

JOURNAL OF THE SENATE

THURSDAY, November 20, 1975.

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

INTRODUCTION OF RESOLUTIONS

Senate Joint Resolution 50

Directing the legislative council to develop legislation to provide opportunities to Wisconsin residents to study optometry.

By Senator Lorge.

Read and referred to committee on Education.

BILLS INTRODUCED

Read first time and referred:

Senate Bill 691

Relating to regulation of subdivided land sales, granting rule-making authority, making an appropriation and providing a penalty.

By Senator Bablitch.

To committee on Judiciary and Consumer Affairs.

COMMITTEE REPORTS

The joint committee on Finance reports and recommends:

Senate Bill 318

Relating to solicitation, collection and expenditure of funds for charitable purposes, granting rule-making authority, making an appropriation and providing penalties.

Adoption of senate amendment 3; Ayes, 10; Noes, 4.

Passage as amended; Ayes, 8; Noes, 5.

Senate Bill 227

Relating to exemption of federal retirement system benefits from state income tax.

Passage; Ayes, 10; Noes, 4.

Senate Bill 130

Relating to an alteration of the prison industries law, and making an appropriation.

Passage; Ayes, 7; Noes, 7.

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Senate Bill 198

Relating to revising the woodland tax law and providing a penalty.

Rejection of senate amendment 1; Ayes, 10; Noes, 4.

Introduction of senate amendment 2; Ayes, 14; Noes, 0.

Adoption of senate amendment 2; Ayes, 14; Noes, 0.

Passage as amended; Ayes, 14; Noes, 0.

Senate Bill 16

Relating to insurance marketing regulation, granting rule-making authority and providing penalties.

Passage; Ayes, 11; Noes, 1.

Senate Bill 57

Relating to increasing the jurisdictional amount for small claims actions.

Passage; Ayes, 12; Noes, 1.

Assembly Bill 786

Relating to authorizing the board of regents of the university of Wisconsin system to continue and enter into new salary reduction agreements with its employees pursuant to the internal revenue code and to purchase annuities thereunder.

Concurrence; Ayes, 13; Noes, 1.

HENRY DORMAN

Chairman

REPORT OF JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS

Appendix to **Senate Bill 290**

Public Policy Involved

Although it may be desirable to provide aid to parents with low incomes who cannot afford adoption expenses, this bill is undesirable as public policy since it would permit all adoptive parents special income tax benefits, without regard to need. Although parents having children by birth are entitled to claim medical expenses related thereto as an itemized deduction on their income tax returns, many parents do not receive any tax benefit for such medical expenses. For those who itemize deductions, frequently the 3% limit on medical expenses prevents any tax

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benefit. Also, many parents claim the standard deduction and therefore cannot claim medical expenses as a deduction.

JOINT SURVEY COMMITTEE
ON TAX EXEMPTIONS
GARY R. GOYKE
Chairman

Read and referred to joint committee on Finance.

PETITIONS AND COMMUNICATIONS

Senate Petition 110

A petition by 630 citizens of the state of Wisconsin in favor of the state providing additional funding for the arts. (Senate Bill 592)

By Senator Cullen.

Read and referred to committee on Agriculture, Human Services, Labor and Taxation.

Senate Petition 111

A petition submitted by Elizabeth Blomquist and Steven Schmidt of Middleton, consisting of 50 signatures in support of Senate Bill 25 relating to prohibition of nonreturnable containers.

By Senator Parys.

Read and referred to committee on Commerce.

Senate Petition 112

A petition signed by 49 residents of Dane County in support of Senate Bill 25 which would ban the use of throwaway beverage containers.

By Senator Knutson.

Read and referred to committee on Commerce.

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State of Wisconsin Claims Board

November 3, 1975.

Mr. Glenn Bultman
Senate Chief Clerk
State Capitol
Madison, Wisconsin

Dear Mr. Bultman:

Enclosed is a copy of the report and recommendation of the State Claims Board covering the claims heard on September 22, 1975.

The amounts recommended for payment under 500 on claims included in this report have, under the provisions of s. 16.007, Wisconsin Statutes, been paid directly by the Board.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature as to the nature of the claims which come before it for consideration.

