



## 2005 SENATE BILL 379

October 12, 2005 – Introduced by Senators LASSA, HARSDF, ERPENBACH, LEIBHAM, MILLER, PLALE and ROESSLER, cosponsored by Representatives SHILLING, VRUWINK, SEIDEL, BERCEAU, BOYLE, FIELDS, FREESE, GRONEMUS, KRAWCZYK, KREIBICH, LEHMAN, MCCORMICK, MOLEPSKE, MOULTON, PETTIS, RICHARDS, SHERIDAN, TURNER and ZEPNICK. Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

1     **AN ACT** *to renumber* 44.02 (24) and 101.121 (4) (a); *to renumber and amend*  
2           71.07 (9m) (a), 71.07 (9r) (a), 71.28 (6) (a) and 71.47 (6) (a); *to amend* 13.48 (7),  
3           13.48 (15), 59.69 (4m), 60.64, 62.23 (7) (em), 71.07 (9m) (c), 71.28 (6) (c), 71.47  
4           (6) (c), 101.121 (4) (b), 101.19 (1) (intro.), 254.61 (1) (f) 2. and 823.21; and *to*  
5           **create** 13.48 (10) (c), 20.143 (1) (gb), 41.11 (1) (bm), 44.02 (24) (b), 44.02 (24d),  
6           71.07 (9m) (a) 2., 71.07 (9m) (g), 71.07 (9m) (h), 71.07 (9r) (a) 2., 71.28 (6) (a) 2.,  
7           71.28 (6) (g), 71.28 (6) (h), 71.47 (6) (a) 2., 71.47 (6) (g), 71.47 (6) (h), 84.013 (3g),  
8           86.36, 86.37, 101.121 (3) (c), 101.121 (4) (a) 2., 101.121 (5), 101.121 (6), 101.975  
9           (4), 560.03 (21m) and 560.083 of the statutes; **relating to:** the regulation,  
10          preservation, and restoration of historic buildings, the supplement to the  
11          federal historic rehabilitation tax credit and the state historic rehabilitation  
12          tax credit, requiring the certification of downtowns, promoting certain  
13          downtown areas in this state, highway projects involving business and

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- 1           downtown areas, the construction of major highway projects involving a  
2           bypass, granting rule-making authority, and making appropriations.
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***Analysis by the Legislative Reference Bureau***

This bill makes numerous changes with regard to downtown development and historic buildings and also makes a change to current law regarding the construction of major highway projects involving a bypass. Significant provisions include the following:

**HISTORIC BUILDINGS*****State Historic Building Code***

Current law authorizes the Department of Commerce (Commerce) to regulate the preservation and restoration of qualified historic buildings. A qualified historic building is a building that is listed on the national or state register of historic places, or a certified local register of historic property, or that is located in a district that is listed on the national or state register of historic places and is of historical significance to the district. Current law permits Commerce, in consultation with the Historic Building Code Council, to promulgate a historic building code that provides specific standards for the preservation or restoration of qualified historic buildings, while still providing for the health, safety, and welfare of occupants of and visitors to historic buildings. In addition, to permit the preservation or restoration of qualified historic buildings, Commerce may grant a variance from any rule promulgated under the chapters of the statutes relating to the regulation of industry, buildings, and safety or the regulation of plumbing, fire protection systems, and swimming pools.

With certain exceptions, the owner of a qualified historic building may elect to be subject to the State Historic Building Code. With limited exceptions, an owner who makes this election is exempt from any provision of any other building code, including a local building code, that concerns a matter that is dealt with in the State Historic Building Code. Although current law does not contain an administrative procedure designed specifically to determine whether an owner is entitled to this exemption, current law does contain a procedure that an owner may follow to resolve any conflicts between a local order and any order of Commerce that relates to the safety of places of employment or certain buildings that are open to the public (public buildings).

This bill specifies that the State Historic Building Code must be liberally interpreted to facilitate the preservation and restoration of qualified historic buildings. The bill also creates a specific administrative procedure for determining the extent to which a provision in a local building code applies to a qualified historic building. The bill permits the owner of a qualified historic building who has elected to be governed by the State Historic Building Code to request that Commerce review any decision of a local governmental unit that requires the owner to comply with a provision in a local ordinance. Commerce must review the decision to determine whether the provision in the ordinance concerns a matter dealt with in the State

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Historic Building Code, in which case the owner would be exempt from the provision. The bill specifies that, in performing this review, Commerce must follow the existing procedure for resolving conflicts between local orders and orders of Commerce that relate to the safety of places of employment or public buildings.

This bill also expands the role of the State Historical Society relating to the State Historic Building Code. Under the bill, the owner of a qualified historic building may request that the State Historical Society review certain decisions of Commerce, or of a local governmental unit acting as an agent of Commerce, relating to the State Historic Building Code, variances under the State Historic Building Code, or the inspection of qualified historic buildings for compliance with the State Historic Building Code. The State Historical Society must review the particular decision and issue an advisory opinion as to whether the decision or an alternate decision is consistent with the State Historic Building Code. The bill permits the State Historical Society to negotiate with Commerce or the particular local governmental unit to achieve an alternate decision that would allow the greatest possible degree of restoration and preservation, while still providing for the health, safety, and welfare of occupants of and visitors to the qualified historic building. The bill also permits Commerce or the particular local governmental unit to modify a reviewed decision, based upon these negotiations. In addition, the bill requires Commerce, in cooperation with the State Historical Society, to develop an informational pamphlet to increase public awareness and use of the State Historic Building Code.

***Historic buildings used as multifamily dwellings***

Current law requires the department to promulgate a multifamily dwelling code that provides uniform standards for the construction of multifamily dwellings and their components. With certain exceptions, a multifamily dwelling is an apartment building, row house, town house, condominium, or manufactured building that does not exceed 60 feet in height or six stories and that consists of three or more attached dwelling units. The Multifamily Dwelling Code currently applies to any building or portion of a building that is converted to a multifamily dwelling after April 1, 1995, unless the building is a qualified historic building and the owner elects to be subject to the State Historic Building Code. Rules promulgated by the department also permit a local governmental unit to exercise jurisdiction over the construction and inspection of multifamily dwellings by adopting ordinances that are consistent with the multifamily dwelling code. Currently, the multifamily dwelling code contains specific requirements relating to the type, height, and design of handrails and guardrails that are required to be used in multifamily dwellings.

