

BILL**SECTION 2205**

1 ***-0935/3.27*** **SECTION 2205.** 145.20 (3) (a) and (b) of the statutes are amended
2 to read:

3 145.20 (3) (a) 1. The department may specify categories of ~~private~~ small sewage
4 systems for which approval by the department is required prior to issuance of
5 sanitary permits by the governmental unit responsible for the regulation of ~~private~~
6 small sewage systems.

7 2. The department may exempt a governmental unit from any category of
8 ~~private~~ small sewage systems for which departmental approval is required prior to
9 sanitary permit issuance under subd. 1., upon a determination, in accordance with
10 rules promulgated by the department, that past performance of the governmental
11 unit on reviews and audits under par. (b) has been satisfactory and that the
12 governmental unit has the capacity to give the same level of application and plan
13 review as that provided by the department. The department may revoke an
14 exemption upon a finding that performance of the governmental unit on a review or
15 audit conducted subsequent to the granting of the exemption is unsatisfactory or
16 that the governmental unit is not giving the same level of application and plan
17 review as that provided by the department. Findings in a revocation action may be
18 made only after a public hearing upon 30 days' advance notice to the clerk of the
19 governmental unit. The department shall submit a report under s. 13.172 (2) to the
20 chief clerk of each house of the legislature, at the beginning of each legislative
21 session, describing the exemptions under this subdivision.

22 (b) The department shall review the ~~private~~ small sewage system program in
23 each governmental unit responsible for the regulation of ~~private~~ small sewage
24 systems to ascertain compliance with sub. (2) and with regulations issued by the

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1 department. This review shall include a random audit of sanitary permits, including
2 verification by on-site inspection.

3 ***-0515/4.9* SECTION 2206.** 145.20 (3) (c) of the statutes is amended to read:

4 145.20 (3) (c) If the governing body for a governmental unit responsible for the
5 regulation of private sewage systems does not adopt a private sewage system
6 ordinance meeting the requirements of s. 59.70 (5) or if the governmental unit does
7 not appoint personnel meeting the requirements of sub. (1) or if the governmental
8 unit does not comply with the requirements of sub. (2) or s. 145.19 (3), the department
9 may conduct hearings in the county seat upon 30 days' notice to the county clerk.
10 As soon as practicable after the public hearing, the department shall issue a written
11 decision regarding compliance with s. 59.70 (5) or 145.19 (3) or sub. (1) or (2). If the
12 department determines that there is a violation of these provisions, the
13 ~~governmental unit may not issue a sanitary permit for the installation of a private~~
14 ~~sewage system until the violation is corrected~~ department may issue an order
15 directing the governmental unit to remedy the violation.

16 ***-0935/3.28* SECTION 2207.** 145.20 (3) (c) of the statutes, as affected by 1999
17 Wisconsin Act (this act), is amended to read:

18 145.20 (3) (c) If the governing body for a governmental unit responsible for the
19 regulation of private small sewage systems does not adopt a private small sewage
20 system ordinance meeting the requirements of s. 59.70 (5) or if the governmental unit
21 does not appoint personnel meeting the requirements of sub. (1) or if the
22 governmental unit does not comply with the requirements of sub. (2) or s. 145.19 (3),
23 the department may conduct hearings in the county seat upon 30 days' notice to the
24 county clerk. As soon as practicable after the public hearing, the department shall
25 issue a written decision regarding compliance with s. 59.70 (5) or 145.19 (3) or sub.

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1 (1) or (2). If the department determines that there is a violation of these provisions,
2 the department may issue an order directing the governmental unit to remedy the
3 violation.

4 ***-0935/3.29* SECTION 2208.** 145.20 (4) of the statutes is amended to read:

5 145.20 (4) SPECIAL ASSESSMENT FOR HOLDING AND SEPTIC TANK PUMPING. A
6 governmental unit may assess the owner of a private small sewage system for costs
7 related to the pumping of a septic or holding tank. The governmental unit shall make
8 any assessment in the same manner that a city, village or town makes an assessment
9 under s. 66.60.

10 ***-0935/3.30* SECTION 2209.** 145.24 of the statutes is amended to read:

11 **145.24 Variances. (1)** If an existing private small sewage system either is not
12 located in soil meeting the siting standards or is not constructed in accordance with
13 design standards promulgated under s. 145.02 or 145.13, the owner of the private
14 small sewage system may petition the department for a variance to the siting or
15 design standards.

16 **(2)** The department shall establish procedures for the review and evaluation
17 of existing private small sewage systems which do not comply with siting or design
18 standards.

19 **(3)** Upon receipt of a petition for a variance, the department shall require the
20 owner of the private small sewage system to submit information necessary to
21 evaluate the request for a variance. If the department determines that the existing
22 private small sewage system is not a failing private small sewage system, and
23 continued use of the existing private small sewage system will not pose a threat of
24 contamination of waters of the state, then the department may issue a variance to
25 allow continued use of the existing private small sewage system. The department

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1 shall rescind the variance if the existing ~~private~~ small sewage system becomes a
2 failing ~~private~~ small sewage system or contaminates waters of the state.

3 ***-0935/3.31*** SECTION 2210. 145.245 (title) of the statutes is amended to read:

4 **145.245** (title) **Private Small sewage system replacement or**
5 **rehabilitation.**

6 ***-0935/3.32*** SECTION 2211. 145.245 (1) (a) 1. of the statutes is amended to
7 read:

8 145.245 (1) (a) 1. A determination that a ~~private~~ small sewage system is failing,
9 according to the criteria under sub. (4), based on an inspection of the ~~private~~ small
10 sewage system by an employe of the state or a governmental unit who is certified to
11 inspect ~~private~~ small sewage systems by the department.

12 ***-0935/3.33*** SECTION 2212. 145.245 (1) (ae) of the statutes is amended to read:

13 145.245 (1) (ae) "Governmental unit" means a governmental unit responsible
14 for the regulation of ~~private~~ small sewage systems. "Governmental unit" also
15 includes a federally recognized American Indian tribe or band.

16 ***-0516/3.1*** SECTION 2213. 145.245 (3) of the statutes is amended to read:

17 145.245 (3) MAINTENANCE. The department shall establish a maintenance
18 program to be administered by governmental units. The maintenance program is
19 applicable to all new or replacement ~~private~~ small sewage systems constructed in a
20 governmental unit after the date on which the governmental unit adopts this
21 program. The maintenance program shall include a requirement of inspection or
22 pumping of the ~~private~~ small sewage system at least once every 3 years. Inspections
23 may be conducted by a master plumber, journeyman plumber or restricted plumber
24 licensed under this chapter, a ~~person licensed under s. 281.48~~ small sewage system
25 inspector certified under ss. 101.66 and 145.02 or by an employe of the state or

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1 governmental unit designated by the department. ~~The department of natural~~
2 ~~resources may suspend or revoke a license issued under s. 281.48 or a certificate~~
3 ~~issued under s. 281.17 (3) to the operator of a septage servicing vehicle if the~~
4 ~~department of natural resources finds that the licensee or operator falsified~~
5 ~~information on inspection forms.~~ The department of commerce may suspend or
6 revoke the license of a plumber licensed under this chapter if the department finds
7 that the plumber falsified information on inspection forms.

8 ***-0520/2.1* SECTION 2214.** 145.245 (3) of the statutes, as affected by 1999
9 Wisconsin Act (this act), is repealed and recreated to read:

10 145.245 (3) MAINTENANCE. The department shall establish a maintenance
11 program to be administered by governmental units. The maintenance program is
12 applicable to all new or replacement small sewage systems constructed in a
13 governmental unit after the date on which the governmental unit adopts this
14 program. The department shall establish by rule a schedule for the inspection or
15 pumping of the small sewage system. Inspections may be conducted by a master
16 plumber, journeyman plumber or restricted plumber licensed under this chapter, by
17 a small sewage system inspector certified under ss. 101.66 and 145.02 or by an
18 employe of the state or governmental unit designated by the department. The
19 department of commerce may suspend or revoke the license of a plumber licensed
20 under this chapter if the department finds that the plumber falsified information on
21 inspection forms.

22 ***-0935/3.34* SECTION 2215.** 145.245 (3) (d) of the statutes is amended to read:

23 145.245 (3) (d) The department shall conduct training and informational
24 programs for officials of the governmental unit responsible for the regulation of
25 private small sewage systems and employes and persons licensed under this chapter

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1 and s. 281.48 and certified as operators of septage servicing vehicles under s. 281.17
2 (3) to improve the delivery of service under the ~~private~~ small sewage system
3 program. The department shall obtain the assistance of the Wisconsin counties
4 association in planning and conducting the training and informational programs.

