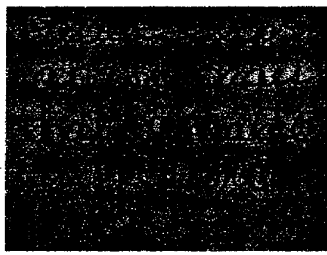


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11 ✓ ***b1120/1.1* 1034** ✓ Page 1179, line 5: after that line insert:
12 ✓ ***b1120/1.1* SECTION 2304c.** 180.0103 (6) of the statutes is repealed and
13 recreated to read:
14 180.0103 (6) "Deliver" or "delivery" means any method of delivery used in
15 conventional commercial practice, including delivery by hand, mail, commercial
16 delivery and electronic transmission.
17 ✓ ***b1120/1.1* SECTION 2304cm.** 180.0103 (7m) of the statutes is created to read:
18 180.0103 (7m) "Electronic transmission" or "electronically transmitted"
19 means internet transmission, telephonic transmission, electronic mail
20 transmission, transmission of a telegram, cablegram or datagram or any other form
21 or process of communication that does not directly involve the physical transfer of
22 paper and that is suitable for the retention, retrieval and reproduction of information
23 by the recipient.

1 ✓ ***b1120/1.1* SECTION 2304dm.** 180.0103 (16) of the statutes is amended to
2 read:

3 180.0103 (16) "Signed" or "signature" includes any manual, facsimile,
4 conformed or electronic signature or any symbol executed or adopted by a party with
5 present intention to authenticate a writing or electronic transmission.

6 ✓ ***b1120/1.1* SECTION 2304ed.** 180.0141 (2) (a) of the statutes is amended to
7 read:

8 180.0141 (2) (a) A person shall give notice in writing, except as provided in par.
9 (b). For purposes of this section, notice by electronic transmission is written notice.

10 ✓ ***b1120/1.1* SECTION 2304fb.** 180.0141 (3) of the statutes is amended to read:

11 180.0141 (3) Except as provided in s. 180.0721 (4) or unless otherwise provided
12 in the articles of incorporation or bylaws, notice may be communicated in person, ;
13 by ~~telephone, telegraph, teletype, facsimile or other form of wire or wireless~~
14 ~~communication, or by mail or private carrier, and, if mail or other method of delivery;~~
15 by telephone, including voice mail, answering machine or answering service; or by
16 any other electronic means. If these forms of personal notice are impracticable,
17 notice may be communicated by a newspaper of general circulation in the area where
18 published, or by radio, television or other form of public broadcast communication.

19 ✓ ***b1120/1.1* SECTION 2304fh.** 180.0141 (5) (b) of the statutes is renumbered
20 180.0141 (5) (b) (intro.) and amended to read:

21 180.0141 (5) (b) (intro.) Written notice by a domestic corporation or foreign
22 corporation to its shareholder is effective ~~when~~ under any of the following conditions:

23 1. When mailed and may be, but only if mailed postpaid and addressed to the
24 shareholder's address shown in the domestic corporation's or foreign corporation's
25 current record of shareholders.

1 ✓ ***b1120/1.1* SECTION 2304gb.** 180.0141 (5) (b) 2. of the statutes is created to
2 read:

3 180.0141 (5) (b) 2. When electronically transmitted to the shareholder in a
4 manner authorized by the shareholder.

5 ✓ ***b1120/1.1* SECTION 2304gm.** 180.0722 (2) of the statutes is repealed and
6 recreated to read:

7 180.0722 (2) (a) A shareholder entitled to vote at a meeting of shareholders, or
8 to express consent or dissent in writing to any corporate action without a meeting of
9 shareholders, may authorize another person to act for the shareholder by appointing
10 the person as proxy. An appointment of a proxy may be in durable form as provided
11 in s. 243.07.

12 (b) Without limiting the manner in which a shareholder may appoint a proxy
13 under par. (a), a shareholder or the shareholder's authorized officer, director,
14 employe, agent or attorney-in-fact may use any of the following as a valid means to
15 make such an appointment:

16 1. Appointment of a proxy in writing by signing or causing the shareholder's
17 signature to be affixed to an appointment form by any reasonable means, including,
18 but not limited to, by facsimile signature.

19 2. Appointment of a proxy by transmitting or authorizing the transmission of
20 an electronic transmission of the appointment to the person who will be appointed
21 as proxy or to a proxy solicitation firm, proxy support service organization or like
22 agent authorized to receive the transmission by the person who will be appointed as
23 proxy. Every electronic transmission shall contain, or be accompanied by,
24 information that can be used to reasonably determine that the shareholder
25 transmitted or authorized the transmission of the electronic transmission. Any

1 person charged with determining whether a shareholder transmitted or authorized
2 the transmission of the electronic transmission shall specify the information upon
3 which the determination is made.

4 (c) Any copy, facsimile telecommunication or other reliable reproduction of the
5 information in the appointment form under par. (b) 1. or the electronic transmission
6 under par. (b) 2. may be substituted or used in lieu of the original appointment form
7 or electronic transmission for any purpose for which the original appointment form
8 or electronic transmission could be used, but only if the copy, facsimile
9 telecommunication or other reliable reproduction is a complete reproduction of the
10 information in the original appointment form or electronic transmission.

11 ✓*b1120/1.1* SECTION 2304gz. 180.0722 (3) of the statutes is amended to read:

12 180.0722 (3) An appointment of a proxy is effective when a signed appointment
13 form or an electronic transmission of the appointment is received by the secretary
14 or other inspector of election or the officer or agent of the corporation authorized to
15 tabulate votes. An appointment is valid for 11 months from the date of its signing
16 unless a different period is expressly provided in the appointment form.

17 ✓*b1120/1.1* SECTION 2304hd. 180.0722 (4) (a) (intro.) of the statutes is
18 amended to read:

19 180.0722 (4) (a) (intro.) An appointment of a proxy is revocable ~~by the~~
20 ~~shareholder~~ unless the appointment form ~~conspicuously~~ or electronic transmission
21 states that it is irrevocable and the appointment is coupled with an interest.
22 Appointments coupled with an interest include, but are not limited to, the
23 appointment of any of the following:

24 ✓*b1120/1.1* SECTION 2304hL. 180.0722 (7) of the statutes is amended to read:

1 180.0722 (7) Subject to s. 180.0724 and to any express limitation on the proxy's
2 authority ~~appearing on the face of~~ stated in the appointment form or electronic
3 transmission, a corporation may accept the proxy's vote or other action as that of the
4 shareholder making the appointment.

5 ✓*b1120/1.1* **SECTION 2304ho.** 180.0722 (8) (a) of the statutes is amended to
6 read:

7 180.0722 (8) (a) Notwithstanding sub. (4), may be revoked at any time by
8 openly stating the revocation at a shareholder meeting or appointing a new proxy in
9 writing the manner provided under sub. (2) (b).

10 ✓*b1120/1.1* **SECTION 2304jb.** 180.0724 (4) of the statutes is amended to read:

11 180.0724 (4) The corporation and its officer or agent who accepts or rejects a
12 vote, consent, waiver or proxy appointment in good faith and in accordance with this
13 section or s. 180.0722 (2) are not liable in damages to the shareholder for the
14 consequences of the acceptance or rejection.

15 ✓*b1120/1.1* **SECTION 2304jm.** 180.0724 (5) of the statutes is amended to read:

16 180.0724 (5) Corporate action based on the acceptance or rejection of a vote,
17 consent, waiver or proxy appointment under this section or s. 180.0722 (2) is valid
18 unless a court of competent jurisdiction determines otherwise.”

19 ✓*b1192/2.1* **1035**, Page 1179, line 5: after that line insert:

20 ✓*b1192/2.1* **SECTION 2307a.** 177.01 (10) of the statutes is renumbered 177.01
21 (10) (a).

22 ✓*b1192/2.1* **SECTION 2307d.** 177.01 (10) (b) of the statutes is created to read:

23 177.01 (10) (b) “Intangible property” does not include a credit balance issued
24 to a commercial customer account by a business association in the ordinary course

1 of business, unless the credit balance is property described in s. 177.06 (1) or (2) held
2 by a banking organization or financial organization.”.

3 ✓*b1839/3.23* **1036.** ✓Page 1179, line 5: after that line insert:

4 ✓*b1839/3.23* “SECTION 2305p. 170.12 (3m) (a) 1. of the statutes is amended
5 to read:

6 170.12 (3m) (a) 1. If the applicant is an individual and has a social security
7 number, the applicant’s social security number.

8 ✓*b1839/3.23* SECTION 2305r. 170.12 (3m) (a) 1m. of the statutes is created to
9 read:

10 170.12 (3m) (a) 1m. If the applicant is an individual and does not have a social
11 security number, a statement made or subscribed under oath or affirmation that the
12 applicant does not have a social security number. The form of the statement shall
13 be prescribed by the department of workforce development. A permit issued in
14 reliance upon a false statement submitted under this subdivision is invalid.

15 ✓*b1839/3.23* SECTION 2305s. 170.12 (3m) (b) of the statutes is amended to
16 read:

17 170.12 (3m) (b) The board may not disclose any information received under par.
18 (a) 1. or 2. to any person except as follows:

19 1. The board may disclose information under par. (a) 1. or 2. to the department
20 of revenue for the sole purpose of requesting certifications under s. 73.0301.

21 2. The board may disclose information under par. (a) 1. or 2. to the department
22 of workforce development in accordance with a memorandum of understanding
23 under s. 49.857.”.

24 ✓*b1867/2.3* **1037.** ✓Page 1179, line 5: after that line insert:

1 ✓*b1867/2.3* "SECTION 2305m. 180.1901 (1m) (bs) of the statutes is created to
2 read:

3 180.1901 (1m) (bs) Athletic trainers affiliated credentialing board under
4 subch. VI of ch. 448."

5 ✓*b1060/1.2* 1038. ✓Page 1179, line 19: after that line insert:

6 ✓*b1060/1.2* "SECTION 2308dm. 189.02 (7) of the statutes is created to read:

7 189.02 (7) At least 14 days before submitting to the public service commission
8 any personnel or budget request that affects any appropriation to the department of
9 transportation, the office shall notify the secretary of the request."

10 ✓*b1671/1.7* 1039. ✓Page 1179, line 19: after that line insert:

11 ✓*b1671/1.7* "SECTION 2308r. 186.098 (12) of the statutes is amended to read:

12 186.098 (12) LOANS TO MEMBERS. A credit union may make loans to members
13 secured by assignment or transfer of stock certificates or other evidence of the
14 borrower's ownership interest in a corporation formed for the cooperative ownership
15 of real estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a
16 mortgage involving a one-family residence, apply to a proceeding to enforce the
17 lender's rights in security given for a loan under this subsection. The office of credit
18 unions shall promulgate joint rules with the ~~divisions of savings and loan~~ division
19 of savings institutions and the division of banking that establish procedures for
20 enforcing a lender's rights in security given for a loan under this subsection."

21 ✓*b0764/1.1* 1040. Page 1179, line 21: after that line insert:

22 ✓*b0764/1.1* "SECTION 2309q. 196.19 (1m) (b) of the statutes is amended to
23 read:

1 196.19 (1m) (b) A telecommunications utility may not offer a new
2 telecommunications service to the public without first filing a tariff for that offering
3 with the commission. A proposed tariff offering a new telecommunications service
4 shall be effective on the date specified in the tariff ~~but not earlier than 10 days after~~
5 ~~the date on which the tariff is filed with the commission~~, unless the commission,
6 either upon complaint or upon its own motion, suspends the operation of the new
7 tariff by serving written notice of the suspension on the telecommunications utility
8 within 10 days after the date of filing. The notice shall include a statement of the
9 reason under par. (c) upon which the commission believes the tariff may be modified.

10 ✓*b0764/1.1* SECTION 2309r. 196.19 (1m) (e) of the statutes is repealed.”.

11 ✓*b1257/1.1* 1041, ✓Page 1179, line 21: after that line insert:

12 ✓*b1257/1.1* “SECTION 2309q. 196.04 (4) of the statutes is renumbered 196.04
13 (4) (b) and amended to read:

14 196.04 (4) (b) If the parties cannot agree and the commission finds that public
15 convenience and necessity or the rendition of reasonably adequate service to the
16 public requires that a public utility, telecommunications provider, sewerage system
17 operator or cable operator, ~~as defined in s. 66.082 (2) (b)~~, be permitted to extend its
18 lines on, over or under the right-of-way of any railroad, or requires that the tracks
19 of any railroad be extended on, over or under the right-of-way of any public utility,
20 telecommunications provider, sewerage system operator or cable operator, the
21 commission may order the extension by the public utility, telecommunications
22 provider, sewerage system operator, cable operator or railroad on, over or under the
23 right-of-way of the other if it will not materially impair the ability of the railroad,
24 telecommunications provider, sewerage system operator, cable operator or public

1 utility, on, over or under whose right-of-way the extension would be made, to serve
2 the public. The commission shall prescribe lawful conditions and compensation
3 which the commission deems equitable and reasonable in light of all the
4 circumstances.

5 ✓ ***b1257/1.1* SECTION 2309s.** 196.04 (4) (a) of the statutes is created to read:

6 196.04 (4) (a) In this subsection:

7 1. “Cable operator” has the meaning given in s. 66.082 (2) (b).

8 2. “Sewerage system operator” means any of the following:

9 a. A municipality that operates a sewerage system under s. 66.076.

10 b. A town sanitary district commission that operates a sewerage system under
11 60.77 (4).

12 c. A city or village that obtains a sewerage system under s. 60.79.

13 d. A metropolitan sewerage district commission that operates a sewerage
14 system under s. 66.24 (2) or 66.89 (1).