This bill permits a local governmental unit to adopt an ordinance that requires the local governmental unit to grant a variance from these handrail and guardrail requirements, as they apply to a qualified historic building that is converted from a single-family dwelling to a multifamily dwelling, if the owner of the qualified historic building shows that the type, height, and design of the handrail or guardrail proposed for installation is historically appropriate and if the handrail or guardrail is at least as protective of public safety as the rail that is otherwise required.

**SENATE BILL 379*****Historic preservation in local governmental units***

This bill directs local governmental units to interpret liberally their regulations that apply to historic structures in order to facilitate the preservation and restoration of historic buildings and structures.

***Historic rehabilitation tax credit***

Under current law, a person who is eligible to claim a federal income tax credit equal to either 10 percent of qualified expenses related to rehabilitating a qualified building in this state or 20 percent of qualified expenses related to rehabilitating historic property in this state may also claim a supplemental state income or franchise tax credit that is equal to 5 percent of such qualified expenses.

Under the bill, for taxable years beginning in 2006, a person who is eligible to claim the federal rehabilitation tax credit may claim the supplemental state rehabilitation credit in an amount equal to 20 percent of qualified expenses, if the rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program and the state Historical Society certifies the rehabilitation. In addition, under the bill, a person who is not eligible to claim the federal rehabilitation tax credit because the person's qualified expenses do not satisfy the adjusted-basis requirement under federal law may claim the supplemental state rehabilitation credit in an amount equal to 20 percent of qualified expenses, if the qualified expenses are at least \$10,000, the rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program, and the State Historical Society certifies the rehabilitation. The State Historical Society may charge and collect a fee for the certifications described in this paragraph in an amount equal to two percent of the qualified expenses, but not less than \$300 nor more than \$20,000. Fifty percent of the amount of such fees collected by the State Historical Society will be used to provide additional staffing for the administration of the State Main Street Program.

Under current law, a person may claim an income tax credit equal to 25 percent of the qualified expenses to preserve or rehabilitate historic property that is used as an owner-occupied personal residence. The State Historical Society certifies such expenses.

Under this bill, for taxable years beginning in 2006, a person who is eligible to claim the state income tax credit for preserving or rehabilitating historic property may claim the state income tax credit in an amount equal to 30 percent of qualified expenses, if the preserved or rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program and the State Historical Society approves the preservation or rehabilitation. The State Historical Society may charge and collect a fee of \$150 for certifying such expenses.

Under current law, if a person who claims the income tax credit for qualified expenses to preserve or rehabilitate an owner-occupied personal residence sells the property within five years from the date on which the preservation or rehabilitation is completed, or if the State Historical Society determines that the preservation or rehabilitation does not comply with the standards established by the society, the

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person who claimed the tax credit must pay to the state all, or a portion, of the amount of the credit that the person received, depending on the date on which the person sold the property or on the date on which the preservation or rehabilitation does not comply with State Historical Society standards.

Under this bill, if a person who claims the supplemental state income or franchise tax credit for qualified expenses related to preserving or rehabilitating historic property in this state sells the property within five years from the date on which the preservation or rehabilitation is completed, or if the State Historical Society determines that the preservation or rehabilitation does not comply with the standards established by the society, the person who claimed the tax credit must pay to the state all, or a portion, of the amount of the credit that the person received, depending on the date on which the person sold the property or the date on which the preservation or rehabilitation does not comply with State Historical Society standards.

**DOWNTOWN DEVELOPMENT*****Certification and promotion of downtowns***

This bill requires Commerce to develop and publish guidelines to aid communities in reconstructing central business districts that are destroyed or severely damaged in major disasters. The bill also requires Commerce to promulgate rules pursuant to which Commerce will certify downtowns. In addition, under the bill, the Department of Tourism must promote travel to these certified downtowns and to business areas that are or have been the subject of revitalization efforts under the State Main Street Program (a program that promotes revitalization efforts in certain business areas).

Currently, the Building Commission submits biennial recommendations to the legislature for revisions to the long-range state building program. No state agency or authority may engage any person to undertake construction of a building for the agency costing more than \$100,000 without prior approval of the commission. In addition, the commission has authority to lease land and buildings to be used for state purposes unless that authority is granted by law to another state agency.

This bill provides that the commission shall not authorize construction of any state office building to be located outside of a downtown area certified by Commerce as required under the bill, unless the cost of locating the building inside such a downtown area is more than 10 percent greater than the average cost of locating the building in that portion of the geographic area that is served by the functions to be performed in the building on the date of initial occupancy outside of such a downtown area, as determined by the Department of Administration (DOA). The bill also provides that the commission, in preparing its recommendations for the long-range building program, shall not recommend construction of a state office building to be located outside of such a downtown area, unless the commission would be authorized to permit construction of that building in the recommended location. In addition, the bill prohibits the commission from approving the lease of any building for state office facilities to be located outside of such a downtown area unless the cost of locating the facilities inside such a downtown area is more than 10 percent greater than the average cost of locating the facilities in that portion of the geographic area that is

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served by the functions to be performed in the facilities on the date of initial occupancy under the lease outside of such a downtown area, as determined by DOA.

This bill imposes additional requirements relating to highway projects that are funded by the Department of Transportation (DOT) and that involve a highway in a business area included in the State Main Street Program or in a downtown certified by Commerce. First, DOT must consult, during preliminary stages of a proposed highway project, on issues concerning the proposed project and its effect on the business or certified downtown area with Commerce and, unless none exists, with a local board or downtown planning organization of that municipality. Second, DOT must give priority to retaining any on-street parking with respect to a highway-widening project in a business or certified downtown area.

This bill specifies that DOT, in providing any matching funds for local highway projects, is required to fund the construction of any highway lane without regard to whether it is a travel lane or a parking lane. This requirement applies only to local highway projects that are in business areas under the State Main Street Program or in downtowns certified by Commerce.

**MAJOR HIGHWAY PROJECTS**

Under current law, DOT administers a major highway projects program. A major highway project is a project having a total cost of more than \$5,000,000 and involving construction of a new highway 2.5 miles or more in length; reconstruction or reconditioning of an existing highway that relocates at least 2.5 miles of the highway or adds one or more lanes at least five miles in length to the highway; or improvement of an existing multilane divided highway to freeway standards. Any major highway project, unlike other highway construction projects undertaken by DOT, requires the approval of the Transportation Projects Commission and the legislature before the project may be constructed. The current list of major highway projects that are approved for construction includes six projects that involve bypasses.

