

Eighty-Third Regular Session

7:48 P.M.

The senate reconvened.

BILLS INTRODUCED

Read first time and referred:

Senate Bill 483

Relating to miscellaneous changes in the regulation of offers and sales of franchises.

By Senator McKenna.

To committee on Commerce.

Senate Bill 484

Relating to classification and certification procedure in county civil service systems.

By Senators Swan, Parys, Adelman, Berger, Kleczka, Braun and Frank; cosponsored by Representatives Czerwinski, Tropman, Wahner, Pabst and Gerlach, by request of Milwaukee County.

To committee on Governmental and Veterans' Affairs.

Senate Bill 485

Relating to discipline of classified employes in county civil service systems.

By Senators Swan, Parys, Adelman, Berger, Braun and Frank; cosponsored by Representatives Czerwinski, Tropman, Wahner, Pabst and Gerlach, by request of Milwaukee County.

To committee on Governmental and Veterans' Affairs.

Senate Bill 486

Relating to jurisdiction over children who violate certain liquor laws.

By Senators Murphy, Keppler and Parys; cosponsored by Representatives Lewison and Gower.

To committee on Commerce.

Senate Bill 487

Relating to raising the drinking age to 19 except for consumption on the premises of licensed establishments.

By Senator Murphy; cosponsored by Representatives Lewison and Gower.

To committee on Commerce.

Senate Bill 488

Relating to changing election procedures of town supervisors.

By Senators McKenna, Van Sistine and Lorge; cosponsored by Representatives Schricker, Thompson and Rogers.

To committee on Governmental and Veterans' Affairs.

COMMITTEE REPORTS

The committee on Education and Revenue reports and recommends:

MORRIS, JOHN, of Madison, as a member of the Tax Appeals Commission, to serve for the term ending March 1, 1983.

Confirmation:

Ayes, 5 -- Senators Goyke, Braun, Berger, Cullen and Sensenbrenner;

Noes, 0 -- None.

GARY GOYKE

Chairman

The committee on Governmental and Veteran Affairs reports and recommends:

HEINLE, FREDERICK C., of Milwaukee, as a member of the Veterans Affairs Board, to succeed Richard Gupton, to serve for the term ending May 1, 1983.

Confirmation:

Ayes, 5 -- Senators Swan, Offner, Lasee, Braun and Adelman;

Noes, 0 -- None.

THOMPSON, JOSEPH I., of Madison, as a member of the Veterans Affairs Board, to succeed Thomas G. Krajewski, to serve for the term ending May 1, 1983.

Confirmation:

Ayes, 5 -- Senators Swan, Offner, Lasee, Braun and Adelman;

Noes, 0 -- None.

MONROE SWAN

Chairman

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The committee on Commerce reports and recommends:

Assembly Bill 710

Relating to registration of vehicle combinations comprised of truck tractors and semitrailers, or trailers used exclusively under permits issued by the highway commission.

Introduction of senate amendment 1:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 293

Relating to license fees for Class "A" retail beer licenses.

Introduction of senate substitute amendment 1:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

RONALD G. PARYS

Chairman

The joint committee for Review of Administrative Rules reports and recommends for introduction:

Senate Bill 489

An act to create a special committee on forms, reporting and paperwork.

By request of Commission on State-Local Relations and Financing Policy.

Introduction:

Ayes, 9 -- Senators Berger, Swan, Offner and Sensenbrenner; Representatives Rogers, Clarenbach, McClain, Brist and Thompson;

Noes, 0 -- None.

Read first time and referred to committee on Governmental and Veterans' Affairs.

DAVID G. BERGER

Cochairman

WILLIAM ROGERS

Cochairman

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PETITIONS AND COMMUNICATIONS

Senate Petition 90

A petition by 98 Wisconsin citizens urging the legislature to reject the Norquist-Maurer amendments to the general property tax relief formula.

By Senator Sensenbrenner.

Read and referred to the joint committee on Finance.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 30, 1977.

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 |
|--------------------|----------------|---------------|
| 111 (partial veto) | ----- 31 ----- | June 30, 1977 |

Sincerely,
PATRICK J. LUCEY
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 30, 1977.

