

**1999 DRAFTING REQUEST****Bill**Received: **04/14/99**Received By: **jkreye**Wanted: **Today**Identical to LRB: **99s0037**For: **Michael Lehman (608) 267-2367**By/Representing: **andrew**This file may be shown to any legislator: **NO**Drafter: **jkreye**

May Contact:

Alt. Drafters: **champra  
isagerro**Subject: **Tax Credits (prop) - lottery**

Extra Copies:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

lottery credit

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 04/14/99	chanaman 04/14/99		_____			S&L
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FE Sent For: **4/22/99**

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1/?	jkreye	CMM /1 4/14	4/14	4/14			

FE Sent For:

<END>

M-

*Pop* *Ben* *Lehman*

99-2907

4-14-99

— lottery credit.

— draft sub amend 995037

as assembly bill



State of Wisconsin  
1999 - 2000 LEGISLATURE

4-14-99

LRB-29072

ISR/JK/RAC:...

emit  
D-N

THURS  
4-15  
AM

the property tax lottery credit  
and making appropriations

gen  
act

AN ACT ...; relating to:???

Analysis by the Legislative Reference Bureau

← insert 1-1

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

(END)

see attached



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-2907/  
LRB00371  
JK:cmh:jf  
1SR/5R/RAC

**SENATE SUBSTITUTE AMENDMENT,  
TO 1999 SENATE BILL 114**

1 **AN ACT** to repeal 20.115 (4) (g), 20.115 (4) (h), 20.455 (2) (g), 20.505 (8) (g), 20.505  
2 (8) (i), 562.077 and 563.05 (6); to renumber 563.135 and 563.80; to amend  
3 20.003 (5), 20.115 (4) (a), 20.115 (4) (b), 20.435 (7) (kg), 20.455 (2) (r), 20.505 (8)  
4 (h), 20.505 (8) (j), 20.566 (2) (r), 20.566 (8), 20.835 (2) (q), 20.835 (3) (q), 25.17  
5 (1) (jr), 25.75 (title), 25.75 (2), 25.75 (3) (intro.), 25.75 (3) (a), 25.75 (3) (b) 4.,  
6 25.75 (3) (e), 66.058 (3) (c) 8., 79.10 (1m), 79.10 (2), 79.10 (5), 79.10 (7m) (b) (title)  
7 and 1. a., 79.10 (9) (bm), 79.10 (9) (c), 79.10 (11) (title), (b) and (c), 79.11 (2), 79.11  
8 (3) (b), 93.31, 562.02 (2) (f), 562.04 (1) (b) 4., 562.04 (2) (d), 562.05 (2), 562.065  
9 (3) (d) (title) and 2., 562.065 (3m) (c) (title) and 2., 562.065 (4), 562.09 (2) (e),  
10 562.124 (2), 563.13 (4), 563.16, 563.92 (2), 563.98 (1g), 565.02 (6) and 565.02 (7);  
11 and to create 20.505 (8) (q), 20.505 (8) (r), 20.835 (3) (r), 25.75 (1) (am), 25.75  
12 (1) (d), 25.75 (3) (f), 79.10 (1) (dm), 79.10 (7r), 79.10 (10), 562.065 (3) (cm),

1 563.055 (6), 563.135 (2m), 563.22 (2) (c) and 563.80 (2m) of the statutes;  
2 **relating to:** the property tax lottery credit and making an appropriation.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 **SECTION 1.** 20.003 (5) of the statutes is amended to read:

4 20.003 (5) **REQUIRED LOTTERY GAMING FUND BALANCE.** (a) The legislature may  
5 not enact any bill directly or indirectly affecting the lottery gaming fund if the bill  
6 would cause the estimated lottery gaming fund balance on June 30 of any fiscal year,  
7 as projected under s. 20.005 (1), to be less than 2% of the estimated gross lottery  
8 revenues, as defined in s. 25.75 (1) (b), for that fiscal year, as projected under s. 20.005  
9 (1).

10 (b) Beginning with the summary under s. 20.005 (1) that is included in the  
11 1991–93 biennial budget bill, the summary under s. 20.005 (1) shall separately list  
12 estimated lottery gaming fund balances and estimated gross lottery revenues, as  
13 defined in s. 25.75 (1) (b).

14 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
15 the following amounts for the purposes indicated:

**1997–98                      1998–99**

16 **20.115 Agriculture, trade and consumer**  
17 **protection, department of**

18 (4) Agricultural Assistance } CS

19 (b) Aids to county and district fairs    GPR    A                      -0-                      -0-





1           20.435 (7) (kg) *Compulsive gambling awareness campaigns*. The amounts in  
2 the schedule for the purpose of awarding grants under s. 46.03 (43). All moneys  
3 transferred from ~~ss. s. 20.505 (8) (g) and (h) and 20.566 (8) (q)~~ shall be credited to this  
4 appropriation account.

5           **SECTION 8.** 20.455 (2) (g) of the statutes is repealed.

6           **SECTION 9.** 20.455 (2) (r) of the statutes is amended to read:

7           20.455 (2) (r) *Gaming law enforcement; lottery gaming revenues*. From the  
8 lottery gaming fund, the amounts in the schedule for the performance of the  
9 department's gaming law enforcement responsibilities as specified in s. 165.70 (3m).

10          **SECTION 10.** 20.505 (8) (g) of the statutes is repealed.