This bill provides that, prior to constructing a major highway project involving a bypass, DOT must notify the governing body of the city, village, or town primarily to be affected by the bypass of DOT's proposed construction of the bypass. If the governing body of the city, village, or town adopts a resolution, within 90 days of being notified by DOT, stating that an active bypass is in the best public interest of the city, village, or town and sends a copy of the resolution to DOT within seven days of its adoption, DOT is required to design and construct an active bypass. The bill defines "active bypass" as a bypass of an existing highway that is designed and constructed in such a way that access to the bypass requires motorists to exit the existing highway in order to travel on the bypass.

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:***

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1           **SECTION 1.** 13.48 (7) of the statutes is amended to read:

2           13.48 (7) BIENNIAL RECOMMENDATIONS. The building commission shall prepare  
3 and formally adopt recommendations for the long-range state building program on  
4 a biennial basis. The building commission shall include in its report any projects  
5 proposed by the state fair park board involving a cost of not more than \$250,000,  
6 together with the method of financing those projects proposed by the board, without  
7 recommendation. Unless a later date is requested by the building commission and  
8 approved by the joint committee on finance, the building commission shall, no later  
9 than the first Tuesday in April of each odd-numbered year, transmit the report  
10 prepared by the department of administration under s. 16.40 (20) and the  
11 commission's recommendations for the succeeding fiscal biennium that require  
12 legislative approval to the joint committee on finance in the form of proposed  
13 legislation prepared in proper form. If the building commission includes any  
14 recommendation for construction of a state office building, the commission shall  
15 ensure that the recommended location of the building is consistent with construction  
16 requirements under sub. (10) (c).

17           **SECTION 2.** 13.48 (10) (c) of the statutes is created to read:

18           13.48 (10) (c) Unless otherwise required by law, the building commission shall  
19 not authorize the construction of any state office building, whether for utilization by  
20 a single agency or otherwise, to be located outside of a downtown area, as certified  
21 under s. 560.03 (21m), unless the cost of locating the building inside a downtown area  
22 is more than 10 percent greater than the average cost of locating the building in that  
23 portion of the geographic area that is served by the functions to be performed in the  
24 building on the date of initial occupancy outside of any downtown area, as  
25 determined by the department of administration.

**SENATE BILL 379****SECTION 3**

1           **SECTION 3.** 13.48 (15) of the statutes is amended to read:

2           13.48 (15) ACQUISITION OF LEASEHOLD INTERESTS. Subject to the requirements  
3 of s. 20.924 (1) (i), the building commission shall have the authority to acquire  
4 leasehold interests in land and buildings where such authority is not otherwise  
5 provided to an agency by law. The building commission shall not approve any lease  
6 for state office facilities, whether for utilization by a single agency or otherwise, to  
7 be located outside of a downtown area, as certified under s. 560.03 (21m), unless the  
8 cost of locating the facilities inside a downtown area is more than 10 percent greater  
9 than the average cost of locating the facilities in that portion of the geographic area  
10 that is served by the functions to be performed in the facilities on the date of initial  
11 occupancy under the lease outside of any downtown area, as determined by the  
12 department of administration.

13           **SECTION 4.** 20.143 (1) (gb) of the statutes is created to read:

14           20.143 (1) (gb) *Certified downtowns and business district reconstruction.* All  
15 moneys received from the historical society under s. 44.02 (24d) (b) for the purpose  
16 of providing staff for the administration of ss. 560.03 (21m) and 560.083.

17           **SECTION 5.** 41.11 (1) (bm) of the statutes is created to read:

18           41.11 (1) (bm) Promote travel to business areas that are or have been the  
19 subject of revitalization efforts under the State Main Street Program under s.  
20 560.081 or that are certified downtowns under s. 560.03 (21m).

21           **SECTION 6.** 44.02 (24) of the statutes is renumbered 44.02 (24) (a).

22           **SECTION 7.** 44.02 (24) (b) of the statutes is created to read:

23           44.02 (24) (b) Charge a fee of \$150 for a certification under par. (a). The  
24 historical society shall collect the fee under this paragraph when an applicant  
25 applies for certification under par. (a).



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1           **SECTION 8.** 44.02 (24d) of the statutes is created to read:

2           44.02 (**24d**) (a) Promulgate by rule procedures, standards, and forms necessary  
3 to certify, and shall certify, expenditures for preservation or rehabilitation of historic  
4 property for the purposes of ss. 71.07 (9m) (a), 71.28 (6) (a), and 71.47 (6) (a). Such  
5 standards shall be substantially similar to the standards used by the secretary of the  
6 interior to certify rehabilitations under 26 USC 47 (c) (2).

7           (b) Charge a fee for a certification under par. (a) equal to 2 percent of the  
8 qualified rehabilitation expenditures for the historic property that is the subject of  
9 the certification, except that no fee under this paragraph may be less than \$300 nor  
10 more than \$20,000. The historical society shall collect the fee under this paragraph  
11 when an applicant applies for certification under par. (a). Fifty percent of the amount  
12 collected under this paragraph shall be deposited in the appropriation account under  
13 s. 20.143 (1) (gb).

14           **SECTION 9.** 59.69 (4m) of the statutes is amended to read:

15           59.69 (**4m**) HISTORIC PRESERVATION. A county, as an exercise of its zoning and  
16 police powers for the purpose of promoting the health, safety and general welfare of  
17 the community and of the state, may regulate by ordinance any place, structure or  
18 object with a special character, historic interest, aesthetic interest or other  
19 significant value, for the purpose of preserving the place, structure or object and its  
20 significant characteristics. The county may create a landmarks commission to  
21 designate historic landmarks and establish historic districts. The county may  
22 regulate all historic landmarks and all property within each historic district to  
23 preserve the historic landmarks and property within the district and the character  
24 of the district, and shall interpret the county's regulations liberally to facilitate the  
25 preservation and restoration of historic buildings and structures.