To the Honorable, the Senate:

I have approved Senate Bill 111 as Chapter 31, Laws of 1977, and deposited it in the office of the Secretary of State.

Senate Bill 111 establishes a new comprehensive mining tax system for Wisconsin. Its enactment is a major achievement by the Wisconsin Legislature and is an example of the legislative process at its best. The mining tax proposal is the result of over two years of thorough study by several legislative committees with a great

deal of public involvement. The product is a remarkable piece of legislation that places Wisconsin at the forefront of the states involved in mineral development.

There are several legislators who deserve special praise for their work on Senate Bill 111. Representative Harvey Dueholm has fought a long battle in attempting to get the state to adopt significant reform in mining taxes. He has finally seen the fruits of his labor with the passage of this bill. Both Senator Henry Dorman and Representative Marlin Schneider also deserve plaudits for the important roles they played in the legislative process that led up to the adoption of Senate Bill 111. And their colleagues in both Houses of the Legislature that overwhelmingly passed this bill deserve recognition for a job well done.

Senate Bill 111 creates a new net proceeds tax on all metallic mining in Wisconsin, to replace the hodgepodge of mining taxes that presently exist. An important element of the bill is the graduated rate structure that taxes mining companies according to their ability to pay. The tax rate is low for marginal mines and increases as mining ventures become more profitable. This rate structure is consistent with other progressive tax policies in Wisconsin.

Another innovative part of Senate Bill 111 is the creation of an Investment and Local Impact Fund to distribute revenues to local communities impacted by mining operations. The board established to make such distributions has strong, local membership that should assure communities a fair return of the tax revenues collected by the state.

In the past, most mineral tax laws were written by the mining companies. Senate Bill 111 begins a new era in which the state developed its own equitable mining tax law.

I have exercised the partial veto in four instances to make changes which I believe improve this legislation.

Eligibility of VTAE Districts for Impact Funds

The bill provides that VTAE districts, as well as other local units of government, are eligible for Investment and Local Impact funds. Since the Impact funds are for the purposes of assisting localities which must provide additional public services, I believe it would be a mistake to allow VTAE districts to qualify for funds directly from the board. If funds are needed for training programs and curriculum development, the board does not have the authority

under the bill to grant money for these purposes. Enrollment increases that may occur in VTAE districts are already aided through the state VTAE formula.

Guaranteed Payments from the Investment and Local Impact Fund

I have approved the guaranteed payments that are included in Senate Bill 111 for the county and municipality in which mining occurs. The county would receive up to \$300,000 annually and the municipality would receive up to \$75,000 annually. I encourage the legislature to closely monitor the expenditure of these guaranteed payments to determine whether or not they are in excess of the additional costs incurred by counties and municipalities as the result of mining activities within their borders.

I have vetoed the provision that provides up to \$25,000 to the nearest incorporated municipality. In some cases it would be difficult to determine what municipality would receive this payment, and there is no assurance that \$25,000 would be needed by that municipality if it could be identified. The purpose of the Investment and Local Impact Fund Board is to determine the needs of various communities and to make payment on the basis of those needs. All communities adjacent to mining jurisdictions will be considered by the Board and distributions will be made according to the existing needs. There is no reason to go beyond the guaranteed payments that are made to the county and municipality in which mining is taking place.

Net Proceeds Tax Rates

The net proceeds tax rates contained in Senate Bill 111 range from 0 to 20 percent. I have vetoed a portion of the bill to eliminate the 8 percent bracket that is established for net proceeds from \$4 million to \$8 million. The effect of the veto will be to tax all net proceeds from \$4 million to \$10 million at the 12 percent rate. The new rates will be as follows:

| | |
|--------------------------|------------|
| \$0 to \$100,000 | 0 percent |
| 100,001 to 4,000,000 | 6 percent |
| 4,000,001 to 10,000,000 | 12 percent |
| 10,000,001 to 20,000,000 | 16 percent |
| 20,000,001 to 30,000,000 | 18 percent |
| 30,000,000 and Over | 20 percent |

The 8 percent rate is roughly equivalent to the existing severance taxes paid by mining companies in Wisconsin. Any mine that has net proceeds of over \$4 million annually should be able to

pay some increase in taxes to the state. Without the veto it would be possible for a company to pay less taxes under Senate Bill 111 than they do under the current law--a result that the legislature did not intend and should not permit.