5 ***-0935/3.35* SECTION 2216.** 145.245 (4) (intro.) of the statutes is amended to
6 read:

7 145.245 (4) ~~FAILING PRIVATE~~ SMALL SEWAGE SYSTEMS. (intro.) The department
8 shall establish criteria for determining if a ~~private~~ small sewage system is a failing
9 ~~private~~ small sewage system. A failing ~~private~~ small sewage system is one which
10 causes or results in any of the following conditions:

11 ***-0935/3.36* SECTION 2217.** 145.245 (4) (b) of the statutes is amended to read:

12 145.245 (4) (b) The introduction of sewage into zones of saturation which
13 adversely affects the operation of a ~~private~~ small sewage system.

14 ***-0935/3.37* SECTION 2218.** 145.245 (4) (e) of the statutes is amended to read:

15 145.245 (4) (e) The failure to accept sewage discharges and back up of sewage
16 into the structure served by the ~~private~~ small sewage system.

17 ***-0935/3.38* SECTION 2219.** 145.245 (4m) of the statutes is amended to read:

18 145.245 (4m) CATEGORIES OF FAILING ~~PRIVATE~~ SMALL SEWAGE SYSTEMS. For the
19 purposes of this section, the department shall establish the category of each failing
20 ~~private~~ small sewage system for which a grant application is submitted, as follows:

21 (a) Category 1: failing ~~private~~ small sewage systems described in sub. (4) (a)
22 to (c).

23 (b) Category 2: failing ~~private~~ small sewage systems described in sub. (4) (d).

24 (c) Category 3: failing ~~private~~ small sewage systems described in sub. (4) (e).

25 ***-0521/2.1* SECTION 2220.** 145.245 (5) (a) 1. of the statutes is amended to read:

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1 145.245 (5) (a) 1. A person is eligible for grant funds under this section if he or
2 she owns a principal residence which is served by a category 1 or 2 failing private
3 sewage system, if the ~~residence was constructed prior to and inhabited on private~~
4 sewage system was installed before July 1, 1978, if the family income of the person
5 does not exceed the income limitations under par. (c), if the amount of the grant
6 determined under sub. (7) is at least \$100, if the residence is not located in an area
7 served by a sewer and if determination of failure is made prior to the rehabilitation
8 or replacement of the failing private sewage system.

9 ***-0935/3.39*** SECTION 2221. 145.245 (5) (a) 1. of the statutes, as affected by
10 1999 Wisconsin Act (this act), is amended to read:

11 145.245 (5) (a) 1. A person is eligible for grant funds under this section if he or
12 she owns a principal residence which is served by a category 1 or 2 failing ~~private~~
13 small sewage system, if the ~~private~~ small sewage system was installed before July
14 1, 1978, if the family income of the person does not exceed the income limitations
15 under par. (c), if the amount of the grant determined under sub. (7) is at least \$100,
16 if the residence is not located in an area served by a sewer and if determination of
17 failure is made prior to the rehabilitation or replacement of the failing ~~private~~ small
18 sewage system.

19 ***-0521/2.2*** SECTION 2222. 145.245 (5) (a) 2. of the statutes is amended to read:

20 145.245 (5) (a) 2. A business is eligible for grant funds under this section if it
21 owns a small commercial establishment which is served by a category 1 or 2 failing
22 private sewage system, if the ~~small commercial establishment was constructed prior~~
23 to private sewage system was installed before July 1, 1978, if the gross revenue of
24 the business does not exceed the limitation under par. (d), if the small commercial
25 establishment is not located in an area served by a sewer and if a determination of

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1 failure is made prior to the rehabilitation or replacement of the private sewage
2 system.

3 ***-0935/3.40* SECTION 2223.** 145.245 (5) (a) 2. of the statutes, as affected by
4 1999 Wisconsin Act (this act), is amended to read:

5 145.245 (5) (a) 2. A business is eligible for grant funds under this section if it
6 owns a small commercial establishment which is served by a category 1 or 2 failing
7 ~~private~~ small sewage system, if the ~~private~~ small sewage system was installed before
8 July 1, 1978, if the gross revenue of the business does not exceed the limitation under
9 par. (d), if the small commercial establishment is not located in an area served by a
10 sewer and if a determination of failure is made prior to the rehabilitation or
11 replacement of the ~~private~~ small sewage system.

12 ***-0935/3.41* SECTION 2224.** 145.245 (5) (a) 3. of the statutes is amended to
13 read:

14 145.245 (5) (a) 3. A person who owns a principal residence or small commercial
15 establishment which is served by a category 1 or 2 failing ~~private~~ small sewage
16 system may submit an application for grant funds during the 3-year period after the
17 determination of failure is made. Grant funds may be awarded after work is
18 completed if rehabilitation or replacement of the system meets all requirements of
19 this section and rules promulgated under this section.

20 ***-0519/1.1* SECTION 2225.** 145.245 (5) (c) 2. of the statutes is amended to read:

21 145.245 (5) (c) 2. Except as provided under subd. 4., annual family income shall
22 be based upon the federal adjusted gross income of the owner and the owner's spouse,
23 if any, as computed for ~~Wisconsin income tax purposes~~ for the taxable year prior to
24 the year in which the determination of failure is made. ~~The county median income~~
25 ~~shall be determined based upon the most recent statistics published by the federal~~

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1 ~~department of housing and urban development for the year prior to the year in which~~
2 ~~the determination of failure is made.~~

3 ***-0519/1.2* SECTION 2226.** 145.245 (5) (c) 3. of the statutes is amended to read:

4 145.245 (5) (c) 3. In order to be eligible for grant funds under this section, a
5 person shall submit a copy of the ~~designated~~ federal income tax returns ~~for the~~
6 ~~taxable year prior to the year in which the determination of failure is upon which the~~
7 ~~determination of federal adjusted gross income under subd. 2. was~~ made together
8 with any application required by the governmental unit. ~~For taxable year 1985 and~~
9 ~~earlier, the person shall submit a copy of his or her individual or combined Wisconsin~~
10 ~~income tax return. For taxable year 1986 and thereafter, the person shall submit a~~
11 ~~copy of his or her joint Wisconsin income tax return or, if filing separately, his or her~~
12 ~~separate Wisconsin income tax return and the separate Wisconsin income tax return~~
13 ~~of his or her spouse, if any.~~

14 ***-0519/1.3* SECTION 2227.** 145.245 (5) (c) 4. of the statutes is amended to read:

15 145.245 (5) (c) 4. A governmental unit may disregard the ~~Wisconsin federal~~
16 ~~income tax return for the taxable year prior to the year in which the determination~~
17 ~~of failure is made~~ that is submitted under subd. 3. and may determine annual family
18 income based upon satisfactory evidence of federal adjusted gross income or
19 projected ~~taxable~~ federal adjusted gross income of the owner and the owner's spouse
20 in the current year. The department shall promulgate rules establishing criteria for
21 determining what constitutes satisfactory evidence of federal adjusted gross income
22 or projected federal adjusted gross income in a current year.

23 ***-0935/3.42* SECTION 2228.** 145.245 (5m) (a) of the statutes is amended to
24 read:

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1 145.245 (5m) (a) The department or a governmental unit shall deny a grant
2 application under this section if the applicant or a person who would be directly
3 benefited by the grant intentionally caused the conditions which resulted in a
4 category 1 or 2 failing ~~private~~ small sewage system. The department or
5 governmental unit shall notify the applicant in writing of a denial, including the
6 reason for the denial.

7 *~~0589/2.19~~* **SECTION 2229.** 145.245 (5m) (b) of the statutes is amended to
8 read:

9 145.245 (5m) (b) The department shall notify a governmental unit if it receives
10 ~~a certification under s. 49.855 (7) that an individual is delinquent in child support~~
11 ~~or maintenance payments or owes past support, medical expenses or birth expenses~~
12 an individual's name appears on the statewide support lien docket under s. 49.854
13 (2)(b). The department or a governmental unit shall deny an application under this
14 section if the department receives a certification under s. 49.855 (7) that name of the
15 applicant or an individual who would be directly benefited by the grant is delinquent
16 ~~in child support or maintenance payments or owes past support, medical expenses~~
17 ~~or birth expenses~~ appears on the statewide support lien docket under s. 49.854 (2)
18 (b), unless the applicant or individual who would be benefited by the grant provides
19 to the department or governmental unit a payment agreement that has been
20 approved by the county child support agency under s. 59.53 (5) and that is consistent
21 with rules promulgated under s. 49.858 (2) (a).

