



Legislative Fiscal Bureau

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February 10, 1998

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 333/Assembly Bill 579: Insurance Premiums Tax Credit for Investments
in Certified Capital Companies

Senate Bill 333 was introduced on January 21, 1997, and referred to the Senate Committee on Economic Development, Housing and Government. The Committee took executive action on the bill on January 15, 1998. During its consideration of the bill, the Committee adopted Senate Amendments 1 and 2 to SB 333. SB 333 was recommended for passage, as amended, by a vote of 4-0.

Assembly Bill 579 was introduced on October 29, 1997, and referred to the Assembly Committee on Financial Institutions. The Committee took executive action on the bill on December 17, 1997. During its consideration of AB 579, the Committee adopted Assembly Amendments 1 and 2. AB 579 was recommended for passage, as amended, by a vote of 14-0.

The Senate and Assembly bills, as amended, are identical.

BACKGROUND

The state insurance premiums tax is imposed at varying rates on all foreign insurers and domestic mortgage guarantee insurers and a flat rate gross investment tax is imposed on domestic life insurers. The Wisconsin corporate franchise tax is imposed on most domestic nonlife insurance companies and the nonlife insurance business of domestic life insurers. The tax is imposed at a flat rate of 7.9% on taxable income. However, an insurer's franchise tax liability may not exceed the liability calculated under the 2% gross premiums tax.

The tax base (taxable premiums) for companies subject to the insurance premiums tax is equal to gross Wisconsin premiums for direct insurance minus return premiums and cancellations and returns from savings and gains on all insurance other than reinsurance by the insurer during the previous year.

Foreign insurers writing the following lines of insurance are subject to the premiums tax rate shown: fire, 2.375%; ocean marine, 0.5%; casualty, including inland marine, accident and health, automobile, surety, title, 2%. Domestic nonlife insurers pay the corporate franchise tax not to exceed the liability calculated under the 2% gross premiums tax. Mortgage guarantee insurers, whether foreign or domestic, are subject to a 2% premiums tax.

Foreign life insurance companies are subject to a 2% premiums tax. Domestic life companies with over \$750 million of insurance are subject to a 3.5% tax on a portion of gross investment income or 2% of premiums, whichever is greater. Domestic life companies with \$750 million or less of insurance in effect are subject to the 3.5% investment income tax or 2% premiums tax, whichever is less. The base for the life insurance investment income tax is total investment income from life insurance operations less a deduction for additions to reserves. Premiums and contracts for annuities are also excluded. Taxable insurers are required to make quarterly reports and payments of estimated tax, as well as filing a return at the close of the year.

TABLE 1

Wisconsin Taxation of Insurance Companies

<u>Type of Insurance</u>	<u>Type of Company</u>	<u>Tax</u>
Life	Foreign (non-Wisconsin-based)	2% of gross premiums
	Domestic (Wisconsin-based)	
	a. Total insurance of \$750 million or less	Lesser of 2% of gross premiums or 3.5% of a portion of gross investment income
	b. Total insurance more than \$750 million	Greater of 2% of gross premiums or 3.5% of a portion of gross investment income
Accident & Health	Foreign	2% of gross premiums
	Domestic	Corporate franchise tax not to exceed 2% of gross premiums
Mortgage Guarantee	Foreign	2% of gross premiums
	Domestic	2% of gross premiums
Fire	Foreign	2.375% of gross premiums
	Domestic	Corporate franchise tax not to exceed 2% of gross premiums
Ocean Marine	Foreign	0.5% of gross premiums
	Domestic	Corporate franchise tax not to exceed 2% of gross premiums
Other Property & Casualty	Foreign	2% of gross premiums
	Domestic	Corporate franchise tax not to exceed 2% of gross premiums
Annuity/Life	All types of companies	Exempt
All types of insurance	Town mutual	Exempt
All types of insurance	Fraternal benefit society	Exempt
All types of insurance	Nonprofit cooperative	Exempt
All types of insurance	Self-insurers	Exempt

SUMMARY OF BILLS

In general, the bills would provide a premiums tax credit for insurance company investments in certified capital companies. The certified capital companies would be required to use these funds to provide capital to certain small businesses. If the certified capital companies fail to make required investments in these small businesses, the insurance companies would have to repay all or part of the credit. The Department of Commerce (Commerce) would administer the program. The specific provisions of the bill are described in the following sections.

