

JOURNAL OF THE ASSEMBLY [May 26, 1976]

STATE OF WISCONSIN

Assembly Journal

Eighty-Second Regular Session

WEDNESDAY, May 26, 1976.

The chief clerk makes the following entries under the above date:

COMMUNICATION

State of Wisconsin
Department of State
Madison

To Whom It May Concern:

Dear Sir: Acts, joint resolutions and resolutions, deposited in this office, have been numbered and published as follows:

Bill, Jt. Res. or Res.	Chapter No.	Publication date
Assembly Bill 495	255	May 19, 1976
Assembly Bill 358	256	May 20, 1976
Assembly Bill 555	257	May 20, 1976
Assembly Bill 609	258	May 20, 1976
Assembly Bill 668	259	May 20, 1976
Assembly Bill 872	260	May 20, 1976
Assembly Bill 1313	261	May 21, 1976
Assembly Bill 777	274	May 26, 1976
Assembly Bill 1	275	May 26, 1976
Assembly Bill 155	276	May 26, 1976
Assembly Bill 575	277	May 26, 1976

Respectfully submitted,
DOUGLAS LaFOLLETTE,
Secretary of State.

JOURNAL OF THE ASSEMBLY [May 26, 1976]

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

To the Honorable, the Assembly:

The following bills, originating in the assembly, have been approved, signed and deposited in the office of the Secretary of State:

Assembly Bill	Chapter No.	Date Approved
219 -----	278 -----	May 14, 1976
663 -----	279 -----	May 14, 1976
855 -----	280 -----	May 14, 1976
981 -----	281 -----	May 14, 1976
1095 -----	282 -----	May 14, 1976
1246 -----	283 -----	May 14, 1976
105 (partial veto) -----	292 -----	May 14, 1976
128 -----	293 -----	May 18, 1976
188 -----	294 -----	May 18, 1976
282 -----	295 -----	May 18, 1976
384 -----	296 -----	May 18, 1976
530 -----	297 -----	May 18, 1976
585 -----	298 -----	May 18, 1976
617 -----	299 -----	May 18, 1976
618 -----	300 -----	May 18, 1976
628 -----	301 -----	May 18, 1976
673 -----	302 -----	May 18, 1976
688 -----	303 -----	May 18, 1976
717 -----	304 -----	May 18, 1976
727 -----	305 -----	May 18, 1976
755 -----	306 -----	May 18, 1976
764 -----	307 -----	May 18, 1976
766 -----	308 -----	May 18, 1976
767 -----	309 -----	May 18, 1976
776 -----	310 -----	May 18, 1976
821 -----	311 -----	May 18, 1976
858 -----	312 -----	May 18, 1976
870 -----	313 -----	May 18, 1976
885 -----	314 -----	May 18, 1976
912 -----	315 -----	May 18, 1976
965 -----	316 -----	May 18, 1976
988 -----	317 -----	May 18, 1976
1035 -----	318 -----	May 18, 1976

JOURNAL OF THE ASSEMBLY [May 26, 1976]

1094	-----	319	-----	May 18, 1976
1096	-----	320	-----	May 18, 1976
1174	-----	321	-----	May 18, 1976
1183	-----	322	-----	May 18, 1976
1229	-----	323	-----	May 18, 1976
1299	-----	324	-----	May 18, 1976
67	-----	347	-----	May 24, 1976
156	-----	348	-----	May 24, 1976
392	-----	349	-----	May 24, 1976
433	-----	350	-----	May 24, 1976
443	-----	351	-----	May 24, 1976
594	-----	352	-----	May 24, 1976
629	-----	353	-----	May 24, 1976
675	-----	354	-----	May 24, 1976
895	-----	355	-----	May 24, 1976
911	-----	356	-----	May 24, 1976
1093	-----	357	-----	May 24, 1976
1108	-----	358	-----	May 24, 1976
1161	-----	359	-----	May 24, 1976
546	-----	369	-----	May 24, 1976
341	-----	370	-----	May 25, 1976

Respectfully submitted,
PATRICK J. LUCEY,
 Governor.

GOVERNOR'S VETO MESSAGES

May 14, 1976

To the Honorable, the Assembly:

I have approved **Assembly Bill 105** as Chapter 292, Laws of 1975, and deposited it in the office of the Secretary of State.

The bill will initiate a vision screening program to be designed by the state and administered through local health departments. The bill creates a sum-sufficient appropriation for the Department of Health and Social Services to develop vision-screening kits and distribute them to local health agencies which will distribute them in turn to families. Because I believe this to be an especially worthwhile program I have exercised the partial veto in one instance to facilitate its implementation.