22 *~~0935/3.43~~* **SECTION 2230.** 145.245 (6) of the statutes is amended to read:

23 145.245 (6) USE OF FUNDS. (a) Except for grants under par. (b), funds available
24 under a grant under this section shall be applied to the rehabilitation or replacement
25 of the ~~private~~ small sewage system. An existing ~~private~~ small sewage system may

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1 be replaced by an alternative ~~private~~ small sewage system or by a system serving
2 more than one principal residence.

3 (b) Funds available under a grant under this section for experimental ~~private~~
4 small sewage systems shall be applied to the installation and monitoring of the
5 experimental ~~private~~ small sewage systems.

6 ***-0935/3.44* SECTION 2231.** 145.245 (7) of the statutes is amended to read:

7 145.245 (7) ALLOWABLE COSTS; STATE SHARE. (a) Except as provided in par. (e),
8 costs allowable in determining grant funding under this section may not exceed the
9 costs of rehabilitating or replacing a ~~private~~ small sewage system which would be
10 necessary to allow the rehabilitated system or new system to meet the minimum
11 requirements of the state plumbing code promulgated under s. 145.13.

12 (b) Except as provided in par. (e), costs allowable in determining grant funding
13 under this section may not exceed the costs of rehabilitating or replacing a ~~private~~
14 small sewage system by the least costly methods.

15 (c) Except as provided in pars. (d) and (e), the state grant share under this
16 section is limited to \$7,000 for each principal residence or small commercial
17 establishment to be served by the ~~private~~ small sewage system or to the amount
18 determined by the department based upon ~~private~~ small sewage system grant
19 funding tables, whichever is less. The department shall prepare and publish ~~private~~
20 small sewage system grant funding tables which specify the maximum state share
21 limitation for various components and costs involved in the rehabilitation or
22 replacement of a ~~private~~ small sewage system based upon minimum size and other
23 requirements specified in the state plumbing code promulgated under s. 145.02. The
24 maximum state share limitations shall be designed to pay approximately 60% of the
25 average allowable cost of ~~private~~ small sewage system rehabilitation or replacement

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1 based upon estimated or actual costs of that rehabilitation or replacement. The
2 department shall revise the grant funding tables when it determines that 60% of
3 current costs of ~~private~~ small sewage system rehabilitation or replacement exceed
4 the amounts in the grant funding tables by more than 10%, except that the
5 department may not revise the grant funding tables more often than once every 2
6 years.

7 (d) Except as provided in par. (e), if the income of a person who owns a principal
8 residence that is served by a category 1 or 2 failing ~~private~~ small sewage system is
9 greater than \$32,000, the amount of the grant under this section is limited to the
10 amount determined under par. (c) less 30% of the amount by which the person's
11 income exceeds \$32,000.

12 (e) Costs allowable for experimental ~~private~~ small sewage systems shall
13 include the costs of installing and monitoring experimental ~~private~~ small sewage
14 systems installed under s. 145.02 (3) (b) and this section. The department shall
15 promulgate rules that specify how the department will select, monitor and allocate
16 the state share for experimental ~~private~~ small sewage systems that the department
17 funds under this section.

18 ***-0935/3.45* SECTION 2232.** 145.245 (8) (a) of the statutes is amended to read:

19 145.245 (8) (a) In order to be eligible for a grant under this section, a
20 governmental unit shall make an application for replacement or rehabilitation of
21 ~~private~~ small sewage systems of principal residences or small commercial
22 establishments and shall submit an application for participation to the department.
23 The application shall be in the form and include the information the department
24 prescribes. In order to be eligible for funds available in a fiscal year, an application

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1 is required to be received by the department prior to February 1 of the previous fiscal
2 year.

3 ***-0935/3.46* SECTION 2233.** 145.245 (9) (b) of the statutes is amended to read:

4 145.245 (9) (b) Certify that grants will be used for ~~private~~ small sewage system
5 replacement or rehabilitation for a principal residence or small commercial
6 establishment owned by a person who meets the eligibility requirements under sub.
7 (5), that the funds will be used as provided under sub. (6) and that allowable costs
8 will not exceed the amount permitted under sub. (7);

9 ***-0935/3.47* SECTION 2234.** 145.245 (9) (c) of the statutes is amended to read:

10 145.245 (9) (c) Certify that grants will be used for ~~private~~ small sewage systems
11 which will be properly installed and maintained;

12 ***-0935/3.48* SECTION 2235.** 145.245 (9) (e) of the statutes is amended to read:

13 145.245 (9) (e) Establish a process for regulation and inspection of ~~private~~
14 small sewage systems;

15 ***-0935/3.49* SECTION 2236.** 145.245 (11) (e) of the statutes is amended to read:

16 145.245 (11) (e) *Limitation; experimental ~~private~~ small sewage systems.* The
17 department may not allocate more than 10% of the funds available under this
18 subsection each fiscal year for grants for the installation and monitoring of
19 experimental ~~private~~ small sewage systems.

20 ***-0935/3.50* SECTION 2237.** 145.245 (11m) (b) to (d) of the statutes are
21 amended to read:

22 145.245 (11m) (b) Except as provided in par. (d), if funds are sufficient to fully
23 fund all category 1 but not all category 2 failing ~~private~~ small sewage systems, the
24 department shall fully fund all category 1 systems and prorate the funds for category
25 2 systems on a proportional basis.

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1 (c) Except as provided in par. (d), if funds are not sufficient to fully fund all
2 category 1 failing ~~private~~ small sewage systems, the department shall fund the
3 category 1 systems on a proportional basis and deny the grant applications for all
4 category 2 systems.

5 (d) The department is not required to prorate available funds for grants for the
6 installation and monitoring of experimental ~~private~~ small sewage systems.

7 ***-1856/2.3* SECTION 2238.** 145.245 (12m) of the statutes is created to read:

8 145.245 (12m) LOANS TO GOVERNMENTAL UNITS. (a) A governmental unit to
9 which the department allocates funds under sub. (11) for a fiscal year may apply to
10 the department for a loan under this subsection if the department prorates funds
11 under sub. (11m) for that fiscal year. A governmental unit may only use a loan under
12 this subsection to increase the amounts of grants to persons eligible under sub. (5)
13 above the amounts that would be provided without a loan under this subsection or
14 to provide grants to persons eligible under sub. (5) who would otherwise not receive
15 grants, because of the operation of sub. (11m) (c), but the total amount provided to
16 a person under this section may not exceed the amount authorized under sub (7).

17 (b) A loan under this subsection bears no interest. A loan under this subsection
18 may not exceed the difference between the amount of the grant that the
19 governmental unit would have received if the department had not prorated grants
20 under sub. (11) and the amount of the grant that the governmental unit did receive.
21 If the amount available for loans under s. 20.320 (3) (q) in a fiscal year is not sufficient
22 to provide loans to all eligible governmental units applying for loans, the department
23 shall allocate the available funds in the same manner as in sub. (11) (c).

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1 (c) A loan approved under this subsection shall be for no longer than 20 years,
2 as determined by the department of administration, and be fully amortized not later
3 than 20 years after the original date of the note.

4 (d) As a condition of receiving a loan under this subsection an applicant shall
5 do all of the following:

6 1. Pledge the security, if any, required by the department of administration
7 under this subsection.

8 2. Demonstrate to the satisfaction of the department of administration the
9 financial capacity to assure sufficient revenues to repay the loan.

10 (e) The department of commerce and the department of administration may
11 enter into a financial assistance agreement with a governmental unit that applies
12 for a loan under this subsection and meets the eligibility requirements for a loan,
13 including the requirements under par. (d).

14 (f) The department of administration, in consultation with the department of
15 commerce, may establish those terms and conditions of a financial assistance
16 agreement that relate to its financial management, including what type of municipal
17 obligation is required for the repayment of the financial assistance. In setting the
18 terms and conditions, the department of administration may consider factors that
19 the department of administration finds are relevant, including the type of obligation
20 evidencing the loan, the pledge of security for the obligation and the applicant's
21 creditworthiness.

22 (g) The department of administration shall make and disburse a loan to an
23 applicant that has entered into a financial assistance agreement under par. (e). The
24 department of administration, in consultation with the department of commerce,
25 shall establish procedures for disbursing loans.