Definitions. SB 333/AB 579 establish definitions for certain terms that apply both to the insurance premiums tax credit and the certified capital company program.

Certified Capital Company. A certified capital company would be a person certified as such by Commerce. In order to be certified, a person would be required to meet the following conditions:

(a) The person is a partnership, corporation, trust or limited liability company (LLC), organized either for profit or not for profit, that has as its primary business activity the investment of cash in qualified businesses.

(b) The person has a net worth, at the time of application for certification, of at least \$500,000 and has at least \$500,000 in cash, cash equivalents and marketable securities.

(c) The directors, officers, general partners, trustees, managers or members, or persons having a similar function are familiar with statutory requirements related to certified capital companies.

(d) At least two officers, directors, general partners, trustees, managers or members each have at least two years experience in the venture capital industry.

(e) In applying for certification, the person submits, in any offering material involving the sale of securities, certain required statements.

(f) The person pays a nonrefundable application fee of \$7,500.

Certified Capital Investment. A certified capital investment would be an investment in a certified capital company that fully funds the investor's equity interest in a certified capital company or a qualified debt instrument issued by a certified capital company or both.

Qualified Debt Instrument. A qualified debt instrument would be a debt instrument: (a) issued by a certified capital company at par value or at a premium; (b) that has an original maturity date at least five years after the date on which it was issued; and (c) that has a repayment schedule that is no faster than a level principal amortization and, until the certified capital company may make distributions other than qualified distributions, the interest, distribution or payment features of which are not related to the certified capital company's profitability or the performance of its investment portfolio.

Qualified Distribution. Qualified distribution would mean a distribution or payment by a certified capital company to its equity holders for any of the following:

(a) The costs of forming, syndicating, managing or operating the certified capital company.

(b) An annual management fee that does not exceed 2.5% of the certified capital company's total certified capital.

(c) Reasonable and necessary fees paid for professional services related to the operation of the certified capital company.

(d) A projected increase in federal or state taxes, including penalties and interest on those taxes, of the equity owners of the certified capital company if those amounts are related to the certified capital company's ownership, management or operation.

Investment Pool. Investment pool would mean the aggregate of all investments of certified capital in a certified capital company that are made as part of the same transaction. Investments received more than 30 days apart could not be considered part of the same investment pool.

Investment Date. The investment date for an investment pool would be the date on which the last certified capital that is part of that investment pool was invested in the certified capital company.

Qualified Investment. A qualified investment would be the investment of cash in a qualified business for the purchase of any of the following:

(a) An equity security of the qualified business.

(b) A debt security of the qualified business if the debt has a maturity of at least five years and if one of the following conditions is met: (1) the debt is unsecured; or (2) the debt is convertible into equity securities or equity participation instruments such as options or warrants.

Qualified Business. In general, a business would be a qualified business if all of the following requirements were met at the time that a certified capital company or affiliate made its first investment in the business:

(a) The business is headquartered in Wisconsin and its principal business operations are located in the state.

(b) The business is in need of venture capital and is unable to obtain conventional financing, as defined by Commerce by rule.

(c) The business has no more than 300 employees, of whom at least 75% are employed in Wisconsin.

(d) During its two most recent fiscal years, the business had, together with all of its consolidated affiliates, an average annual net income of not more than \$6 million, after federal income taxes, excluding any carryover losses, and determined in accordance with generally accepted accounting principles.

(e) The business has, together with its consolidated affiliates, a net worth that is not in excess of \$18 million.

(f) The business is not predominantly engaged in professional services provided by accountants, lawyers or physicians.

(g) The business is not engaged in the development of real estate for resale.

(h) The business is not engaged in banking or lending and does not make any loans to, or investments in, certified capital corporations.

Even if a business did not meet these requirements, it could be designated as a qualified business by Commerce, if the Department determined that the proposed investment in the business would further state economic development.

Affiliate. An affiliate of a certified capital company or certified investor, would be defined as any of the following:

(a) A person who, directly or indirectly, owns, controls, or holds power to vote 10% or more of the outstanding voting securities or other voting ownership interests of the certified capital company or certified investor.

(b) A person, 10% of whose outstanding voting securities or other voting ownership interests are directly or indirectly owned, controlled or held with power to vote by the certified capital company or certified investor.

(c) A person directly or indirectly controlling, controlled by or under common control with, the certified capital company or certified investor.

