

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-AA3-AB389)**

Received: 06/23/99

Received By: **kunkemd**

Wanted: As time permits

Identical to LRB:

For: **Tim Hoven (608) 267-2369**

By/Representing: **himself**

This file may be shown to any legislator: **NO**

Drafter: **kunkemd**

May Contact:

Alt. Drafters:

Subject: **Public Util. - misc.**

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Real estate activities

**Instructions:**

See Attached

**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>
/1	kunkemd 06/23/99	ygeller 06/23/99	martykr 06/23/99	_____	lrb_docadmin 06/23/99	lrb_docadmin 06/23/99	
	kunkemd 06/23/99	gilfokm 06/23/99		_____			
/2			mclark 06/23/99	_____	lrb_docadmin 06/23/99	lrb_docadmin 06/23/99	

FE Sent For:

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12-6-23-99  
KMF

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1/?	kunkemd	1 6/23 jlg	1/23	1/23			

FE Sent For:

<END>



JG

new

**ASSEMBLY AMENDMENT ,  
TO ASSEMBLY AMENDMENT 3,  
TO 1999 ASSEMBLY BILL 389**

1 At the locations indicated, amend the amendment as follows: ✓

2 **1.** Page 1, line 1: after that line insert:

3 "1g. Page 2, line 18: after "emissions," insert "real estate activities by certain  
4 public utilities and affiliates,"." ✓

5 **2.** Page 1, line 2: delete "1" and substitute "In". ✓ plain

6 **3.** Page 2, line 11: delete ", as defined in s. 180.0103 (8)." and substitute "  
7 "Engage" ✓ does not include taking an action necessary to protect an ownership  
8 interest in an entity.".

9 **4.** Page 2, line 12: before that line insert:

10 "(dg) "Entity" has the meaning given in s. 180.0103 (8). ✓

11 "(dr) "Financial support" includes investments, loans and grants." ✓

12 **5.** Page 3, line 12: delete "or contracting to build". ✓

1           **6.** Page 3, line 22: after “following” insert “in this state”. ✓

2           **7.** Page 4, line 1: after that line insert:

3 *text:* “(e) Directly or indirectly own in any chain of successive ownership ✓ 50% or more  
*treat* of the ownership interest of an entity that engages in property management for a 3rd  
4 party, real estate practice, residential real estate development or residential or  
5 commercial construction.”

7           **8.** Page 4, line 21: after that line insert:

8 *text:* **6.** Acquiring or disposing of property or interests in property if the acquisition  
*treat* or disposition is related to the operation of a public utility and the acquisition or  
9 disposition satisfies one of the following:

11           a. The acquisition or disposition is conducted under a contract with a 3rd party  
12 that is engaged in real estate practice.

13           b. The acquisition or disposition is conducted by an individual engaged in real  
14 estate practice or employed by a public utility.”

15           **9.** Page 5, line 1: delete lines 1 to 7. ✓

16           **10.** Page 5, line 8: delete “2.” and substitute “1.”. ✓

17           **11.** Page 5, line 13: delete lines 13 to 18 and substitute: ✓

18 *text:* “2. Providing financial support for the purpose of economic development to 3rd  
*treat* parties that are engaged in an activity specified in sub. (2) (a) to (d) if the benefit that  
19 the public utility or nonutility subsidiary receives for providing the financial support  
20 is limited to incidental profits or interest earned on a loan.”. ✓

22           **12.** Page 5, line 19: after “that” insert “has engaged in residential construction  
23 prior to, or”. ✓





**ASSEMBLY AMENDMENT ,  
TO ASSEMBLY AMENDMENT 3,  
TO 1999 ASSEMBLY BILL 389**

1 At the locations indicated, amend the amendment as follows:

2 **1.** Page 1, line 1: after that line insert:

3 "1g. Page 2, line 18: after "emissions," insert "real estate activities by certain  
4 public utilities and affiliates, ".".

5 **2.** Page 1, line 2: delete "1" and substitute "1r".

6 **3.** Page 2, line 11: delete ", as defined in s. 180.0103 (8)." and substitute "  
7 "Engage" does not include taking an action necessary to protect an ownership  
8 interest in an entity.".