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1 (h) If a governmental unit fails to make a principal repayment after its due
2 date, the department of administration shall place on file a certified statement of all
3 amounts due under this subsection. After consulting the department of commerce,
4 the department of administration may collect all amounts due by deducting those
5 amounts from any state payments due the governmental unit or may add a special
6 charge to the amount of taxes apportioned to and levied upon the county under s.
7 70.60. If the department of administration collects amounts due, it shall remit those
8 amounts to the fund to which they are due and notify the department of commerce
9 of that action.

10 ***-0935/3.51*** SECTION 2239. 145.245 (13) of the statutes is amended to read:

11 145.245 (13) INSPECTION. Agents of the department or the governmental unit
12 may enter premises where ~~private~~ small sewage systems are located pursuant to a
13 special inspection warrant as required under s. 66.122, to collect samples, records
14 and information and to ascertain compliance with the rules and orders of the
15 department or the governmental unit.

16 ***-0935/3.52*** SECTION 2240. 145.245 (14) (d) of the statutes is amended to read:

17 145.245 (14) (d) Additional grants under this section to a governmental unit
18 previously awarded a grant under this section may be suspended or terminated if the
19 department finds that a ~~private~~ small sewage system previously funded in the
20 governmental unit is not being or has not been properly rehabilitated, constructed,
21 installed or maintained.

22 ***-1058/1.3*** SECTION 2241. 146.19 (2) (intro.) of the statutes is amended to
23 read:

24 146.19 (2) COOPERATIVE AMERICAN INDIAN HEALTH PROJECT GRANTS. (intro.) From
25 the appropriation under s. 20.435 (5) (~~ek~~) (ke), the department shall award grants

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1 for cooperative American Indian health projects in order to promote cooperation
2 among tribes, tribal agencies, inter-tribal organizations and other agencies and
3 organizations in addressing specific problem areas in the field of American Indian
4 health. A tribe, tribal agency or inter-tribal organization may apply, in the manner
5 specified by the department, for a grant of up to \$10,000 to conduct a cooperative
6 American Indian health project, which meets all of the following requirements:

7 ***-0329/4.1* SECTION 2242.** 146.50 (5) (f) of the statutes is amended to read:

8 146.50 (5) (f) The department may charge a reasonable fee for a an initial
9 license or training permit issued under this subsection, except that no fee may be
10 charged to an individual who is an employe of a public agency and who works for
11 volunteer or paid-on-call ambulance service providers and who is an applicant for
12 a license as an emergency medical technician — basic or for a training permit.

13 ***-0329/4.2* SECTION 2243.** 146.50 (10) of the statutes is renumbered 146.50
14 (10) (a) (intro.) and amended to read:

15 146.50 (10) (a) (intro.) Every holder of a license issued under sub. (5) or (7) shall
16 renew the license on July 1 of each even-numbered year by applying to the
17 department on forms provided by the department. ~~Upon receipt of an application for~~
18 ~~renewal containing documentation acceptable to the department that the~~
19 ~~requirements of sub. (6) have been met~~ Unless the department finds that the
20 applicant has acted in a manner or under circumstances constituting grounds for
21 suspension or revocation of the license and except as provided in ss. 146.51 and
22 146.52, the department shall renew the license unless the department finds that the
23 ~~applicant has acted in a manner or under circumstances constituting grounds for~~
24 ~~suspension or revocation of the license. upon receipt of all of the following:~~

25 ***-0329/4.3* SECTION 2244.** 146.50 (10) (a) 1. of the statutes is created to read:

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1 146.50 (10) (a) 1. An application for renewal containing documentation
2 acceptable to the department that the applicable requirements of sub. (6) have been
3 met.

4 *~~0329/4.4~~* **SECTION 2245.** 146.50 (10) (a) 2. of the statutes is created to read:

5 146.50 (10) (a) 2. A reasonable fee prescribed by rule by the department for
6 license renewal.

7 *~~0329/4.5~~* **SECTION 2246.** 146.50 (10) (a) 3. of the statutes is created to read:

8 146.50 (10) (a) 3. If applicable, late fees prescribed by rule by the department
9 for untimely license renewal.

10 *~~0329/4.6~~* **SECTION 2247.** 146.50 (10) (b) of the statutes is created to read:

11 146.50 (10) (b) The department shall credit all late fees assessed under par. (a)
12 3. to the appropriation account under s. 20.435 (1) (gm).

13 *~~0329/4.7~~* **SECTION 2248.** 146.50 (11m) of the statutes is created to read:

14 146.50 (11m) **FORFEITURES; AMBULANCE SERVICE PROVIDERS.** (a) Any ambulance
15 service provider who violates this section or any rule promulgated under the
16 authority of this section shall forfeit not more than the amount specified by rule by
17 the department. Each day of violation constitutes a separate offense, except that no
18 day in the period between the date on which a request for hearing is filed under s.
19 227.44 and the date of the conclusion of all administrative and judicial proceedings
20 arising out of a decision under this subsection constitutes a violation.

21 (b) The department may directly assess forfeitures under par. (a). If the
22 department determines that a forfeiture should be assessed for a particular violation
23 or for failure to correct the violation, the department shall send a notice of
24 assessment to the alleged violator. The notice shall specify the alleged violation of

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1 the statute or rule and the amount of the forfeiture assessed and shall inform the
2 alleged violator of the right to contest the assessment under s. 227.44.

3 (c) All forfeitures shall be paid to the department within 10 days after receipt
4 of notice of assessment or, if the forfeiture is contested as specified in par. (b), within
5 10 days after receipt of the final decision, unless the final decision is appealed and
6 the decision is in favor of the appellant. The department shall remit all forfeitures
7 paid under this subsection to the state treasurer for deposit in the school fund.

8 ***-0329/4.8* SECTION 2249.** 146.50 (13) (a) of the statutes is repealed.

9 ***-0329/4.9* SECTION 2250.** 146.50 (13) (d) of the statutes is created to read:

10 146.50 (13) (d) The department shall promulgate rules that prescribe all of the
11 following:

- 12 1. The amounts for license renewal fees to be assessed under sub. (10) (a) 2.
- 13 2. The amounts for late fees to be assessed under sub. (10) (a) 3. against an
14 applicant for untimely renewal of a license issued under sub. (5) or (7).
- 15 3. The amounts for forfeitures to be assessed under sub. (11m) against an
16 ambulance service provider.

17 ***-0269/3.4* SECTION 2251.** 146.56 (1) of the statutes is amended to read:

18 146.56 (1) Not later than July 1, ~~2001~~ 2002, the department shall develop and
19 implement a statewide trauma care system. The department shall seek the advice
20 of the statewide trauma advisory council under s. 15.197 (25) in developing and
21 implementing the system.

22 ***-0183/2.17* SECTION 2252.** 146.819 (4) (e) of the statutes is repealed.

23 ***-0178/2.2* SECTION 2253.** 146.82 (1) of the statutes is amended to read:

24 146.82 (1) CONFIDENTIALITY. All patient health care records shall remain
25 confidential. Patient health care records may be released only to the persons

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1 designated in this section or to other persons with the informed consent of the patient
2 or of a person authorized by the patient. This subsection does not prohibit reports
3 made in compliance with s. 146.995, 253.12 (2) or 979.01 or testimony authorized
4 under s. 905.04 (4) (h).

5 ***-0028/7.67* SECTION 2254.** 146.93 (1) (a) of the statutes is amended to read:

6 146.93 (1) (a) From the appropriation under s. 20.435 ~~(1)~~ (4) (gp), the
7 department shall maintain a program for the provision of primary health care
8 services based on the primary health care program in existence on June 30, 1987.
9 The department may promulgate rules necessary to implement the program.

10 ***-0028/7.68* SECTION 2255.** 146.99 of the statutes is amended to read:

11 **146.99 Assessments.** The department shall, within 90 days after the
12 commencement of each fiscal year, estimate the total amount of expenditures and the
13 department shall assess the estimated total amount under s. 20.435 ~~(1)~~ (4) (gp) to
14 hospitals, as defined in s. 50.33 (2), in proportion to each hospital's respective gross
15 private-pay patient revenues during the hospital's most recently concluded entire
16 fiscal year. Each hospital shall pay its assessment on or before December 1 for the
17 fiscal year. All payments of assessments shall be deposited in the appropriation
18 under s. 20.435 ~~(1)~~ (4) (gp).