JOURNAL OF THE ASSEMBLY [May 26, 1976]

Section 2 of the bill requires the department to promulgate rules necessary to administer its duties under the bill: I do not believe that formal rulemaking is required for a voluntary program such as the bill establishes. At a minimum, rulemaking would delay implementation of this worthy program by six months. During that period, children who would have been tested by the vision screening program might pass the five-year-old threshold after which testing is less effective. I am confident the Department of Health and Social Services can implement this program fairly and competently without going through the formal rulemaking process.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 18, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 1259** without my approval.

The bill requires an audit by the Legislative Audit Bureau of the Milwaukee County Welfare Department every three years. This requirement is exactly duplicated in Senate Bill 755, the Annual Review Bill, which I signed April 29, 1976. In the Annual Review Bill, I item-vetoed the three-year requirement so that the state would have the option of determining when an audit would be necessary or appropriate. I also made changes that would allow additional state control of the audit; greater flexibility for the state to decide which agency will audit the Milwaukee County Welfare agency; and a more limited audit scope so that the auditors might concentrate on efficiency, management and program questions.

The audit of the Milwaukee County Welfare Department is a major welfare reform which is already in place as the result of the enactment of the Annual Review Bill. The Legislative Audit Bureau has received \$75,000 to conduct an audit in 1976-77 of the Milwaukee County Welfare Department and has already begun preparing for the audit.

I have vetoed **Assembly Bill 1259** in its entirety because this bill is duplicative of the Annual Review Bill.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 18, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 1277** without my approval.

This bill is intended to delay the removal of commercial directional signs, by way of a priority system. However, the bill states only that product advertising must be removed first, and other priorities are to be established by rule. There are no further guidelines.

We all recognize that businesses need to communicate with consumers and that implementation of the Federal Highway Beautification Act has hindered the ability to communicate by way of outdoor signs. However, this bill would provide minimal, if not illusory, relief.

A priority system would not significantly extend the life expectancy of signs. The legal deadline for removing all nonconforming signs is next year. It will be difficult to meet that deadline in any event, but if the removal personnel are required to retrace their steps three or four times as the removal program moves from one priority to the next, meeting the deadline will be impossible. Normally, the rules themselves could not take effect earlier than October of this year, and the delay would be greater if the rules were not initially approved by the legislative committees designated in the bill. Therefore, this bill would work to confuse the sign program and frustrate the deadline established by the Legislature in the 1971 session.

I am sympathetic with the intent of this legislation, but federal legislation which had not been passed when this state proposal was adopted, provides a long-range solution. The Federal-Aid Highway Act of 1976 was signed by the President on May 5, 1976, and authorizes several long-range approaches to the directional sign problem, including the possibility of a permanent moratorium on informational signs in areas where removal would cause a substantial economic hardship. The Federal Act also contemplates deferring removal of signs which provide necessary information to the traveling public.

I am, therefore, directing the responsible state officials to commence negotiations with the United States Secretary of Transportation for the purpose of complying with the new Federal

JOURNAL OF THE ASSEMBLY [May 26, 1976]

Act. This approach guarantees continued compliance with federal requirements. Also, if all goes well, the relief accorded directional signs will not only be broader, it will also be swifter and more responsive than the rule-making approach required by **Assembly Bill 1277**.

Finally, the provision in the bill requiring prior legislative approval of an administrative rule is unacceptable. In my view such provisions violate the basic separation of powers which should characterize the relationship between the executive and legislative branches of government.

Though the purpose of providing for prior legislative approval of administrative rules is to ensure that legislative intent is respected, the effect could be just the opposite. Such provisions permit a majority of a single committee to delay implementation of programs passed by a majority of both houses.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 24, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 1062** without my approval.

When an automobile owner transfers his vehicle, he retains the annual registration plate and may use it on another car until the plate expires. Except in the case of automobiles, all other vehicles normally retain their annual registration plates. When the vehicle is transferred, whoever acquires the vehicle may use it in Wisconsin until the plate expires. In the case of trucks which have a fairly high registration fee, the buyer and seller can make appropriate arrangements to include this amount into the purchase price.

There is a very limited exception to this procedure for those vehicles eligible for replacement credit. Replacement credit is presently available only for vehicles eligible for quarterly registration, but which instead were registered annually. Quarterly registration applies only to trucks, buses, road tractors or trailers, and truck tractors with trailers which weigh over 8,000 pounds. These vehicles pay annual fees as high as \$1,000.

JOURNAL OF THE ASSEMBLY [May 26, 1976]

To cushion the impact of the higher fee, the annual fee may be paid in quarterly segments. If the vehicle will not be used in a particular quarter, the fee need not be paid for that quarter. Such special treatment is justified, if at all, because of the substantially higher fee involved. If we assume for the moment that higher fees justify quarterly registration (but that we want to encourage annual registration for administrative ease), then we do have to provide some system to compensate the person who registers annually, but who could have registered quarterly. This system is the limited program of replacement credit.