15 e. A public inland lake protection and rehabilitation district that exercises the
16 powers of a town sanitary district under s. 33.22 (3) and that operates a sewerage
17 system under s. 60.77 (4).”

18 ✓ ***b1744/3.2* 1042.** Page 1179, line 21: after that line insert:

19 ✓ ***b1744/3.2* “SECTION 2313m.** 196.208 (5p) of the statutes is created to read:

20 196.208 (5p) TOLL-FREE CALLS ANSWERED BY PRISONERS. (a) In this subsection:

21 1. “Charitable organization” has the meaning given in s. 440.41 (1).

22 2. “Prisoner” means a prisoner of any correctional or detention facility located
23 in this state.

1 (b) If a prisoner is employed directly or indirectly by a charitable organization
2 or toll-free service vendor to answer calls made to the charitable organization or
3 toll-free service vendor, the prisoner shall do all of the following immediately upon
4 answering a call:

5 1. Identify himself or herself by name.

6 2. State that he or she is a prisoner.

7 3. Inform the calling party of the name of the correctional or detention facility
8 in which he or she is a prisoner and the city in which the facility is located.

9 (c) A charitable organization or toll-free service vendor that directly or
10 indirectly employs a prisoner shall provide reasonable supervision of the prisoner to
11 assure the prisoner's compliance with par. (b).

12 ✓*b1744/3.2* SECTION 2313u. 196.208 (11) (d) of the statutes is renumbered
13 196.208 (11) (d) 1. and amended to read:

14 196.208 (11) (d) 1. ~~Any~~ Except as provided in subd. 2., any person who violates
15 subs. (2) to (9) shall be required to forfeit not less than \$25 nor more than \$5,000 for
16 each offense.

17 3. Forfeitures under ~~this paragraph~~ subds. 1. and 2. shall be enforced by action
18 on behalf of the state by the department of justice or, upon informing the department
19 of justice, by the district attorney of the county where the violation occurs.

20 ✓*b1744/3.2* SECTION 2313y. 196.208 (11) (d) 2. of the statutes is created to
21 read:

22 196.208 (11) (d) 2. a. A prisoner who violates sub. (5p) (b) may be required to
23 forfeit not more than \$500.

24 b. A person who employs a prisoner to answer calls made to a toll-free
25 telephone number may be required to forfeit not more than \$10,000 if the person

1 violates sub. (5p) (c), aids and abets a prisoner's violation of sub. (5p) (b), is a party
2 to a conspiracy with a prisoner to commit a violation of sub. (5p) (b) or advises, hires
3 or counsels or otherwise procures a prisoner to commit a violation of sub. (5p) (b).".

4 ✓*b1931/1.16* **1043**, ✓Page 1179, line 21: after that line insert:

5 ✓*b1931/1.16* "SECTION 2315c. 196.025 of the statutes is renumbered 196.025
6 (1).

7 ✓*b1931/1.16* SECTION 2315g. 196.025 (2) of the statutes is created to read:

8 196.025 (2) The commission shall promulgate rules establishing requirements
9 and procedures for the commission to carry out the duties under s. 1.11. Rules
10 promulgated under this subsection shall include requirements and procedures for
11 each of the following:

12 (a) Standards for determining the necessity of preparing an environmental
13 impact statement.

14 (b) Adequate opportunities for interested persons to be heard on environmental
15 impact statements, including adequate time for the preparation and submission of
16 comments.

17 (c) Deadlines that allow thorough review of environmental issues without
18 imposing unnecessary delays in addressing the need for additional electric
19 transmission capacity in this state.

20 ✓*b1931/1.16* SECTION 2315L. 196.025 (3) of the statutes is created to read:

21 196.025 (3) The commission shall promulgate rules establishing requirements
22 and procedures for electric utilities, as defined under s. 196.491 (1) (d), to file reports
23 with the commission, on a frequency that the commission determines is reasonably
24 necessary, on their current reliability status, including the status of operating and

1 planning reserves, available transmission capacity and outages of major operational
2 units and transmission lines. A report filed under the rules promulgated under this
3 subsection is subject to inspection and copying under s. 19.35 (1), except that the
4 commission may withhold the report from inspection and copying for a period of time
5 that the commission determines is reasonably necessary to prevent an adverse
6 impact on the supply or price of energy in this state.

7 ✓ ***b1931/1.16* SECTION 2315p.** 196.025 (4) of the statutes is created to read:

8 196.025 (4) (a) In consultation with the department of administration and the
9 department of revenue, the commission shall study the establishment of a program
10 for providing incentives for the development of high-efficiency, small-scale electric
11 generating facilities in this state that do either of the following:

12 1. Provide benefits in the form of support for electric distribution or
13 transmission systems, power quality or environmental performance.

14 2. Employ technologies such as combined heat and power systems, fuel cells,
15 microturbines or photovoltaic systems that may be situated in, on or next to
16 buildings or other electric load centers.

17 (b) No later than January 1, 2001, the commission shall submit a report of its
18 findings and recommendations under par. (a) to the chief clerk of each house of the
19 legislature for distribution to the appropriate standing committees under s. 13.172
20 (3).

21 ✓ ***b1931/1.16* SECTION 2315t.** 196.025 (5) of the statutes is created to read:

22 196.025 (5) (ag) In this subsection, "electric cooperative" means a cooperative
23 association organized under ch. 185 for the purpose of generating, distributing or
24 furnishing electric energy at retail or wholesale to its members only.

1 (ar) The commission shall contract with an expert consultant in economics to
2 conduct a study on the potential for horizontal market power, including the
3 horizontal market power of electric generators, to frustrate the creation of an
4 effectively competitive retail electricity market in this state and to make
5 recommendations on measures to eliminate such market power on a sustainable
6 basis. The study shall include each of the following:

7 1. An assessment of the effect of each recommendation on public utility workers
8 and shareholders and electric cooperative workers and members.

9 1m. An assessment of the effect of each recommendation on rates for each class
10 of public utility customers and electric cooperative members.

11 2. An evaluation of the impact of transmission constraints on the market power
12 of electric generators in local areas.

13 (b) No later than January 1, 2001, the commission shall submit a report of the
14 results of the study under par. (ar) to the chief clerk of each house of the legislature
15 for distribution to the appropriate standing committees under s. 13.172 (3).

16 ✓*b1931/1.16* SECTION 2315x. 196.192 of the statutes is created to read:

17 **196.192 Market-based compensation, rates and contracts.** (1) In this
18 section, "electric public utility" means a public utility whose purpose is the
19 generation, distribution and sale of electric energy.

20 (2) No later than March 1, 2000, each investor-owned electric public utility
21 shall do each of the following:

22 (a) File with the commission rates that result in customers receiving
23 market-based compensation for voluntary interruptions of firm load during peak
24 periods of electric use.

1 (b) File with the commission market-based pricing options and options for
2 individual contracts that allow a retail customer, through service from its existing
3 public utility, to receive market benefits and take market risks for the customer's
4 purchases of capacity or energy.

5 (3) (a) The commission shall approve market-based rates that are consistent
6 with the options specified in sub. (2), except that the commission may not approve
7 a market-based rate unless the commission determines that the rate will not harm
8 shareholders of the investor-owned electric public utility or customers who are not
9 subject to the rate.

10 (b) Nothing in s. 196.20, 196.21, 196.22, 196.37, 196.60 or 196.604 prohibits the
11 commission from approving a filing under sub. (2) or approving market-based rates
12 under par. (a).

13 (4) Subject to any approval of the commission that is necessary, an electric
14 public utility that is not an investor-owned electric public utility may implement
15 market-based rates approved under sub. (3) (a) or implement the options in filings
16 under sub. (2) that are approved by the commission.”.

17 ✓*b0761/1.1* 1044. ✓ Page 1180, line 15: delete “The ~~commission~~” and
18 substitute “The ~~commission~~ Except as provided in s. 196.218 (4t), the”.

19 ✓*b0761/1.2* 1045. ✓ Page 1183, line 20: after that line insert:

20 ✓*b0761/1.2* “SECTION 2329g. 196.218 (4t) of the statutes is created to read:
21 196.218 (4t) EDUCATIONAL TELECOMMUNICATIONS ACCESS PROGRAM RULES. The
22 commission, in consultation with the department of administration and the
23 technology for educational achievement in Wisconsin board, shall promulgate rules

1 specifying the telecommunications services eligible for funding through the
2 educational telecommunications access program under s. 44.73.”.

3 ✓ *b0862/1.4* **1046**. Page 1184, line 18: after that line insert:

4 ✓ *b0862/1.4* “SECTION 2332n. 196.218 (5) (a) 10. of the statutes is created to
5 read:

6 196.218 (5) (a) 10. To provide administrative services under the rehabilitation
7 teaching program for blind and visually impaired persons under s. 46.293.”.

8 ✓ *b1931/1.17* **1047**. Page 1185, line 19: after that line insert:

9 ✓ *b1931/1.17* “SECTION 2334d. 196.31 (1) (intro.) of the statutes is amended
10 to read:

11 196.31 (1) (intro.) In any proceeding before the commission, the commission
12 ~~may~~ shall compensate any participant in the proceeding who is not a public utility,
13 for some or all of the reasonable costs of participation in the proceeding if the
14 commission finds that:

15 ✓ *b1931/1.17* SECTION 2334h. 196.31 (1) (a) of the statutes is amended to read:

16 196.31 (1) (a) The participation is necessary to provide for the record an
17 adequate presentation of a significant position in which the participant has a
18 substantial interest, and that an adequate presentation would not ~~be possible~~ occur
19 without a grant of compensation; or

20 ✓ *b1931/1.17* SECTION 2334p. 196.374 of the statutes is repealed and
21 recreated to read:

22 **196.374 Low-income assistance, energy efficiency and other**
23 **programs. (1)** In this section:

24 (a) “Department” means the department of administration.

1 (b) "Fund" means the utility public benefits fund.

2 (c) "Utility" means a Class A gas or electric utility, as defined by the
3 commission, but does not include a municipal utility, as defined in s. 16.957 (1) (q),
4 a municipal electric company, as defined in s. 66.073 (3) (d), or a cooperative
5 association organized under ch. 185.

6 (2) The commission shall determine the amount that each utility spent in 1998
7 on programs for each of the following:

8 (a) Low-income assistance, including low-income weatherization and writing
9 off uncollectibles and arrearages.

10 (b) Energy conservation and efficiency.

11 (c) Environmental research and development.

12 (d) Renewable resources.

13 (3) In 2000, 2001 and 2002, the commission shall require each utility to spend
14 a decreasing portion of the amount determined under sub. (2) on programs specified
15 in sub. (2) and contribute the remaining portion of the amount to the commission for
16 deposit in the fund. In each year after 2002, each utility shall contribute the entire
17 amount determined under sub. (2) to the commission for deposit in the fund. The
18 commission shall ensure in rate-making orders that a utility recovers from its
19 ratepayers the amounts spent on programs or contributed to the fund under this
20 subsection. The commission shall allow each utility the option of continuing to use,
21 until January 1, 2002, the moneys that it has recovered under s. 196.374 (3), 1997
22 stats., to administer the programs that it has funded under s. 196.374 (1), 1997 stats.
23 The commission may allow each utility to spend additional moneys on the programs
24 specified in sub. (2) if the utility otherwise complies with the requirements of this
25 section and s. 16.957 (4).

1 (4) If the department notifies the commission under s. 16.957 (2) (b) 2. that the
2 department has reduced funding for energy conservation and efficiency and
3 renewable resource programs by an amount that is greater than the portion of the
4 public benefits fee specified in s. 16.957 (4) (c) 2., the commission shall reduce the
5 amount that utilities are required to spend on programs or contribute to the fund
6 under sub. (3) by the portion of the reduction that exceeds the amount of public
7 benefits fees specified in s. 16.957 (4) (c) 2.

8 √*b1931/1.17* SECTION 2334t. 196.378 of the statutes is created to read:

9 **196.378 Renewable resources. (1) DEFINITIONS.** In this section:

10 (a) “Biomass” means a resource that derives energy from wood or plant
11 material or residue, biological waste, crops grown for use as a resource or landfill
12 gases. “Biomass” does not include garbage, as defined in s. 289.01 (9), or
13 nonvegetation-based industrial, commercial or household waste, except that
14 “biomass” includes refuse-derived fuel used for a renewable facility that was in
15 service in this state before January 1, 1998.

16 (am) “Biomass cofired facility” means a renewable facility in which biomass
17 and conventional resources are fired together.

18 (b) “Conventional resource” means a resource that derives energy from coal, oil,
19 nuclear power or natural gas, except for natural gas used in a fuel cell.

20 (bm) “Department” means the department of administration.

21 (c) “Electric provider” means an electric utility or retail electric cooperative.

22 (d) “Electric utility” means a public utility that sells electricity at retail. For
23 purposes of this paragraph, a public utility is not considered to sell electricity at
24 retail solely on the basis of its ownership or operation of a retail electric distribution
25 system.

1 (e) “Excludable renewable energy” means the portion of an electric provider’s
2 total renewable energy that is supplied from renewable facilities that were placed
3 in service before January 1, 1998, and that, before January 1, 1998, derived
4 electricity from hydroelectric power, even if the output of the renewable facilities is
5 used to satisfy requirements under federal law.

6 (f) “Nonsystem renewable energy” means the amount of electricity that an
7 electric provider sells to its retail customers or members and that is supplied or
8 allocated under executed wholesale purchase contracts from renewable facilities
9 that are not owned or operated by the electric provider. “Nonsystem renewable
10 energy” does not include any electricity that is not used to satisfy the electric
11 provider’s retail load obligations.