**SENATE BILL 379****SECTION 10**

1           **SECTION 10.** 60.64 of the statutes is amended to read:

2           **60.64 Historic preservation.** The town board, in the exercise of its zoning  
3 and police powers for the purpose of promoting the health, safety and general welfare  
4 of the community and of the state, may regulate any place, structure or object with  
5 a special character, historic interest, aesthetic interest or other significant value for  
6 the purpose of preserving the place, structure or object and its significant  
7 characteristics. The town board may create a landmarks commission to designate  
8 historic landmarks and establish historic districts. The board may regulate all  
9 historic landmarks and all property within each historic district to preserve the  
10 historic landmarks and property within the district and the character of the district,  
11 and shall interpret the board's regulations liberally to facilitate the preservation and  
12 restoration of historic buildings and structures.

13           **SECTION 11.** 62.23 (7) (em) of the statutes is amended to read:

14           **62.23 (7) (em) Historic preservation.** A city, as an exercise of its zoning and  
15 police powers for the purpose of promoting the health, safety and general welfare of  
16 the community and of the state, may regulate by ordinance, or if a city contains any  
17 property that is listed on the national register of historic places in Wisconsin or the  
18 state register of historic places shall, not later than 1995, enact an ordinance to  
19 regulate, any place, structure or object with a special character, historic,  
20 archaeological or aesthetic interest, or other significant value, for the purpose of  
21 preserving the place, structure or object and its significant characteristics. A city  
22 may create a landmarks commission to designate historic or archaeological  
23 landmarks and establish historic districts. The city may regulate, or if the city  
24 contains any property that is listed on the national register of historic places in  
25 Wisconsin or the state register of historic places shall regulate, all historic or

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1 archaeological landmarks and all property within each historic district to preserve  
2 the historic or archaeological landmarks and property within the district and the  
3 character of the district, and shall interpret the city's regulations liberally to  
4 facilitate the preservation and restoration of historic buildings and structures.

5 **SECTION 12.** 71.07 (9m) (a) of the statutes is renumbered 71.07 (9m) (a) 1. and  
6 amended to read:

7 71.07 (9m) (a) 1. ~~Any~~ Except as provided in subd. 2., any person may claim as  
8 a credit against the taxes otherwise due imposed under this chapter s. 71.02, up to  
9 the amount of those taxes, an amount equal to 5% of the costs of qualified  
10 rehabilitation expenditures, as defined in section 47 (c) (2) of the internal revenue  
11 code Internal Revenue Code, for certified historic structures on property located in  
12 this state, if the physical work of construction or destruction in preparation for  
13 construction begins after December 31, 1988, and the rehabilitated property is  
14 placed in service after June 30, 1989.

15 **SECTION 13.** 71.07 (9m) (a) 2. of the statutes is created to read:

16 71.07 (9m) (a) 2. a. Any person may claim as a credit against the taxes imposed  
17 under s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the  
18 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the  
19 Internal Revenue Code, for certified historic structures on property located in a  
20 certified downtown under s. 560.03 (21m) or included in a business revitalization  
21 under s. 560.081, if the physical work of construction or destruction in preparation  
22 for construction begins after December 31, 2005.

23 b. A person whose qualified rehabilitation expenditures do not satisfy the  
24 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but  
25 who otherwise would be eligible to claim the rehabilitation credit under section 47

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1 of the Internal Revenue Code, may claim as a credit against the taxes imposed under  
2 s. 71.02, up to the amount of those taxes, an amount equal to 20 percent of the costs  
3 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal  
4 Revenue Code, if the property is located in a certified downtown under s. 560.03  
5 (21m) or is included in a business area revitalization under s. 560.081; if the person's  
6 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal  
7 Revenue Code, are at least \$10,000; if the rehabilitation is approved by the state  
8 historical society before the physical work of construction, or destruction in  
9 preparation for construction, begins; if the person includes evidence of such approval  
10 with the person's return; if the physical work of construction, or destruction in  
11 preparation for construction, begins after December 31, 2005; and if the person  
12 claims the credit for the same taxable year in which the person would have claimed  
13 the credit for federal purposes.

14 **SECTION 14.** 71.07 (9m) (c) of the statutes is amended to read:

15 71.07 **(9m)** (c) ~~No~~ Except as provided in par. (a) 2., no person may claim the a  
16 credit under this subsection unless the claimant includes with the claimant's return  
17 evidence that the rehabilitation was approved recommended by the state historic  
18 preservation officer for approval by the secretary of the interior under 36 CFR 67.6  
19 before the physical work of construction, or destruction in preparation for  
20 construction, began; and the claimant claims the credit for the same taxable year in  
21 which the claimant would have claimed the credit for federal purposes.

22 **SECTION 15.** 71.07 (9m) (g) of the statutes is created to read:

23 71.07 **(9m)** (g) A person who has incurred qualified rehabilitation  
24 expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for  
25 certified historic structures located in this state, as described in par. (a), but who is

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1 not a resident of this state and who is not required to file a return under this chapter,  
2 may enter into an agreement with another person, with the department's approval  
3 and in the manner prescribed by the department, so that the other person may claim  
4 the credit under this subsection, if the other person is subject to the taxes imposed  
5 under s. 71.02.

6 **SECTION 16.** 71.07 (9m) (h) of the statutes is created to read:

7 71.07 (9m) (h) A person who receives a credit under this subsection shall add  
8 to the person's liability for taxes imposed under s. 71.02 one of the following  
9 percentages of the amount of the credits received under this subsection for  
10 rehabilitating or preserving the property if, within 5 years after the date on which  
11 the preservation or rehabilitation work that was the basis of the credit is completed,  
12 the person either sells or conveys the property by deed or land contract or the state  
13 historical society certifies to the department of revenue that the historic property has  
14 been altered to the extent that it does not comply with the standards promulgated  
15 under s. 44.02 (24d):

16 1. If the sale, conveyance, or noncompliance occurs during the first year after  
17 the date on which the preservation or rehabilitation is completed, 100 percent.

18 2. If the sale, conveyance, or noncompliance occurs during the 2nd year after  
19 the date on which the preservation or rehabilitation is completed, 80 percent.

20 3. If the sale, conveyance, or noncompliance occurs during the 3rd year after  
21 the date on which the preservation or rehabilitation is completed, 60 percent.

22 4. If the sale, conveyance, or noncompliance occurs during the 4th year after  
23 the date on which the preservation or rehabilitation is completed, 40 percent.

24 5. If the sale, conveyance, or noncompliance occurs during the 5th year after  
25 the date on which the preservation or rehabilitation is completed, 20 percent.