11          **SECTION 11.** 20.505 (8) (h) of the statutes is amended to read:

12          20.505 (8) (h) *General program operations; Indian gaming*. The amounts in the  
13 schedule for general program operations under ch. 569. All Indian gaming receipts,  
14 as defined in s. 569.01 (1m), less the amounts appropriated under s. 20.455 (2) (gc),  
15 shall be credited to this appropriation account. Annually, of the moneys received  
16 under this appropriation account, an amount equal to ~~50%~~ of the amount in the  
17 schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation account  
18 under s. 20.435 (7) (kg).

19          **SECTION 12.** 20.505 (8) (i) of the statutes is repealed.

20          **SECTION 13.** 20.505 (8) (j) of the statutes is amended to read:

21          20.505 (8) (j) *General program operations; ~~charitable raffles~~ and crane games*.  
22 The amounts in the schedule for general program operations under ~~chs. subch. VIII~~  
23 of ch. 563 and ch. 564. All moneys received by the department of administration  
24 ~~under ch. 563, except s. 563.80, and under s. ss. 563.92 (2), 563.98 (1g) and 564.02~~  
25 (2) shall be credited to this appropriation account.

1           **SECTION 14.** 20.505 (8) (q) of the statutes is created to read:

2           20.505 (8) (q) *General program operations; racing.* From the gaming fund, the  
3 amounts in the schedule for general program operations under ch. 562.

4           **SECTION 15.** 20.505 (8) (r) of the statutes is created to read:

5           20.505 (8) (r) *General program operations; bingo.* From the gaming fund, the  
6 amounts in the schedule for general program operations relating to bingo under  
7 subchs. II to VII of ch. 563.

8           **SECTION 16.** 20.566 (2) (r) of the statutes is amended to read:

9           20.566 (2) (r) *Lottery Gaming credit administration.* From the lottery gaming  
10 fund, the amounts in the schedule for the administration of the lottery gaming credit.

11           **SECTION 17.** 20.566 (8) of the statutes is amended to read:

12           20.566 (8) **LOTTERY.** (q) *General program operations.* From the lottery gaming  
13 fund, the amounts in the schedule for general program operations under ch. 565.  
14 ~~Annually, of the moneys appropriated under this paragraph, an amount equal to 36%~~  
15 ~~of the amount in the schedule under s. 20.435 (7) (kg) shall be transferred to the~~  
16 ~~appropriation account under s. 20.435 (7) (kg).~~

17           (r) *Retailer compensation.* From the lottery gaming fund, a sum sufficient to  
18 pay compensation to retailers under s. 565.10 (14) (b).

19           (s) *Prizes.* From the lottery gaming fund, a sum sufficient to pay holders of  
20 winning lottery tickets or lottery shares under ch. 565.

21           (v) *Vendor fees.* From the lottery gaming fund, a sum sufficient to pay vendors  
22 for on-line and instant ticket services and supplies provided by the vendors under  
23 contract under s. 565.25 (2) (a).

24           **SECTION 18.** 20.835 (2) (q) of the statutes is amended to read:

1           20.835 (2) (q) *Farmland tax relief credit*. From the lottery gaming fund, a sum  
2 sufficient to pay the aggregate claims approved under ss. 71.07 (3m) (c), 71.28 (2m)  
3 (c) and 71.47 (2m) (c).

4           **SECTION 19.** 20.835 (3) (q) of the statutes is amended to read:

5           20.835 (3) (q) *Lottery Gaming credit*. From the lottery gaming fund, a sum  
6 sufficient to make the payments under s. 79.10 (5).

7           **SECTION 20.** 20.835 (3) (r) of the statutes is created to read:

8           20.835 (3) (r) *Gaming credit certification*. From the gaming fund, a sum  
9 sufficient to make payments under s. 79.10 (7r) to counties and cities for certification  
10 of the gaming credit.

11          **SECTION 21.** 25.17 (1) (jr) of the statutes is amended to read:

12          25.17 (1) (jr) Lottery Gaming fund (s. 25.75);

13          **SECTION 22.** 25.75 (title) of the statutes is amended to read:

14          **25.75 (title) Lottery Gaming fund.**

15          **SECTION 23.** 25.75 (1) (am) of the statutes is created to read:

16          25.75 (1) (am) “Bingo revenues” means all moneys required to be deposited into  
17 the gaming fund under ch. 563.

18          **SECTION 24.** 25.75 (1) (d) of the statutes is created to read:

19          25.75 (1) (d) “Pari-mutuel wagering revenues” means all moneys required to  
20 be deposited into the gaming fund under ch. 562.

21          **SECTION 25.** 25.75 (2) of the statutes is amended to read:

22          25.75 (2) **CREATION.** There is created a separate nonlapsible trust fund known  
23 as the lottery gaming fund, to consist of gross lottery revenues received by the  
24 department of revenue, bingo revenues and pari-mutuel wagering revenues and  
25 earnings from these revenues. Revenues deposited in the gaming fund shall be used

1 for the purposes specified in this section, for the general program operations of the  
2 department of administration relating to pari-mutuel wagering under ch. 562 and  
3 bingo under ch. 563, for the payment of the farmland tax relief credit under ss. 71.07  
4 (3m), 71.28 (2m) and 71.47 (2m) and for the payment of the gaming credit under s.  
5 79.10 (5).

6 **SECTION 26.** 25.75 (3) (intro.) of the statutes is amended to read:

7 25.75 (3) **DISTRIBUTION OF GROSS LOTTERY REVENUES.** (intro.) ~~Amounts The~~  
8 distribution of the gross lottery revenues in the gaming fund shall be distributed as  
9 follows subject to all of the following:

10 **SECTION 27.** 25.75 (3) (a) of the statutes is amended to read:

11 25.75 (3) (a) *Prizes.* An amount equal to at least 50% of each year's gross lottery  
12 revenues from the sale of lottery tickets and lottery shares shall be returned as prizes  
13 to the holders of winning lottery tickets or lottery shares sold during that year.