12 (g) “Renewable facility” means an installed and operational electric generating
13 facility in which electricity is derived from a renewable resource. “Renewable
14 facility” includes a facility the installation or operation of which is required under
15 federal law, but does not include a facility the installation or operation of which is
16 required under the laws of another state even if the installation or operation of the
17 facility is also required under federal law.

18 (h) “Renewable resource” means any of the following:

19 1. A resource that derives electricity from any of the following:

20 a. A fuel cell that uses, as determined by the commission, a renewable fuel.

21 b. Tidal or wave action.

22 c. Solar thermal electric or photovoltaic energy.

23 d. Wind power.

24 e. Geothermal technology.

25 g. Biomass.

1 1m. A resource with a capacity of less than 60 megawatts that derives
2 electricity from hydroelectric power.

3 2. Any other resource, except a conventional resource, that the commission
4 designates as a renewable resource in rules promulgated under sub. (4).

5 (i) “Renewable resource credit” means a credit calculated in accordance with
6 rules promulgated under sub. (3) (a).

7 (j) “Resource” means a source of energy used to generate electric power.

8 (k) “Retail electric cooperative” means a cooperative association organized
9 under ch. 185 that sells electricity at retail to its members only. For purposes of this
10 paragraph, a cooperative association is not considered to sell electricity at retail
11 solely on the basis of its ownership or operation of a retail electric distribution
12 system.

13 (n) “System renewable energy” means the amount of electricity that an electric
14 provider sells to its retail customers or members and that is supplied by renewable
15 facilities owned or operated by the electric provider.

16 (o) “Total renewable energy” means the sum of an electric provider’s system and
17 nonsystem renewable energy.

18 **(2) RENEWABLE RESOURCE ENERGY.** (a) Each electric provider shall provide to its
19 retail electric customers or members total renewable energy in at least the following
20 percentages of its total retail electric sales, either directly or through renewable
21 resource credits from another electric provider:

22 1. By December 31, 2001, 0.5%.

23 2. By December 31, 2003, 0.85%.

24 3. By December 31, 2005, 1.2%.

25 4. By December 31, 2007, 1.55%.

1 5. By December 31, 2009, 1.9%.

2 6. By December 31, 2011, 2.2%.

3 (b) For purposes of determining compliance with par. (a):

4 1. Total retail electric sales shall be calculated on the basis of an average of an
5 electric provider's retail electric sales in this state during the prior 3 years.

6 2. The amount of electricity supplied by a biomass cofired facility that may be
7 counted toward satisfying the requirements of par. (a) shall be an amount equal to
8 the product of the maximum amount of electricity that the facility is capable of
9 generating and the ratio of the energy content of the biomass fuels to the energy
10 content of both the biomass and conventional resources.

11 3. Any excludable renewable energy that exceeds 0.6% of an electric provider's
12 total retail electric sales shall be excluded from the electric provider's total
13 renewable energy.

14 4. The members of a municipal electric company, as defined in s. 66.073 (3) (d),
15 may aggregate and allocate renewable energy among themselves.

16 (c) No later than April 15 annually, an electric provider shall submit a report
17 to the department that describes the electric provider's compliance with par. (a).
18 Reports under this paragraph may include certifications from wholesale suppliers
19 regarding the sources and amounts of energy supplied to an electric provider. The
20 department may specify the documentation that is required to be included with
21 reports submitted under this paragraph.

22 (d) The commission shall allow an electric utility to recover from ratepayers the
23 cost of providing total renewable energy to its retail customers in amounts that equal
24 or exceed the percentages specified in par. (a). Subject to any approval of the

1 commission that is necessary, an electric utility may recover costs under this
2 paragraph by any of the following methods:

3 1. Allocating the costs equally to all customers on a kilowatt-hour basis.

4 2. Establishing alternative price structures, including price structures under
5 which customers pay a premium for renewable energy.

6 3. Any combination of the methods specified in subds. 1. and 2.

7 (e) 1. This subsection does not apply to any of the following:

8 a. An electric provider that provides more than 10% of its summer peak demand
9 in this state from renewable facilities.

10 b. An electric provider that provides more than 10% of its summer peak demand
11 from renewable resources.

12 2. For purposes of calculating the percentages under subd. 1., an electric
13 provider may include renewable facilities located in this or another state and
14 renewable facilities located on its or another electric provider's system.

15 3. Notwithstanding subd. 1., this subsection applies to an electric provider
16 unless the electric provider provides documentation to the commission that
17 establishes, to the satisfaction of the commission, that the electric provider satisfies
18 the requirements under subd. 1. a. or b.

19 **(3) RENEWABLE RESOURCE CREDITS.** (a) An electric provider that provides total
20 renewable energy to its retail electric customers or members in excess of the
21 percentages specified in sub. (2) (a) 1. to 6. may, in the applicable year, sell to any
22 other electric provider a renewable resource credit or a portion of a renewable
23 resource credit at any negotiated price. Alternatively, an electric provider may use
24 a renewable resource credit or portion of a renewable resource credit in a subsequent
25 year to establish compliance with sub. (2) (a). The commission shall promulgate

1 rules that establish requirements for the use of a renewable resource credit,
2 including calculating the amount of a renewable resource credit.

3 (b) The commission may promulgate rules that establish requirements and
4 procedures for a sale under par. (a).

5 (4) RULES. The commission may promulgate rules that designate a resource,
6 except for a conventional resource, as a renewable resource in addition to the
7 resources specified in sub. (1) (h) 1. and 1m.

8 (5) PENALTY. Any person who violates sub. (2) or any wholesale supplier who
9 provides an electric provider with a false or misleading certification regarding the
10 sources or amounts of energy supplied to the electric provider shall forfeit not less
11 than \$5,000 nor more than \$500,000. Forfeitures under this subsection shall be
12 enforced by action on behalf of the state by the attorney general. A court imposing
13 a forfeiture under this subsection shall consider all of the following in determining
14 the amount of the forfeiture:

15 (a) The appropriateness of the forfeiture to the person's or wholesale supplier's
16 volume of business.

17 (b) The gravity of the violation.

18 (c) Whether a violation of sub. (2) is due to circumstances beyond the violator's
19 control.”.

20 ✓*b0764/1.2* **1048.** ✓ Page 1186, line 2: after that line insert:

21 ✓*b0764/1.2* “SECTION 2336g. 196.77 of the statutes is amended to read:

22 **196.77 Promotional rates.** Except as provided in this section, nothing in this
23 chapter prohibits a telecommunications utility from filing a tariff to make a limited
24 offering of promotional rates. A promotional rate under this section shall take effect

1 automatically at the time specified in the tariff ~~but not earlier than 10 days after the~~
2 ~~date the tariff is filed with the commission~~ unless the commission ~~authorizes an~~
3 ~~earlier effective date or~~ suspends the tariff within 10 days after the date on which
4 it is filed. The commission may suspend a tariff if it believes that the tariff violates
5 s. 196.204, 196.209 or 196.219. If the commission suspends a tariff, it shall
6 investigate and resolve the matter within 60 days after the date on which the tariff
7 is suspended or the tariff shall be effective as filed.”.

8 ✓*b1931/1.18* **1049**, ✓Page 1186, line 2: after that line insert:

9 ✓*b1931/1.18* **SECTION 2335ta.** 196.485 (title) of the statutes is repealed and
10 recreated to read:

11 **196.485 (title) Transmission system requirements.**

12 ✓*b1931/1.18* **SECTION 2335tb.** 196.485 (1) (am) of the statutes is created to
13 read:

14 196.485 (1) (am) “Contribute a transmission facility” means to divest a person’s
15 interest in the transmission facility and to transfer ownership of the transmission
16 facility, and associated deferred tax reserves and deferred investment tax credits to
17 the extent permitted by law, to another person.

18 ✓*b1931/1.18* **SECTION 2335tc.** 196.485 (1) (be) of the statutes is created to
19 read:

20 196.485 (1) (be) “Director” means, with respect to a transmission company
21 organized as a corporation under ch. 180, a member of the board of directors of the
22 transmission company.

23 ✓*b1931/1.18* **SECTION 2335td.** 196.485 (1) (bs) of the statutes is created to
24 read:

1 196.485 (1) (bs) "Electric utility" means any of the following:

2 1. A public utility that is involved in the generation, transmission, distribution
3 or sale of electric energy.

4 2. A retail or wholesale electric cooperative.

5 ✓ *b1931/1.18* SECTION 2335te. 196.485 (1) (dm) (intro.) of the statutes is
6 amended to read:

7 196.485 (1) (dm) (intro.) "Independent transmission owner" means:

8 1m. Means a person that satisfies each of the following:

9 ✓ *b1931/1.18* SECTION 2335tf. 196.485 (1) (dm) 1. of the statutes is
10 renumbered 196.485 (1) (dm) 1m. a.

11 ✓ *b1931/1.18* SECTION 2335tg. 196.485 (1) (dm) 2. of the statutes is created to
12 read:

13 196.485 (1) (dm) 2. Does not include the transmission company.

14 ✓ *b1931/1.18* SECTION 2335th. 196.485 (1) (dm) 3. of the statutes is
15 renumbered 196.485 (1) (dm) 1m. b. and amended to read:

16 196.485 (1) (dm) 1m. b. The person is not an affiliated interest of a person
17 specified in subd. ~~1.~~ 1m. a.

18 ✓ *b1931/1.18* SECTION 2335ti. 196.485 (1) (do) of the statutes is created to
19 read:

20 196.485 (1) (do) "Land right" means any right in real property, including fee
21 simple ownership or a right-of-way or easement, that has been acquired for a
22 transmission facility that is located or intended to be located on the real property.

23 ✓ *b1931/1.18* SECTION 2335tk. 196.485 (1) (dq) of the statutes is created to
24 read:

1 196.485 (1) (dq) “Manager” means, with respect to a transmission company
2 organized as a limited liability company under ch. 183, the representatives of the
3 security holders that are elected or appointed under sub. (3m) (c).

4 ✓*b1931/1.18* SECTION 2335tL. 196.485 (1) (dr) of the statutes is created to
5 read:

6 196.485 (1) (dr) “Merger enforcement policy” means the enforcement policy of
7 the federal department of justice and the federal trade commission regarding
8 horizontal acquisitions and mergers that are subject to 15 USC 1, 18 or 45.

9 ✓*b1931/1.18* SECTION 2335tm. 196.485 (1) (ds) of the statutes is created to
10 read:

11 196.485 (1) (ds) “Midwest independent system operator” means the
12 independent system operator the establishment of which the federal energy
13 regulatory commission has conditionally authorized in an order issued on September
14 16, 1998, or the successor to such independent system operator.

15 ✓*b1931/1.18* SECTION 2335tn. 196.485 (1) (dt) of the statutes is created to
16 read:

17 196.485 (1) (dt) “Nontransmission utility security holder” means a security
18 holder that is not a transmission utility security holder.

19 ✓*b1931/1.18* SECTION 2335to. 196.485 (1) (dv) of the statutes is created to
20 read:

21 196.485 (1) (dv) “Organizational start-up date” means, with respect to a
22 transmission company that is organized as a limited liability company under ch. 183,
23 the date on which the articles of organization become effective under s. 183.0111 or,
24 with respect to a transmission company that is organized as a corporation under ch.

1 180, the date on which the articles of incorporation become effective under s.
2 180.0123.

3 ✓*b1931/1.18* SECTION 2335tp. 196.485 (1) (em) of the statutes is created to
4 read:

5 196.485 (1) (em) "Retail electric cooperative" means a cooperative that provides
6 retail electric service to its members.

7 ✓*b1931/1.18* SECTION 2335tq. 196.485 (1) (fe) of the statutes is created to
8 read:

9 196.485 (1) (fe) "Security" means, with respect to a transmission company
10 organized as a corporation under ch. 180, a share, as defined in s. 180.0103 (15), and,
11 with respect to a transmission company organized as a limited liability company
12 under ch. 183, a limited liability company interest, as defined in s. 183.0102 (11).

13 ✓*b1931/1.18* SECTION 2335tr. 196.485 (1) (ge) of the statutes is created to
14 read:

15 196.485 (1) (ge) "Transmission company" means a corporation organized under
16 ch. 180 or a limited liability company organized under ch. 183 that has as its sole
17 purpose the planning, constructing, operating, maintaining and expanding of
18 transmission facilities that it owns to provide for an adequate and reliable
19 transmission system that meets the needs of all users that are dependent on the
20 transmission system and that supports effective competition in energy markets
21 without favoring any market participant.

22 ✓*b1931/1.18* SECTION 2335ts. 196.485 (1) (gm) of the statutes is created to
23 read:

1 196.485 (1) (gm) “Transmission dependent utility” means an electric utility
2 that is not a transmission utility and that is dependent on the transmission system
3 of another person for delivering electricity to the electric utility’s customers.

4 ✓ ***b1931/1.18* SECTION 2335tt.** 196.485 (1) (j) of the statutes is created to read:

5 196.485 (1) (j) “Transmission utility security holder” means a person that is a
6 security holder of a transmission company, is an investor-owned transmission utility
7 in the transmission area and has contributed its transmission facilities to the
8 transmission company.

9 ✓ ***b1931/1.18* SECTION 2335ttm.** 196.485 (1) (k) of the statutes is created to
10 read:

11 196.485 (1) (k) “Wholesale electric cooperative” means a cooperative that
12 provides wholesale electric service to its members.

13 ✓ ***b1931/1.18* SECTION 2335tu.** 196.485 (1m) of the statutes is created to read:

14 196.485 (1m) DUTY TO PROVIDE TRANSMISSION SERVICE. (a) The duty of any
15 electric utility that has contributed its transmission facilities to the transmission
16 company to finance, construct, maintain or operate a transmission facility shall
17 terminate on the date, as determined by the commission under sub. (2) (d), that the
18 transmission company begins operations.

