

## 1999 ASSEMBLY BILL 655

January 19, 2000 – Introduced by COMMITTEE ON RULES. Referred to Committee on Rules.

1     **AN ACT to amend** 20.566 (1) (gg), 40.51 (8), 40.51 (8m), 66.46 (6) (am) 2. c., 71.14  
2           (3) (intro.), 71.14 (3m) (a) (intro.), 71.14 (3m) (b) 2., 185.981 (4t) and 185.983 (1)  
3           (intro.); **to create** 111.91 (2) (nm), 609.795 and 632.872 of the statutes; and **to**  
4           **affect** 1999 Wisconsin Act 9, section 9123 (14g); **relating to:** the  
5           administration and collection of local exposition district taxes,  
6           community-wide standards for marriage, taxation of certain inter vivos trusts,  
7           correcting a reference to the year in which Sheboygan County was created and  
8           prohibiting denial of payment for certain medical or surgical services or  
9           procedures.

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

Under current law, a local exposition center district may impose a sales tax on all retailers that are located in the district at the rate of 0.25% of the gross receipts from the sale of food and beverages, and 3% of the gross receipts from car rentals and motel or hotel room rentals. The department of revenue (DOR) administers and collects the tax. DOR retains 2.55% of the collected tax for administrative purposes and distributes the rest of the collected tax to the district.

Under this bill, the amount of a local exposition center district taxes that DOR retains for administrative purposes that remains unencumbered at the end of the

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state fiscal year and that exceeds 10% of the amount expended for administrative purposes during the fiscal year is distributed to the local exposition center district.

Under current law, an inter vivos trust (a trust that is created during the life of the grantor) that is made irrevocable before October 29, 1999, is considered resident at the place where the trust is being administered, and this state taxes a trust that is resident within this state. Therefore, an inter vivos trust that is made irrevocable before October 29, 1999, and that is administered in this state is subject to taxation by this state. Also under current law, in general, an inter vivos trust is taxable by this state if the grantor was a resident of this state.

Under this bill, an inter vivos trust that is made irrevocable before October 29, 1999, is considered resident, and is thus taxable by this state, only if the trust was administered in this state on or before October 29, 1999.

Under current law, the expenditure period for project costs for Tax Incremental District (TID) Number Six in the city of Sheboygan is 13 years after the TID is created, and expenditures may be made through December 31, 2004. Current law describes the county in which this TID is located as a county that was created in 1853. This bill changes that reference to 1836, the actual year in which Sheboygan County was created.

This bill prohibits a health insurer from denying payment for a medical or surgical service or procedure on the basis that the service or procedure is an integral component of another service or procedure for which payment is made. The bill allows payment for a service or procedure to be included in the payment for another service or procedure, however, if, under medicare Part B, payment for the first service or procedure is included in the payment for the second service or procedure.

Current law provides funding for an individual to coordinate the development of, and to assist local members of the clergy to develop, community-wide standards for marriages solemnized in this state by members of the clergy. This bill changes the individual's responsibilities to coordinating the development of community-wide standards for marriages solemnized in this state.

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

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

1           **SECTION 1.** 20.566 (1) (gg) of the statutes, as affected by 1999 Wisconsin Act 9,  
2 is amended to read:

3           20.566 (1) (gg) *Administration of local taxes.* The amounts in the schedule for  
4 administering the taxes under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch.  
5 77. An amount equal to 2.55% of all moneys received from the taxes imposed under

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1 s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 shall be credited to this  
2 appropriation. Notwithstanding s. 20.001 (3) (a), at the end of each fiscal year the  
3 unencumbered balance in this appropriation account that exceeds 10% of the  
4 expenditures from this appropriation account during the fiscal year shall revert to  
5 the appropriation under s. 20.835 (4) (gg).

6 **SECTION 2.** 40.51 (8) of the statutes is amended to read:

7 40.51 **(8)** Every health care coverage plan offered by the state under sub. (6)  
8 shall comply with ss. 631.89, 631.90, 631.93 (2), 632.72 (2), 632.746 (1) to (8) and (10),  
9 632.747, 632.748, 632.85, 632.853, 632.855, 632.87 (3) to (5), 632.872, 632.895 (5m)  
10 and (8) to (13) and 632.896.

11 **SECTION 3.** 40.51 (8m) of the statutes is amended to read:

12 40.51 **(8m)** Every health care coverage plan offered by the group insurance  
13 board under sub. (7) shall comply with ss. 632.746 (1) to (8) and (10), 632.747,  
14 632.748, 632.85, 632.853, 632.855, 632.872 and 632.895 (11) to (13).

15 **SECTION 4.** 66.46 (6) (am) 2. c. of the statutes, as created by 1999 Wisconsin Act  
16 9, is amended to read:

17 66.46 **(6)** (am) 2. c. Expenditures for project costs for Tax Incremental District  
18 Number Six in a city with a population of at least 45,000 that is located in a county  
19 that was created in ~~1853~~ 1836 and that is adjacent to one of the Great Lakes. Such  
20 expenditures may be made no later than 13 years after the tax incremental district  
21 is created, and may be made through December 31, 2004.