14 **SECTION 28.** 25.75 (3) (b) 4. of the statutes is amended to read:

15 25.75 (3) (b) 4. ~~Moneys~~ Any moneys derived from gross lottery revenues that  
16 are appropriated from the lottery gaming fund under s. 20.455 (2) (r) shall not be  
17 included.

18 **SECTION 29.** 25.75 (3) (e) of the statutes is amended to read:

19 25.75 (3) (e) ~~Lottery Gaming credit state administration expenses.~~ From the  
20 appropriation under s. 20.566 (2) (r), lottery proceeds, bingo revenues and  
21 pari-mutuel wagering revenues shall be used to offset department of revenue  
22 expenses in administering the lottery gaming credit.

23 **SECTION 30.** 25.75 (3) (f) of the statutes is created to read:

1           25.75 (3) (f) *Gaming credit certification.* From the appropriation under s.  
2           20.835 (3) (r), gaming proceeds shall be used to make payments under s. 79.10 (7r)  
3           to counties and cities for certification of the gaming credit.

4           **SECTION 31.** 66.058 (3) (c) 8. of the statutes is amended to read:

5           66.058 (3) (c) 8. The credit under s. 79.10 (9) (bm), as it applies to the principal  
6           dwelling on a parcel of taxable property shall apply to the estimated fair market  
7           value of a mobile home that is the principal dwelling of the owner. The owner of the  
8           mobile home shall file a claim for the credit with the treasurer of the municipality  
9           in which the property is located no later than January 31. To obtain the credit under  
10          s. 79.10 (9) (bm), the owner shall attest on the claim that the mobile home is the  
11          owner's principal dwelling, as defined in s. 79.10 (1) (dm). The treasurer shall reduce  
12          the owner's parking permit fee by the amount of any allowable credit. The treasurer  
13          shall furnish notice of all ~~amounts~~ claims for credits filed under this subdivision to  
14          the department of revenue as provided under s. 79.10 (1m).

15          **SECTION 32.** 79.10 (1) (dm) of the statutes is created to read:

16          79.10 (1) (dm) "Principal dwelling" means any dwelling that is used by the  
17          owner of the dwelling as a primary residence.

18          **SECTION 33.** 79.10 (1m) of the statutes is amended to read:

19          79.10 (1m) (a) Each municipality shall notify the department of revenue of the  
20          total amount of credits ~~to be paid~~ claimed by taxpayers under sub. (9) (bm) and the  
21          total number of ~~parcels of taxable real property and personal property accounts in~~  
22          ~~the municipality that are eligible for the credit under sub. (5).~~

23          (b) Counties and municipalities shall submit to the department of revenue all  
24          data related to the lottery gaming credit and requested by the department of  
25          revenue.

1           **SECTION 34.** 79.10 (2) of the statutes is amended to read:

2           79.10 (2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year  
3 preceding the distribution under sub. (7m) (a), the department of revenue shall  
4 notify the clerk of each town, village and city of the estimated fair market value, as  
5 determined under sub. (11), to be used to calculate the ~~lottery gaming~~ credit under  
6 sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the following  
7 4th Monday in July. The anticipated receipt of such distribution shall not be taken  
8 into consideration in determining the tax rate of the municipality but shall be  
9 applied as tax credits.

10           **SECTION 35.** 79.10 (5) of the statutes is amended to read:

11           79.10 (5) ~~LOTTERY GAMING CREDIT.~~ Each municipality shall receive, from the  
12 appropriation under s. 20.835 (3) (q), an amount determined by multiplying the  
13 school tax rate by the estimated fair market value, not exceeding the value  
14 determined under sub. (11), of every parcel of taxable real property ~~and every~~  
15 ~~personal property account in the municipality on which a principal dwelling is~~  
16 located in the municipality and for which a claim for the credit under sub. (9) (bm)  
17 is made by the owner of the principal dwelling.

18           **SECTION 36.** 79.10 (7m) (b) (title) and 1. a. of the statutes are amended to read:

19           79.10 (7m) (b) (title) *Lottery Gaming credit.*

20           1. a. The amount determined under sub. (5) with respect to ~~the number of~~  
21 ~~parcels of taxable real property and personal property accounts~~ claims filed for which  
22 the town, village or city has furnished notice under sub. (1m) by March 1 shall be  
23 distributed from the appropriation under s. 20.835 (3) (q) by the department of  
24 administration on the 4th Monday in March.

25           **SECTION 37.** 79.10 (7r) of the statutes is created to read:

1           **79.10 (7r) GAMING CREDIT CERTIFICATION REIMBURSEMENT.** (a) A county or city  
2 that performs the certification procedure under sub. (10) (a) shall receive, from the  
3 appropriation under s. 20.835 (3) (r), 50 cents for each gaming credit certified for a  
4 principal dwelling located in that county or city.

5           (b) The amounts determined under par. (a) shall be distributed by the  
6 department of administration on the first Friday in September, 1999, and every 5th  
7 year thereafter, based on applications on file with the county or city on August 1. A  
8 county or city shall inform the department of revenue of the number of applications  
9 on file before August 16.

10           (c) If the department of revenue determines before August 1 of the year  
11 following a distribution under par. (b) that a county or city received an overpayment  
12 or underpayment under par. (b) because of a late application or an erroneous  
13 payment, the department of revenue shall correct the overpayment or  
14 underpayment by reducing or increasing the subsequent year's distribution under  
15 par. (b). Corrections shall be made without interest.