19 (b) After beginning operations, the transmission company shall, except for
20 transmission service provided by an electric utility that has not transferred its
21 transmission facilities to the the transmission company, have the exclusive duty to
22 provide transmission service in those areas in which transmission facilities have
23 been contributed. The duty under this paragraph shall terminate on the date, as
24 determined by the commission under sub. (2) (d), that the Midwest independent
25 system operator begins operations.

1 (c) After beginning operations, the Midwest independent system operator
2 shall, except for transmission service provided by an electric utility that has not
3 transferred control over its transmission facilities to the Midwest independent
4 system operator, have the exclusive duty to provide transmission service in the
5 transmission area and shall ensure that each transmission facility in the
6 transmission area that is under its operational control is planned, constructed,
7 operated, maintained and controlled as part of a single transmission system.

8 ✓*b1931/1.18* SECTION 2335tv. 196.485 (2) (a) (intro.) of the statutes is
9 amended to read:

10 196.485 (2) (a) (intro.) By June 30, 2000, if a transmission utility has not
11 transferred control over its transmission facilities to an independent system
12 operator that is approved by the applicable federal agency or divested, with approval
13 of the applicable federal agency and, for a public utility, the commission, its interest
14 in its transmission facilities to an independent transmission owner, the commission
15 shall, subject to par. pars. (am) and (ar), order the transmission utility to apply to the
16 applicable federal agency to do one of the following:

17 ✓*b1931/1.18* SECTION 2335tw. 196.485 (2) (ar) of the statutes is created to
18 read:

19 196.485 (2) (ar) The commission shall waive the requirement to issue an order
20 against a transmission utility under par. (a) if the transmission utility shows, to the
21 satisfaction of the commission, that a transfer of its transmission facilities to the
22 Midwest independent system operator may have the effect of jeopardizing the
23 tax-exempt status of the transmission utility or its securities under the Internal
24 Revenue Code. A waiver under this paragraph shall be in effect until the commission

1 determines that the proposed transfer does not have the effect described in this
2 paragraph.

3 ✓ ***b1931/1.18* SECTION 2335tx.** 196.485 (2) (bx) of the statutes is created to
4 read:

5 196.485 (2) (bx) If the Midwest system operator fails to commence operations
6 or ceases operations, the requirements of this section that apply to the Midwest
7 independent system operator shall apply to any other independent system operator
8 or regional transmission organization that is authorized under federal law to operate
9 in this state. The commission shall require that any transfer of transmission
10 facilities to such independent system operator or regional transmission organization
11 satisfies the requirements of this section.

12 ✓ ***b1931/1.18* SECTION 2335ty.** 196.485 (2) (d) of the statutes is created to read:

13 196.485 (2) (d) The commission shall determine each of the following:

- 14 1. The date on which the transmission company begins operations.
15 2. Whether the Midwest independent system operator has begun operations
16 and the date on which such operations have begun.

17 ✓ ***b1931/1.18* SECTION 2335tz.** 196.485 (3) (bm) of the statutes is repealed.

18 ✓ ***b1931/1.18* SECTION 2335ub.** 196.485 (3m) of the statutes is created to read:

19 196.485 (3m) TRANSMISSION COMPANY. (a) *Duties.* 1. The transmission company
20 shall do each of the following:

21 a. Apply for any approval under state or federal law that is necessary for the
22 transmission company to begin operations no later than November 1, 2000.

23 b. Subject to any approval required under state or federal law, contract with
24 each transmission utility that has transferred transmission facilities to the
25 transmission company for the transmission utility to provide reasonable and

1 cost-effective operation and maintenance services to the transmission company
2 during the 3-year period after the transmission company first begins operations.
3 The transmission company and a transmission utility may, subject to any approval
4 required under federal or state law, agree to an extension of such 3-year period.

5 c. Assume the obligations of a transmission utility that has transferred
6 ownership of its transmission facilities to the transmission company under any
7 agreement by the transmission utility to provide transmission service over its
8 transmission facilities or credits for the use of transmission facilities, except that the
9 transmission company may modify such an agreement to the extent allowed under
10 the agreement and to the extent allowed under state or federal law.

11 d. Apply for membership in the Midwest independent system operator as a
12 single zone for pricing purposes that includes the transmission area and, upon a
13 determination by the commission under sub. (2) (d) that the Midwest independent
14 system operator has begun operations, transfer operational control of the
15 transmission company's transmission facilities to the Midwest independent system
16 operator.

17 e. Remain a member of the Midwest independent system operator, or any
18 independent system operator or regional transmission organization that has been
19 approved under federal law to succeed the Midwest independent system operator, for
20 at least the 6-year transition period that is specified in the agreement conditionally
21 approved by the federal energy regulatory commission that establishes the Midwest
22 independent system operator.

23 f. Subject to subd. 4., elect to be included in a single zone for the purpose of any
24 tariff administered by the Midwest independent system operator.

25 2. The transmission company may not do any of the following:

1 a. Sell or transfer its assets to, or merge its assets with, another person, unless
2 the assets are sold, transferred or merged on an integrated basis and in a manner
3 that ensures that the transmission facilities in the transmission area are planned,
4 constructed, operated, maintained and controlled as a single transmission system.

5 b. Bypass the distribution facilities of an electric utility or provide service
6 directly to a retail customer or member.

7 c. Own electric generation facilities or sell, market or broker electric capacity
8 or energy in a relevant wholesale or retail market as determined by the commission,
9 except that, if authorized or required by the federal energy regulatory commission,
10 the transmission company may procure or resell ancillary services obtained from 3rd
11 parties, engage in redispatch activities that are necessary to relieve transmission
12 constraints or operate a control area.

13 3. Notwithstanding subd. 1. a., the transmission company may not begin
14 operations until it provides an opinion to the commission from a nationally
15 recognized investment banking firm that the transmission company is able to
16 finance, at a reasonable cost, its start-up costs, working capital and operating
17 expenses and the cost of any new facilities that are planned.

18 4. If the transmission charges or rates of any transmission utility in the
19 transmission area are 10% or more below the average transmission charges or rates
20 of the transmission utilities in the transmission area on the date, as determined by
21 the commission, that the last public utility affiliate files a commitment with the
22 commission under sub. (5) (a) 2., the transmission company shall, after consulting
23 with each public utility affiliate that has filed a commitment under sub. (5) (a) 2.,
24 prepare a plan for phasing in a combined single zone rate for the purpose of pricing
25 network use by users of the transmission system operated by the Midwest

1 independent system operator and shall seek plan approval by the federal energy
2 regulatory commission and the Midwest independent system operator. A plan under
3 this subdivision shall phase in an average-cost price for the combined single zone in
4 equal increments over a 5-year period, except that, under the plan, transmission
5 service shall be provided to all users of the transmission system on a single-zone
6 basis during the phase-in period.

7 (b) *Powers.* The transmission company may do any of the following:

8 1. Subject to the approval of the commission under s. 196.491 (3), construct and
9 own transmission facilities, including high-voltage transmission lines, as defined in
10 s. 196.491 (1) (f), in the transmission area or in any other area of the state in which
11 transmission facilities that have been contributed to the transmission company are
12 located. This subdivision does not affect the right or duty of an electric utility that
13 is not located in the transmission area or that has not contributed its transmission
14 facilities to the transmission company to construct or own transmission facilities.

15 2. Subject to any approval required under state or federal law, purchase or
16 acquire transmission facilities in addition to the transmission facilities contributed
17 under sub. (5) (b).

18 (c) *Organization.* The operating agreement, as defined in s. 183.0102 (16), of
19 a transmission company that is organized as a limited liability company under ch.
20 183 or the bylaws of a transmission company that is organized as a corporation under
21 ch. 180 shall provide for each of the following:

22 1. That the transmission company has no less than 5 nor more than 14
23 managers or directors, except that the operating agreement or bylaws may allow the
24 requirements of this subdivision to be modified upon a unanimous vote of the
25 managers or directors during the 10-year period after the organizational start-up

1 date or upon a two-thirds vote of the board of directors or managers after such
2 10-year period.

3 2. That at least 4 managers or directors of the transmission company have
4 staggered 4-year terms, are elected by a majority vote of the voting security holders
5 and are not directors, employees or independent contractors of a person engaged in
6 the production, sale, marketing, transmission or distribution of electricity or natural
7 gas or of an affiliate of such a person.

8 3. That, during the 10-year period after the organizational start-up date, each
9 of the following is satisfied, subject to the limitation on the number of managers or
10 directors under subd. 1.:

11 a. Each nontransmission utility security holder that owns 10% or more of the
12 outstanding voting securities of the transmission company may appoint one
13 manager or director of the transmission company for a one-year term, except that
14 the requirements of this subd. 3. a. may be modified upon a unanimous vote of the
15 managers or directors.

16 b. Each group of nontransmission utility security holders that, as a group, owns
17 10% or more of the outstanding voting securities of the transmission company may
18 appoint one manager or director of the transmission company for a one-year term
19 if the group has entered into a written agreement regarding the appointment and the
20 group files the agreement with the transmission company, except that the
21 requirements of this subd. 3. b. may be modified upon a unanimous vote of the
22 managers or directors.

23 bg. Each nontransmission utility security holder that makes an appointment
24 under subd. 3. a. is not allowed to make an appointment under subd. 3. b. as a
25 member of a group of nontransmission utility security holders.

1 br. Each nontransmission utility security holder that makes an appointment
2 as a member of a group under subd. 3. b. is not allowed to make an appointment
3 under subd. 3. a.

4 c. Each person that receives at least 5% of the voting securities of the
5 transmission company under sub. (6)(a) 1. or 3. may appoint one manager or director
6 of the transmission company for a one-year term if the person continues to hold at
7 least a 5% equity interest in the transmission company during the one-year term
8 and if the person does not make an appointment under subd. 3. a., b. or d.

9 d. Each transmission utility security holder may appoint one manager or
10 director of the transmission company for a one-year term.

11 4. That, during the 5-year period after the organizational start-up date, no
12 public utility affiliate that contributes transmission facility assets to the
13 transmission company under sub. (5) (b) and no affiliate of such a public utility
14 affiliate may increase its percentage share of the outstanding securities of the
15 transmission company prior to any initial issuance of securities by the transmission
16 company to any 3rd party other than a 3rd party exercising its right to purchase
17 securities under sub. (6) (a) 3., except that this subdivision does not apply to
18 securities that are issued by the transmission company in exchange for transmission
19 facilities that are contributed in addition to the transmission facilities that are
20 contributed under sub. (5) (b) and except that the requirements of this subdivision
21 may be modified upon a unanimous vote of the managers or directors.

22 5. That, beginning 3 years after the organizational start-up date, any holder
23 of 10% or more of the securities of the transmission company may require the
24 transmission company to comply with any state or federal law that is necessary for
25 the security holder to sell or transfer its shares.

1 (d) *Commission jurisdiction.* The transmission company is subject to the
2 jurisdiction of the commission except to the extent that it is subject to the exclusive
3 jurisdiction of the federal energy regulatory commission.

4 ✓ ***b1931/1.18* SECTION 2335ud.** 196.485 (4) (a) (intro.) of the statutes is
5 amended to read:

6 196.485 (4) (a) (intro.) ~~A~~ Except as provided in par. (am), a transmission utility
7 may not transfer control over, or divest its interest in, its transmission facilities to
8 an independent system operator or independent transmission owner unless, to the
9 satisfaction of the commission, each of the following requirements is satisfied:

10 ✓ ***b1931/1.18* SECTION 2335uf.** 196.485 (4) (am) of the statutes is created to
11 read:

12 196.485 (4) (am) Each transmission utility in the transmission area that is a
13 public utility shall become a member of the Midwest independent system operator
14 no later than June 30, 2000, and shall transfer operational control over its
15 transmission facilities to the Midwest independent system operator. Each such
16 transmission utility that has not contributed its transmission facilities to the
17 transmission company shall elect to become part of the single zone for pricing
18 purposes within the Midwest independent system operator and any phase-in plan
19 prepared under sub. (3m) (a) 4.

20 ✓ ***b1931/1.18* SECTION 2335uh.** 196.485 (5) of the statutes is created to read:

21 196.485 (5) PUBLIC UTILITY AFFILIATES. (a) *Asset cap exception.* Section 196.795
22 (6m) (e) does not apply to the eligible assets of a nonutility affiliate in a holding
23 company system unless each public utility affiliate in the holding company system
24 does each of the following:

1 1. Petitions the commission and the federal energy regulatory commission to
2 approve the transfer of operational control of all the public utility affiliate's
3 transmission facilities in this state and in Iowa, Michigan, Minnesota and Illinois to
4 the Midwest independent system operator.

5 2. Files with the commission an unconditional, irrevocable and binding
6 commitment to contribute, no later than September 30, 2000, all of the transmission
7 facilities that the public utility affiliate owns or operates in this state on the effective
8 date of this subdivision [revisor inserts date], and land rights, to the transmission
9 company. A filing under this subdivision shall specify a date no later than September
10 30, 2000, on which the public utility affiliate will complete the contribution of
11 transmission facilities.

12 3. Files with the commission an unconditional, irrevocable and binding
13 commitment to contribute, and to cause each entity into which it merges or
14 consolidates or to which it transfers substantially all of its assets to contribute, any
15 transmission facility in this state the ownership or control of which it acquires after
16 the effective date of this subdivision [revisor inserts date], and land rights, to the
17 transmission company.