9 **4.** Page 2, line 12: before that line insert:

10 "(dg) "Entity" has the meaning given in s. 180.0103 (8).

11 "(dr) "Financial support" includes investments, loans and grants.".

12 **5.** Page 3, line 12: delete "or contracting to build".





1 6. Acquiring or disposing of property or interests in property if the acquisition  
2 or disposition is related to the operation of a public utility and the acquisition or  
3 disposition satisfies one of the following:

4 a. The acquisition or disposition is conducted under a contract with a 3rd party  
5 that is engaged in real estate practice.

6 b. The acquisition or disposition is conducted by an individual engaged in real  
7 estate practice or employed by a public utility.

8 (b) Subsection (2) does not prohibit a public utility that is not subject to the  
9 requirements of s. 196.795, or the nonutility subsidiary of such a public utility, from  
10 doing any of the following:

11 1. Engaging in commercial or residential real estate development or  
12 construction on property owned or acquired by the public utility or nonutility  
13 subsidiary for a public utility purpose if the total annual revenues from the  
14 development or construction do not exceed 3% of the total operating revenues of the  
15 public utility in any year.

16 2. Providing financial support for the purpose of economic development to 3rd  
17 parties that are engaged in an activity specified in sub. (2) (a) to (d) ~~if the benefit that~~  
18 ~~the public utility or nonutility subsidiary receives for providing the financial support~~  
19 ~~is limited to incidental profits or interest earned on a loan.~~

20 (4) EXCEPTIONS. (a) A nonutility affiliate that ~~has engaged in residential~~  
21 ~~construction prior to, or is engaged in residential construction on, the effective date~~  
22 ~~of this paragraph .... [revisor inserts date], may directly or indirectly own in any~~  
23 ~~chain of successive ownership 50% or more of the ownership interest of an entity that~~  
24 ~~hires a 3rd party to engage in residential construction or commercial construction~~  
25 ~~that is incidental to residential construction, except that the nonutility affiliate may~~

ok  
The public utility or nonutility subsidiary may profit directly from that activity only through the receipt of profits, dividends, interest earned on a loan, or economic development project.

interest earned on a loan.

is not subject to



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBa0528/1  
MDK:jlq:km

Now

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2  
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- 6 **3.** Page 2, line 11: delete ", as defined in s. 180.0103 (8)." and substitute "
- 7 "Engage" does not include taking an action necessary to protect an ownership
- 8 interest in an entity."
- 9 **4.** Page 2, line 12: before that line insert:
- 10 "(dg) "Entity" has the meaning given in s. 180.0103 (8).
- 11 "(dr) "Financial support" includes investments, loans and grants."
- 12 **5.** Page 3, line 12: delete "or contracting to build".

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2           **7.** Page 4, line 1: after that line insert:

3           “(e) Directly or indirectly own in any chain of successive ownership 50% or more  
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6 commercial construction.”.

7           **8.** Page 4, line 21: after that line insert:

8           “6. Acquiring or disposing of property or interests in property if the acquisition  
9 or disposition is related to the operation of a public utility and the acquisition or  
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18           “2. Providing financial support for the purpose of economic development to 3rd  
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20 ~~the public utility or nonutility subsidiary receives for providing the financial support~~  
21 ~~is limited to incidental profits or interest earned on a loan.”.~~

*Handwritten:* X INSERT 2-21

22           **12.** Page 5, line 19: after “that” insert “has engaged in residential construction  
23 prior to, or”.

1           **13.** Page 5, line 21: delete lines 21 to 24 and substitute “directly or indirectly  
2 own in any chain of successive ownership 50% or more of the ownership interest of  
3 an entity that hires a 3rd party to engage in residential construction or commercial  
4 construction that is incidental to residential construction, except that the nonutility  
5 affiliate may not actively participate in the daily operations or daily business  
6 decisions of the entity.”.

7

**(END)**

11

12

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBa0528/2ins  
MDK:.....

1  
2  
3  
4

*No P*

**INSERT 2-21:**

The public utility or nonutility subsidiary may profit directly from that activity  
only through receipt of profits that are incidental to the economic development  
project or interest earned on a loan

*g*