**SENATE BILL 379****SECTION 17**

1           **SECTION 17.** 71.07 (9r) (a) of the statutes is renumbered 71.07 (9r) (a) 1. and  
2 amended to read:

3           71.07 **(9r)** (a) 1. ~~For Except as provided in subd. 2., for taxable years beginning~~  
4 on or after August 1, 1988, any natural person may claim as a credit against the taxes  
5 ~~otherwise due imposed~~ under s. 71.02, up to the amount of those taxes, an amount  
6 equal to 25% of the costs of preservation or rehabilitation of historic property located  
7 in this state, including architectural fees and costs incurred in preparing nomination  
8 forms for listing in the national register of historic places in Wisconsin or the state  
9 register of historic places, if the nomination is made within 5 years prior to  
10 submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the  
11 physical work of construction or destruction in preparation for construction begins  
12 after December 31, 1988, except that the credit may not exceed \$10,000, or \$5,000  
13 for married persons filing separately, for any preservation or rehabilitation project.

14           **SECTION 18.** 71.07 (9r) (a) 2. of the statutes is created to read:

15           71.07 **(9r)** (a) 2. For taxable years beginning after December 31, 2005, any  
16 natural person may claim as a credit against the taxes imposed under s. 71.02, up  
17 to the amount of those taxes, an amount equal to 30 percent of the costs of  
18 preservation or rehabilitation of property that is located in a certified downtown  
19 under s. 560.03 (21m) or is included in a business area revitalization under s.  
20 560.081, including architectural fees and costs incurred in preparing nomination  
21 forms for listing in the national register of historic places in Wisconsin or the state  
22 register of historic places, if the nomination is made within 5 years prior to  
23 submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the  
24 physical work of construction or destruction in preparation for construction begins

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1 after December 31, 2005, except that the credit may not exceed \$10,000, or \$5,000  
2 for married persons filing separately, for any preservation or rehabilitation project.

3 **SECTION 19.** 71.28 (6) (a) of the statutes is renumbered 71.28 (6) (a) 1. and  
4 amended to read:

5 71.28 (6) (a) 1. Any Except as provided in subd. 2., any person may claim as a  
6 credit against the taxes otherwise due imposed under this chapter s. 71.23, up to the  
7 amount of those taxes, an amount equal to 5% of the costs of qualified rehabilitation  
8 expenditures, as defined in section 47 (c) (2) of the internal revenue code Internal  
9 Revenue Code, for certified historic structures on property located in this state, if the  
10 physical work of construction or destruction in preparation for construction begins  
11 after December 31, 1988, and the rehabilitated property is placed in service after  
12 June 30, 1989.

13 **SECTION 20.** 71.28 (6) (a) 2. of the statutes is created to read:

14 71.28 (6) (a) 2. a. Any person may claim as a credit against the taxes imposed  
15 under s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the  
16 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the  
17 Internal Revenue Code, for certified historic structures on property located in a  
18 certified downtown under s. 560.03 (21m) or included in a business revitalization  
19 under s. 560.081, if the physical work of construction or destruction in preparation  
20 for construction begins after December 31, 2005.

21 b. A person whose qualified rehabilitation expenditures do not satisfy the  
22 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but  
23 who otherwise would be eligible to claim the rehabilitation credit under section 47  
24 of the Internal Revenue Code, may claim as a credit against the taxes imposed under  
25 s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs

**SENATE BILL 379****SECTION 20**

1 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal  
2 Revenue Code, if the property is located in a certified downtown under s. 560.03  
3 (21m) or is included in a business area revitalization under s. 560.081; if the person's  
4 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal  
5 Revenue Code, are at least \$10,000; if the rehabilitation is approved by the state  
6 historical society before the physical work of construction, or destruction in  
7 preparation for construction, begins; if the person includes evidence of such approval  
8 with the person's return; if the physical work of construction, or destruction in  
9 preparation for construction, begins after December 31, 2005; and if the person  
10 claims the credit for the same taxable year in which the person would have claimed  
11 the credit for federal purposes.

12 **SECTION 21.** 71.28 (6) (c) of the statutes is amended to read:

13 71.28 (6) (c) ~~No~~ Except as provided in par. (a) 2., no person may claim the a  
14 credit under this subsection unless the claimant includes with the claimant's return  
15 evidence that the rehabilitation was approved recommended by the state historic  
16 preservation officer for approval by the secretary of the interior under 36 CFR 67.6  
17 before the physical work of construction, or destruction in preparation for  
18 construction, began; and the claimant claims the credit for the same taxable year in  
19 which the claimant would have claimed the credit for federal purposes.

20 **SECTION 22.** 71.28 (6) (g) of the statutes is created to read:

21 71.28 (6) (g) A person who has incurred qualified rehabilitation expenditures,  
22 as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic  
23 structures located in this state, as described in par. (a), but who is not a resident of  
24 this state and who is not required to file a return under this chapter, may enter into  
25 an agreement with another person, with the department's approval and in the



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1 manner prescribed by the department, so that the other person may claim the credit  
2 under this subsection, if the other person is subject to the taxes imposed under s.  
3 71.23.

4 **SECTION 23.** 71.28 (6) (h) of the statutes is created to read:

5 71.28 (6) (h) A person who receives a credit under this subsection shall add to  
6 the person's liability for taxes imposed under s. 71.23 one of the following  
7 percentages of the amount of the credits received under this subsection for  
8 rehabilitating or preserving the property if, within 5 years after the date on which  
9 the preservation or rehabilitation work that was the basis of the credit is completed,  
10 the person either sells or conveys the property by deed or land contract or the state  
11 historical society certifies to the department of revenue that the historic property has  
12 been altered to the extent that it does not comply with the standards promulgated  
13 under s. 44.02 (24d):

14 1. If the sale, conveyance, or noncompliance occurs during the first year after  
15 the date on which the preservation or rehabilitation is completed, 100 percent.

16 2. If the sale, conveyance, or noncompliance occurs during the 2nd year after  
17 the date on which the preservation or rehabilitation is completed, 80 percent.

18 3. If the sale, conveyance, or noncompliance occurs during the 3rd year after  
19 the date on which the preservation or rehabilitation is completed, 60 percent.

20 4. If the sale, conveyance, or noncompliance occurs during the 4th year after  
21 the date on which the preservation or rehabilitation is completed, 40 percent.