18 4. Notifies the commission in writing that the public utility affiliate has become
19 a member of the Midwest independent system operator, has agreed to transfer its
20 transmission facilities to the Midwest independent system operator and has
21 committed not to withdraw its membership prior to the date on which the public
22 utility affiliate contributes transmission facilities to the transmission company
23 under par. (b).

24 5. Petitions the commission and the federal energy regulatory commission to
25 approve the contributions specified in subds. 2. and 3. and agrees in such a petition

1 not to withdraw the petition in the event that the commission or the federal energy
2 regulatory commission conditions its approval on changes that are consistent with
3 state and federal law.

4 (b) *Contribution of transmission facilities.* 1. A public utility affiliate may not
5 contribute a transmission facility to the transmission company until the commission
6 has reviewed the terms and conditions of the transfer to determine whether the
7 transfer satisfies the requirements of this subsection and has issued an order
8 approving the terms and conditions of the transfer. The commission may modify the
9 terms and conditions of the transfer and take any other action necessary to satisfy
10 the requirements of this subsection. An order under this subdivision that approves
11 or modifies the terms and conditions of a transfer may allow a public utility affiliate
12 to recover in retail rates any adverse tax consequences of the transfer as a transition
13 cost.

14 2. The transmission company and a public utility affiliate that files a
15 commitment to contribute transmission facilities under par. (a) 2. shall structure the
16 transfer of the transmission facilities in a manner that satisfies each of the following:

17 a. The structure of the transfer avoids or minimizes material adverse tax
18 consequences to the public utility affiliate from the transfer and avoids or minimizes
19 material adverse consequences on public utility rates that do not arise out of
20 combining the transmission company's facilities into a single zone in the Midwest
21 independent system operator.

22 b. To the extent practicable, the structure of the transfer satisfies the
23 requirements of the Internal Revenue Service for a tax-free transfer.

24 3. The requirements under subd. 2. b. shall, if practicable, be satisfied by the
25 transmission company's issuance of a preferred class of securities that provides the

1 fixed-cost portion of the resulting capital structure of the transmission company.
2 The transmission company shall issue preferred securities under this subdivision on
3 a basis that does not dilute the voting rights of the initial security holders relative
4 to the value of their initial contributions.

5 4. If the transfer of transmission assets under this paragraph results in a
6 capital structure of the transmission company in which the percentage of common
7 equity is materially higher than that of the public utility affiliates who made the
8 transfer, or if the cost of the fixed-cost portion of the capital structure of the
9 transmission company is materially higher than that of the public utility affiliates
10 who made the transfer, the public utility affiliates shall enter into a contract with the
11 transmission company under which the public utility affiliates agree to accept from
12 the transmission company a return on common equity based upon the equity rate of
13 return approved by the federal energy regulatory commission and upon an imputed
14 capital structure that assigns to a portion of the public utility affiliates' common
15 equity holdings an imputed debt return that is consistent with the requirements of
16 this subdivision. A contract under this subdivision shall specify that the public
17 utility affiliates shall be required to accept the return on common equity described
18 in this subdivision only until such time that the federal energy regulatory
19 commission determines that the actual capital structure and capital costs of the
20 transmission company are appropriate and consistent with industry practice for a
21 regulated public utility that provides electric transmission service in interstate
22 commerce.

23 5. If, at the time that a public utility affiliate files a commitment under par. (a)
24 2., the public utility affiliate has applied for or obtained a certificate of public
25 convenience and necessity under s. 196.491 (3) or a certificate under s. 196.49 for the

1 construction of transmission facilities, the public utility affiliate shall do each of the
2 following:

3 a. Proceed with diligence with respect to obtaining the certificate and, except
4 as provided in subd. 6., constructing the transmission facilities.

5 b. If the commission determines that the cost of the transmission facilities is
6 reasonable and prudent, transfer the transmission facilities to the transmission
7 company at net book value when construction is completed in exchange for additional
8 securities of the transmission company on a basis that is consistent with the
9 securities that were initially issued to the public utility affiliate.

10 6. If the construction of a transmission facility specified in subd. 5. a. is not
11 completed within 3 years after a certificate is issued for the transmission facility
12 under s. 196.49 or 196.491 (3), the transmission company may assume responsibility
13 for completing construction of the transmission facility. If the transmission company
14 assumes responsibility for completing construction under this subdivision, the
15 transmission company shall carry out any obligation under any contract entered into
16 by the public utility with respect to the construction until the contract is modified or
17 rescinded by the transmission company to the extent allowed under the contract.

18 7. Any transmission facilities that are contributed to the transmission
19 company shall be valued at net book value determined on the basis of the regulated
20 books of account at the time of the transfer.

21 (bm) *Lease of transmission facilities.* If a public utility affiliate is not able to
22 contribute its transmission facilities to the transmission company as required under
23 par. (b) due to merger-related accounting requirements, the public utility affiliate
24 shall transfer the transmission facilities to the transmission company under a lease
25 for the period of time during which the accounting requirements are in effect and,

1 after such requirements are no longer in effect, contribute the transmission facilities
2 to the transmission company under par. (b). A public utility affiliate that transfers
3 transmission facilities under a lease under this paragraph does not qualify for the
4 asset cap exception under par. (a) unless, during the term of the lease, the public
5 utility affiliate does not receive any voting interest in the transmission company.

6 (c) *Contribution of land rights.* 1. A public utility affiliate that commits to
7 contributing land rights to the transmission company under par. (a) 2. shall do each
8 of the following:

9 a. Except as provided in subd. 2., if the land right is assigned to a transmission
10 account for rate-making purposes and is not jointly used for electric and gas
11 distribution facilities by the public utility affiliate, the public utility affiliate shall
12 convey or assign at book value all of its interest in the land right to the transmission
13 company, except that any conveyance or assignment under this subd. 1. a. shall be
14 subject to the rights of any joint user of the land right and to the right of the public
15 utility affiliate to nondiscriminatory access to the real estate that is subject to the
16 land right.

17 b. If the land right is jointly used, or is intended to be jointly used, for electric
18 and gas distribution facilities by the public utility affiliate, the public utility affiliate
19 shall enter into a contract with the transmission company that grants the
20 transmission company a right to place, maintain, modify or replace the transmission
21 company's transmission facilities on the real property that is subject to the land right
22 during the life of the transmission facilities and the life of any replacements of the
23 transmission facilities. A right granted in a contract under this subd. 1. b. shall be
24 paramount to the right of any other user of the land right, except that a right granted

1 in such a contract shall be on par with the right of the public utility affiliate to use
2 the land right for electric or gas distribution facilities.

3 2. If a public utility affiliate is prohibited from making a conveyance or
4 assignment described in subd. 1. a., the public utility affiliate shall enter into a
5 contract with the transmission company that grants the transmission company
6 substantially the same rights as under such a conveyance or assignment. For
7 purposes of a contract under this subdivision, a land right shall be valued at book
8 value, not at market value.

9 3. The commission shall resolve any dispute over the contribution of a land
10 right under subd. 1. or 2., including a dispute over the valuation of such a land right,
11 unless a federal agency exercises jurisdiction over the dispute. During the pendency
12 of any dispute that is before the commission or a federal agency, the transmission
13 company shall be entitled to use the land right that is the subject to the dispute and
14 shall be required to pay any compensation that is in dispute into an escrow account.

15 (d) *Applicability.* Notwithstanding sub. (1) (h), and subject to any approval
16 required under federal law, for purposes of this subsection, a facility of a public utility
17 affiliate is a transmission facility if any of the following applies:

18 1. The facility is not a radial facility and the facility is designed for operation
19 at a nominal voltage of more than 130 kilovolts.

20 2. The facility is not a radial facility and the facility is designed for operation
21 at a nominal voltage of more than 50 kilovolts but not more than 130 kilovolts, unless
22 a person has demonstrated to the commission that the facility is not a transmission
23 facility on the basis of factors for identifying a transmission facility that are specified
24 in the orders of the federal energy regulatory commission under 16 USC 824d and
25 824e.

1 3. The facility is a radial facility or is designed for operation at a nominal
2 voltage of 50 kilovolts or less, and a person has demonstrated to the commission that
3 the facility is a transmission facility on the basis of factors for identifying a
4 transmission facility that are specified in the orders of the federal energy regulatory
5 commission under 16 USC 824d and 824e.

6 ✓ ***b1931/1.18* SECTION 2335uj.** 196.485 (6) of the statutes is created to read:

7 196.485 (6) ELECTRIC UTILITIES, TRANSMISSION DEPENDENT UTILITIES AND RETAIL
8 ELECTRIC COOPERATIVES. (a) No later than the first day of the 12th month beginning
9 after the first public utility affiliate files a commitment under sub. (5) (a) 2.:

10 1. An electric utility, other than a public utility affiliate or an owner or operator
11 of a wholesale merchant plant, as defined in s. 196.491 (1) (w), may transfer all of its
12 transmission facilities that are specified in subd. 2. to the transmission company on
13 the same terms and conditions as a contribution of transmission facilities and land
14 rights by a public utility affiliate under sub. (5) (b) and (c).

15 2. An electric utility may transfer transmission facilities under subd. 1. if the
16 transmission facilities are located in the geographic area that is served by the
17 Mid-America Interconnected Network, Inc., or the Mid-Continent Area Power Pool
18 reliability council of the North American Electric Reliability Council.

19 3. A transmission-dependent utility or retail electric cooperative may
20 purchase equity interests in the transmission company at a price that is equivalent
21 to net book value and on terms and conditions that are comparable to those for public
22 utility affiliates that have contributed transmission facilities to the transmission
23 company. A purchaser under this subdivision may contribute funds to the
24 transmission company that are no more than the value of its prorated shares based
25 on firm electric usage in this state in 1999.

1 (b) Notwithstanding sub. (1) (h), and subject to any approval required under
2 federal law, for purposes of this subsection, a facility of an electric utility is a
3 transmission facility if the criteria specified in sub. (5) (d) 1., 2. or 3. are satisfied.

4 ✓ ***b1931/1.18* SECTION 2335uk.** 196.485 (6m) of the statutes is created to read:

5 196.485 (6m) DIVIDENDS, DISTRIBUTIONS, PROFITS AND GAINS. The commission
6 may not treat any dividend or distribution received by a transmission utility from
7 the transmission company or any gain or profit of a transmission utility from the sale
8 or other disposition of securities issued by the transmission company as a credit
9 against the retail revenue requirements of the transmission utility.

10 ✓ ***b1931/1.18* SECTION 2335um.** 196.485 (7) of the statutes is created to read:

11 196.485 (7) ENFORCEMENT. A wholesale or retail customer of a public utility
12 affiliate may petition the circuit court for Dane County for specific performance of
13 a commitment filed under sub. (5) (a) 2. or 3.

14 ✓ ***b1931/1.18* SECTION 2335uo.** 196.485 (8) of the statutes is created to read:

15 196.485 (8) PENALTIES. A public utility affiliate that fails to complete the
16 contribution of transmission facilities to the transmission company by the
17 completion date specified in the filing under sub. (5) (a) 2. shall forfeit \$25,000 for
18 each day that completion of the contribution is delayed if the transmission company
19 is legally able to accept the contribution.

20 ✓ ***b1931/1.18* SECTION 2335uq.** 196.487 of the statutes is created to read:

21 **196.487 Reliability of electric service. (1) DEFINITIONS.** In this section:

22 (a) “Public utility affiliate” has the meaning given in s. 196.795 (1) (L).

23 (b) “Transmission company” has the meaning given in s. 196.485 (1) (ge).

24 (2) COMMISSION ORDER. If the commission determines that a public utility
25 affiliate or the transmission company is not making investments in the facilities

1 under its control that are sufficient to ensure reliable electric service, the commission
2 shall order the public utility affiliate or transmission company to make adequate
3 investments in its facilities that are sufficient to ensure reliable electric service. An
4 order under this subsection shall require the public utility affiliate or transmission
5 company to provide security in an amount and form that, to the satisfaction of the
6 commission, is sufficient to ensure that the public utility affiliate or transmission
7 company expeditiously makes any investment that is ordered.

8 (3) COST RECOVERY. The commission shall allow a public utility affiliate that is
9 subject to an order under sub. (2) to recover in its retail electric rates the costs that
10 are prudently incurred in complying with the order.

11 ✓*b1931/1.18* SECTION 2335wb. 196.491 (3) (d) 3r. of the statutes is created to
12 read:

13 196.491 (3) (d) 3r. For a high-voltage transmission line that is proposed to
14 increase the transmission import capability into this state, existing rights-of-way
15 are used to the extent practicable and the routing and design of the high-voltage
16 transmission line minimizes environmental impacts in a manner that is consistent
17 with achieving reasonable electric rates.

18 ✓*b1931/1.18* SECTION 2335wd. 196.491 (3) (d) 3t. of the statutes is created to
19 read:

20 196.491 (3) (d) 3t. For a high-voltage transmission line that is designed for
21 operation at a nominal voltage of 345 kilovolts or more, the high-voltage
22 transmission line provides usage, service or increased regional reliability benefits to
23 the wholesale and retail customers or members in this state and the benefits of the
24 high-voltage transmission line are reasonable in relation to the cost of the
25 high-voltage transmission line.

