amount of the tax shall
10 be determined by applying the rates established under sub. (5) to the net proceeds
11 of each mine. The net proceeds of each mine for each year are the difference between
12 the gross proceeds and the deductions allowed under sub. (4) for the year. "

13 " SECTION ^{30a} ~~3~~ 70.375 (5) (intro.) of the statutes is amended to read:
14 70.375 (5) **RATES.** (intro.) The Except as provided in sub. (7), the tax to be
15 assessed, levied and collected upon persons engaging in mining metalliferous
16 minerals in this state shall be computed at the following rates:

17 SECTION ^{30e} ~~3~~ 70.375 (7) of the statutes is created to read:
18 70.375 (7) **PER TON RATE.** (a) Notwithstanding subs. (2) and (5), for mines in
19 operation after December 31, 2012, the tax assessed, levied, and collected from a
20 person engaged in mining ferrous minerals in this state is an amount equal to \$2.412
21 for each 2,240 pounds of ferrous minerals extracted by the person from mines in this

Insert
34-24



BILL

1 state, based on the average annual amount extracted during the current year and
2 the previous 2 years, not including any year in which the person is not extracting
3 ferrous minerals from mines in this state.

4 (b) Beginning in 2014, and in each year thereafter, the department shall change
5 the dollar amount rate under par. (a) to reflect the percentage change in the gross
6 domestic product implicit price deflator from the 4th quarter of the 2nd preceding
7 year to the 4th quarter of the preceding year, as determined by the federal
8 department of commerce. "

*Amend
34-24*

9 **SECTION 5.** 70.395 (1e) of the statutes is amended to read:

10 70.395 (1e) DISTRIBUTION. Fifteen days after the collection of the tax under ss.
11 70.38 to 70.39, the department of administration, upon certification of the
12 department of revenue, shall transfer the amount collected in respect to mines not
13 in operation on November 28, 1981, to the investment and local impact fund, except
14 that the department of administration shall transfer 70 percent of the amount
15 collected from each person under s. 70.375 (7) to the investment and local impact
16 fund and 30 percent of the amount collected from each person under s. 70.375 (7) to
17 the appropriation under s. 20.192 (1) (g) for the regional Wisconsin diversification
18 program under s. 238.14. "

*Amend
35-5*

19 **SECTION 6.** 70.395 (2) (dc) 1. of the statutes is amended to read:

20 70.395 (2) (dc) 1. Each person intending to submit an application for a mining
21 permit shall pay \$50,000 \$100,000 to the department of revenue for deposit in the
22 investment and local impact fund at the time that the person notifies the department
23 of natural resources under s. 293.31 (1) of that intent.

24 **SECTION 7.** 70.395 (2) (dc) 2. of the statutes is amended to read:

0

BILL

1 70.395 (2) (dc) 2. A person making a payment under subd. 1. shall pay an
2 additional \$50,000 \$100,000 upon notification by the board that the board has
3 distributed 50% of the payment under subd. 1.

4 **SECTION 8.** 70.395 (2) (dc) 3. of the statutes is amended to read:

5 70.395 (2) (dc) 3. A person making a payment under subd. 2. shall pay an
6 additional \$50,000 \$100,000 upon notification by the board that the board has
7 distributed all of the payment under subd. 1. and 50% of the payment under subd.
8 2.

9 **SECTION 9.** 70.395 (2) (g) (intro.) of the statutes is amended to read:

10 70.395 (2) (g) (intro.) The board may distribute the revenues received by the
11 investment and local impact fund under sub. (1e) or proceeds thereof in accordance
12 with par. (h) for the following purposes, as the board determines necessary:

13 **SECTION 10.** 70.395 (2) (L) of the statutes is created to read:

14 70.395 (2) (L) Notwithstanding any other provision under this subsection, the
15 board may provide grants to local governmental units, as defined in s. 238.133 (1) (b),
16 to prepare economic impact studies related to sites at or near the local governmental
17 units on which exploration or prospecting is being conducted for the potential mining
18 of ferrous minerals or that are the subject of a preapplication process for a permit to
19 mine ferrous minerals.

20 **SECTION 11.** 227.42 (4) of the statutes is amended to read:

21 227.42 (4) This section does not apply if a hearing on the matter was conducted
22 as a part of a hearing under s. ~~293.43~~ 293.44.

23 ~~SECTION 12~~ ^{632(B)} 238.14 of the statutes is created to read:

24 **238.14 Regional Wisconsin diversification program.** The corporation
25 may use moneys appropriated under s. 20.192 (1) (g) only as follows:

Insert 45-14



BILL

1 (1) The corporation may make a grant or loan of those moneys to a business that
2 is located within 100 miles from the site of a mine for ferrous metallic minerals in
3 this state, and the corporation shall give preference for that grant or loan to a
4 business that is located in close proximity to the site of the mine. In making a grant
5 or loan under this subsection, the corporation shall coordinate with an appropriate
6 local governmental unit, as defined in s. 238.133 (1) (b), to make that grant or loan
7 on a competitive basis for the purpose of business diversification.

8 (2) The corporation may disburse those moneys for the purpose of catastrophe
9 abatement or response related to a mine for ferrous metallic minerals, as determined
10 by the corporation.

11 ~~SECTION 13. 281.93 (3) of the statutes is amended to read:~~

12 281.93 (3) MINING HEARING. Subsections (1) and (2) do not apply if a hearing
13 on the matter is conducted as a part of a hearing under s. ~~293.43~~ 293.44.

14 ~~SECTION 14. 283.63 (3) of the statutes is amended to read:~~

15 283.63 (3) Subsections (1) and (2) do not apply if a hearing on the permit
16 application is conducted as a part of a hearing under s. ~~293.43~~ 293.44.

17 ~~SECTION 15. 285.81 (3) of the statutes is amended to read:~~

18 285.81 (3) MINING HEARING. Subsections (1) and (2) do not apply if a hearing
19 on the matter is conducted as a part of a hearing under s. ~~293.43~~ 293.44.

20 ~~SECTION 16. 289.05 (2) of the statutes is amended to read:~~

21 289.05 (2) With the advice and comment of the metallic mining council, the
22 department shall promulgate rules for the identification and regulation of metallic
23 mining wastes. The rules promulgated to identify metallic mining wastes and to
24 regulate the location, design, construction, operation and maintenance of facilities
25 for the disposal of metallic mining wastes shall be in accordance with any or all of

end of insert
45-14