(d) A partnership in which the certified capital company or certified investor is a general partner.

(e) A person who is an officer, director or agent of the certified capital company or certified investor, or is an immediate family member of the officer, director or agent.

Certified Investor. A certified investor would be a person who made a certified capital investment.

Insurance Premiums Tax Credit. SB 333/AB 579 would create a credit against insurance premiums taxes due equal to the lesser of 10% of a certified capital investment or the amount by which the sum of the claimant's certified capital investments and qualified investments exceeds the claimant's qualified investments in the tax year prior to the year in which the credit was first claimed. The credit could be claimed for 10 years, beginning with the year of investment. Unused credit amounts could be carried forward to offset future premium tax

liabilities until the unused credit amounts were entirely offset against premiums tax liabilities. An insurer could sell the credit to another insurer if the seller notified the Department of Revenue (DOR) of the sale and provided DOR with a copy of the transfer papers with the notification.

If a certified capital company was decertified or an investment pool disqualified before required qualified investments were made, any insurer that received a credit based on its investment in that decertified capital company or disqualified investment pool would be required to repay the credit and could not claim future credits based on that particular investment. If a certified capital company complied with qualified investment requirements for an investment pool, but was decertified or an investment pool was disqualified before nonqualified investments were made, any insurer that received a credit based on its investment in the decertified capital company or disqualified investment pool would be required to repay all credits claimed for the third tax year following the investment date of that investment and could not claim credits for the following years based on the investment. Commerce would be required to notify a certified investor when these recapture provisions no longer applied to a certified investment.

Certified Capital Companies Program. The bills would create a certified capital companies program administered by the Department of Commerce. The program components and the Department's responsibilities are summarized in the following sections.

Certified Capital Companies. Persons would be required to apply to Commerce in order to be certified as a capital company. The Department would determine if the applicant met the required conditions (described in the definitions section) and would approve or deny an application within 30 days of the date of application. If the Department denied certification, it would be required to include with the denial a detailed description of the grounds for refusal, along with suggestions for removing the grounds for denial. Commerce would be required to promulgate rules establishing application procedures and submit the proposed rules to the Legislative Council administrative rules clearinghouse by the first day of the eleventh month after publication of the act. A certified capital company could not be managed or controlled by, or have a general partner that was an insurance company or an affiliate of an insurance company.

Certified Capital Investments. The Department of Commerce would be responsible for certifying capital investments. A person would be authorized to apply to make a certified capital investment in a certified capital company by notifying the Department on a form prescribed by Commerce. The notification would include the name of the person, the name of the certified capital company, the amount of the investment, other information specified by the Department and a commitment by the person that the investment would be made within five days after the person was notified that the investment was certified.

The total amount of capital investments that could be certified by Commerce could not exceed \$50 million. In addition, the Department could not certify an investment, if, after the certification, the investor, together with all the affiliates of the investor, would have made more than \$10 million in certified capital investments in that year. However, if by November 1 of any year, Commerce had certified less than \$50 million in total certified capital investments, the \$10

million limit on individual investor certified capital investments would be waived for the remainder of the year.

A certified investor could not, individually, or with or through one or more affiliates, own 10% or more of the equity securities in, be a general partner or manager of, or otherwise control the investments of the certified capital company. However, a certified investor would not be precluded from exercising its legal rights and remedies, including interim management of a certified capital company, if that company defaulted on its statutory or legal obligations to the certified investor.

Sale of Certified Capital Company Securities. Under the bills, any offering material involving the sale of securities of a certified capital company would be required to include the following statements:

(a) "By authorizing the formation of a certified capital company, the state does not necessarily endorse the quality of management or the potential earnings of the company and is not liable for damages or losses to a certified investor in the company. Use of the word "certified" in an offering is not a recommendation or endorsement of the investment by the State of Wisconsin Department of Commerce."

(b) "Investments in a prospective certified capital company prior to the time the company is certified are not eligible for a certified capital company investment credit under the Wisconsin Statutes. Investments in a certified capital company are not eligible for a certified capital company investment credit under the Wisconsin Statutes unless the proposed investment is certified under the Statutes before the investment is made. In the event that certain statutory provisions are violated, the state may require forfeiture of unused certified capital company investment credits and repayment of used certified capital company investment credits."