1 ✓ ***b1931/1.18* SECTION 2335wf.** 196.491 (3) (gm) of the statutes is created to
2 read:

3 196.491 (3) (gm) The commission may not approve an application filed after the
4 effective date of this paragraph [revisor inserts date], under this section for a
5 certificate of public convenience and necessity for a high-voltage transmission line
6 that is designed for operation at a nominal voltage of 345 kilovolts or more unless the
7 approval includes the condition that the applicant shall pay the fees specified in sub.
8 (3g) (a). If the commission has approved an application under this section for a
9 certificate of public convenience and necessity for a high-voltage transmission line
10 that is designed for operation at a nominal voltage of 345 kilovolts or more that was
11 filed after April 1, 1999, and before the effective date of this paragraph [revisor
12 inserts date], the commission shall require the applicant to pay the fees specified in
13 sub. (3g) (a). For any application subject to this paragraph, the commission shall
14 determine the cost of the high-voltage transmission line, identify the counties,
15 towns, villages and cities through which the high-voltage transmission line is routed
16 and allocate the amount of investment associated with the high-voltage
17 transmission line to each such county, town, village and city.

18 ✓ ***b1931/1.18* SECTION 2335wh.** 196.491 (3g) of the statutes is created to read:
19 196.491 (3g) FEES FOR CERTAIN HIGH-VOLTAGE TRANSMISSION LINES. (a) A person
20 who receives a certificate of public convenience and necessity for a high-voltage
21 transmission line that is designed for operation at a nominal voltage of 345 kilovolts
22 or more under sub. (3) shall pay the department of administration an annual impact
23 fee as specified in the rules promulgated by the department of administration under
24 s. 16.969 (2) (a) and shall pay the department of administration a one-time

1 environmental impact fee as specified in the rules promulgated by the department
2 of administration under s. 16.969 (2) (b).

3 (b) A person that pays a fee under par. (a) may not use the payment to offset
4 any other mitigation measure that is required in an order by the commission under
5 sub. (3) regarding the certificate of public convenience and necessity specified in par.
6 (a).

7 ✓*b1931/1.18* SECTION 2335wj. 196.491 (3m) (b) 2. of the statutes is amended
8 to read:

9 196.491 (3m) (b) 2. The analytical process specified in subd. 1. b. shall, to the
10 extent practicable, be consistent with the analytical process described in the merger
11 enforcement policy of the federal department of justice and the federal trade
12 commission regarding horizontal acquisitions and mergers that are subject to 15
13 USC 1, 18 or 45, as defined in s. 196.485 (1) (dr).

14 ✓*b1931/1.18* SECTION 2335wL. 196.494 (3) of the statutes is amended to read:

15 196.494 (3) ~~No later than December 31, 2004, the~~ The commission may ~~shall,~~
16 under this subsection, issue an order requiring the transmission company, as defined
17 in s. 196.485 (1) (ge), or an electric utility to construct or procure, on a competitive
18 basis, the construction of transmission facilities specified by the commission in its
19 order if the commission determines that, based on the results of the study under sub.
20 (2), such construction is necessary to relieve a constraint on a transmission system
21 and the construction will materially benefit the customers of the transmission
22 company or electric utility or other electric utilities or of an independent system
23 operator, as defined in s. 196.485 (1) (d), or independent transmission owner, as
24 defined in s. 196.485 (1) (dm).

25 ✓*b1931/1.18* SECTION 2335wn. 196.494 (5) of the statutes is created to read:

1 196.494 (5) The governor may, on behalf of this state, enter into an interstate
2 compact that establishes a joint process for the states in the upper midwest region
3 of the United States to determine the need for and siting of regional electric
4 transmission facilities that may affect electric service in this state. The governor
5 may not enter into a compact under this subsection unless the compact includes
6 requirements and procedures for establishing each of the following:

7 (a) Compliance with each state's environmental and siting standards for
8 transmission facilities.

9 (b) A regional need determination for transmission facilities.

10 (c) A mechanism for resolving conflicts between the states regarding the siting
11 of transmission facilities.

12 ✓ *b1931/1.18* SECTION 2335wp. 196.52 (3) (a) of the statutes is amended to
13 read:

14 196.52 (3) (a) In this subsection, "contract or arrangement" means a contract
15 or arrangement providing for the furnishing of management, supervisory,
16 construction, engineering, accounting, legal, financial or similar services and any
17 contract or arrangement for the purchase, sale, lease or exchange of any property,
18 right, or thing, or for the furnishing of any service, property, right, or thing, other
19 than management, supervisory, construction, engineering, accounting, legal,
20 financial or similar services, but "contract or arrangement" does not include a
21 contract or arrangement under which a transmission utility, as defined in s. 196.485
22 (1) (i), sells or transfers securities, as defined in s. 196.485 (1) (fe), that have been
23 issued by a transmission company, as defined in s. 196.485 (1) (ge). Except as
24 provided under par. (b), unless and until the commission gives its written approval,
25 any contract or arrangement is not valid or effective if the contract or arrangement

1 is made between a public utility and an affiliated interest after June 7, 1931. Every
2 public utility shall file with the commission a verified copy of any contract or
3 arrangement, a verified summary of any unwritten contract or arrangement, and
4 any contract or arrangement, written or unwritten, which was in effect on June 7,
5 1931. The commission shall approve a contract or arrangement made or entered into
6 after June 7, 1931, only if it shall clearly appear and be established upon
7 investigation that it is reasonable and consistent with the public interest. The
8 commission may not approve any contract or arrangement unless satisfactory proof
9 is submitted to the commission of the cost to the affiliated interest of rendering the
10 services or of furnishing the property or service to each public utility or of the cost
11 to the public utility of rendering the services or of furnishing the property or service
12 to each affiliated interest. No proof is satisfactory under this paragraph unless it
13 includes the original (or verified copies) of the relevant cost records and other
14 relevant accounts of the affiliated interest, or an abstract of the records and accounts
15 or a summary taken from the records and accounts if the commission deems the
16 abstract or summary adequate. The accounts shall be properly identified and duly
17 authenticated. The commission, where reasonable, may approve or disapprove a
18 contract or arrangement without submission of the cost records or accounts.

19 ✓ ***b1931/1.18* SECTION 2335ya.** 196.795 (1) (g) 1. of the statutes is amended to
20 read:

21 196.795 (1) (g) 1. As a beneficial owner, to take, hold or acquire 5% or more of
22 the outstanding voting securities of a public utility, other than a transmission
23 company, with the unconditional power to vote those securities.

24 ✓ ***b1931/1.18* SECTION 2335yb.** 196.795 (1) (g) 2. of the statutes is amended to
25 read:

1 196.795 (1) (g) 2. To exchange or convert 50% or more of the outstanding voting
2 securities of a public utility, other than a municipality or other political subdivision
3 or a transmission company, for or into the voting securities of a company organized,
4 created, appointed or formed by or at the direction of the public utility or of a
5 subsidiary of such company.

6 ✓*b1931/1.18* SECTION 2335yc. 196.795 (1) (h) 3. of the statutes is created to
7 read:

8 196.795 (1) (h) 3. “Holding company” does not include a transmission company.

9 ✓*b1931/1.18* SECTION 2335yd. 196.795 (1) (p) of the statutes is created to
10 read:

11 196.795 (1) (p) “Transmission company” has the meaning given in s. 196.485
12 (1) (ge).

13 ✓*b1931/1.18* SECTION 2335ye. 196.795 (5) (i) 1. of the statutes is amended to
14 read:

15 196.795 (5) (i) 1. Shall consider the public utility affiliate as a wholly
16 independent corporation and shall impute a capital structure to the public utility
17 affiliate and establish a cost of capital for the public utility affiliate on a stand-alone
18 basis;

19 ✓*b1931/1.18* SECTION 2335yf. 196.795 (5) (p) 1., 2., 3. and 4. of the statutes
20 are renumbered 196.795 (6m) (b) 1., 2., 3. and 4.

21 ✓*b1931/1.18* SECTION 2335yg. 196.795 (5) (pm) 1. (intro.) of the statutes is
22 repealed.

23 ✓*b1931/1.18* SECTION 2335yh. 196.795 (5) (pm) 1. a. of the statutes is
24 renumbered 196.795 (6m) (a) 3.

1 ✓ ***b1931/1.18* SECTION 2335yi.** 196.795 (5) (pm) 1. b. of the statutes is
2 renumbered 196.795 (6m) (a) 5.

3 ✓ ***b1931/1.18* SECTION 2335yj.** 196.795 (5) (pm) 1. c. of the statutes is
4 renumbered 196.795 (6m) (a) 6.

5 ✓ ***b1931/1.18* SECTION 2335yk.** 196.795 (5) (pm) 2. of the statutes is
6 renumbered 196.795 (6m) (c) and amended to read:

7 196.795 (6m) (c) Wholesale merchant plants. The assets of a wholesale
8 merchant plant shall not be included in the sum of the assets of a public utility
9 affiliate under par. (p) (b) 1. a., b. or c. and shall not be included in a nonutility
10 affiliate's total assets under par. (p) (b) 2. a. if the requirements specified in s. 196.491
11 (3m) (a) 1. and 2. are satisfied or if the wholesale merchant plant qualifies for the
12 exemption under s. 196.491 (3m) (e).

13 ✓ ***b1931/1.18* SECTION 2335yL.** 196.795 (5) (pm) 3. of the statutes is
14 renumbered 196.795 (6m) (d) and amended to read:

15 196.795 (6m) (d) Foreign affiliates. The assets of a foreign affiliate shall be
16 included in the sum of the assets of a public utility affiliate under par. (p) (b) 1. a.,
17 b. or c. and shall not be included in a nonutility affiliate's total assets under par. (p)
18 (b) 2. a.

19 ✓ ***b1931/1.18* SECTION 2335ym.** 196.795 (6m) (title) of the statutes is created
20 to read:

21 196.795 (6m) (title) ASSET CAP.

22 ✓ ***b1931/1.18* SECTION 2335yn.** 196.795 (6m) (a) (intro.) of the statutes is
23 created to read:

24 196.795 (6m) (a) Definitions. (intro.) In this subsection:

1 ✓ ***b1931/1.18* SECTION 2335yo.** 196.795 (6m) (a) 1. of the statutes is created
2 to read:

3 196.795 (6m) (a) 1. “Contributor public utility affiliate” means a public utility
4 affiliate that has contributed its transmission facilities to the transmission company
5 under s. 196.485 (5) (b).

6 ✓ ***b1931/1.18* SECTION 2335yp.** 196.795 (6m) (a) 2. of the statutes is created
7 to read:

8 196.795 (6m) (a) 2. “Eligible asset” means an asset of a nonutility affiliate that
9 is used for any of the following:

10 a. Producing, generating, transmitting, delivering, selling or furnishing gas,
11 oil, electricity or steam energy.

12 b. Providing an energy management, conservation or efficiency product or
13 service or a demand-side management product or service.

14 c. Providing an energy customer service, including metering or billing.

15 d. Recovering or producing energy from waste materials.

16 e. Processing waste materials.

17 f. Manufacturing, distributing or selling products for filtration, pumping water
18 or other fluids, processing or heating water, handling fluids or other related
19 activities.

20 g. Providing a telecommunications service, as defined in s. 196.01 (9m).

21 h. Providing an environmental engineering service.

22 ✓ ***b1931/1.18* SECTION 2335yq.** 196.795 (6m) (a) 4. of the statutes is created
23 to read:

1 196.795 (6m) (a) 4. "Generation assets" means assets that are classified as
2 electric generation assets on the books of account of a public utility, as determined
3 by the commission.

4 ✓*b1931/1.18* SECTION 2335yr. 196.795 (6m) (b) (title) of the statutes is created
5 to read:

6 196.795 (6m) (b) *In general.*

7 ✓*b1931/1.18* SECTION 2335ys. 196.795 (6m) (e) of the statutes is created to
8 read:

9 196.795 (6m) (e) *Contributor public utility affiliates.* 1. The eligible assets of
10 a nonutility affiliate in a holding company system that includes each of the
11 contributor public utility affiliates in the holding company system shall not be
12 included in the sum of the assets of the public utility affiliates under par. (b) 1. a.,
13 b. or c. and shall not be included in the nonutility affiliate's total assets under par.
14 (b) 2. a.

15 2. For purposes of subd. 1., all of the assets of a nonutility affiliate shall be
16 considered eligible assets if each of the following is satisfied:

17 a. The bylaws of the nonutility affiliate or a resolution adopted by its board of
18 directors specifies that the business of the nonutility affiliate is limited to activities
19 involving eligible assets.

20 b. Substantially all of the assets of the nonutility affiliate are eligible assets.

21 3. The net book value of transmission facility assets that a contributor public
22 utility affiliate has contributed to a transmission company under s. 196.485 (5) (b)
23 shall be included in the sum of the assets of the public utility affiliate under par. (b)
24 1. a., b. and c. In determining net book value under this subdivision, accumulated

1 depreciation shall be calculated as if the contributor public utility affiliate had not
2 contributed the assets.

3 4. The net book value of generation assets that a contributor public utility
4 affiliate has transferred to a person that is not affiliated with the public utility
5 affiliate pursuant to the order of the commission, a court or a federal regulatory
6 agency shall be included in the sum of the assets of the public utility affiliate under
7 par. (b) 1. a., b. and c. In determining net book value under this subdivision,
8 accumulated depreciation shall be calculated as if the contributor public utility
9 affiliate had not transferred the assets.