Sincerely,
EDWARD MAIN
Secretary

BEFORE THE CLAIMS BOARD OF WISCONSIN

The Wisconsin Claims Board conducted hearings at the State Office Building, 1 West Wilson Street, Madison, Wisconsin 53702, on Monday, September 22, 1975, upon the following claims:

<i>Claimant</i>	<i>Amount of Claim</i>
Dale Onsgard-----	\$ 82.35
John F. Paulik-----	11.16
Ralph H. Schultz-----	320.69
Estate of Joseph P. Leibl-----	51.00
Myrtle L. Lowell-----	400.00
Alfred Peck-----	7.23
Estate of Elisa Marty-----	200.01
Dr. Charles Saloutos-----	73.00
Howard H. Fenske-----	1,328.87
Emory Klatt-----	12,000.00
Estate of Mark Kenote-----	75.27
Brother Dutton School-----	110.00

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Mary Ann Verhoven ----- 12.00

THE BOARD FINDS:

1. *Dale Onsgard*

Dale Onsgard, 4750 Eisenhower, Oregon, Wisconsin, claims \$82.35 for reimbursement of a deposit forfeited to the State of Virginia on December 12, 1974, for an alleged load overweight. Claimant is a state employee who drives a truck. He was weighed at Cheatam Annex by a State of Virginia scale operator and informed that he was not overweight. The claimant proceeded to Sandston, Virginia, and a routine check disclosed he was overweight. If claimant had been properly informed at Cheatam Annex he could have adjusted his load to avoid any overweight violation. The Board concludes that the claimant should be reimbursed on equitable principles in the amount of \$82.35.

2. *John F. Paulik*

John F. Paulik, 14465 W. Hampton, Brookfield, Wisconsin, claims \$11.16 for a state check no. M930044 dated May 24, 1968. The Board concludes the claim should be paid on equitable principles.

3. *Ralph Schultz*

Ralph H. Schultz, 3757 South Howell Avenue, Milwaukee, Wisconsin, claims \$320.69 for overpayment of inheritance taxes paid in the Estate of Esther L. White. Claimant was personal representative in said estate. The inventory for the estate included 112 shares of General Electric common stock when in fact the deceased died possessed of only 56 shares, a 2 for 1 stock split having occurred subsequent to the date of death. Milwaukee County's share of the overpaid taxes is \$33.62, and the Board concludes the balance of the claim in the amount of \$287.07 should be paid on equitable principles.

4. *Estate of Joseph Peter Leibl*

The Estate of Joseph Peter Leibl, c/o Frank B. Leibl, 4276 Smith Valley Road, LaCrosse, Wisconsin, claims \$51.00 for a state check no. G817352 dated October 16, 1959. The Board concludes the claim should be paid on equitable principles.

5. *Myrtle L. Lowell*

Myrtle L. Lowell, 2137 Oakridge Avenue, Madison, Wisconsin, claims \$400.00 for overpayment of inheritance taxes relating to the Estate of Lela M. Wright. Claimant's distributive share of the estate was overvalued due to the erroneous inclusion of 9.6 acres

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which was held in joint tenancy. Dane County's share of said overpayment was \$30.00 and the Board concludes the balance of the claim in the amount of \$370.00 should be paid on equitable principles.

6. *Alfred Peck*

Alfred Peck, 17 N. Adams Avenue, New Berlin, Wisconsin, claims \$7.23 for state check no. E246569 dated December 15, 1955. The Board concludes the claim should be paid on equitable principles.

7. *First National Bank of Monroe*

The First National Bank of Monroe, Personal Representative in the Estate of Elisa Marty, claims \$200.01 for overpayment of inheritance taxes. At the time the original form 101 inheritance tax return was filed it was believed the deceased left only three children to equally divide 1/7 of the residue of the estate when in fact the deceased left seven children. The Board concludes the claim should be paid on equitable principles.

8. *Dr. Charles Saloutos*

Dr. Charles Saloutos, 440 West Cedar Street, Platteville, Wisconsin, claims \$73.00 for damages to his clothes when a state care he was driving on state business on May 8, 1974, caught fire under the dash. The Board concludes the claim should be paid on equitable principles.