Qualified Businesses. Prior to making an investment in a specific business, a certified capital company would be authorized to request a written opinion from Commerce that the business in which it proposed to invest was a qualified business. If Commerce determined that the business met the necessary requirements (primarily, smaller Wisconsin-based businesses as described in the definitions section) the Department would be required to issue a written opinion that the business was a qualified business. If the business did not meet the requirements, Commerce could issue a written opinion that the business was a qualified business if the Department determined that the proposed investment in that business would further state economic development. Also, the business would be a qualified business without a Commerce determination, if the business met the specified requirements at the time a certified capital company or affiliate made its first investment in the company.

When a request for an opinion was made, Commerce would be required, within ten working days, to determine if the business was a qualified business and to provide the certified capital company with a written opinion which included the reasons for the determination. If Commerce failed to provide the certified capital company with a written opinion within the ten-

day period, the business in which the certified capital company proposed to invest would be a qualified business.

Certified Capital Company Investment Requirements--Qualified Investments. A certified capital company would be required to ensure that each of its investment pools made qualified investments according to the following schedule:

(a) At least 30% of the investment pool would have to be placed in qualified investments within three years after the investment date for that investment pool.

(b) At least 50% of the investment pool would have to be placed in qualified investments within five years after the investment date of that investment pool.

Commerce would be required to promulgate rules which govern the extent to which reinvestment of proceeds would be counted toward the percentage of investment pool requirements. The rules could provide that reinvested proceeds from short-term investments could only be partially counted under the percentage requirements. The rules could also provide that proceeds from an investment in a qualified business, or an affiliate, could only be partially counted. Commerce would be required to submit the proposed rules to the Legislative Council administrative rules clearinghouse by the first day of the eleventh month following publication of the act.

A certified capital company could not make a qualified investment in a business if, at the time of the investment, more than 15% of the total certified capital of the certified capital company would be invested in that business or affiliates of that business.

Certified Capital Company Investment Requirements--Nonqualified Investments. All certified investments in a certified capital company that were not invested in qualified investments could be invested as the certified capital company considered appropriate. However, a certified capital company could not make certified capital investments in an insurance company or its affiliate.

Certified Capital Company Distributions. A certified capital company would be authorized to make a distribution only if one of the following conditions was met:

(a) The distribution is a qualified distribution (generally, payments for certain costs of starting or operating the capital company).

(b) Commerce made a written determination that the distribution may be made without adversely affecting the ability of the certified capital company to place, in qualified investments, an amount equal to 100% of the certified capital in the investment pool from which the distribution is made.

(c) The certified capital company has placed in qualified investments an amount equal to 100% of the certified capital investments in the investment pool.

(d) The distribution is a payment of principal or interest owed to a debt holder of a certified capital company, even if the debt holder is also a holder of equity and the indebtedness is a certified capital investment.

Reporting Requirements. As soon as practicable after receiving a certified capital investment, a certified capital company would be required to report the following to Commerce:

(a) The name and tax identification number of the certified investor from which the certified capital was received.

(b) The amount of the certified capital investment.

(c) The date on which the certified capital investment was received by the certified capital company.

(d) The investment date for the investment pool of the certified capital.

A certified capital company would be required to pay an annual nonrefundable certification fee of \$5,000 and to file an annual report with Commerce by each January 31 which included:

(a) The amount of the certified capital company's certified capital at the end of the preceding year.

(b) Whether the certified capital company has invested more than 15% of its total certified capital in any one person.

(c) All qualified investments that the certified capital company has made during the previous calendar year and the investment pool from which each qualified investment was made.

A certified capital company would be required to provide Commerce with a copy of its annual audited financial statements, including the opinion of an independent certified public accountant, within 90 days after the end of the certified capital company's fiscal year. The audit would be required to address the methods of operation and conduct of the business to determine if the certified capital company was complying with statutory provisions and administrative rules, including determining compliance with investment requirements.

Any document submitted to Commerce under these filing provisions by a certified capital company that contained a trade secret or business secret, as determined by the Department, would not be subject to the right of inspection and copying under the state open records law.

Department of Commerce Compliance Reviews, Decertification and Disqualification. Commerce would be required to conduct an annual compliance review of each certified capital company to determine if the company was complying with statutory requirements, advise the company regarding the status of its investments as qualified investments, and to ensure that no investment was made in violation of statutory provisions. The Department would be authorized to charge certified capital companies a reasonable fee to cover the costs of compliance reviews.