19 ***-0412/2.1* SECTION 2256.** 149.12 (2) (d) of the statutes is renumbered 149.12
20 (2) (d) 1. and amended to read:

21 149.12 (2) (d) 1. ~~Except for a person who is an eligible individual as provided~~
22 in subd. 2., no person who is 65 years of age or older is eligible for coverage under the
23 plan.

24 ***-0412/2.2* SECTION 2257.** 149.12 (2) (d) 2. of the statutes is created to read:

25 149.12 (2) (d) 2. Subdivision 1. does not apply to any of the following:

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1 a. A person who is an eligible individual.

2 b. A person who has coverage under the plan on the date on which he or she
3 attains the age of 65 years.

4 ***-0412/2.3* SECTION 2258.** 149.12 (3) (b) of the statutes is amended to read:

5 149.12 (3) (b) Persons for whom deductible or coinsurance amounts are paid
6 or reimbursed under ch. 47 for vocational rehabilitation, under s. 49.68 for renal
7 disease, under s. 49.685 (8) for hemophilia, under s. 49.683 for cystic fibrosis ~~or,~~
8 under s. 253.05 for maternal and child health services or under s. 49.686 for the cost
9 of drugs for the treatment of HIV infection or AIDS are not ineligible for coverage
10 under the plan by reason of such payments or reimbursements.

11 ***-0412/2.4* SECTION 2259.** 149.14 (3) (intro.) of the statutes is amended to
12 read:

13 149.14 (3) COVERED EXPENSES. (intro.) Except as restricted by cost containment
14 provisions under s. 149.17 (4) and except as reduced by the ~~board under s. 149.15 (3)~~
15 ~~(e) or by the department under s. ss. 149.143 or, 149.144 and 149.15 (3) (e),~~ covered
16 expenses for the coverage under this section shall be the usual and customary
17 charges for the services provided by persons licensed under ch. 446 and certified
18 under s. 49.45 (2) (a) 11. Except as restricted by cost containment provisions under
19 s. 149.17 (4) and except as reduced by the ~~board under s. 149.15 (3) (e) or by the~~
20 ~~department under s. ss. 149.143 or, 149.144 and 149.15 (3) (e),~~ covered expenses for
21 the coverage under this section shall also be the usual and customary charges for the
22 following services and articles if the service or article is prescribed by a physician
23 who is licensed under ch. 448 or in another state and who is certified under s. 49.45
24 (2) (a) 11. and if the service or article is provided by a provider certified under s. 49.45
25 (2) (a) 11.:

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1 *~~0412/2.5~~* **SECTION 2260.** 149.14 (4) (g) of the statutes is amended to read:
2 149.14 (4) (g) Dental care except as provided in sub. (3) (m) and (q).

3 *~~0412/2.6~~* **SECTION 2261.** 149.14 (6) (title) of the statutes is created to read:
4 149.14 (6) (title) PREEXISTING CONDITIONS.

5 *~~0028/7.69~~* **SECTION 2262.** 149.143 (1) (a) of the statutes is amended to read:
6 149.143 (1) (a) First from the appropriation under s. 20.435 ~~(5)~~ (4) (af).

7 *~~0028/7.70~~* **SECTION 2263.** 149.143 (1) (b) 1. a. of the statutes is amended to
8 read:

9 149.143 (1) (b) 1. a. First, from premiums from eligible persons with coverage
10 under s. 149.14 set at 150% of the rate that a standard risk would be charged under
11 an individual policy providing substantially the same coverage and deductibles as
12 are provided under the plan, including amounts received for premium and deductible
13 subsidies under ss. 20.435 ~~(5)~~ (4) (ah) and 149.144, and from premiums collected from
14 eligible persons with coverage under s. 149.146 set in accordance with s. 149.146 (2)
15 (b).

16 *~~0028/7.71~~* **SECTION 2264.** 149.143 (1) (b) 1. b. of the statutes is amended to
17 read:

18 149.143 (1) (b) 1. b. Second, from the appropriation under s. 20.435 ~~(5)~~ (4) (gh),
19 to the extent that the amounts under subd. 1. a. are insufficient to pay 60% of plan
20 costs.

21 *~~0028/7.72~~* **SECTION 2265.** 149.143 (1) (b) 1. c. of the statutes is amended to
22 read:

23 149.143 (1) (b) 1. c. Third, by increasing premiums from eligible persons with
24 coverage under s. 149.14 to more than 150% but not more than 200% of the rate that
25 a standard risk would be charged under an individual policy providing substantially

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1 the same coverage and deductibles as are provided under the plan, including
2 amounts received for premium and deductible subsidies under ss. 20.435 ~~(5)~~ (4) (ah)
3 and 149.144, and by increasing premiums from eligible persons with coverage under
4 s. 149.146 in accordance with s. 149.146 (2) (b), to the extent that the amounts under
5 subd. 1. a. and b. are insufficient to pay 60% of plan costs.

6 ***-0028/7.73* SECTION 2266.** 149.143 (2) (a) 1. a. of the statutes is amended to
7 read:

8 149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be
9 received in the new plan year if the enrollee premiums were set at a level sufficient,
10 when including amounts received for premium and deductible subsidies under ss.
11 20.435 ~~(5)~~ (4) (ah) and 149.144 and from premiums collected from eligible persons
12 with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to cover 60%
13 of the estimated plan costs for the new plan year, after deducting from the estimated
14 plan costs the amount available in the appropriation under s. 20.435 ~~(5)~~ (4) (af) for
15 that plan year.

16 ***-0028/7.74* SECTION 2267.** 149.143 (2) (a) 1. c. of the statutes is amended to
17 read:

18 149.143 (2) (a) 1. c. If the amount estimated to be received under subd. 1. a. is
19 less than the amount estimated to be received under subd. 1. b., direct the plan
20 administrator to provide to the department, prior to the beginning of the plan year
21 and according to procedures specified by the department, the amount of the
22 difference. The department shall deposit all amounts received under this subd. 1.
23 c. in the appropriation account under s. 20.435 ~~(5)~~ (4) (gh).

24 ***-0028/7.75* SECTION 2268.** 149.144 of the statutes is amended to read:

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1 **149.144 Adjustments to insurer assessments and provider payment**
2 **rates for premium and deductible reductions.** If the moneys under s. 20.435
3 ~~(5)~~ (4) (ah) are insufficient to reimburse the plan for premium reductions under s.
4 149.165 and deductible reductions under s. 149.14 (5) (a), or the department
5 determines that the moneys under s. 20.435 ~~(5)~~ (4) (ah) will be insufficient to
6 reimburse the plan for premium reductions under s. 149.165 and deductible
7 reductions under s. 149.14 (5) (a), the department shall, by rule, adjust in equal
8 proportions the amount of the assessment set under s. 149.143 (2) (a) 3. and the
9 provider payment rate set under s. 149.143 (2) (a) 4., subject to s. 149.143 (1) (b) 1.,
10 sufficient to reimburse the plan for premium reductions under s. 149.165 and
11 deductible reductions under s. 149.14 (5) (a). The department shall notify the
12 commissioner so that the commissioner may levy any increase in insurer
13 assessments.

14 *~~0412/2.7~~* **SECTION 2269.** 149.146 (1) (a) of the statutes is amended to read:
15 149.146 (1) (a) Beginning on January 1, 1998, in addition to the coverage
16 required under s. 149.14, the plan shall offer to all eligible persons who are not
17 eligible for medicare a choice of coverage, as described in section 2744 (a) (1) (C), P.L.
18 104-191. Any such choice of coverage shall be major medical expense coverage.

19 *~~0412/2.8~~* **SECTION 2270.** 149.146 (1) (b) 2. of the statutes is amended to read:
20 149.146 (1) (b) 2. An eligible person under par. (a) may elect once each year, at
21 the time and according to procedures established by the department, among the
22 coverages offered under this section and s. 149.14. If an eligible person elects new
23 coverage, any preexisting condition exclusion imposed under the new coverage is met
24 to the extent that the eligible person has been previously and continuously covered
25 under this chapter. No preexisting condition exclusion may be imposed on an eligible

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1 person who elects new coverage if the person was an eligible individual when first
2 covered under this chapter and the person remained continuously covered under this
3 chapter up to the time of electing the new coverage.

4 ***-0412/2.9* SECTION 2271.** 149.146 (2) (am) of the statutes is created to read:

5 149.146 (2) (am) 1. For all eligible persons with coverage under this section,
6 the deductible shall be \$2,500. Expenses used to satisfy the deductible during the
7 last 90 days of a calendar year shall also be applied to satisfy the deductible for the
8 following calendar year.