9. *Howard H. Fenske*

Howard H. Fenske, Route 1, Box 53, Coloma, Wisconsin, claims \$1328.87 for legal services and expenses related to a hearing on April 9, 1974, conducted by the Department of Natural Resources for the alleged construction of an unauthorized enlargement off Curtiss Lake in the Township of Richford, Waushara County, Wisconsin. Claimant alleges that the hearing was held because of political pressures and that there were no grounds for bringing the action against him. However, as pointed out by the Department's attorney, there was some information in regard to the use of the pond for recreational purposes and non-agricultural use which raised a reasonable doubt as to whether the pond was exempted under sec. 30.19 (1)(d), Wis. Stats., and the hearing was to resolve this reasonable doubt and not the result of political pressures. There was information presented substantially supporting the view that the pond was exempt, but this Board cannot conclude that there was no reasonable basis for proceeding with the hearing. The Board concludes the claim should be denied.

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10. *Emory W. Klatt*

Emory W. Klatt, 1517 North 11 Street, Sheboygan, Wisconsin, claims \$1200.00 for damages suffered on June 20, 1974, at Sheboygan, Wisconsin, when a Wisconsin National Guard helicopter being flown by a pilot on federal assignment, and being paid by the federal government, landed in a vacant lot on Niagara Avenue. Claimant was working as a parking attendant nearby, and was struck by a steel door in a shed as a result of the prop wash. The Board concludes there is an insufficient showing of negligence on the part of officers, employees or agents of the State, and that the claim is not one which the State should assume and pay on equitable principles.

11. *Estate of Mark A. Kenote*

The Estate of Mark H. Kenote, c/o Eberlein & Gansen, Attorneys, Box 265, Shawano, Wisconsin, claims \$75.27 for a stale check no A220360 dated May 24, 1968. The Board concludes the claim should be paid on equitable principles.

12. *Sr. Jane Kraus*

Sr. Jane Kraus, Principal, Br. Dutton School, 717 Hachett Street, Beloit, Wisconsin, claims \$110.00 to replace a typewriter accidentally damaged by a foster child attending the school on February 6, 1975. The claimant is paid a fee for the foster child's attendance at the school. The Department of Health and Social Services does not recommend payment of the claim. The Board concludes there is an insufficient showing of negligence on the part of officers, employees or agents of the State, and that the claim is not one for which the State is legally liable, nor one which the State should assume and pay on equitable principles.

13. *Mary Ann Verhoven*

Mary Ann Verhoven, Route 2, Greenleaf, Wisconsin, claims \$12.00 for damages to her eyeglasses on May 13, 1975, at Southern Wisconsin Colony and Training School. Claimant was not an employee covered by sec. 46.062, Wis. Stats., but was performing services for the State as a practicing student without pay at the time of the accident. The Board concludes the claim should be paid on equitable principles.

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THE BOARD CONCLUDES:

1. The claims of the following named claimants should be denied:

Howard H. Fenske
Emory W. Klatt
Brother Dutton School

2. The claims of the following claimants in the following amounts are justified under sec. 16.007 (6), Wis. Stats.:

Dale Onsgard	\$ 82.35
John F. Paulik	11.16
Ralph H. Schultz, Personal Representative in Estate of Esther L. White	287.07
Estate of Joseph Peter Leibl c/o Frank B. Leibl	51.00
Myrtle L. Lowell	370.00
Alfred Peck	7.23
First National Bank of Monroe Personal Representative in Estate of Elisa Marty	200.01
Dr. Charles Saloutos	73.00
Estate of Mark A. Kenote c/o Eberlein & Gansen, Attorneys	75.27
Mary Ann Verhoven	12.00

Dated at Madison, Wisconsin this 16th day of October, 1975.

GERALD D. KLECZKA
Senate Finance Committee

GEORGE MOLINARO
Assembly Finance Committee

DAVID RIEMER
Representative of Governor

EDWARD D. MAIN
Representative of Secretary
of Administration

ALLAN P. HUBBARD
Representative of Attorney
General

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EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

November 17, 1975.