If Commerce determined that a certified capital company was not complying with the statutory schedule for qualified investments for an investment pool, it would be authorized to disqualify that investment pool. The Department would be required to send written notice to the certified capital company and DOR indicating that the investment pool had been disqualified.

Commerce would be authorized to decertify a certified capital company for noncompliance with statutory investment, reporting and fee requirements. If Commerce determined that a certified capital company was not in compliance with these statutory provisions, the Department would be required to send written notice to the certified capital company that the company could be subject to decertification within 120 days from the date on which the notice was mailed, unless the company brought itself into compliance with the investment, reporting or fee requirements. If, at the end of the 120-day period, the certified capital company was not in compliance with the statutory provisions, Commerce would send a notice of decertification to the certified capital company and DOR.

Administrative Appropriation. The bills would create a continuing program revenue appropriation under Commerce for fees and other payments received by the Department in administering the certified capital companies program. The appropriation would be used to fund the Department's related administrative costs.

Effective Date. The provisions of the bills would take effect on the first day of the seventh month beginning after publication.

The premiums tax credit would first apply to tax years beginning on January 1 of the year in which the bill takes effect, except that if the bill's effective date is on or after August 1, the tax credit would first apply on January 1 of the following year. Under this provision, the tax credit would first apply in tax year 1999.

SUMMARY OF SENATE/ASSEMBLY AMENDMENT 1

SA 1 and AA 1 would modify the bills as described below.

Insurance Premiums Tax Credit. Tax credits that had to be repaid because of disqualification of an investment pool or decertification of a certified capital company would be repaid to the Office of the Commissioner of Insurance (OCI) rather than DOR because OCI administers the insurance premiums tax. OCI would also be notified of the sale of credits. The

amendment would prohibit the state from imposing a new tax or changing an existing tax in order to nullify the insurance premiums tax credit.

Certified Capital Company. The definition of certified capital company would be modified to indicate that decertified companies would be excluded.

Certified Capital Investments. The amendment would eliminate provisions which establish a \$10 million annual limit on certified capital investments for investors and affiliates and which allow the limit to be exceeded if the total statewide limit on investments (\$50 million) was not exceeded in November of a given year. Instead, for the first year of the program the investor, together with affiliates, could not have more than \$10 million in total certified capital investments. Also, if, as a result of the total statewide (\$50 million) or individual investor (\$10 million) limits on certified capital investments, Commerce could not certify the full amount of requested certified capital investments, the Department would be required to allocate the available amount of certified capital investments (the difference between the current amount certified and maximum limits) based on the date of the application for certification of investments. If the available amount of certified capital investments was insufficient for all applications filed on the same day, Commerce would prorate the available investment amounts based on the relative amount each investor has committed to invest in a certified capital company.

Certified Capital Company Investment Requirements--Qualified Investments. The amendment would allow the proceeds of all capital of a qualified investment that was returned to a certified capital company by a qualified business to be placed in new qualified investments which would count toward the percentage of investment pool requirements. The amendment would clarify that reinvestment proceeds would be from the sale of certain investments. Reinvestment provisions would also be cross-referenced to the voluntary decertification provisions included in the amendment.

Department of Commerce Compliance Reviews, Decertification and Disqualification. The amendment would modify decertification and disqualification provisions to require Commerce to send written notices to OCI rather than DOR, because OCI administers the insurance premiums tax.

The amendment would authorize a certified capital company to voluntarily decertify itself if any of the following conditions was met:

(a) It has been at least ten years since the last certified capital investment was made in the certified capital company.

(b) The certified capital company has placed an amount equal to 100% of the certified capital investment in it in qualified investments.

A certified capital company that voluntarily decertified itself would be required to send notice to Commerce that it was eligible for such action. The decertification would be effective on the date the notice was received by Commerce.

Reporting Requirements. Beginning on March 31, 2000, and on March 31 of each even-numbered year thereafter, Commerce would be required to submit a report to the chief clerk of each house of the Legislature that included:

(a) The total amount of certified capital investments made under the program and the amount made during the previous two calendar years.

(b) Statistical information on the qualified investments made by certified capital companies during the previous two years.

(c) The Department's assessment of the number of jobs created in Wisconsin during the previous two years as a result of the certified capital company program.

Administrative Appropriation. The Department of Commerce would be provided 2.0 PR positions to administer the certified capital company program. The positions would be funded from the program revenue administrative appropriation created under the bills.