22 5. If the sale, conveyance, or noncompliance occurs during the 5th year after  
23 the date on which the preservation or rehabilitation is completed, 20 percent.

24 **SECTION 24.** 71.47 (6) (a) of the statutes is renumbered 71.47 (6) (a) 1. and  
25 amended to read:

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1           71.47 (6) (a) 1. ~~Any~~ Except as provided in subd. 2., any person may claim as a  
2 credit against ~~the taxes otherwise due imposed under this chapter s. 71.43,~~ up to the  
3 amount of those taxes, an amount equal to 5% of the costs of qualified rehabilitation  
4 expenditures, as defined in section 47 (c) (2) of the ~~internal revenue code~~ Internal  
5 Revenue Code, for certified historic structures on property located in this state, if the  
6 physical work of construction or destruction in preparation for construction begins  
7 after December 31, 1988, and the rehabilitated property is placed in service after  
8 June 30, 1989.

9           **SECTION 25.** 71.47 (6) (a) 2. of the statutes is created to read:

10           71.47 (6) (a) 2. a. Any person may claim as a credit against the taxes imposed  
11 under s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the  
12 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the  
13 Internal Revenue Code, for certified historic structures on property located in a  
14 certified downtown under s. 560.03 (21m) or included in a business revitalization  
15 under s. 560.081, if the physical work of construction or destruction in preparation  
16 for construction begins after December 31, 2005.

17           b. A person whose qualified rehabilitation expenditures do not satisfy the  
18 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but  
19 who otherwise would be eligible to claim the rehabilitation credit under section 47  
20 of the Internal Revenue Code, may claim as a credit against the taxes imposed under  
21 s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs  
22 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal  
23 Revenue Code, if the property is located in a certified downtown under s. 560.03  
24 (21m) or is included in a business area revitalization under s. 560.081; if the person's  
25 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal

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1 Revenue Code, are at least \$10,000; if the rehabilitation is approved by the state  
2 historical society before the physical work of construction, or destruction in  
3 preparation for construction, begins; if the person includes evidence of such approval  
4 with the person's return; if the physical work of construction, or destruction in  
5 preparation for construction, begins after December 31, 2005; and if the person  
6 claims the credit for the same taxable year in which the person would have claimed  
7 the credit for federal purposes.

8 **SECTION 26.** 71.47 (6) (c) of the statutes is amended to read:

9 71.47 (6) (c) ~~No~~ Except as provided in par. (a) 2., no person may claim the a  
10 credit under this subsection unless the claimant includes with the claimant's return  
11 evidence that the rehabilitation was approved recommended by the state historic  
12 preservation officer for approval by the secretary of the interior under 36 CFR 67.6  
13 before the physical work of construction, or destruction in preparation for  
14 construction, began; and the claimant claims the credit for the same taxable year in  
15 which the claimant would have claimed the credit for federal purposes.

16 **SECTION 27.** 71.47 (6) (g) of the statutes is created to read:

17 71.47 (6) (g) A person who has incurred qualified rehabilitation expenditures,  
18 as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic  
19 structures located in this state, as described in par. (a), but who is not a resident of  
20 this state and who is not required to file a return under this chapter, may enter into  
21 an agreement with another person, with the department's approval and in the  
22 manner prescribed by the department, so that the other person may claim the credit  
23 under this subsection, if the other person is subject to the taxes imposed under s.  
24 71.43.

25 **SECTION 28.** 71.47 (6) (h) of the statutes is created to read:

**SENATE BILL 379****SECTION 28**

1           71.47 (6) (h) A person who receives a credit under this subsection shall add to  
2 the person's liability for taxes imposed under s. 71.43 one of the following  
3 percentages of the amount of the credits received under this subsection for  
4 rehabilitating or preserving the property if, within 5 years after the date on which  
5 the preservation or rehabilitation work that was the basis of the credit is completed,  
6 the person either sells or conveys the property by deed or land contract or the state  
7 historical society certifies to the department of revenue that the historic property has  
8 been altered to the extent that it does not comply with the standards promulgated  
9 under s. 44.02 (24d):

10           1. If the sale, conveyance, or noncompliance occurs during the first year after  
11 the date on which the preservation or rehabilitation is completed, 100 percent.

12           2. If the sale, conveyance, or noncompliance occurs during the 2nd year after  
13 the date on which the preservation or rehabilitation is completed, 80 percent.

14           3. If the sale, conveyance, or noncompliance occurs during the 3rd year after  
15 the date on which the preservation or rehabilitation is completed, 60 percent.

16           4. If the sale, conveyance, or noncompliance occurs during the 4th year after  
17 the date on which the preservation or rehabilitation is completed, 40 percent.

18           5. If the sale, conveyance, or noncompliance occurs during the 5th year after  
19 the date on which the preservation or rehabilitation is completed, 20 percent.

20           **SECTION 29.** 84.013 (3g) of the statutes is created to read:

21           84.013 (3g) Before commencing construction of a major highway project that  
22 is listed under sub. (3) or approved under sub. (6) and that involves construction of  
23 a bypass, the department shall notify the governing body of the city, village, or town  
24 in which a majority of the land affected by the proposed bypass is located that the  
25 department is authorized to construct such bypass. If, within 90 days after the date

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1 of the department's notification, the governing body of the city, village, or town  
2 adopts a resolution stating that construction of an active bypass is in the best public  
3 interest of the city, village, or town and, within 7 days after adoption of the resolution,  
4 sends a copy of the resolution to the department, the department shall design and  
5 construct the major highway project as an active bypass. For purposes of this  
6 subsection, an "active bypass" is a bypass of an existing highway that is designed and  
7 constructed so that access to the bypass requires motorists to exit the existing  
8 highway in order to travel upon the bypass. This subsection shall apply to the use  
9 of any federal funds only to the extent that such use does not result in the loss of any  
10 federal funds. This subsection does not apply to any major highway project that is  
11 subject to a contract for its construction and that is in effect on the effective date of  
12 this subsection .... [revisor inserts date].

