

STATE OF WISCONSIN
Assembly Journal

Ninetieth Regular Session

WEDNESDAY, July 24, 1991

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

AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 450** offered by Representatives Hahn, Goetsch, Boyle, Brancel, Duff, Zien and Lehman.

COMMUNICATIONS

The chief clerk reports the following proposals correctly enrolled:

Assembly Joint Resolution 49
Assembly Joint Resolution 56
Assembly Joint Resolution 75

Sincerely,
THOMAS T. MELVIN
Assembly Chief Clerk

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

To the Honorable, the Assembly:

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

Assembly Bill	Act No.	Date Signed
485 (partial veto)	37	July 18, 1991

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR'S VETO MESSAGE

July 18, 1991

To the Honorable Members of the Assembly:

I have approved **Assembly Bill 485** as 1991 Wisconsin Act 37 and have deposited it in the Office of the Secretary of State. I have exercised the partial veto in sections 8m, 20m and 20p.

Assembly Bill 485 enacts various tax provisions relating to the construction of sports and entertainment home

stadiums, including a property tax exemption, a sales tax exemption on materials, supplies and equipment used solely for stadium construction (modeled after tax treatment afforded to local governments for purchases for their exclusive use), and an income tax exemption for interest earned on certain bonds issued by the Wisconsin Housing and Economic Development Authority (WHEDA). Further, the bill authorizes WHEDA to issue bonds necessary to make up to \$35 million in loans for stadium construction. The bill also increases the amount of the 0.5% county sales tax retained by county governments. This legislation will contribute to the economic viability of professional athletic teams in Wisconsin, which are an important state tourism attraction. As such, they contribute to the state's economy and create job opportunities for Wisconsin residents. These teams also attract media interest and advertising revenues that generate beneficial economic activity.

Section 8m amends the base of the retail sales tax to include the lease of sky boxes and private boxes by professional sports teams. I am partially vetoing this section because just as the rental of apartments and other leasehold properties are not subject to the sales tax, traditionally sky boxes have been treated as leasehold property and likewise not subject to the sales tax. A 1985 Department of Revenue administrative determination at the request of the Green Bay Packers characterized sky boxes as the rental of real property and thus exempt from the sales tax. Any change from this practice would be detrimental to existing facilities at Lambeau Field and the Bradley Center in Milwaukee, as well as have a negative impact on the Milwaukee Brewers Baseball Club's ability to successfully sell sky boxes at its proposed new stadium. Spectators in the sky boxes will still be subject to sales tax on the purchase price of their tickets.

Section 20m restricts WHEDA from granting an economic development loan for a stadium project unless the borrower's agreement for achieving minority hiring and contracting goals is first approved by the Department of Administration and the Joint Committee on Finance. Section 20p restricts WHEDA from granting an economic development loan for a stadium project unless the loan is first approved by the Joint Committee on Finance.

I believe it is important that the bill sets a goal for a (WHEDA) stadium loan recipient to employ at least 20% minorities in its work force for stadium construction and operations and to award 20% of stadium construction and operations contracts to

women's businesses and small businesses. To that end, I have asked the Brewers to work with the minority community to develop a minority hiring and contracting program which takes into consideration the concerns of the legislature when it developed these goals.

However, I am partially vetoing the provisions requiring Department of Administration and Joint Finance approval of WHEDA stadium loans. According to WHEDA's bond counsel, this sort of state governmental involvement in the affairs of the Authority likely violates the internal improvements clause of the Wisconsin Constitution and therefore risks making WHEDA's activities unconstitutional. If this language were not vetoed, WHEDA would be unable to issue the bonds as authorized in this bill. A copy of the bond counsel opinion is attached.

Respectfully submitted,
TOMMY G. THOMPSON
Governor

COMMUNICATIONS

State of Wisconsin
Department of Health and Social Services
Madison

July 2, 1991

To the Honorable, the Assembly:

1989 Wisconsin Act 31, Section 1118i, requires the Department of Health and Social Services to submit to the chief clerk of each house of the Legislature a report on June 30 annually on the allocation and expenditure of funds for services for homeless individuals. Attached is the Department's second annual report.

Departmental staff are available if you have any questions or desire any additional information.

Sincerely,
GERALD WHITBURN
Secretary

State of Wisconsin
Department of Natural Resources
Madison

July 2, 1991

To the Honorable, the Legislature:

Under the new recycling law 1989 Wisconsin Act 335 s. 85(1 through 2(m)) the Department was to complete two studies. The first study concerned the recycling of discarded major appliances and the second study was to investigate methods of collection and recyclability of household batteries. These studies were to be completed by June 30, 1991 and July 1, 1991 respectively.

We have recently released a request for proposal to prospective contractors to complete both of the studies. The actual work should begin by August 1, 1991. The decision to have these studies completed by an outside contractor was made in order to more efficiently and effectively gather information from inside and outside the United States in these new areas of environmental concern.

As you may know part of the directive of the major appliance study was the identification of environmental hazards associated with their recycling. Of particular concern is the release of ozone depleting refrigerants in some appliances when they are salvaged. We are actively involved in developing rules to implement 1989 Wisconsin Act 284 (the new refrigerants law). The information gathered in the major appliance report will assist us in our efforts to develop these rules.

Work will be completed by the selected contractors by November 1, 1991. I apologize for the delay and thank you for your patience and understanding in this important matter as we break new ground in these two new environmental and recycling areas. If you have any questions on our study please contact Paul Koziar in our Solid Waste Recycling Section at (608) 267-9388.

Sincerely,
C. D. BESADNY
Secretary

State of Wisconsin
Department of Administration
Madison

July 16, 1991

To the Honorable, the Assembly:

This report is transmitted as required by ss. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under section 13.172(3) stats.), and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of June, 1991.

On June 17, 1991, the General Fund balance was \$-29.3 million. This one day shortfall was due to the regularly scheduled \$617 million School Aid disbursement on June 17th.

On June 28, 1991, the Recycling Fund balance was \$-3.5 million. This shortfall was due to a delayed transfer from the General Fund to the Recycling Fund.

The General Fund, and Recycling Fund shortfalls were not in excess of the \$400 million ceiling and did not exceed the balances of the funds available for interfund borrowing.