9 2. Except as provided in subd. 3., if the covered costs incurred by the eligible
10 person exceed the deductible for major medical expense coverage in a calendar year,
11 the plan shall pay at least 80% of any additional covered costs incurred by the person
12 during the calendar year.

13 3. If the aggregate of the covered costs not paid by the plan under subd. 2. and
14 the deductible exceeds \$3,500 for any eligible person during a calendar year or \$7,000
15 for all eligible persons in a family, the plan shall pay 100% of all covered costs
16 incurred by the eligible person during the calendar year after the payment ceilings
17 under this subdivision are exceeded.

18 4. Notwithstanding subds. 1. to 3., the department may establish different
19 deductible amounts, a different coinsurance percentage and different covered costs
20 and deductible aggregate amounts from those specified in subds. 1. to 3. in
21 accordance with cost containment provisions established by the department under
22 s. 149.17 (4).

23 ***-0412/2.10* SECTION 2272.** 149.15 (3) (intro.) of the statutes is amended to
24 read:

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1 149.15 (3) (intro.) The board shall ~~do~~ advise the department on all of the
2 following:

3 *~~-0412/2.11~~* SECTION 2273. 149.15 (3) (a) of the statutes is amended to read:

4 149.15 (3) (a) ~~Establish~~ Establishing procedures under which applicants and
5 participants may have grievances reviewed by an impartial body and reported to the
6 board.

7 *~~-0412/2.12~~* SECTION 2274. 149.15 (3) (c) of the statutes is amended to read:

8 149.15 (3) (c) ~~Collect~~ Determining assessments to be collected from all insurers
9 to provide for claims paid under the plan and for administrative expenses incurred
10 or estimated to be incurred during the period for which the assessment is made. The
11 level of payments shall be established as provided under s. 149.143. Assessment of
12 the insurers shall occur at the end of each calendar year or other fiscal year end
13 established by the board. Assessments are due and payable within 30 days of receipt
14 by the insurer of the assessment notice.

15 *~~-0412/2.13~~* SECTION 2275. 149.15 (3) (d) of the statutes is amended to read:

16 149.15 (3) (d) ~~Develop and implement~~ Developing and implementing a
17 program to publicize the existence of the plan, the eligibility requirements and
18 procedures for enrollment, and to maintain public awareness of the plan.

19 *~~-0412/2.14~~* SECTION 2276. 149.15 (3) (e) of the statutes is amended to read:

20 149.15 (3) (e) ~~Establish~~ Establishing for payment of covered expenses, a
21 payment rate that is 10% less than the charges approved by the plan administrator
22 for reimbursement of covered expenses under s. 149.14 (3).

23 *~~-0412/2.15~~* SECTION 2277. 149.15 (3) (f) of the statutes is amended to read:

24 149.15 (3) (f) ~~Advise the department on the~~ The choice of coverage under s.
25 149.146.

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1 *~~0028/7.76~~* **SECTION 2278.** 149.165 (4) of the statutes is amended to read:

2 149.165 (4) The department shall reimburse the plan for premium reductions
3 under sub. (2) and deductible reductions under s. 149.14 (5) (a) with moneys from the
4 appropriation under s. 20.435 (5) ~~(4)~~ (ah).

5 *~~0183/2.18~~* **SECTION 2279.** 150.84 (2) of the statutes is amended to read:

6 150.84 (2) “Health care facility” means a facility, as defined in s. 647.01 (4), or
7 any hospital, nursing home, community-based residential facility, county home,
8 county infirmary, county hospital, county mental health center, ~~tuberculosis~~
9 ~~sanatorium~~ or other place licensed or approved by the department under s. 49.70,
10 49.71, 49.72, 50.02, 50.03, 50.35, 51.08, or 51.09, ~~58.06, 252.073 or 252.076~~ or a
11 facility under s. 45.365, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

12 *~~0028/7.77~~* **SECTION 2280.** 153.05 (6m) of the statutes is amended to read:

13 153.05 (6m) The department may contract with the group insurance board for
14 the provision of data collection and analysis services related to health maintenance
15 organizations and insurance companies that provide health insurance for state
16 employees. The department shall establish contract fees for the provision of the
17 services. All moneys collected under this subsection shall be credited to the
18 appropriation under s. 20.435 ~~(1)~~ (4) (hg).

19 *~~0028/7.78~~* **SECTION 2281.** 153.60 (1) of the statutes is amended to read:

20 153.60 (1) The department shall, by the first October 1 after the
21 commencement of each fiscal year, estimate the total amount of expenditures under
22 this chapter for the department and the board for that fiscal year for data collection,
23 data base development and maintenance, generation of data files and standard
24 reports, orientation and training provided under s. 153.05 (9) and maintaining the
25 board. The department shall assess the estimated total amount for that fiscal year

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1 less the estimated total amount to be received for purposes of administration of this
2 chapter under s. 20.435 ~~(1)~~ (4) (hi) during the fiscal year, the unencumbered balance
3 of the amount received for purposes of administration of this chapter under s. 20.435
4 ~~(1)~~ (4) (hi) from the prior fiscal year and the amount in the appropriation account
5 under s. 20.435 (1) (dg) for the fiscal year, to health care providers who are in a class
6 of health care providers from whom the department collects data under this chapter
7 in a manner specified by the department by rule. The department shall obtain
8 approval from the board for the amounts of assessments for health care providers
9 other than hospitals and ambulatory surgery centers. The department shall work
10 together with the department of regulation and licensing to develop a mechanism for
11 collecting assessments from health care providers other than hospitals and
12 ambulatory surgery centers. No health care provider that is not a facility may be
13 assessed under this subsection an amount that exceeds \$75 per fiscal year. Each
14 hospital shall pay the assessment on or before December 1. All payments of
15 assessments shall be deposited in the appropriation under s. 20.435 ~~(1)~~ (4) (hg).

16 ***-0028/7.79*** SECTION 2282. 153.60 (3) of the statutes is amended to read:

17 153.60 (3) The department shall, by the first October 1 after the
18 commencement of each fiscal year, estimate the total amount of expenditures
19 required for the collection, database development and maintenance and generation
20 of public data files and standard reports for health care plans that voluntarily agree
21 to supply health care data under s. 153.05 (6r). The department shall assess the
22 estimated total amount for that fiscal year to health care plans in a manner specified
23 by the department by rule and may enter into an agreement with the office of the
24 commissioner of insurance for collection of the assessments. Each health plan that
25 voluntarily agrees to supply this information shall pay the assessments on or before

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1 December 1. All payments of assessments shall be deposited in the appropriation
2 under s. 20.435 ~~(1)~~ (4) (hg) and may be used solely for the purposes of s. 153.05 (6r).

3 ***-0028/7.80* SECTION 2283.** 153.65 of the statutes is amended to read:

4 **153.65 Provision of special information; user fees.** The department may,
5 but is not required to, provide, upon request from a person, a data compilation or a
6 special report based on the information collected by the department. The
7 department shall establish user fees for the provision of these compilations or
8 reports, payable by the requester, which shall be sufficient to fund the actual
9 necessary and direct cost of the compilation or report. All moneys collected under
10 this section shall be credited to the appropriation under s. 20.435 ~~(1)~~ (4) (hi).

11 ***-0183/2.19* SECTION 2284.** 155.01 (6) of the statutes is amended to read:

12 155.01 (6) "Health care facility" means a facility, as defined in s. 647.01 (4), or
13 any hospital, nursing home, community-based residential facility, county home,
14 county infirmary, county hospital, county mental health center, ~~tuberculosis~~
15 ~~sanatorium~~ or other place licensed or approved by the department under s. 49.70,
16 49.71, 49.72, 50.02, 50.03, 50.35, 51.08, or 51.09, 58.06, 252.073 or 252.076 or a
17 facility under s. 45.365, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

18 ***-0935/3.53* SECTION 2285.** 160.255 of the statutes is amended to read:

19 **160.255 Exceptions for private certain sewage systems.** (1) In this
20 section, "private exempt sewage system" ~~has the meaning given~~ means a small
21 sewage system, as defined in s. 145.01 ~~(12)~~ (14m), or a sewage system that is in
22 existence on January 1, 2000, and that would be a small sewage system except that
23 its design flow exceeds the maximum design flow specified under s. 145.02 (4) (c).