13 **SECTION 30.** 86.36 of the statutes is created to read:

14 **86.36 Matching funds for local highway projects.** Notwithstanding any  
15 other provision of law relating to the funding of local highway projects by the  
16 department, if the department provides matching funds to a city, village, town, or  
17 county on or after the effective date of this section .... [revisor inserts date], for a local  
18 highway project involving the construction of one or more lanes of highway, the  
19 department shall fund the construction of any lane of highway affected by the project  
20 without regard to its designation as a travel lane or a parking lane. This section  
21 applies only to local highway projects that involve a highway in a business area that  
22 is the subject of revitalization efforts under the State Main Street Program under s.  
23 560.081 (2) (e) or in a certified downtown under s. 560.03 (21m). This section shall  
24 apply to the use of any federal funds only to the extent that such use does not result  
25 in the loss of any federal funds.

**SENATE BILL 379****SECTION 31**

1           **SECTION 31.** 86.37 of the statutes is created to read:

2           **86.37 Highway projects involving business and downtown areas. (1)**

3           In this section:

4           (a) “Business area” has the meaning given in s. 560.081 (1) (a).

5           (b) “Municipality” means a city, village, or town.

6           **(2)** In the preliminary stages of considering and planning any highway project  
7           to be funded by the department that involves a highway in which a business area that  
8           is the subject of revitalization efforts under the State Main Street Program under s.  
9           560.081 (2) (e) or a certified downtown under s. 560.03 (21m) is located, the  
10          department shall consult on issues concerning the proposed highway project and its  
11          effects on the business or certified downtown area with the department of commerce  
12          and, unless no such board or organization exists, with the business improvement  
13          district board appointed under s. 66.1109 (3) (a), the main street board associated  
14          with the State Main Street Program under s. 560.081 (2) (e), or the nonprofit  
15          downtown planning organization of that municipality. This subsection does not  
16          apply to any highway project for which preliminary engineering was begun before  
17          the effective date of this subsection .... [revisor inserts date].

18          **(3)** Notwithstanding any other provision of law relating to highway projects  
19          funded by the department, the department shall give priority to the retention of any  
20          on-street parking with respect to a highway project involving the widening of a  
21          highway in which a business area that is the subject of revitalization efforts under  
22          the State Main Street Program under s. 560.081 or a certified downtown under s.  
23          560.03 (21m) is located. This subsection shall apply to the use of any federal funds  
24          only to the extent that such use does not result in the loss of any federal funds. This  
25          subsection does not apply to any highway project that is subject to a contract for its

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1 construction and that is in effect on the effective date of this subsection .... [revisor  
2 inserts date].

3 **SECTION 32.** 101.121 (3) (c) of the statutes is created to read:

4 101.121 (3) (c) The Historic Building Code shall be liberally interpreted to  
5 facilitate the preservation and restoration of qualified historic buildings.

6 **SECTION 33.** 101.121 (4) (a) of the statutes is renumbered 101.121 (4) (a) 1.

7 **SECTION 34.** 101.121 (4) (a) 2. of the statutes is created to read:

8 101.121 (4) (a) 2. Upon the request of the owner of a qualified historic building  
9 who elects under subd. 1. to be subject to the Historic Building Code, the department  
10 shall review any decision of a city, village, town, or county that requires the owner  
11 to comply with a provision of a county or municipal building code, or of any other local  
12 ordinance or regulation, to determine if the provision concerns a matter dealt with  
13 in the Historic Building Code. The procedures in s. 101.02 (7) apply to any review  
14 conducted by the department under this subdivision.

15 **SECTION 35.** 101.121 (4) (b) of the statutes is amended to read:

16 101.121 (4) (b) Paragraph (a) 1. does not apply to any owner of a nursing home,  
17 as defined in s. 50.01 (3), a hospital, as defined in s. 50.33 (2) (a) and (c), or an  
18 approved public or private treatment facility for alcoholics, as defined in s. 51.45 (2)  
19 (b) and (c).

20 **SECTION 36.** 101.121 (5) of the statutes is created to read:

21 101.121 (5) **ADVISORY OPINION OF STATE HISTORICAL SOCIETY.** (a) The owner of a  
22 qualified historic building may submit to the state historical society a request for an  
23 advisory opinion with respect to any decision of the department, or of a city, village,  
24 town, or county that is an agent of the department, if the decision pertains to any of  
25 the following:

**SENATE BILL 379****SECTION 36**

1           1. This section or a rule promulgated under this section, except for a decision  
2 of the department under sub. (4) (a) 2.

3           2. A variance to a rule promulgated under this section.

4           3. The inspection of a qualified historic building for compliance with a rule  
5 promulgated under this section.

6           (b) Upon receiving a request under par. (a), the state historical society shall  
7 review all information related to the decision and shall render a written opinion on  
8 each of the following:

9           1. Whether the decision is consistent with this section and the rules  
10 promulgated under this section.

11           2. Whether the alternative decision requested by the owner of the qualified  
12 historic building, or any other alternative decision, is consistent with this section and  
13 the rules promulgated under this section.

14           (c) The state historical society may negotiate with the department or the city,  
15 village, town, or county and the owner of the qualified historic building to seek  
16 agreement on an alternative decision that will allow the greatest possible degree of  
17 restoration and preservation of the qualified historic building, while continuing to  
18 meet the standards for the health, safety, and welfare of occupants of and visitors to  
19 the qualified historic building.

20           (d) The department or a city, village, town, or county may modify any decision  
21 described under par. (a) based on negotiations with the state historical society.

22           (e) This subsection does not modify any procedures for appeal of a decision of  
23 the department or of a city, village, town, or county under this section.

24           **SECTION 37.** 101.121 (6) of the statutes is created to read:



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1           101.121 (6) INFORMATIONAL PAMPHLET. (a) In cooperation with the state  
2 historical society, the department shall develop an informational pamphlet designed  
3 to increase awareness and use of the Historic Building Code. The department, in  
4 cooperation with the State Historical Society, shall update the pamphlet as statutes  
5 and rules relating to the Historic Building Code are amended. The pamphlet shall  
6 include all of the following information:

7           1. A description of the Historic Building Code.

8           2. A description of the types and qualities of buildings that are subject to the  
9 Historic Building Code.

10          3. An explanation of how the owner of a qualified historic building may elect  
11 to be subject to the Historic Building Code and a description of the consequences of  
12 that election.

13          4. A description of other alternative building codes that the owner of a historic  
14 building may be eligible to use.

15          5. A description of where a person may obtain further information regarding  
16 historic buildings and the Historic Building Code.