16           **SECTION 38.** 79.10 (9) (bm) of the statutes is amended to read:

17           **79.10 (9) (bm) *Lottery Gaming credit.*** Except as provided in ss. 79.175 and  
18 79.18, every owner of ~~taxable personal property or a principal dwelling on a parcel~~  
19 of taxable real property is entitled to receive a lottery gaming credit in an amount  
20 determined by multiplying the estimated fair market value of ~~the personal property~~  
21 ~~or of the parcel of taxable real property~~, not exceeding the value determined under  
22 sub. (11), by the school tax rate. The owner shall receive the credit if the owner claims  
23 the credit in the manner provided under sub. (10) (a).

24           **SECTION 39.** 79.10 (9) (c) of the statutes is amended to read:

1           79.10 (9) (c) *Credits shown on tax bill.* The ~~lottery~~ gaming credit under par.  
2 (bm) shall reduce the property taxes otherwise payable on property that is eligible  
3 for that credit and if the property owner completes the information required under  
4 sub. (10) (a), and the credit under par. (b) shall reduce the property taxes otherwise  
5 payable.

6           **SECTION 40.** 79.10 (10) of the statutes is created to read:

7           79.10 (10) CLAIMING THE GAMING CREDIT. (a) Beginning with property taxes  
8 levied in 1999, the owner of a principal dwelling who is entitled to receive a gaming  
9 credit under sub. (9) (bm) may claim the credit by making an application on a form  
10 prescribed by the department of revenue. A claimant whose principal dwelling is on  
11 a parcel of taxable real property shall attest that, as of the certification date, the  
12 claimant is the owner of the property and uses the property as the claimant's  
13 principal dwelling. The certification date is January 1 of the year in which the  
14 property taxes are levied. The claimant shall file the application for the gaming  
15 credit with the treasurer of the county in which the property is located or, if the  
16 property is located in a city that collects taxes under s. 74.87, with the treasurer of  
17 the city in which the property is located. Subject to review by the department of  
18 revenue, a treasurer who receives a completed application shall direct that the  
19 property described in the application be identified on the next tax roll as property for  
20 which the owner is entitled to receive a gaming credit. A claim that is made under  
21 this paragraph is valid for 5 years.

22           (b) A person who becomes eligible for a credit under sub. (9) (bm) because of a  
23 purchase of a property may claim the credit by applying for it on the return under  
24 s. 77.22 (2). Claims made under this paragraph become invalid when claims made  
25 under par. (a) become invalid.



1 (c) If a person who is certified under par. (a) to claim the credit under sub. (9)  
2 (bm) becomes ineligible for the credit under sub. (9) (bm), that person shall, within  
3 30 days of becoming ineligible, notify the treasurer of the county in which the  
4 property is located or, if the property is located in a city that collects taxes under s.  
5 74.87, with the treasurer of the city in which the property that the person is no longer  
6 eligible for the credit under sub. (9) (bm) is located.

7 (d) If the department of revenue determines that a credit was claimed by a  
8 taxpayer who was not entitled to the credit for reasons other than that the taxpayer  
9 failed to complete the information required under par. (a), the department of revenue  
10 shall collect the credit as a special charge against the county where the property for  
11 which the credit was claimed is located. The county shall instruct the appropriate  
12 taxation district to collect the credit as a special charge on the next property tax bill  
13 issued for the property.

14 **SECTION 41.** 79.10 (11) (title), (b) and (c) of the statutes are amended to read:

15 79.10 (11) (title) LOTTERY GAMING CREDIT ESTIMATED FAIR MARKET VALUE.

16 (b) Before October 16, the department of administration shall determine the  
17 total funds available for distribution under the lottery gaming credit in the following  
18 year and shall inform the joint committee on finance of that total. Total funds  
19 available for distribution shall be all existing and projected lottery proceeds, as  
20 defined in s. 25.75 (1)(c), bingo revenues, as defined in s. 25.75 (1)(am), pari-mutuel  
21 wagering revenues, as defined in s. 25.75 (1)(d), and interest for the fiscal year of the  
22 distribution, less the amount estimated to be expended under ss. 20.455 (2) (r),  
23 20.505 (8) (q) and (r), 20.566 (2) (r) and 20.835 (2) (q) and (3) (r); less 20% of the  
24 amount estimated to be expended under s. 20.835 (3) (r) on the first Friday in  
25 September, 2004, or on the first Friday in September of every 5th year thereafter; and

1 less the required reserve under s. 20.003 (5). The joint committee on finance may  
2 revise the total amount to be distributed if it does so at a meeting that takes place  
3 before November 1. If the joint committee on finance does not schedule a meeting  
4 to take place before November 1, the total determined by the department of  
5 administration shall be the total amount estimated to be distributed under the  
6 lottery gaming credit in the following year.

7 (c) Before November 1, the department of administration shall inform the  
8 department of revenue of the total amount available for distribution under the  
9 lottery gaming credit in the following year. Before December 1, the department of  
10 revenue shall calculate, to the nearest \$100, the estimated fair market value  
11 necessary to distribute the total amount available for distribution under the lottery  
12 gaming credit in the following year.

13 **SECTION 42.** 79.11 (2) of the statutes is amended to read:

14 79.11 (2) The Except as provided in s. 79.10 (10) (d), the payment of the  
15 difference between the total tax which is due on any property less the amount of the  
16 tax credits applicable to such property authorized by this subchapter shall be  
17 considered payment in full of the property taxes due thereon in that year.

18 **SECTION 43.** 79.11 (3) (b) of the statutes is amended to read:

19 79.11 (3) (b) Notwithstanding ss. 74.11 (2) (b) and 74.12 (2) (b), the lottery  
20 gaming credit shall be deducted in its entirety from the first instalment. This  
21 paragraph does not apply to the payment of taxes in instalments under s. 74.87.