24 (2) Notwithstanding s. 160.19 (1), (2) and (4) (b), a regulatory agency is not
25 required to promulgate or amend rules that define design or management criteria

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1 for ~~private~~ exempt sewage systems to minimize the amount of nitrate in
2 groundwater or to maintain compliance with the preventive action limit for nitrate.

3 (3) Notwithstanding s. 160.19 (3), a regulatory agency may promulgate rules
4 that define design or management criteria for ~~private~~ exempt sewage systems that
5 permit the enforcement standard for nitrate to be attained or exceeded at the point
6 of standards application.

7 (4) Notwithstanding s. 160.21, a regulatory agency is not required to
8 promulgate rules that set forth responses that the agency may take, or require to be
9 taken, when the preventive action limit or enforcement standard for nitrate is
10 attained or exceeded at the point of standards application if the source of the nitrate
11 is a ~~private~~ an exempt sewage system.

12 (5) Notwithstanding ss. 160.23 and 160.25, a regulatory agency is not required
13 to take any responses for a specific site at which the preventive action limit or
14 enforcement standard for nitrate is attained or exceeded at the point of standards
15 application if the source of the nitrate is a ~~private~~ an exempt sewage system.

16 ***-0689/2.9* SECTION 2286.** 165.017 (5) of the statutes is repealed.

17 ***-1266/3.2* SECTION 2287.** 165.25 (6) (f) of the statutes is created to read:

18 165.25 (6) (f) Except as provided under ss. 49.49 (6), 100.263, 133.16, 281.98,
19 283.91 (5), 289.96 (3), 292.99, 293.87 (4), 295.19 (3) (b), 299.95 and 299.97, any money
20 that is received by the department of justice under this subsection as the result of a
21 contract or understanding between the department of justice and another state
22 agency that is approved under s. 16.505 or 16.515 or as part of the biennial budget
23 act shall be credited to the appropriation under s. 20.455 (1) (km). If authority to
24 spend the money that is received by the department of justice under this subsection
25 as the result of a contract or understanding between the department of justice and

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1 another state agency is not approved under s. 16.505 or 16.515 or as part of the
2 biennial budget act, the money received shall be paid into the general fund as
3 provided under s. 20.001 (4) or 165.25 (4) (d). An agency that is not enumerated in
4 this section and that does not have a contract or understanding with the department
5 of justice that is approved under s. 16.505 or 16.515 or as part of the biennial budget
6 act may not be charged for legal services provided to that agency by the department
7 of justice.

8 ***-2105/1.38* SECTION 2288.** 165.76 (1) (a) of the statutes is amended to read:

9 165.76 (1) (a) Is in prison ~~or~~, a secured correctional facility, as defined in s.
10 938.02 (15m), or a secured child caring institution, as defined in s. 938.02 (15g), or
11 a secured group home, as defined in s. 938.02 (15p), or on probation, extended
12 supervision, parole, supervision or aftercare supervision on or after
13 August 12, 1993, for any violation of s. 940.225 (1) or (2), 948.02 (1) or (2) or 948.025.

14 ***-2105/1.39* SECTION 2289.** 165.76 (2) (b) 2. of the statutes is amended to read:

15 165.76 (2) (b) 2. If the person has been sentenced to prison or placed in a secured
16 correctional facility ~~or~~, a secured child caring institution or a secured group home,
17 he or she shall provide the specimen under par. (a) at the office of a county sheriff as
18 soon as practicable after release on parole, extended supervision or aftercare
19 supervision, as directed by his or her probation, extended supervision and parole
20 agent or aftercare agent, except that the department of corrections or the county
21 department under s. 46.215, 46.22 or 46.23 operating the secured group home in
22 which the person is placed may require the person to provide the specimen while he
23 or she is in prison or in a the secured correctional facility ~~or a~~, secured child caring
24 institution or secured group home.

25 ***-1265/7.22* SECTION 2290.** 165.85 (5m) of the statutes is repealed.

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1 *~~1265/7.23~~* **SECTION 2291.** 165.87 (1) (title) of the statutes is repealed.

2 *~~1265/7.24~~* **SECTION 2292.** 165.87 (1) (a) of the statutes is renumbered 165.87
3 and amended to read:

4 **165.87 Law enforcement training fund.** ~~Twenty seven fifty fifths of all~~
5 ~~moneys~~ Moneys collected from penalty assessments under ~~this section shall be~~
6 ~~credited s. 757.05 and transferred~~ to the appropriation account under s. 20.455 (2)
7 ~~(i) and utilized (kp) and (kq) shall be used~~ in accordance with ~~ss. 20.455 (2) and s.~~
8 ~~165.85 (5) and (5m). The moneys credited to the appropriation account under s.~~
9 ~~20.455 (2) (i), except for the moneys transferred to s. 20.455 (2) (jb), and shall~~
10 constitute the law enforcement training fund.

11 *~~1265/7.25~~* **SECTION 2293.** 165.87 (1) (b) of the statutes is repealed.

12 *~~1265/7.26~~* **SECTION 2294.** 165.87 (1) (bn) of the statutes is repealed.

13 *~~1554/6.7~~* **SECTION 2295.** 165.87 (1) (bp) of the statutes is repealed.

14 *~~1265/7.27~~* **SECTION 2296.** 165.87 (1) (br) of the statutes is repealed.

15 *~~1265/7.28~~* **SECTION 2297.** 165.87 (1) (c) of the statutes is repealed.

16 *~~1265/7.29~~* **SECTION 2298.** 165.87 (2) of the statutes is renumbered 757.05.

17 *~~1554/6.8~~* **SECTION 2299.** 165.90 (4) (intro.) of the statutes is amended to
18 read:

19 165.90 (4) (intro.) If the department approves a plan, the department shall
20 certify the program as eligible to receive aid under s. 20.455 (2) ~~(d) and (hn)~~ (kt). Prior
21 to January 15, of the year for which funding is sought, the department shall
22 distribute from the appropriations under s. 20.455 (2) ~~(d) and (hn)~~ (kt) to each eligible
23 program the amount necessary to implement the plan, subject to the following
24 limitations:

25 *~~1554/6.9~~* **SECTION 2300.** 165.90 (4) (a) of the statutes is amended to read:

BILL**SECTION 2300**

1 165.90 (4) (a) A program may use funds received under s. 20.455 (2) ~~(d) or (hn)~~
2 ~~(kt)~~ only for law enforcement operations.

3 *~~-1554/6.10~~* **SECTION 2301.** 165.90 (4) (b) of the statutes is amended to read:

4 165.90 (4) (b) A program shall, prior to the receipt of funds under s. 20.455 (2)
5 ~~(d) or (hn)~~ ~~(kt)~~ for the 2nd and any subsequent year, submit a report to the
6 department regarding the performance of law enforcement activities on the
7 reservation in the previous fiscal year.

8 *~~-1164/5.2~~* **SECTION 2302.** 166.15 (1) (f) of the statutes is amended to read:

9 166.15 (1) (f) “Nuclear incident” means any sudden or nonsudden release of
10 ionizing radiation, as defined under s. 254.31 (3g), from radioactive waste being
11 stored or disposed of in a waste repository or transported. “Nuclear incident” does
12 not include any release of radiation from radioactive waste being transported under
13 routine operations.

14 *~~-1055/1.3~~* **SECTION 2303.** 166.20 (7g) of the statutes is repealed.

15 *~~-1361/3.1~~* **SECTION 2304.** 168.12 (1) of the statutes is amended to read:

16 168.12 (1) Except as provided in subs. (1g) and (1r), there is imposed a
17 petroleum inspection fee at the rate of ~~3 cents per gallon~~ specified in sub. (1e) on all
18 petroleum products that are received by a supplier for sale in this state or for sale
19 for export to this state. The department of revenue shall determine when a
20 petroleum product is received under this subsection in the same manner that it
21 determines under s. 78.07 when motor vehicle fuel is received. The fee shall be paid
22 under s. 168.125 and shall be based on the number of gallons reported under s.
23 168.125.

24 *~~-1361/3.2~~* **SECTION 2305.** 168.12 (1e) of the statutes is created to read:

BILL

1 168.12 (1e) (a) Except as provided in par. (b), the petroleum inspection fee is
2 3 cents per gallon.

3 (b) 1. On or before January 1 of each even-numbered year, beginning with
4 January 1, 2002, the department shall determine the total amount claimed as
5 reimbursement for claims that have been submitted under s. 101.143 (3) and that are
6 unpaid as of the preceding June 30. If that total exceeds \$10,000,000, the
7 department shall increase the petroleum inspection fee, effective the following April
8 1, by the amount per gallon, rounded to the nearest 0.1 cent, that the department
9 estimates will annually generate revenue equal to the amount by which the total of
10 the unpaid claims exceeds \$10,000,000.