10 ✓ ***b1931/1.18* SECTION 2335ysm.** 196.795 (7) (a) (intro.) of the statutes is
11 amended to read:

12 196.795 (7) (a) (intro.) No sooner than the first day of the 36th month after the
13 formation of a holding company and at least once every 3 years thereafter, the
14 commission shall investigate the impact of the operation of every holding company
15 system formed on or after November 28, 1985, on every public utility affiliate in the
16 holding company system and shall determine whether each nonutility affiliate,
17 except for the nonutility affiliates of a holding company that were affiliates of a
18 holding company that was formed before November 28, 1985, does, or can reasonably
19 be expected to do, at least one of the following:

20 ✓ ***b1931/1.18* SECTION 2335yt.** 196.795 (11) (b) of the statutes is amended to
21 read:

22 196.795 (11) (b) This section shall be deemed to legalize and confirm the
23 formation, prior to November 28, 1985, of any holding company, which is not itself
24 a public utility, and shall be deemed to legalize and confirm the operations and
25 issuances of securities of the holding company, except that nothing in this section

1 shall be deemed to prevent the commission from imposing reasonable terms,
2 limitations or conditions on any holding company which are consistent with the
3 requirements of sub. ~~(5) (pm)~~ (6m) (c) or (d) or which are consistent with and
4 necessary to satisfy the requirements of sub. (5) (b) to (o) and (q) to (s) or which relate
5 to future investments by the holding company unless the holding company owns,
6 operates, manages or controls a telecommunications utility and does not also own,
7 operate, manage or control a public utility which is not a telecommunications utility.

8 ✓*b1931/1.18* SECTION 2335yu. 196.795 (11) (c) of the statutes is created to
9 read:

10 196.795 (11) (c) The commission may not impose upon a holding company the
11 formation of which is considered to be legalized and confirmed under par. (b) any
12 term, limitation or condition under par. (b) that establishes the sum of the holding
13 company's nonutility affiliate assets at less than 25% of the sum of the holding
14 company's utility affiliate assets. For purposes of this paragraph, any term,
15 limitation or condition on nonutility affiliate assets shall not apply to the ownership,
16 operation, management or control of any eligible asset, as defined under sub. (6m)
17 (a) 2.

18 ✓*b1931/1.18* SECTION 2335yum. 196.796 of the statutes is created to read:

19 **196.796 Real estate activities. (1)** In this section:

20 (a) "Brownfields facility or site" means any abandoned, idle or underused
21 industrial or commercial facility or site, the use, expansion or redevelopment of
22 which is adversely affected by actual environmental contamination.

23 (b) 1. "Commercial construction" means the act of building any structure, or
24 that part of any structure, that is not used as a home, residence or sleeping place by
25 one or more persons maintaining a common household to the exclusion of all others.

1 2. “Commercial construction” does not include any of the following:

2 a. Any repair, maintenance, installation or construction of a structure owned
3 or used by or for a public utility, or for a customer of a public utility, if the repair,
4 maintenance, installation or construction is related to furnishing heat, light, water
5 or power to the customer.

6 b. Any construction related to the evaluation, control or remediation of
7 hazardous substances; solid, liquid or gaseous wastes; soils; air; or water.

8 c. Any construction performed in order to comply with federal, state or local
9 environmental laws, regulations, orders or rules.

10 (c) “Economic development” means development that is designed to promote
11 job growth or retention, expand the property tax base or improve the overall
12 economic vitality of a municipality, as defined in s. 30.01 (4), or region.

13 (d) “Engage” means to actively participate in the daily operations or daily
14 business decisions of an entity. “Engage” does not include taking an action necessary
15 to protect an ownership interest in an entity.

16 (dg) “Entity” has the meaning given in s. 180.0103 (8).

17 (dr) “Financial support” includes investments, loans and grants.

18 (e) “Holding company system” has the meaning given in s. 196.795 (1) (i).

19 (f) “Improvements” means any valuable addition made to land, including
20 excavations, gradings, foundations, structures, buildings, streets, parking lots,
21 sidewalks, sewers, septic systems and drainage facilities. “Improvements” does not
22 include any repair, maintenance, installation or construction of structures or
23 facilities owned or used by or for a public utility, or by or for a customer of a public
24 utility, if the repair, maintenance, installation or construction is related to furnishing
25 heat, light, water or power to the customer.

1 (g) “Nonutility affiliate” means a subsidiary of a public utility or a company in
2 a holding company system that is not a public utility. “Nonutility affiliate” does not
3 include a passively held company.

4 (gm) “Passively held company” means an entity that satisfies each of the
5 following:

6 1. Less than 50% of the ownership interest of the entity is directly or indirectly
7 owned in any chain of successive ownership by a public utility or nonutility affiliate.

8 2. The entity engages in property management for a 3rd party, real estate
9 practice, residential real estate development or residential or commercial
10 construction.

11 (h) “Property management” means any activity associated with the care or
12 maintenance of land or improvements, including business planning and budgeting,
13 accounting, lease administration, tenant relations and retention, security,
14 maintenance of common areas, rent collections, financial reporting, service contract
15 administration and inspections.

16 (hm) “Public utility” means every corporation, company, individual or
17 association and their lessees, trustees or receivers appointed by any court or state
18 or federal agency, that may own, operate, manage or control all or any part of a plant
19 or equipment, within the state, for the production, transmission, delivery or
20 furnishing of electricity directly to or for the public, except that “public utility” does
21 not include any municipal utility or municipal electric company, as defined in s.
22 66.073 (3) (d), or any cooperative association organized under ch. 185 for the purpose
23 of producing or furnishing heat, light, power or water to its members only.

24 (i) “Real estate practice” has the meaning given in s. 452.01 (6).

1 (j) “Residential construction” means the act of building any structure, or that
2 part of any structure that is used as a home, residence or sleeping place by one or
3 more persons maintaining a common household to the exclusion of all others.

4 (k) “Residential real estate development” means the act of dividing or
5 subdividing any parcel of land for residential construction or making improvements
6 to facilitate or allow residential construction.

7 (L) “Third party” means any person other than a public utility or nonutility
8 affiliate.

9 (2) PROHIBITED ACTIVITIES. Except as provided in sub. (4), a public utility or
10 nonutility affiliate may not do any of the following in this state:

- 11 (a) Engage in real estate practice.
12 (b) Engage in residential real estate development.
13 (c) Engage in property management for a 3rd party.
14 (d) Engage in residential or commercial construction.

15 (3) PERMITTED ACTIVITIES. (a) Subsection (2) does not prohibit a public utility
16 or nonutility affiliate from doing any of the following:

17 1. Repairing, maintaining, installing or constructing a structure that is owned
18 or used by or for a public utility or nonutility affiliate, or for a customer of a public
19 utility if the repair, maintenance, installation or construction is related to furnishing
20 heat, light, water or power to the customer.

21 2. Engaging in construction that is specifically related to the evaluation,
22 control or remediation of hazardous substances; solid, liquid or gaseous wastes; soils;
23 air; or water.

24 3. Engaging in construction that is performed in order to comply with federal,
25 state or local environmental laws, regulations, orders or rules.

1 4. Consulting or making other financial or business arrangements with one or
2 more 3rd parties who will engage in commercial construction.

3 5. Consulting or making other financial or business arrangements with one or
4 more 3rd parties who will engage in residential construction or residential real
5 estate development, except that if a public utility or nonutility affiliate contracts for
6 the development of more than one residential construction project or residential real
7 estate development, the public utility or nonutility affiliate may not enter into an
8 exclusive arrangement with a 3rd party for all such residential construction or
9 residential real estate development.

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

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

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

17 7. Owning a passively held company.

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

21 1. Engaging in commercial or residential real estate development or
22 construction on property owned or acquired by the public utility or nonutility
23 subsidiary for a public utility purpose if the total annual revenues from the
24 development or construction do not exceed 3% of the total operating revenues of the
25 public utility in any year.

1 2. Providing financial support for the purpose of economic development to 3rd
2 parties that are engaged in an activity specified in sub. (2)(a) to (d). The public utility
3 or nonutility subsidiary may profit directly from that activity only through receipt
4 of profits that are incidental to the economic development project or interest earned
5 on a loan.

6 (4) EXCEPTIONS. (a) A nonutility affiliate that has engaged in residential
7 construction prior to, or is engaged in residential construction on, the effective date
8 of this paragraph [revisor inserts date], may directly or indirectly own in any
9 chain of successive ownership 50% or more of the ownership interest of an entity that
10 hires a 3rd party to engage in residential construction or commercial construction
11 that is incidental to residential construction, except that the nonutility affiliate may
12 not actively participate in the daily operations or daily business decisions of the
13 entity.

14 (b) A public utility or nonutility affiliate may engage in residential real estate
15 development at a brownfields facility or site.

16 (5) PRIVATE CAUSE OF ACTION. Any public utility or nonutility affiliate that does,
17 causes or permits to be done any action prohibited under this section or fails to
18 comply with any requirement specified in this section is liable to any person injured
19 thereby in the amount of damages sustained in consequence of the prohibited action
20 or failure to comply.

21 ✓*b1931/1.18* SECTION 2335z. 196.807 of the statutes is created to read:

22 **196.807 Energy affiliate and utility employes.** (1) DEFINITIONS. In this
23 section:

24 (a) "Affiliate or utility" means a nonutility affiliate, holding company system,
25 public utility or cooperative association organized under ch. 185.

1 (b) “Energy unit” means a unit in this state that is engaged in activities related
2 to the production, generation, transmission or distribution of electricity, gas or steam
3 or the recovery of energy from waste materials.

4 (c) “Holding company system” has the meaning given in s. 196.795 (1) (i).

5 (d) “Nonutility affiliate” has the meaning given in s. 196.795 (1) (j).

6 (e) “Public utility affiliate” has the meaning given in s. 196.795 (1) (L).

7 (f) “Sell an energy unit” means to sell, offer by lease, or otherwise transfer
8 ownership or control of the energy unit.

9 (fg) “Transmission company” has the meaning given in s. 196.485 (1) (ge).

10 (fr) “Transmission utility” has the meaning given in s. 196.485 (1) (i).

11 (g) “Unit” means a division, department or other operational business unit of
12 an affiliate or utility.

13 (2) OFFER OF EMPLOYMENT. (a) Except as provided in par. (b), a person may not
14 sell an energy unit unless the terms of the transfer require the person to which the
15 energy unit is transferred to offer employment to the nonsupervisory employes who
16 are employed with the energy unit immediately prior to the transfer and who are
17 necessary for the operation and maintenance of the energy unit.

18 (b) 1. A public utility affiliate may not sell an energy unit to a nonutility affiliate
19 in the same holding company system unless the terms of the transfer require the
20 nonutility affiliate to offer employment to all of the nonsupervisory employes who are
21 employed with the energy unit immediately prior to the transfer.

22 2. A transmission company to which an energy unit is sold by a transmission
23 utility shall, beginning on the expiration of the 3–year period specified in s. 196.485
24 (3m) (a) 1. b. or, if applicable, the expiration of any extension of such 3–year period,
25 offer employment to the nonsupervisory employes who are employed with the energy

1 unit immediately prior to the transfer and who are necessary for the operation and
2 maintenance of the energy unit.

3 (3) EMPLOYMENT TERMS AND CONDITIONS. (a) Except as provided in par. (b), the
4 employment that is offered under sub. (2) shall satisfy each of the following during
5 the 30-month period beginning immediately after the transfer:

6 1. Wage rates shall be no less than the wage rates in effect immediately prior
7 to the transfer.

8 2. Fringe benefits shall be substantially equivalent to the fringe benefits in
9 effect immediately prior to the transfer.

10 3. Terms and conditions of employment, other than wage rates and fringe
11 benefits, shall be substantially equivalent to the terms and conditions in effect
12 immediately prior to the transfer.

13 (b) A collective bargaining agreement may modify or waive a requirement
14 specified in par. (a).

15 (4) COMMISSION APPROVAL. Except for a cooperative association, as defined in
16 s. 196.491 (1) (bm), or a transmission utility that sells an energy unit to a
17 transmission company, no person may sell an energy unit unless the commission
18 determines that the person has satisfied subs. (2) and (3).”.

19 ✓*b1671/1.8* 1050. ✓ Page 1186, line 9: after that line insert:

20 ✓*b1671/1.8* “SECTION 2337a. 214.01 (1) (im) of the statutes is amended to
21 read:

22 214.01 (1) (im) “Division” means the division of savings ~~and loan~~ institutions.

23 ✓*b1671/1.8* SECTION 2338a. 214.592 of the statutes is amended to read:

NOTICE OF RELATIONSHIP

1
2 This company, (insert name and address of association, savings and loan
3 holding company or subsidiary), is related to (insert name and address of
4 association, savings and loan holding company or subsidiary) of which you are also
5 a customer. You may not be compelled to buy any product or service from either of
6 the above companies or any other related company in order to participate in this
7 transaction.

8 If you feel that you have been compelled to buy any product or service from
9 either of the above companies or any other related company in order to participate
10 in this transaction, you should contact the management of either of the above
11 companies at either of the above addresses or the division of savings ~~and loan~~
12 institutions at (insert address).”.

13 ✓*b1823/1.6* **1051**. Page 1186, line 9: after that line insert:

14 ✓*b1823/1.6* **SECTION 2336q**. 196.856 of the statutes is created to read:

15 **196.856 Assessment for stray voltage research.** (1) In this section,
16 “electric cooperative” means a cooperative association organized under ch. 185 for
17 the purpose of generating, distributing or furnishing electric energy at retail or
18 wholesale to its members only.

19 (2) The commission shall assess annually 91% of the amount appropriated
20 under s. 20.155 (1) (jm) to public utilities that produce electricity in proportion to
21 their respective electric gross operating revenues during the last calendar year,
22 derived from intrastate operations. The commission shall assess annually 9% of the
23 amount appropriated under s. 20.155 (1) (jm) to electric cooperatives in proportion
24 to their gross operating revenues during the last calendar year, derived from

1 intrastate operations. The amounts received under this section shall be credited to
2 the appropriation account under s. 20.155 (1) (jm). A public utility or electric
3 cooperative shall pay the total amount that it is assessed under this subsection
4 within 30 days after it receives a bill for that amount from the commission. The bill
5 constitutes notice of the assessment and demand of payment.”.