22 **SECTION 44.** 93.31 of the statutes is amended to read:

23 **93.31 Livestock breeders association.** The secretary of the Wisconsin  
24 livestock breeders association shall on and after July 1 of each year make a report  
25 to the department, signed by the president, treasurer and secretary of the

1 association, setting forth in detail the receipts and disbursements of the association  
2 for the preceding fiscal year in such form and detail together with such other  
3 information as the department may require. On receipt of such reports, if the  
4 department is satisfied that the business of the association has been efficiently  
5 conducted during the preceding fiscal year and in the interest of and for the  
6 promotion of the special agricultural interests of the state and for the purpose for  
7 which the association was organized and if the final statement shows that all the  
8 receipts together with the state aid have been accounted for and disbursed for the  
9 proper and necessary purposes of the association, and in accordance with the laws  
10 of the state, then the department shall file a certificate with the department of  
11 administration and it shall draw its warrant and the state treasurer shall pay to the  
12 treasurer of the association the amount of the appropriations made available for the  
13 association by s. 20.115 (4) (a) ~~and (h)~~ for the conduct of junior livestock shows and  
14 other livestock educational programs. The association may upon application to the  
15 state purchasing agent, upon such terms as he or she may require, obtain printing  
16 for the association under the state contract.

17 **SECTION 45.** 562.02 (2) (f) of the statutes is amended to read:

18 562.02 (2) (f) Suspend or revoke any license or impose a forfeiture for any  
19 violation of this chapter or department rules relating to pari-mutuel racing. The  
20 department may suspend or revoke an occupational license issued under s. 562.05  
21 (1) (d) or impose a forfeiture on that licensee under this paragraph if the stewards  
22 do not hold a meeting under s. 562.04 (1) (b) or hold a meeting but do not suspend  
23 the license or impose a forfeiture. Upon appeal, the department may change any  
24 action of the stewards under s. 562.04 (1) (b). Fifty percent of the moneys received

1 under this paragraph shall be ~~credited to the appropriation accounts under ss.~~  
2 ~~20.455 (2) (g) and 20.505 (8) (g)~~ deposited into the gaming fund.

3 **SECTION 46.** 562.04 (1) (b) 4. of the statutes is amended to read:

4 562.04 (1) (b) 4. If at least 2 stewards determine that the violation or conduct  
5 has occurred, the stewards may, under the schedule established by the department  
6 under s. 562.02 (1) (f), suspend a license issued under s. 562.05 (1) (d) for a period not  
7 to exceed 90 days or impose a forfeiture not to exceed \$2,000 or both; or recommend  
8 that the department suspend a license for more than 90 days or impose a forfeiture  
9 exceeding \$2,000 or both. Fifty percent of the moneys received under this  
10 subdivision shall be ~~credited to the appropriation accounts under ss. 20.455 (2) (g)~~  
11 ~~and 20.505 (8) (g)~~ deposited into the gaming fund.

12 **SECTION 47.** 562.04 (2) (d) of the statutes is amended to read:

13 562.04 (2) (d) A fee for the supervision of racing by stewards or other racing  
14 officials employed by or under contract with the department. Any moneys received  
15 under this paragraph shall be ~~credited to the appropriation accounts under ss.~~  
16 ~~20.455 (2) (g) and 20.505 (8) (g)~~ deposited into the gaming fund.

17 **SECTION 48.** 562.05 (2) of the statutes is amended to read:

18 562.05 (2) The department shall establish, by rule, the qualifications for any  
19 license required under sub. (1) and fix the fee for that license and any background  
20 investigation under sub. (7) related to that license. Any moneys received under this  
21 subsection shall be ~~credited to the appropriation accounts under ss. 20.455 (2) (g) and~~  
22 ~~20.505 (8) (g)~~ deposited into the gaming fund.

23 **SECTION 49.** 562.065 (3) (cm) of the statutes is created to read:

24 562.065 (3) (cm) *Moneys to be deposited into gaming fund.* All moneys received  
25 under par. (c) shall be deposited into the gaming fund.

strike  
parenthesis  
(or  
make  
sure  
it  
is  
stricken)

1           **SECTION 50.** 562.065 (3) (d) (title) and 2. of the statutes are amended to read:

2           562.065 (3) (d) (title) *General program operations; ~~aids to county and district~~*  
3 *airs.*

4           2. The department shall ~~credit~~ deposit the money received under subd. 1. ~~to the~~  
5 ~~appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g)~~ into the gaming  
6 fund.

7           **SECTION 51.** 562.065 (3m) (c) (title) and 2. of the statutes are amended to read:

8           562.065 (3m) (c) (title) *Allocation between Payment by licensee and state*  
9 *association to the department.*

10          2. The licensee may retain 50% of the amount of the deduction under par. (a)  
11 remaining after the payment of purses under par. (b), and the payment of the  
12 licensee's cost under subd. 1. The licensee shall deposit the remaining 50% of that  
13 amount with the department. The department shall ~~credit~~ deposit all moneys  
14 received under this subdivision ~~to the appropriation account under s. 20.505 (8) (i)~~  
15 into the gaming fund.

16          **SECTION 52.** 562.065 (4) of the statutes is amended to read:

17          562.065 (4) UNCLAIMED PRIZES. Any winnings on a race which are not claimed  
18 within 90 days after the end of the period authorized for racing in that year under  
19 s. 562.05 (9) shall be paid to the department. The department shall ~~credit~~ deposit  
20 moneys received under this subsection ~~to the appropriation accounts under ss.~~  
21 ~~20.455 (2) (g) and 20.505 (8) (g)~~ into the gaming fund.