22 **SECTION 5.** 71.14 (3) (intro.) of the statutes, as affected by 1999 Wisconsin Act  
23 9, is amended to read:

24 71.14 **(3)** (intro.) Except as provided in sub. (2) and s. 71.04 (1) (b) 2., trusts  
25 created by contract, declaration of trust or implication of law that are made

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1 irrevocable and were administered in this state before October 29, 1999, shall be  
2 considered resident at the place where the trust is being administered. The following  
3 trusts shall be considered to be administered in the state of domicile of the corporate  
4 trustee of the trust at any time that the grantor of the trust is not a resident of this  
5 state:

6 **SECTION 6.** 71.14 (3m) (a) (intro.) of the statutes, as created by 1999 Wisconsin  
7 Act 9, is amended to read:

8 71.14 **(3m)** (a) (intro.) Subject to par. (b) and except as provided in sub. (2) and  
9 s. 71.04 (1) (b) 2., only the following trusts, or portions of trusts, which become  
10 irrevocable on or after October 29, 1999, or which became irrevocable before October  
11 29, 1999, and are first administered in this state on or after October 29, 1999, are  
12 resident of this state:

13 **SECTION 7.** 71.14 (3m) (b) 2. of the statutes, as created by 1999 Wisconsin Act  
14 9, is amended to read:

15 71.14 **(3m)** (b) 2. Is irrevocable if the power to revest title, as described in par.  
16 ~~(a) subd. 1.~~, does not exist.

17 **SECTION 8.** 111.91 (2) (nm) of the statutes is created to read:

18 111.91 **(2)** (nm) The prohibition under s. 632.872 related to denying payment  
19 for certain procedures.

20 **SECTION 9.** 185.981 (4t) of the statutes is amended to read:

21 185.981 **(4t)** A sickness care plan operated by a cooperative association is  
22 subject to ss. 252.14, 631.89, 632.72 (2), 632.745 to 632.749, 632.85, 632.853, 632.855,  
23 632.87 (2m), (3), (4) and (5), 632.872, 632.895 (10) to (13) and 632.897 (10) and chs.  
24 149 and 155.

25 **SECTION 10.** 185.983 (1) (intro.) of the statutes is amended to read:

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1           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
2 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
3 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.89, 631.93, 632.72  
4 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853, 632.855, 632.87  
5 (2m), (3), (4) and (5), 632.872, 632.895 (5) and (9) to (13), 632.896 and 632.897 (10)  
6 and chs. 609, 630, 635, 645 and 646, but the sponsoring association shall:

7           **SECTION 11.** 609.795 of the statutes is created to read:

8           **609.795 Prohibiting denial of payment for certain procedures.** Limited  
9 service health organizations, preferred provider plans and managed care plans are  
10 subject to s. 632.872.

11          **SECTION 12.** 632.872 of the statutes is created to read:

12          **632.872 Prohibiting denial of payment for certain procedures. (1)** In  
13 this section:

14           (a) “Disability insurance policy” has the meaning given in s. 632.895 (1) (a).

15           (b) “Medicare Part B” means the federal supplementary medical insurance  
16 program under 42 USC 1395j to 1395w-2.

17          **(2)** An insurer may not deny payment under an individual or group disability  
18 insurance policy or a certificate of group disability insurance for a medical or surgical  
19 service or procedure on the basis that the service or procedure is an integral  
20 component of a 2nd medical or surgical service or procedure unless, under medicare  
21 Part B, payment for the first service or procedure is included in the payment for the  
22 2nd service or procedure.

23          **SECTION 13.** 1999 Wisconsin Act 9, section 9123 (14g) is amended to read:

24           [1999 Wisconsin Act 9] Section 9123 (14g) ~~COMMUNITY~~ COMMUNITY-WIDE  
25 MARRIAGE POLICY PROJECT. The authorized FTE positions for the department of health

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1 and family services are increased by 1.0 PR project position, to be funded from the  
2 appropriation under section 20.435 (3) (kx) of the statutes for the period beginning  
3 on the first day of the 2nd month beginning after the effective date of this subsection,  
4 and ending on September 30, 2003. The positions are increased under this  
5 subsection for the purpose of coordinating the development of, ~~and assisting local~~  
6 ~~members of the clergy to develop,~~ community-wide standards for marriages  
7 solemnized in this state by ~~members of the clergy.~~

**SECTION 9326. Initial applicability; insurance.**

9 (1) PROHIBITING DENIAL OF CERTAIN PAYMENTS.

10 (a) Except as provided in paragraph (b), if a disability insurance policy or group  
11 certificate contains terms or provisions that are inconsistent with section 632.872 of  
12 the statutes, as created by this act, the treatment of sections 40.51 (8) and (8m),  
13 111.91 (2) (nm), 185.981 (4t), 185.983 (1) (intro.), 609.795 and 632.872 of the statutes  
14 first applies to that disability insurance policy or group certificate upon renewal.

15 (b) The treatment of sections 40.51 (8) and (8m), 111.91 (2) (nm), 185.981 (4t),  
16 185.983 (1) (intro.), 609.795 and 632.872 of the statutes first applies to disability  
17 insurance policies or group certificates covering employes who are affected by a  
18 collective bargaining agreement containing provisions inconsistent with section  
19 632.872 of the statutes, as created by this act, that are issued or renewed on the  
20 earlier of the following:

21 1. The day on which the collective bargaining agreement expires.

22 2. The day on which the collective bargaining agreement is extended, modified  
23 or renewed.

**SECTION 9343. Initial applicability; revenue.**

