
Wisconsin Legislative Council

AMENDMENT MEMO



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2019 Assembly Bill 665

Assembly Amendment 1

2019 ASSEMBLY BILL 665

2019 Assembly Bill 665 authorizes the Wisconsin Propane Gas Association (WPGA) to conduct a referendum amongst its retailer members on whether to allow the Wisconsin Propane Education and Research Council (WPERC) to levy an assessment on odorized propane sales. Authorization of the assessment requires approval from a majority of WPGA retailer members voting in the referendum.

If approved, the initial assessment may be set no greater than two-tenths of one cent per gallon of odorized propane. After the initial assessment, WPERC must set annual assessments sufficient to cover the costs of its plans and programs. However, an assessment may not be raised more than one-twentieth of one cent per gallon annually unless approved by two-thirds of WPGA retailer members voting in a referendum and by the WPERC board of directors. The bill prohibits funds collected from assessments from being used for lobbying, lobbyist pay, or political messaging.

Under the bill, propane distributors must collect assessments from purchasers of odorized propane who are retailers. The distributor is then required to remit the collected assessments to WPERC on a monthly basis or be subject to an interest penalty. However, WPERC may establish an alternative means of collecting assessments if it determines that another method would be more efficient or effective. Similarly, WPERC may establish an alternative late payment charge or interest penalty.

The bill provides that a propane retailer who has been subject to an assessment may secure a refund by submitting a written application to WPERC with proof of the assessment charged. However, a purchaser who obtains a refund is not eligible for any benefits provided under WPERC's programs.

The bill also provides that WPERC may bring an action in civil court to compel remittance of collected assessments and allows WPERC to recover its costs and disbursements if successful in its action.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 retains all provisions in the bill and amends 2019 Wisconsin Act 9, the 2019-2021 biennial budget act. Specifically, the amendment modifies the effective date of provisions related to the motor vehicle fuel suppliers administrative allowance. This change effectively reverts the effective date of these provisions to that which was provided prior to the governor's partial veto of the 2019-2021 budget act.

[Section 78.12 \(4\), Stats.](#), provides a procedure by which licensed motor vehicle fuel suppliers determine the volume of gasoline for which they must compute tax to remit to the Department of Revenue. The procedure provides for a fuel supplier administrative allowance on gasoline, effectively reducing the number of gallons upon which tax is computed. 2019 Wisconsin Act 9 reduced this allowance from 1.35 percent to 0.675 percent of the number of gallons received by the fuel supplier.

2019 Assembly Bill 56 (which became 2019 Wisconsin Act 9) provided that the reduction in the administrative allowance would be effective on the first day of the year that occurs four years after the

effective date of the bill. This would have resulted in an effective date of January 1, 2024. However, the governor's partial veto deleted "4 years" from the provision, making the provision effective on January 1, 2020. Assembly Amendment 1 to Assembly Bill 665 amends 2019 Wisconsin Act 9 to establish an effective date of January 1, 2024, for the act's provisions related to the fuel supplier administrative allowance.

BILL HISTORY

Representative Steineke offered Assembly Amendment 1 on February 20, 2020. On the same day, the Assembly voted to adopt Assembly Amendment 1 and pass the bill, as amended, on voice votes.

BK:ksm