22          **SECTION 53.** 562.077 of the statutes is repealed.

23          **SECTION 54.** 562.09 (2) (e) of the statutes is amended to read:

24          562.09 (2) (e) The department shall establish, by rule, and charge fees for  
25 testing under this subsection. Fees received under this paragraph shall be credited

1 ~~to the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g) deposited into~~  
2 the gaming fund.

3 **SECTION 55.** 562.124 (2) of the statutes is amended to read:

4 562.124 (2) If the department authorizes on-track pari-mutuel wagering on  
5 snowmobile racing under sub. (1m), the department shall regulate the pari-mutuel  
6 wagering and shall promulgate all rules necessary to administer this section. The  
7 department may promulgate rules that require persons who conduct snowmobile  
8 racing to be licensed by the department and the department may charge a fee to any  
9 person licensed under this subsection to cover the costs of the department in  
10 regulating on-track pari-mutuel wagering on snowmobile racing. Through its rules,  
11 the department shall do everything necessary to ensure the public interest and  
12 protect the integrity of the sport of snowmobile racing. If the department charges  
13 a fee to a person licensed under this subsection, the department shall deposit the  
14 moneys received ~~in~~ into the appropriation account under s. 20.505 (8) (g) gaming  
15 fund.

16 **SECTION 56.** 563.05 (6) of the statutes is repealed.

17 **SECTION 57.** 563.055 (6) of the statutes is created to read:

18 563.055 (6) All moneys received under this section shall be deposited into the  
19 gaming fund.

20 **SECTION 58.** 563.13 (4) of the statutes is amended to read:

21 563.13 (4) A \$10 license fee for each bingo occasion proposed to be conducted  
22 and \$5 for an annual license for each designated member responsible for the proper  
23 utilization of gross receipts. All moneys received under this subsection shall be  
24 deposited into the gaming fund.

25 **SECTION 59.** 563.135 of the statutes is renumbered 563.135 (1).

1           **SECTION 60.** 563.135 (2m) of the statutes is created to read:

2           563.135 (2m) All moneys received under sub. (1) shall be deposited into the  
3 gaming fund.

4           **SECTION 61.** 563.16 of the statutes is amended to read:

5           **563.16 Amendment of license to conduct bingo.** Upon application by a  
6 licensed organization, a license may be amended, if the subject matter of the  
7 amendment properly and lawfully could have been included in the original license.  
8 An application for an amendment to a license shall be filed and processed in the same  
9 manner as an original application. An application for the amendment of a license  
10 shall be accompanied by a \$3 fee. If any application for amendment seeks approval  
11 of additional bingo occasions or designates a new member responsible for the proper  
12 utilization of gross receipts, the appropriate fee under s. 563.13 (4) also shall be paid.  
13 If the department approves an application for an amendment to a license, a copy of  
14 the amendment shall be sent to the applicant who shall attach it to the original  
15 license. All moneys received under this section shall be deposited into the gaming  
16 fund.

17           **SECTION 62.** 563.22 (2) (c) of the statutes is created to read:

18           563.22 (2) (c) All moneys received under this subsection shall be deposited into  
19 the gaming fund.

20           **SECTION 63.** 563.80 of the statutes is renumbered 563.80 (1).

21           **SECTION 64.** 563.80 (2m) of the statutes is created to read:

22           563.80 (2m) All moneys received under sub. (1) shall be deposited into the  
23 gaming fund.

24           **SECTION 65.** 563.92 (2) of the statutes is amended to read:

1           563.92 (2) The fee for a raffle license shall be \$25 and shall be remitted with  
2 the application. A raffle license shall be valid for 12 months and may be renewed as  
3 provided in s. 563.98 (1g). The department shall issue the license within 30 days  
4 after the filing of an application if the applicant qualifies under s. 563.90 and has not  
5 exceeded the limits of s. 563.91. All moneys received by the department under this  
6 subsection shall be credited to the appropriation account under s. 20.505 (8) (j).

7           **SECTION 66.** 563.98 (1g) of the statutes is amended to read:

8           563.98 (1g) An organization licensed under this subchapter may renew the  
9 license by submitting a \$25 renewal fee with the report under sub. (1). All moneys  
10 received under this subsection shall be credited to the appropriation account under  
11 s. 20.505 (8) (j).

12           **SECTION 67.** 565.02 (6) of the statutes is amended to read:

13           565.02 (6) The department shall deposit all gross lottery revenues, as defined  
14 in s. 25.75 (1) (b), in the lottery gaming fund.

15           **SECTION 68.** 565.02 (7) of the statutes is amended to read:

16           565.02 (7) Not later than March 1 of each year, the department shall submit  
17 to the joint committee on finance a report that includes an estimate for that fiscal  
18 year and for the subsequent fiscal year of the gross revenues from the sale of lottery  
19 tickets and lottery shares, the total amount paid as prizes and the prize payout ratio  
20 for each type of lottery game offered, and an evaluation of the effect of prize payout  
21 ratios of lottery games on lottery sales, lottery operating costs and on maximizing the  
22 revenue available for the lottery gaming property tax credit. If, within 14 working  
23 days after the date on which the committee receives the report, the cochairpersons  
24 of the committee notify the department that the committee has scheduled a meeting  
25 for the purpose of reviewing the department's proposed prize payouts, the



1 department may proceed with its plans for the prize payouts for the subsequent fiscal  
2 year only upon approval of the plans by the committee. If the cochairpersons of the  
3 committee do not notify the department within 14 working days after the date on  
4 which the committee receives the report that the committee has scheduled a meeting  
5 for the purpose of reviewing the department's proposed prize payouts, the  
6 department's plans for the prize payouts for the subsequent fiscal year are  
7 considered approved by the committee.