17          (b) The department and the state historical society shall distribute the  
18 pamphlets as they consider necessary to increase awareness of the Historic Building  
19 Code.

20          **SECTION 38.** 101.19 (1) (intro.) of the statutes is amended to read:

21          101.19 (1) (intro.) The department, ~~by rule promulgated under ch. 227,~~ shall  
22 ~~fix and collect~~ promulgate rules establishing and providing for the collection of fees  
23 which shall, as closely as possible, equal the cost of providing the following services:

24          **SECTION 39.** 101.975 (4) of the statutes is created to read:

**SENATE BILL 379****SECTION 39**

1           101.975 (4) (a) A political subdivision may adopt an ordinance that permits the  
2 political subdivision to grant a variance to the Uniform Multifamily Dwelling Code  
3 if all of the following apply:

4           1. The ordinance permits only a variance that relates to handrails or guardrails  
5 of qualified historic buildings, as defined in s. 101.121 (2) (c), that are converted from  
6 single-family dwellings to multifamily dwellings.

7           2. The ordinance requires the owner of a qualified historic building who seeks  
8 a variance to provide the political subdivision with evidence that the type, height,  
9 and design of the handrail or guardrail proposed for installation is historically  
10 appropriate for the owner's building.

11           (b) A political subdivision may grant a variance under an ordinance adopted  
12 under par. (a) if the owner seeking the variance provides the evidence required under  
13 par. (a) 2. and if the handrail or guardrail installation is at least as protective of  
14 public safety as the handrail or guardrail that would otherwise have been required.

15           **SECTION 40.** 254.61 (1) (f) 2. of the statutes is amended to read:

16           254.61 (1) (f) 2. A structural addition, including a renovation, made to a  
17 structure that was originally constructed at least 50 years before an initial or  
18 renewal application for a permit under s. 254.64 (1) (b) is made and for which no use  
19 other than as a bed and breakfast establishment is proposed. The structural addition  
20 under this subdivision shall comply with the rules promulgated under s. 101.63 (1)  
21 and (1m).

22           **SECTION 41.** 560.03 (21m) of the statutes is created to read:

23           560.03 (21m) (a) Promulgate rules for the certification of downtowns by the  
24 department. The rules promulgated under this subsection shall require the

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1 department to consider at least all of the following factors with regard to an area  
2 being a certified downtown:

- 3 1. Whether the area is or is located in a central business district.
- 4 2. The extent to which the structures located in the area are in commercial use,  
5 or zoned for commercial use, and oriented for pedestrian traffic.
- 6 3. The compactness of the area and the extent to which the area includes a  
7 regular pattern of sidewalks facilitating commercial activity by pedestrians.
- 8 4. The extent to which the linear street frontage in the area is set back from  
9 the sidewalk.
- 10 5. The historical value of the area.

11 (b) Ensure that the rules promulgated under par. (a) permit multiple areas  
12 within a populous city, village, or town to be certified downtowns.

13 (c) Support and assist certified downtowns by directing the department's  
14 resources, whenever appropriate, to certified downtowns.

15 **SECTION 42.** 560.083 of the statutes is created to read:

16 **560.083 Central business district reconstruction guidelines.** The  
17 department shall develop and publish guidelines to aid communities in  
18 reconstructing central business districts that are destroyed or severely damaged in  
19 major disasters. The guidelines shall include information on relevant financial and  
20 other assistance available to communities from the state government.  
21 Notwithstanding s. 227.10 (1), the guidelines need not be promulgated as rules under  
22 ch. 227.

23 **SECTION 43.** 823.21 of the statutes is amended to read:

24 **823.21 Dilapidated buildings declared nuisances.** Any building which,  
25 under s. 66.0413 (1) (b) 1., has been declared so ~~old~~, dilapidated or out of repair as

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1 to be dangerous, unsafe, unsanitary or otherwise unfit for human habitation or has  
2 been determined to be unreasonable to repair under s. 66.0413 (1) (b) 1. is a public  
3 nuisance and may be proceeded against under this chapter.

**SECTION 44. Nonstatutory provisions.**

4  
5 (1) CERTIFIED DOWNTOWNS AND BUSINESS DISTRICT RECONSTRUCTION. The  
6 authorized FTE positions for the department of commerce are increased by 2.0 PR  
7 positions, to be funded from the appropriation under section 20.143 (1) (gb) of the  
8 statutes, for the purpose of providing increased staff for the administration of  
9 sections 560.03 (21m) and 560.083 of the statutes.

10 (2) HISTORICAL SOCIETY. The authorized FTE positions for the historical society  
11 are increased by 1.0 PR position, to be funded from the appropriation under section  
12 20.245 (1) (ks) of the statutes, for the purpose of providing increased staff for the  
13 administration section 44.02 (24d) (a) of the statutes, as created by this act.

**SECTION 45. Appropriation changes.**

14  
15 (1) SURVEY OF RURAL HISTORIC BUILDINGS. In the schedule under section 20.005  
16 (3) of the statutes for the appropriation to the state historical society under section  
17 20.245 (1) (a) of the statutes, as affected by the acts of 2005, the dollar amount is  
18 increased by \$75,000 for fiscal year 2005–06 and the dollar amount is increased by  
19 \$75,000 for fiscal year 2006–07 for the purpose of entering into a contract for a survey  
20 under section 44.34 (1) of the statutes to identify and document historic properties  
21 in rural areas of the state.

**SECTION 46. Initial applicability.**

22  
23 (1) HISTORIC REHABILITATION TAX CREDITS. The renumbering of section 44.02 (24)  
24 of the statutes; the renumbering and amendment of sections 71.07 (9m) (a), 71.07 (9r)  
25 (a), 71.28 (6) (a), and 71.47 (6) (a) of the statutes; the amendment of sections 71.07

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1 (9m) (c), 71.28 (6) (c), and 71.47 (6) (c) of the statutes; and the creation of sections  
2 44.02 (24) (b), 44.02 (24d), 71.07 (9m) (a) 2., 71.07 (9m) (g), 71.07 (9m) (h), 71.07 (9r)  
3 (a) 2., 71.28 (6) (a) 2., 71.28 (6) (g), 71.28 (6) (h), 71.47 (6) (a) 2., 71.47 (6) (g), and 71.47  
4 (6) (h) of the statutes first apply to taxable years beginning on January 1, 2006.

5

**(END)**