To the Honorable, the Senate:

Pursuant to the provisions of the statutes governing, I have nominated and with the advise and consent of the senate do appoint Norbert J. Stefaniak of Milwaukee, as a member of the Real Estate Examining Board, to fill a newly created position on the Board, to serve for the term ending July 1, 1981.

Sincerely,
PATRICK J. LUCEY
Governor

Read and referred to committee on Commerce.

State of Wisconsin
Office of the Governor
Madison, Wisconsin

November 12, 1975.

To the Honorable, the Senate:

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

Senate Bill	Chapter No.	Date Approved
264	99	November 12, 1975

Sincerely,
PATRICK J. LUCEY
Governor

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State of Wisconsin
Office of the Governor
Madison, Wisconsin

November 13, 1975.

To the Honorable, the Senate:

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

Senate Bill	Chapter No.	Date Approved
420 (partial veto)	----- 105 -----	November 13, 1975

Sincerely,
PATRICK J. LUCEY
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

November 13, 1975.

To the Honorable, the Senate:

Senate Bill 420 provides a new tool for the redevelopment of blighted areas in Wisconsin. I am hopeful that by using the tax increment financing method, communities will be able to undertake projects which will inject new life into their economies without pushing local governments to the limits of their legal indebtedness.

As with any new development mechanism, it is essential that we keep careful watch on the first tax increment financing projects so that we can be assured that this new tool is being used to its best advantage. The bill provides that the Department of Local Affairs and Development will report at the beginning of each biennium as to the social, economic and financial impacts of tax increment financing. I believe that it may be necessary to enact additional safeguards to this new law to ensure that the State's fiscal commitment to the new concept is kept within reasonable bounds.

Although I am basically in accord with the provisions of the bill, I have exercised the partial veto in two instances. First, I have deleted language which was added through an amendment to the original bill which makes towns eligible for tax increment financing.

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The intention of the bill as it was introduced was to provide an additional means of redeveloping areas which are primarily urban in character. In recent years, the tax base of cities and villages has expanded at approximately half the rate experienced by towns. In light of those circumstances, it is my view that the original bill's emphasis on rehabilitating blighted sections of cities and villages is the correct one and should be preserved. In the early years of this admittedly experimental program, our state should be concentrating its efforts where the need for redevelopment is greatest.

If, as we gain experience with tax increment financing, it becomes apparent that this new development tool would serve a useful purpose in rural areas, then it can be expanded to include towns.

I have also deleted Section 66.46 (12) from the bill which reads, "This section (i.e., the tax increment law) does not apply to any commercial or industrial expansion in any city if the new commercial or industrial capacity causes a corresponding tax loss in any other city in this state." This section known as the "piracy clause" is intended to prohibit the use of tax increment financing as a means of attracting development from one city in Wisconsin to another -- a purpose with which most would agree. However, the provision is nearly impossible to enforce. Since no criteria are established to provide a way of determining whether or not "piracy" has occurred, it would be a judgement left to individual local office holders who might have a wide range of reasons to interfere with a particular tax increment project.

More importantly, the piracy clause in the bill might jeopardize the bonds which would be issued as a means of raising capital for tax increment projects. In the absence of any clear definition of "piracy", it is possible that a bond council would be unwilling to vouch for the security of an obligation which could become a nullity in the event that anyone should choose to allege that "piracy" had occurred. Therefore, in order to insure that bonds issued by tax increment districts are marketable, I have removed the piracy clause.

Sincerely,
PATRICK J. LUCEY
Governor

AMENDMENTS OFFERED

Senate amendment 1 to Senate Bill 547 by Senator Murphy.

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Senate amendment 1 to **Senate Bill 554** by Senator Petri.

Senate amendment 2 to **Senate Bill 600** by Senator Murphy.

Senate amendment 1 to **Senate Bill 619** by Senator Murphy.

CHIEF CLERK'S CORRECTION

Suggested by Legislative Reference Bureau

Relating to **Senate Bill 687**:

On line 7, after the comma, insert "laws of 1975,".

CHIEF CLERK'S REPORT

The chief clerk records:

Senate Bill 264

Correctly enrolled and presented to the Governor on November 12, 1975.