8 **SECTION 69. Nonstatutory provisions.**

9 (1) POSITION AUTHORIZATIONS; DEPARTMENT OF ADMINISTRATION.

10 (a) The authorized FTE positions for the department of administration, funded  
11 from the appropriation under section 20.505 (8) (g) of the statutes, as affected by this  
12 act, are decreased by 27.85 PR positions on the effective date of this paragraph, for  
13 the purpose of performing general program operations related to pari-mutuel  
14 wagering.

15 (b) The authorized FTE positions for the department of administration, funded  
16 from the appropriation under section 20.505 (8) (j) of the statutes, as affected by this  
17 act, are decreased by 3.0 PR positions on the effective date of this paragraph, for the  
18 purpose of performing general program operations related to bingo games.

19 (c) The authorized FTE positions for the department of administration are  
20 increased by 27.85 SEG positions on the effective date of this paragraph, to be funded  
21 from the appropriation under section 20.505 (8) (q) of the statutes, as created by this  
22 act, for the purpose of performing general program operations related to pari-mutuel  
23 wagering.

24 (d) The authorized FTE positions for the department of administration are  
25 increased by 3.0 SEG positions on the effective date of this paragraph, to be funded

1 from the appropriation under section 20.505 (8) (r) of the statutes, as created by this  
2 act, for the purpose of performing general program operations related to bingo  
3 games.

4 (2) POSITION AUTHORIZATIONS; DEPARTMENT OF JUSTICE. The authorized FTE  
5 positions for the department of justice, funded from the appropriation under section  
6 20.455 (2) (g) of the statutes, as affected by this act, are decreased by 1.0 PR position  
7 on the effective date of this paragraph, for the purpose of performing gaming law  
8 enforcement responsibilities.

9 **SECTION 70. Appropriation changes.**

10 (1) PARI-MUTUEL WAGERING. On the effective date of this subsection, the  
11 unencumbered balance in the appropriation account of the department of  
12 administration under section 20.505 (8) (g) of the statutes, as affected by this act,  
13 immediately before the effective date of this subsection is transferred to the gaming  
14 fund.

15 (2) BINGO. On the effective date of this subsection, \$404,400 is transferred from  
16 the appropriation account of the department of administration under section 20.505  
17 (8) (j) of the statutes, as affected by this act, to the gaming fund.

18 (3) GAMING LAW ENFORCEMENT. On the effective date of this subsection, the  
19 unencumbered balance in the appropriation account of the department of justice  
20 under section 20.455 (2) (g) of the statutes, as affected by this act, immediately before  
21 the effective date of this subsection is transferred to the gaming fund.

22 (4) GAMING LAW ENFORCEMENT. In the schedule under section 20.005 (3) of the  
23 statutes for the appropriation to the department of justice under section 20.455 (2)  
24 (r) of the statutes, as affected by the acts of 1997 and 1999, the dollar amount is  
25 increased by \$36,700 for fiscal year 1998–99 to increase the authorized FTE positions

1 for the department by 1.0 SEG position for the performance of gaming law  
2 enforcement responsibilities.

3 **SECTION 71. Initial applicability.**

4 (1) The treatment of sections 79.10 (1m), (2), (5), (7m) (b) (title) and 1. a., (7r),  
5 (9) (bm) and (c) and (11) (title), (b) and (c) and 79.11 (2) of the statutes first applies  
6 to the property tax assessments as of January 1, 1999.

7 (END)

**BILL**

1  
2

563.135 (2m), 563.22 (2) (c) and 563.80 (2m) of the statutes; relating to: the property tax lottery credit and making an appropriation.

***Analysis by the Legislative Reference Bureau***

INSERT  
1-1

Under current law, every owner of taxable real property is entitled to a property tax lottery credit regardless of whether the owner's taxable real property is the owner's primary residence. The state constitution requires that all lottery proceeds, less money used for the regulation of and enforcement of laws relating to the lottery, be applied to the property tax lottery credit.

On April 6, 1999, Wisconsin voters approved amendments to sections 24 (3), (5) and (6) (a) of article IV of the state constitution. The amendments require all moneys received by the state that are attributable to bingo, pari-mutuel on-track betting and the lottery, less the moneys used for the regulation of or enforcement of laws relating to bingo, pari-mutuel on-track betting and the lottery, be used for property tax relief for state residents regardless of the income or age of the resident.

This bill restores the language of the property tax lottery credit that existed prior to the 1997-1998 legislative session. The bill changes the name of the property tax lottery credit to the property tax gaming credit and provides a property tax gaming credit to any taxpayer whose primary residence is on a parcel of taxable property. An eligible taxpayer must file an application with the county or municipality treasurer to receive the credit.

This bill also changes the name of the lottery fund to the gaming fund and requires that all moneys received by the state that are attributable to bingo and pari-mutuel on-track betting be deposited into the gaming fund. All of these moneys plus lottery proceeds; less any moneys used for general program operations and law enforcement relating to bingo, pari-mutuel on-track betting and the lottery, must be used for property tax relief.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3  
4  
5  
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7

**SECTION 1.** 20.003 (5) of the statutes is amended to read:

**20.003 (5) REQUIRED LOTTERY GAMING FUND BALANCE.** (a) The legislature may not enact any bill directly or indirectly affecting the lottery gaming fund if the bill would cause the estimated lottery gaming fund balance on June 30 of any fiscal year, as projected under s. 20.005 (1), to be less than 2% of the estimated gross lottery

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

IRB 143546  
ISR/JK:cmh:hmh

2907

2

April 12, 1999

D-N

Senator Decker:

Please review this draft carefully to make sure it reflects your intent. In particular please note the following:

1. If this bill does not pass before the budget passes, please check with me to ensure that the cross-references in this bill are still accurate and that the numbers for created statutes in the bill have not been supplanted by the budget bill. Also, the chapter 20 schedule entries will need to be changed because in this draft they only provide funding for May and June of this year.