Assembly Bill 1062 expands eligibility for the vehicle replacement credit from these narrow limits to include vehicles regardless of weight or registration fee burdens. It includes all motor trucks, dual purpose motor homes, road tractors, truck tractors, buses, farm trucks, farm trailers, milk, cheese, butter and powdered milk haulers, grading equipment, ditching equipment, excavating equipment, tour trains and certain trailers and semitrailers. There is no requirement that any of these vehicles be eligible for quarterly registration.

The basis of quarterly registration, and therefore, replacement credit, is a high fee. Yet many of the vehicles to which replacement credit is now extended already receive very special treatment in the form of greatly reduced registration fees. These include farm trucks, grading, ditching and excavating equipment, milk, cheese, butter and powdered milk haulers.

To extend replacement credit to such vehicles moves in absolutely the wrong direction. Instead of creating further piecemeal exceptions or exemptions, we should be closing loopholes and adjusting fees in a comprehensive approach to our transportation revenue needs. **Assembly Bill 1062** may result in a loss of revenue as high as \$400,000 in the biennium. It will result in the need for at least one, and perhaps as many as five, new administrative positions within the Department of Transportation, while providing no new revenue source. I do not pretend that the present registration system is wholly equitable, but we can no longer adjust the myriad of exemptions piecemeal. Such reform must consider, as **Assembly Bill 1062** does not, that our present revenues are simply not adequate to meet urgent expenditure needs.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 25, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 559** without my approval.

I believe that the enactment of this measure is due in large part to a misunderstanding of how the present law works and what this bill would do. The bill creates a sales and use tax exemption for "shoppers guides," a type of local advertising publication distributed to households without a required subscription fee. There appears to be a widely held misconception that current law imposes a sales tax on the sale of advertising services (such as space and design work) by shoppers guides. It is argued that such a tax places shoppers guides at a competitive disadvantage vis-a-vis newspapers and periodicals, which are exempt.

In fact, no such discrimination occurs. No sales tax is imposed on the sale of advertising services by shoppers guides or any other publication (including, of course, newspapers and periodicals). The sales tax on shoppers guides occurs with the sale of the publication itself. (In cases where the distributor is also the publisher, thereby eliminating the sale of the completed product, the tax is imposed on the component parts, such as newsprint.) This is exactly the same tax treatment afforded other advertising publications including catalogs, store circulars, handbills, realtor listings and so on. In most cases, these items are distributed free to the public but they are taxed at the last point of sale -- usually between the printer and the distributor.

Assembly Bill 559 exempts only shoppers guides from the sales tax, leaving all other advertising and promotional materials subject to the tax. This discriminatory tax treatment will surely encourage publishers and distributors of other promotional materials to seek a similar tax exemption.

Under current law, all printed materials except newspapers and periodicals "regularly issued at intervals not exceeding three months" are subject to the sales tax. While I agree that this exemption is questionable tax policy, it is important to point out that the exemption does not give newspapers and periodicals an advantage in attracting advertisers. Because newspapers and periodicals are actually sold to customers, any sales tax imposed on them would be passed along to the reader -- not to the advertisers.

JOURNAL OF THE ASSEMBLY [May 26, 1976]

Therefore, this exemption does not disadvantage shoppers guides or other advertising publications in their competition for advertisers.

Because shoppers guides, catalogs, circulars and so on are normally distributed free, the publisher or distributor bears the initial impact of the tax. In some cases this cost is probably passed on to advertisers along with other overhead expenses. Therefore, an exemption for shoppers guides alone might very well give shoppers guide publishers and distributors an unfair advantage with respect to their competition. This is a serious departure from the existing situation since, as noted above, the exemption for newspapers and periodicals does not create such an inequity.

Thus, **Assembly Bill 559** would actually create a serious inequity -- not solve one.

Estimates of the immediate cost of this exemption range from about \$40,000 to \$100,000 per year. But it is the long range impact of the bill that most concerns me. The exemption of shoppers guides would set a precedent for future, and much more substantial erosion of the tax base. Sales taxes are collected on all promotional and advertising materials. What answer will the Legislature give when the publishers and distributors of these items seek a tax exemption similar to that which **Assembly Bill 559** allows to shoppers guides?

The unfavorable report of the Joint Survey Committee on Tax Exemptions also expressed misgivings about the bill. It stated, "It would be unfair to exempt advertising publications such as "shoppers guides" from the sales and use tax, while other printed materials may be subject to the sales and use tax."