Computation of Gross Proceeds

I have vetoed a special provision that gives the Secretary of the Department of Revenue discretion in computing the gross proceeds under Senate Bill 111. This special provision would allow the Department to compute the gross proceeds by the amount actually realized from the sale of Wisconsin production rather than following the general provisions of Senate Bill 111 that utilize Wisconsin production and market prices that are published. The amount actually realized from the sale of Wisconsin ore would be very difficult to audit when the sale of ore is made by a multi-state or multi-national company. While the provision may be considered potentially helpful to an existing mining company, its disadvantages and potential loophole that is created far outweigh its merits.

Sincerely,
PATRICK J. LUCEY
Governor

CALENDAR OF JUNE 30

HEINLE, FREDERICK C., of Milwaukee, as a member of the Veterans Affairs Board, to succeed Richard Gupton, to serve for the term ending May 1, 1983.

Read.

THOMPSON, JOSEPH I., of Madison, as a member of the Veterans Affairs Board, to succeed Thomas G. Krajewski, to serve for the term ending May 1, 1983.

Read.

By request of Senator Bablitch, with unanimous consent the above appointments were considered enmasse.

The question was: Confirmation?

The ayes and noes were required and the vote was: ayes, 23; noes, 10; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka,

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McKenna, Maurer, Morrison, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Thompson and Van Sistine -- 23.

Noes -- Senators Bidwell, Chilsen, Krueger, Lasee, Lorge, McCallum, Murphy, Petri, Sensenbrenner and Theno -- 10.

Absent or not voting -- None.

So the appointments were confirmed.

MORRIS, JOHN, of Madison, as a member of the Tax Appeals Commission, to serve for the term ending March 1, 1983.

Read.

The question was: Confirmation?

The ayes and noes were required and the vote was: ayes, 33; noes, 0; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 33.

Noes -- None.

Absent or not voting -- None.

So the appointment was confirmed.

MESSAGE FROM THE ASSEMBLY

By Everett E. Bolle, chief clerk.

Mr. President:

I am directed to inform you that the assembly has passed and asks concurrence in:

Assembly Bill 664

Assembly Bill 389

Assembly Bill 211

Assembly Bill 475

Assembly Bill 681

Assembly Bill 199

Assembly Bill 355

Assembly Bill 857

Assembly Bill 858

Assembly Bill 610

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Concurred in:

Senate Bill 471

Senate Bill 472

Senate Bill 473

Senate Bill 474

Senate Bill 475

Senate Joint Resolution 43

Senate amendment 1 to Assembly Bill 510

Senate Joint Resolution 29

Senate Joint Resolution 30

Senate Bill 87

Senate Bill 480

Senate Bill 481

MESSAGE FROM THE ASSEMBLY CONSIDERED

Assembly Bill 664

Relating to campaign financing, creating a clean election campaign fund, granting rule-making authority, making appropriations and providing penalties.

By Representatives Kedrowski, Wahner, Munts, Clarenbach, Brist, Ausman, Coggs, Rooney, Metz, Elconin, Ferrall, Travis, Rutkowski, Hasenohrl, Norquist, McClain, Jackamonis, Fischer, Dandeneau, Miller, Otte, Dueholm, Tropman, Loftus, Leopold, Andrea, Gerlach, Potter, Bear, Barry, Medinger, Everson and Engleiter, cosponsored by Senators Bablitch, Petri, Flynn, McKenna, Braun, VanSistine, Offner, Radosevich, Morrison, Dorman, Harnisch, Goyke, Risser, Berger, Cullen, McCallum and Thompson.

Read first time and referred to committee on Judiciary and Consumer Affairs.

Assembly Bill 389

Relating to county consumer protection agencies.

By Representatives Ferrall, Clarenbach, Miller, Tesmer and Lato, cosponsored by Senators Bablitch, Flynn and Murphy.