2. Currently, compulsive gambling awareness campaigns receive funding from moneys received from the lottery, pari-mutuel on-track betting and Indian gaming. This bill funds compulsive gambling campaigns solely with Indian gaming money to conform to the recent amendments to the state constitution that require all moneys received by the state attributable to the lottery and pari-mutuel on-track betting be used for property tax relief. This change is the same as the proposal in the current budget bill.

If you have any questions or comments, please do not hesitate to contact me.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us

Claims for the farmland tax relief credit under sections 71.07 (3m), 71.28 (2m) and 71.47 (2m) of the statutes are paid from the lottery fund. The proposed changes to article IV, section 24, of the Wisconsin Constitution require that the moneys attributable to bingo games, pari-mutuel on-track betting and the lottery be used for property tax relief for residents and that the distribution of such moneys not vary based on age or income. Although the farmland tax relief credit may be considered a

property tax relief measure, and the amount of the credit is based on a percentage of property taxes accrued, the credit does contain an income component. For a farmland owner to be eligible for the credit, the owner's farm must produce at least \$6,000 in *gross profits* from agriculture use in the current year, or a total of at least \$18,000 in *gross profits* in the current year and the two years immediately preceding the current year. Obviously, there is no case law regarding whether or not "gross profits" is considered "income" for purposes of article IV, section 24, of the Wisconsin Constitution. A court could find, however, that the "gross profits" provision of the farmland tax relief credit violates the constitutional requirement that the distribution of lottery moneys not vary based on income.

While I am not at all certain how a court would rule on a constitutional challenge to the farmland tax relief credit, you should be aware of possible challenges to that credit. If you have any questions, please do not hesitate to contact me.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [Joseph.Kreye@legis.state.wi.us](mailto:Joseph.Kreye@legis.state.wi.us)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2907/1dn  
ISR/JK:cmh:hmh

April 14, 1999

Representative Lehman:

Please review this draft carefully to make sure it reflects your intent. In particular please note the following:

1. If this bill does not pass before the budget passes, please check with me to ensure that the cross-references in this bill are still accurate and that the numbers for created statutes in the bill have not been supplanted by the budget bill. Also, the chapter 20 schedule entries will need to be changed because in this draft they only provide funding for May and June of this year.

2. Currently, compulsive gambling awareness campaigns receive funding from moneys received from the lottery, pari-mutuel on-track betting and Indian gaming. This bill funds compulsive gambling campaigns solely with Indian gaming money to conform to the recent amendments to the state constitution that require all moneys received by the state attributable to the lottery and pari-mutuel on-track betting be used for property tax relief. This change is the same as the proposal in the current budget bill.

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property tax relief measure, and the amount of the credit is based on a percentage of property taxes accrued, the credit does contain an income component. For a farmland owner to be eligible for the credit, the owner's farm must produce at least \$6,000 in *gross profits* from agriculture use in the current year, or a total of at least \$18,000 in *gross profits* in the current year and the two years immediately preceding the current year. Obviously, there is no case law regarding whether or not "gross profits" is considered "income" for purposes of article IV, section 24, of the Wisconsin Constitution. A court could find, however, that the "gross profits" provision of the farmland tax relief credit violates the constitutional requirement that the distribution of lottery moneys not vary based on income.

While I am not at all certain how a court would rule on a constitutional challenge to the farmland tax relief credit, you should be aware of possible challenges to that credit. If you have any questions, please do not hesitate to contact me.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [Joseph.Kreye@legis.state.wi.us](mailto:Joseph.Kreye@legis.state.wi.us)



**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

**Date:** 4/14/99

**To:** Representative M. Lehman

**Relating to LRB drafting number:** LRB-2907

**Topic**

lottery credit

**Subject(s)**

Tax Credits (prop) - lottery

1. **JACKET** the draft for introduction Michael Lehman  
in the **Senate** \_\_\_\_\_ or the **Assembly**  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_.  
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.  
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreye, Legislative Attorney  
Telephone: (608) 266-2263



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION (608) 266-3561  
REFERENCE SECTION (608) 266-0341  
FAX (608) 266-5648

STEPHEN R. MILLER  
CHIEF

LRB  
/

April 29, 1999

## MEMORANDUM

**To:** Representative Michael Lehman

**From:** Joseph T. Kreye, Legislative Attorney, (608) 266-2263

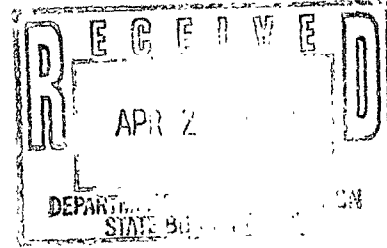
**Subject:** Technical Memorandum to **1999 AB 300** (LRB 99-2907/1)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

**MEMORANDUM**

April 27, 1999



**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Yeang-Eng Braun *YEB*  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 300 – Lottery Property Tax Credit

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (2)(r)	\$ 9,400	
annual	s. 20.566 (2)(r)	\$ 210,900	3

If you have any questions regarding this technical memorandum, please contact Pat Lashore at 266-3347.

YEB:RAB:skr  
t:\fsn99-00\rb\lab300.tec