6 ✓*b1839/3.24* **1052**, ✓Page 1186, line 9: after that line insert:

7 ✓*b1839/3.24* “**SECTION 2341b.** 217.05 (1m) (a) (intro.) of the statutes is
8 amended to read:

9 217.05 (1m) (a) (intro.) In addition to the information required under sub. (1)
10 and except as provided in par. (c), the application shall contain the following:

11 ✓*b1839/3.24* **SECTION 2341d.** 217.05 (1m) (c) of the statutes is created to read:

12 217.05 (1m) (c) 1. If an applicant who is an individual does not have a social
13 security number, the applicant, as a condition of applying for or applying to renew
14 a license, shall submit a statement made or subscribed under oath or affirmation to
15 the division that the applicant does not have a social security number. The form of
16 the statement shall be prescribed by the department of workforce development.

17 2. Notwithstanding s. 217.09 (7), any license issued or renewed in reliance upon
18 a false statement submitted by an applicant under subd. 1 is invalid.

19 ✓*b1839/3.24* **SECTION 2341f.** 217.06 (4) of the statutes is amended to read:

20 217.06 (4) The applicant has provided ~~the~~ all information required under s.
21 217.05 (1m) (a).

22 ✓*b1839/3.24* **SECTION 2341h.** 218.01 (2) (ie) 1. of the statutes is amended to
23 read:

1 218.01 (2) (ie) 1. In addition to any other information required under this
2 subsection and except as provided in subd. 3., an application by an individual for the
3 issuance or renewal of a license described in par. (d) shall include the individual's
4 social security number and an application by a person who is not an individual for
5 the issuance or renewal of a license described in par. (d) 1., 2., 3. or 5. shall include
6 the person's federal employer identification number. The licensor may not disclose
7 any information received under this subdivision to any person except the
8 department of industry, labor and job development [department of workforce
9 development] for purposes of administering s. 49.22 or the department of revenue for
10 the sole purpose of requesting certifications under s. 73.0301.

11 ✓ ***b1839/3.24* SECTION 2341j.** 218.01 (2) (ie) 3. of the statutes is created to read:

12 218.01 (2) (ie) 3. If an applicant for the issuance or renewal of a license
13 described in par. (d) is an individual who does not have a social security number, the
14 applicant, as a condition of applying for or applying to renew the license, shall submit
15 a statement made or subscribed under oath or affirmation to the licensor that the
16 applicant does not have a social security number. The form of the statement shall
17 be prescribed by the department of workforce development. Any license issued or
18 renewed in reliance upon a false statement submitted by an applicant under this
19 subdivision is invalid.

20 ✓ ***b1839/3.24* SECTION 2341L.** 218.01 (2) (ig) 1. (intro.) of the statutes is
21 amended to read:

22 218.01 (2) (ig) 1. (intro.) In addition to any other information required under
23 this subsection and except as provided in subd. 3., an application for a license
24 described in par. (dr) shall include the following:

1 ✓ ***b1839/3.24* SECTION 2341n.** 218.01 (2) (ig) 3. of the statutes is created to
2 read:

3 218.01 (2) (ig) 3. If an applicant for the issuance or renewal of a license
4 described in par. (dr) is an individual who does not have a social security number, the
5 applicant, as a condition of applying for or applying to renew the license, shall submit
6 a statement made or subscribed under oath or affirmation to the licensor that the
7 applicant does not have a social security number. The form of the statement shall
8 be prescribed by the department of workforce development. Any license issued or
9 renewed in reliance upon a false statement submitted by an applicant under this
10 subdivision is invalid.

11 ✓ ***b1839/3.24* SECTION 2341p.** 218.01 (3) (am) 1. a. of the statutes is amended
12 to read:

13 218.01 (3) (am) 1. a. The applicant fails to provide ~~the~~ any information required
14 under sub. (2) (ig) 1.

15 ✓ ***b1839/3.24* SECTION 2342b.** 218.02 (2) (a) 1. (intro.) of the statutes is
16 amended to read:

17 218.02 (2) (a) 1. (intro.) Each adjustment service company shall apply to the
18 division for a license to engage in such business. Application for a separate license
19 for each office of a company to be operated under this section shall be made to the
20 division in writing, under oath, in a form to be prescribed by the division. The
21 division may issue more than one license to the same licensee. An Except as provided
22 in subd. 3., an application for a license under this section shall include the following:

23 ✓ ***b1839/3.24* SECTION 2342bb.** 218.02 (2) (a) 3. of the statutes is created to
24 read:

1 218.02 (2) (a) 3. If an applicant who is an individual does not have a social
2 security number, the applicant, as a condition of applying for or applying to renew
3 a license under this section, shall submit a statement made or subscribed under oath
4 or affirmation to the division that the applicant does not have a social security
5 number. The form of the statement shall be prescribed by the department of
6 workforce development. Any license issued or renewed in reliance upon a false
7 statement submitted by an applicant under this subdivision is invalid.

8 ✓*b1839/3.24* SECTION 2342bd. 218.04 (3) (a) 1. (intro.) of the statutes is
9 amended to read:

10 218.04 (3) (a) 1. (intro.) Application for licenses under the provisions of this
11 section shall be made to the division in writing, under oath, on a form to be prescribed
12 by the division. All licenses shall expire on June 30 next following their date of issue.
13 ~~An Except as provided in subd. 3., an~~ application for a license under this section shall
14 include the following:

15 ✓*b1839/3.24* SECTION 2342bf. 218.04 (3) (a) 3. of the statutes is created to
16 read:

17 218.04 (3) (a) 3. If an applicant who is an individual does not have a social
18 security number, the applicant, as a condition of applying for or applying to renew
19 a license under this section, shall submit a statement made or subscribed under oath
20 or affirmation to the division that the applicant does not have a social security
21 number. The form of the statement shall be prescribed by the department of
22 workforce development. Any license issued or renewed in reliance upon a false
23 statement submitted by an applicant under this subdivision is invalid.

24 ✓*b1839/3.24* SECTION 2342bh. 218.04 (4) (am) 1. of the statutes is amended
25 to read:

1 218.04 (4) (am) 1. The applicant fails to provide ~~the~~ any information required
2 under sub. (3) (a) 1.

3 ✓ ***b1839/3.24* SECTION 2342bj.** 218.05 (3) (am) 1. (intro.) of the statutes is
4 amended to read:

5 218.05 (3) (am) 1. (intro.) In addition to the information required under par.
6 (a) and except as provided in subd. 3., an application for a license under this section
7 shall include the following:

8 ✓ ***b1839/3.24* SECTION 2342bL.** 218.05 (3) (am) 3. of the statutes is created to
9 read:

10 218.05 (3) (am) 3. If an applicant who is an individual does not have a social
11 security number, the applicant, as a condition of applying for or applying to renew
12 a license under this section, shall submit a statement made or subscribed under oath
13 or affirmation to the division that the applicant does not have a social security
14 number. The form of the statement shall be prescribed by the department of
15 workforce development. Any license issued or renewed in reliance upon a false
16 statement submitted by an applicant under this subdivision is invalid.

17 ✓ ***b1839/3.24* SECTION 2342bn.** 218.05 (4) (c) 1. of the statutes is amended to
18 read:

19 218.05 (4) (c) 1. The applicant fails to provide ~~the~~ any information required
20 under sub. (3) (am) 1.

21 ✓ ***b1839/3.24* SECTION 2342bp.** 218.05 (11) (a) of the statutes is amended to
22 read:

23 218.05 (11) (a) The renewal applicant fails to provide ~~the~~ any information
24 required under sub. (3) (am) 1.”.

1 ✓ *b1886/2.1* **1053** ✓ Page 1186, line 9: after that line insert:

2 ✓ *b1886/2.1* "SECTION 2342bc. 218.01 (2) (L) of the statutes is created to read:

3 218.01 (2) (L) 1. Words and phrases defined in sub. (2c) (am) have the same
4 meaning in this paragraph.

5 2. The department may not issue a dealer license under this section, unless the
6 department has determined that no factory will hold an ownership interest in or
7 operate or control the dealership or that one of the exceptions under sub. (2c) (cm)
8 applies.

9 3. If the applicant asserts that sub. (2c) (cm) 2. applies, the department shall
10 require the applicant to provide a copy of the written agreement described in sub. (2c)
11 (cm) 2. d. for examination by the department to ensure that the agreement meets the
12 requirements of sub. (2c) (cm) 2.

13 4. If the division of hearings and appeals determines, after a hearing on the
14 matter at the request of the department or any licensee, that a factory holds an
15 ownership interest in a dealership or operates or controls a dealership in violation
16 of sub. (2c), the division shall order the denial or revocation of the dealership's
17 license.

18 ✓ *b1886/2.1* SECTION 2342bf. 218.01 (2c) (intro.) of the statutes is renumbered
19 218.01 (2c) (bm) and amended to read:

20 218.01 (2c) (bm) A ~~manufacturer, importer or distributor, or a subsidiary~~
21 ~~thereof, factory~~ shall not own, directly or indirectly, hold an ownership interest in or
22 operate or control a motor vehicle dealership in this state.

23 (cm) This subsection does not prohibit any of the following:

1 ✓ ***b1886/2.1* SECTION 2342bi.** 218.01 (2c) (a) of the statutes is renumbered
2 218.01 (2c) (cm) 1. and amended to read:

3 218.01 (2c) (cm) 1. ~~The ownership and operation by a manufacturer, importer~~
4 ~~or distributor, or a subsidiary thereof, of A factory from holding an ownership~~
5 ~~interest in or operating a dealership for a temporary period, not to exceed one year,~~
6 during the transition from one owner or dealer operator to another.

7 ✓ ***b1886/2.1* SECTION 2342bL.** 218.01 (2c) (am) of the statutes is created to
8 read:

9 218.01 (2c) (am) In this subsection:

10 1. "Agent" means a person who is employed by or affiliated with a factory or who
11 directly or through an intermediary is controlled by or under common control of a
12 factory.

13 2. "Control" means the possession, direct or indirect, of the power to direct or
14 cause the direction of the management or policies of a person, whether through the
15 ownership of voting securities, by contract or otherwise. "Control" does not include
16 the relationship between a factory and a dealership under a basic agreement filed
17 under sub. (2) (bd) 1.

18 3. "Dealer operator" means an individual who is vested with the power and
19 authority to operate a dealership.

20 4. "Dealership" means a person licensed or required to be licensed as a motor
21 vehicle dealer under this section.

22 4m. "Department" means the department of transportation.

23 5. "Factory" means a manufacturer, distributor or importer, or an agent of a
24 manufacturer, distributor or importer.

25 6. "Operate" means to directly or indirectly manage a dealership.

1 7. “Ownership interest” means the beneficial ownership of one percent or more
2 of any class of equity interest in a dealership, whether the interest is that of a
3 shareholder, partner, limited liability company member or otherwise. To “hold” an
4 ownership interest means to have possession of, title to or control of the ownership
5 interest, whether directly or indirectly through a fiduciary or an agent.

6 √*b1886/2.1* SECTION 2342bo. 218.01 (2c) (b) of the statutes is repealed.

7 √*b1886/2.1* SECTION 2342br. 218.01 (2c) (c) of the statutes is renumbered
8 218.01 (2c) (cm) 3. and amended to read:

9 218.01 (2c) (cm) 3. The ownership, operation or control of a dealership by a
10 ~~manufacturer, importer or distributor, or subsidiary thereof, which factory that~~ does
11 not meet the conditions under ~~par. (a) or (b) subds. 1. or 2.~~, if the division of hearings
12 and appeals determines, after a hearing on the matter at the request of any party,
13 that there is no prospective independent dealer available to own and operate the
14 dealership in a manner consistent with the public interest and that meets the
15 reasonable standard and uniformly applied qualifications of the ~~manufacturer,~~
16 ~~importer or distributor~~ factory.

17 √*b1886/2.1* SECTION 2342bu. 218.01 (2c) (cm) 2. of the statutes is created to
18 read:

19 218.01 (2c) (cm) 2. A factory from holding an ownership interest in a
20 dealership, if all of the following apply:

21 a. The dealer operator of the dealership is an individual who is not an agent
22 of the factory.

23 b. The dealer operator of the dealership is unable to acquire full ownership of
24 the dealership with his or her own assets or in conjunction with financial

1 investments and loans from investors or lenders other than the factory holding an
2 ownership interest in the dealership.

3 c. The dealer operator of the dealership holds not less than 15 percent of the
4 total ownership interests in the dealership within one year from the date that the
5 factory initially acquires any ownership interest in the dealership.

6 d. There is a bona fide written agreement in effect between the factory and the
7 dealer operator of the dealership under which the dealer operator will acquire all of
8 the ownership interest in the dealership held by the factory on reasonable terms
9 specified in the agreement.

10 f. The written agreement described in subd. 2. d. provides that the dealer
11 operator will make reasonable progress toward acquiring all of the ownership
12 interest in the dealership, and the dealer is making reasonable progress toward
13 acquiring all of the ownership interest in the dealership.

14 g. Not more than eight years have elapsed since the factory initially acquired
15 its ownership interest in the dealership, unless the department, upon petition by the
16 dealer operator, determines that there is good cause to allow the dealer operator a
17 longer period to complete his or her acquisition of all of the ownership interest in the
18 dealership held by the factory and the longer period determined by the department
19 has not yet elapsed.

20 √ *b1886/2.1* SECTION 2342bv. 218.01 (2c) (cm) 4. of the statutes is created to
21 read:

22 218.01 (2c) (cm) 4. The holding or acquisition, solely for investment purposes,
23 of an ownership interest in a publicly traded corporation by an employe benefit plan
24 that is sponsored by a factory.