Read first time and referred to committee on Judiciary and Consumer Affairs.

Assembly Bill 211

Relating to requiring fiscal notes for administrative rules.

By Representatives Day, Lallensack, Lato, McClain, Schricker, Murray, Hasenohrl, Byers, Lewison, Bradley, Conradt, Barry,

Groshek, Schmidt, Quackenbush, Duren, Andrea and Kincaid, cosponsored by Senators Berger and Chilsen.

Read first time and referred to committee for Review of Administrative Rules.

Assembly Bill 475

Relating to authorizing the department of agriculture to weigh and certify weights of grain on a user fee basis and permitting the department to cooperate with any federal agency to carry out this function.

By Representatives Mohn, Lato, Early, Litscher, Rutkowski and Dueholm.

Read first time and referred to committee on Agriculture, Aging and Labor.

Assembly Bill 681

Relating to the destruction of obsolete school records.

By Committee on Education, by request of Wisconsin Association of School Boards.

Read first time and referred to committee on Education and Revenue.

Assembly Bill 199

Relating to the reorganization of city school districts into common or unified districts.

By Representatives Ferrall, DeLong, Kedrowski, Flintrop, McClain, Elconin, Dandeneau, Metz, Kirby, Tropman, Norquist, Wahner, Dueholm and Barczak, cosponsored by Senators Braun, Berger and Peloquin.

Read first time and referred to committee on Education and Revenue.

Assembly Bill 355

Relating to utilities and utility contractor installation of sewer or water lines from mains to buildings and granting rule-making authority.

By Representatives Plewa, Behnke, Barczak, Bear, Medinger, Clarenbach, Gower, Conradt, Flintrop, Roberts, Jackamonis and Kincaid, cosponsored by Senator Swan, by request of The Wisconsin Laborers District Council, Roger Grangaard, President, Wisconsin Association Public Works, Contractors R. H. Engelhart, President and Association Public Works Contractors, John Drake.

Read first time and referred to committee on Governmental and Veterans' Affairs.

Assembly Bill 857

Relating to the amount of group life insurance available to certain members of the university of Wisconsin system faculty and academic staff employer contributions for the health insurance premiums of certain state employes.

By Representative Jackamonis, by request of Joint Committee on Employment Relations.

Read first time and referred to committee on Senate Organization.

Assembly Bill 858

Relating to legislation required to implement the 1977-79 compensation plan proposals of the director of personnel, granting rule-making authority and making an appropriation.

By Representative Jackamonis, by request of Joint Committee on Employment Relations.

Read first time and referred to committee on Senate Organization.

Assembly Bill 610

Relating to regulating health spa contracts, granting rule-making authority and providing a penalty.

By Representatives Soucie, Metz, Barczak, Rogers, Gunderson, Dandeneau, Donoghue, Wahner, Leopold, Barry, Lee, Engeleiter, Ausman, Ferrall, Early, Elconin, Clarenbach, Dueholm, Rutkowski, Tuczynski, Jackamonis, Litscher, Lato, McClain, Norquist, Plewa, Gerlach and Lingren, cosponsored by Senators Flynn and Berger.

Read first time and referred to committee on Commerce.

MOTIONS

By request of Senator Bablitch, with unanimous consent, **Senate Bills 431 through 450** were withdrawn from the committee on Senate Organization and referred to the committee on Commerce.

As it relates to **Assembly Bill 96**, the chair appointed Senators Flynn, Berger and Murphy as members of the Conference Committee.

Senator Bablitch moved confirmation of the appointees.

The motion prevailed.

By request of Senator Bablitch, with unanimous consent, all actions were ordered immediately messaged.

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By request of Senator Bablitch, with unanimous consent, the senate adjourned in honor of Lieutenant Governor Martin J. Schreiber.

By request of Senator Bablitch, with unanimous consent, the senate adjourned in honor of Matt Pommer's "junket to Hawaii".

Upon motion of Senator Bablitch the senate adjourned until 2:00 P.M. Tuesday, September 6, pursuant to Assembly Joint Resolution 12.

8:12 P.M.