To maintain the equity and fiscal soundness of the general sales and use tax, a pressing public purpose must be shown for each proposed exemption. The Legislature passed and I signed a bill this session which exempts insulin injection equipment from the sales tax because a strong justification could be made for such a change. But an exemption for shoppers guides (or other advertising and promotional materials) would not serve any important public purpose.

I request your concurrence in my disapproval of **Assembly Bill 559**.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 25, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 620** without my approval.

The intent of the original version of **Assembly Bill 620** was to make uniform the closing hours of retail "Class B" liquor licensees throughout the state. Under current law, bars in Milwaukee County are permitted to remain open at least an hour longer and as much as 2 1/2 hours longer than bars in other counties of the state.

The original bill would have extended the closing hours of bars in counties other than Milwaukee County by making them identical to the closing hours which now apply only in Milwaukee County. There is an argument to be made for such a change on the basis of equity and because such extension of hours would be of some commercial benefit to the licensees involved. Most importantly, uniform closing hours such as were contemplated in the original bill would have limited the dangerous practice of persons drinking in bars located outside Milwaukee County until 1:00 a.m. and then driving to Milwaukee to take advantage of the later closing hours. It was this traffic safety argument for the original bill which was most persuasive.

Regrettably, an amendment was added to the bill in the Assembly which provided that: "Nothing in this section shall prevent any town, village, or city from requiring by ordinance or resolution the closing of premises for which a wholesale or retail liquor license has been issued at a time earlier than times provided in this section. Present ordinances and resolutions requiring closing times earlier than times provided in this section shall remain in effect unless specifically altered or revised by the local governing body."

The effect of the amendment is to create a situation in which it is virtually certain that there will be different closing hours for bars throughout the state. Under **Assembly Bill 620** the traffic safety problem which now afflicts the Milwaukee County area will be exported throughout the state. Rather than making closing hours more uniform, the bill has the opposite effect.

It will increase the practice of inter-community "bar hopping" and inevitably result in an increase in accidents due to driving while

JOURNAL OF THE ASSEMBLY [May 26, 1976]

under the influence of alcohol. I have no alternative but to return the bill without my signature.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 25, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 706** without my approval.

The purpose of the bill is to authorize the Commissioner of Insurance to issue a single general non-resident insurance agent's license covering each kind of insurance for which the applicant is licensed in his domicile state. The authorization applies only when the domicile state of the non-resident applicant provides equal reciprocity.

Senate Bill 16, which I have already signed, provides for essentially the same non-resident licensing procedures within the context of a more thoroughgoing revision of our state's laws concerning licensure of insurance agents. Section 601.31(15m), 628.04(1)(c), and 628.07, of the statutes as created by Senate Bill 16 provide for the licensing of non-resident agents in a manner consistent with the intent of the change proposed by **Assembly Bill 706**.

It is my understanding that the proponents agree with this interpretation of the provisions of Senate Bill 16 and do not object to a veto of **Assembly Bill 706**. The veto will assure that there will be no conflicting language in the statutes as the result of differing approaches which achieve essentially the same result.

Respectfully submitted,
PATRICK J. LUCEY,
Governor.

May 25, 1976

To the Honorable, the Assembly:

I am returning **Assembly Bill 1105** without my approval.

JOURNAL OF THE ASSEMBLY [May 26, 1976]

The bill allows vehicles to be operated on our state's highways without the equipment required by laws other than Chapter 347 of the Wisconsin Statutes.

I have disapproved the bill because I believe it is an unintentional step backward in our efforts to improve vehicle and occupant safety. It is my understanding that **Assembly Bill 1105** was intended only to identify optional automobile equipment that need not be maintained in operating condition. I do not disapprove of this objective. However, the bill inadvertently sweeps beyond its original goal and voids not only automobile but also other vehicle safety equipment requirements elsewhere in the statutes and administrative code.

The bill provides that if any vehicle has equipment which is not required by Chapter 347, that equipment need not be in operating condition. As a result, vehicle equipment presently required by other laws would not be necessary. For example, school bus equipment such as emergency doors and fire extinguishers under s. 110.06(2) and Ch. MVD 17, Wis. Adm. Code would not have to be in operating condition; vehicles transporting explosives would not need operating fire prevention equipment under Ch. MVD 6, Wis. Adm. Code; vehicles towing or drawing another vehicle would not need operational emergency braking systems under Ch. MVD 8, Wis. Adm. Code; and automobile owners would not need to replace bald tires under Ch. MVD 5, Wis. Adm. Code and s. 110.075 of the statutes.

I fully approve of the desire to clarify vehicle equipment requirements and would support legislation that identifies optional automobile equipment that need not be maintained in operating condition.

Respectfully submitted,

PATRICK J. LUCEY,

Governor.