SUMMARY OF SENATE/ASSEMBLY AMENDMENT 2

SA 2 and AA 2 would impose additional conditions on qualified investments. Specifically, as a condition of the investment and as long as the certified capital company held the investment, the qualified business would be required to agree:

(a) Not to use the proceeds from the investment for the purpose of relocating its operations.

(b) Not to relocate its headquarters out of Wisconsin.

(c) To maintain at least 75% of its employees in Wisconsin.

(d) To maintain at least 75% of its employees at worksites that were maintained by the qualified business at the time the investment was made, unless the qualified business obtained an exemption from Commerce. Commerce could not grant an exemption if it determines that the qualified business is locating the employees at new sites to take advantage of lower wages in the areas the new sites are located.

A certified capital company would be required to notify Commerce of a violation of an agreement and of the facts which contributed to the violation as soon as practicable after receiving news of the violation. A number of statutory cross references in the bill would be changed to reflect the provisions of the amendment.

FISCAL EFFECT

Administrative Appropriation. The bills would create a continuing program revenue appropriation under the Department of Commerce into which fees and other monies collected for administering the certified capital company program would be placed. The appropriation would be used to fund the costs of administering the program. While only limited data is available, the Department estimates that program fees would generate approximately \$120,000 in annual revenues based on 20 companies participating in the program. Revenues would be generated by: (a) a \$7,500 application fee from capital companies seeking certification; (b) an annual certification fee of \$5,000; and (c) Commerce charges for conducting annual compliance reviews. Revenues would not be generated before fiscal year 1998-99.

The Department indicates that it would have a number of program responsibilities including: (a) certifying certified capital companies; (b) certifying certified capital investments; (c) certifying qualified businesses; (d) reviewing annual reports and financial statements; (e) making written determinations regarding certified capital company distributions; (f) conducting annual compliance reviews of certified capital companies; and (g) determining and providing written notices of investment pool disqualifications. The Department estimates that it would require 2.0 PR positions and \$100,700 PR annually to administer the certified capital company program. The table below shows the components of the estimated administrative expenses.

TABLE 2

**Estimated Annual Expenses for Administration of
Certified Capital Company Program**

1.0 Financial Examiner - Salary and Fringe Benefits	\$45,700
1.0 Financial Specialist - Salary and Fringe Benefits	33,000
Supplies and Services	1,800
Rent	4,200
Departmental Overhead Charges	<u>16,000</u>
Total	\$100,700

Because the administrative appropriation created by the bill would be a program revenue continuing appropriation (whereby all moneys received would be available for expenditure) it would not be necessary to provide specific amounts of expenditure authority in the appropriation to fund the Department's administrative costs. However, the bill does not provide staff to administer the program.

Insurance Premiums Tax Credit. The bills would create an insurance premiums tax credit equal to 10% of the insurance company's certified capital investment. The 10% credit could be claimed each year for ten years and unused credits could be carried forward to offset future

premiums tax liabilities. In addition, the credit could be sold to other insurance companies and used to offset the purchaser's premium tax liability.

The maximum amount of total certified capital investments that could be made would be \$50 million. Therefore, the maximum amount of insurance premiums tax credits that could be claimed in one year would be \$5 million and the maximum amount of total credits that could be claimed would be \$50 million over ten years.

Based on information provided by OCI, it is estimated that the insurance premiums tax credit provided under SB 333/AB 579 would reduce insurance premiums tax revenues by \$5 million each year for a ten-year period. Under the initial applicability provisions of the bills, the tax credit would first be available beginning on January 1, 1999. As a result, it is estimated that the credit would reduce insurance premiums tax revenues by \$2.5 million in 1998-99. Under current revenue estimates, insurance premiums taxes are projected to be \$95 million in 1997-98 and 1998-99.

SA 1 and AA 1

Administrative Appropriation. SA 1 and AA 1 would provide Commerce with 2.0 PR positions that would be funded from the administrative appropriation created under the bills. Due to the delayed effective date, it is estimated that \$75,500 would be required to fund 2.0 PR positions in 1998-99.

Prepar MO# SA1/AA1

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
2 COGGS	Y	N	A

AYE 15 NO 0 ABS 1

MO# SA2/AA2

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
2 GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 15 NO 0 ABS 1

MO# passage as amended

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
2 COGGS	Y	N	A

AYE 12 NO 3 ABS 1