11 2. On or before January 1 of each even-numbered year, beginning with January
12 1, 2002, the department shall determine the unencumbered balance in the petroleum
13 inspection fund as of the preceding June 30. If that balance exceeds \$10,000,000 and
14 if no revenue obligations issued under s. 101.143 (9m) are outstanding, the
15 department shall reduce the petroleum inspection fee, effective the following April
16 1, by the amount per gallon, rounded to the nearest 0.1 cent, that the department
17 estimates will reduce the revenue raised annually by the fee in an amount equal to
18 \$5,000,000 or the amount by which that balance exceeds \$10,000,000, whichever is
19 greater.

20 3. The department shall notify the department of revenue of any change in the
21 petroleum inspection fee under this paragraph.

22 *~~0479/2.1~~ **SECTION 2306.** 170.12 (6) (a) of the statutes is amended to read:

23 170.12 (6) (a) The boundaries of the location where sunken logs may be raised
24 pursuant to the permit. The area covered by the permit shall be contiguous, shall
25 be contained within a single quarter section and may not exceed 160 acres. A permit

BILL**SECTION 2306**

1 may not cover submerged lands that are not contained within Lake Michigan, Lake
2 Superior, Star Lake in Villas County, Boom Lake in Oneida County, Rib Lake in
3 Taylor County or the Fox River. No location may be covered by more than one permit
4 under this section.

5 ***-1808/1.1* SECTION 2307.** 177.01 (10) of the statutes is renumbered 177.01
6 (10) (a).

7 ***-1808/1.2* SECTION 2308.** 177.01 (10) (b) of the statutes is created to read:
8 177.01 (10) (b) “Intangible property” does not include a credit balance issued
9 to a commercial customer account by a business association in the ordinary course
10 of business, unless the credit balance is property described in s. 177.06 (1) or (2) held
11 by a banking organization or financial organization.

12 ***-2028/2.2* SECTION 2309.** 195.28 (2) of the statutes is amended to read:
13 195.28 (2) **INSTALLATION COSTS.** The cost of any signal or other crossing
14 protection device which is ordered installed under sub. (1) and the cost of installing
15 any such device shall be paid by the department from the appropriations under s.
16 20.395 (2) (gj), (gr) and (gx). This subsection applies only if, prior to the order under
17 sub. (1), the secretary of transportation or the railroad grade crossings committee
18 has recommended that the office consider improvements to the railroad grade
19 crossing as provided in 1999 Wisconsin Act ... (this act), section 9150 (5), or if,
20 regardless of the recommendation concerning the crossing, the office determines
21 that immediate improvements to the crossing are necessary to protect public safety.

22 ***-0632/1.1* SECTION 2310.** 196.02 (7m) of the statutes is created to read:
23 196.02 (7m) **SUBMITTAL OF INFORMATION.** (a) Notwithstanding sub. (4) (a), (b)
24 3., (6) or (7):

BILL

1 1. The commission may require a telecommunications utility to submit
2 information to the commission only if the commission reduces, to the extent
3 practicable, any burden on the telecommunications utility that results from
4 complying with the requirement.

5 2. A telecommunications utility is not required to provide any information to
6 the commission unless the commission certifies each of the following:

7 a. The information is necessary for the commission to enforce a requirement
8 under this chapter.

9 b. The information is not unnecessarily duplicative of information that is in the
10 commission's possession.

11 (b) The commission shall promulgate rules that establish requirements and
12 procedures for making a certification specified in par. (a) 2.

13 ***-0632/1.2*** SECTION 2311. 196.14 of the statutes is renumbered 196.14 (intro.)
14 and amended to read:

15 **196.14 Public record exception.** (intro.) The commission ~~may~~ shall
16 withhold from public inspection any ~~information which would~~ of the following:

17 (1) Any information that commission determines may aid a competitor of a
18 public utility in competition with the public utility.

19 ***-0632/1.3*** SECTION 2312. 196.14 (2) of the statutes is created to read:

20 196.14 (2) Any information that is designated as confidential by a public utility
21 when the public utility submits the information to the commission and that the
22 public utility shows to the satisfaction of the commission may aid a competitor of the
23 public utility.

24 ***-2027/1.1*** SECTION 2313. 196.19 (1m) (b) of the statutes is amended to read:

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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 *~~2027/1.2~~* **SECTION 2314.** 196.19 (1m) (e) of the statutes is repealed.

11 *~~1976/1.1~~* **SECTION 2315.** 196.194 (3) of the statutes is created to read:

12 196.194 (3) FIRM INCREMENT CONTRACTS. (a) In this subsection:

13 1. "Control area" means an electric power system or combination of electric
14 power systems that, as determined by the commission, is subject to a common
15 automatic control scheme.

16 2. "Firm customer" means an industrial or commercial customer of a public
17 utility that is provided firm service by the public utility.

18 3. "Firm increment" means the amount by which the estimated electric usage
19 of a firm customer for a 12-month period that is determined at the beginning of the
20 period exceeds the actual electric usage of the firm customer during the period.

21 4. "Firm service" means retail electric service that a public utility may not
22 interrupt on the basis of anticipated or actual shortages of electric capacity within
23 a control area.

24 5. "Interruptible customer" means an industrial or commercial customer of a
25 public utility that is provided interruptible service by the public utility.

BILL

1 6. “Interruptible service” means retail electric service that a public utility may
2 interrupt on the basis of anticipated or actual shortages of electric capacity within
3 a control area.

4 (b) Notwithstanding ss. 196.03, 196.19, 196.20, 196.21, 196.22, 196.37, 196.60
5 and 196.604, the commission may approve the filing of a tariff that allows a firm
6 customer to enter into contracts to sell a firm increment to an interruptible customer
7 in the same control area if the commission determines that such sales by a firm
8 customer will contribute to energy conservation and load management that are
9 designed to reduce the energy needs of firm customers.

10 (c) If the commission approves the filing of a tariff specified in par. (b) and a firm
11 customer provides written notice to the public utility that filed the tariff that the firm
12 customer has entered into a contract specified in par. (b) with an interruptible
13 customer, the public utility shall, for each unit of firm increment that the firm
14 customer sells to the interruptible customer under the contract, do each of the
15 following for the duration of the contract period:

16 1. Reduce the amount of firm service that it provides to the firm customer by
17 the amount of each unit and provide interruptible service to the firm customer in the
18 amount of each unit.

19 2. Provide firm service to the interruptible customer in amount equal to 80%
20 of each unit.

21 (d) A notice under par. (c) shall describe the terms of a contract specified in par.
22 (b), including the duration of the contract period.

23 (e) The commission shall promulgate rules establishing requirements and
24 procedures for sales of firm increment under a tariff approved under par. (b),
25 including requirements for determining an amount of firm increment.

BILL**SECTION 2316**

1 ***-0250/4.11*** **SECTION 2316.** 196.218 (1) (a) and (b) of the statutes are repealed.

2 ***-1950/4.2*** **SECTION 2317.** 196.218 (3) (a) 3. of the statutes is amended to read:

3 196.218 (3) (a) 3. The commission shall designate the method by which the
4 contributions under this paragraph shall be calculated and collected. The method
5 shall ensure that the contributions are sufficient to generate the amounts
6 ~~appropriated~~ necessary to fully fund the appropriations under ss. 20.155 (1) (q),
7 20.275 (1) (s), (t) and (tm) and 20.285 (1) (q). Contributions may be based only on the
8 gross operating revenues from the provision of broadcast services identified by the
9 commission under subd. 2. and on intrastate telecommunications services in this
10 state of the telecommunications providers subject to the contribution.

11 ***-0250/4.12*** **SECTION 2318.** 196.218 (4r) (title) of the statutes is renumbered
12 44.73 (title).

13 ***-0250/4.13*** **SECTION 2319.** 196.218 (4r) (a) (intro.) of the statutes is repealed.

14 ***-0250/4.14*** **SECTION 2320.** 196.218 (4r) (a) 1. of the statutes is renumbered
15 44.70 (1m).

16 ***-0250/4.15*** **SECTION 2321.** 196.218 (4r) (a) 2. and 2m. of the statutes are
17 renumbered 44.70 (3g) and (3j).

18 ***-0250/4.16*** **SECTION 2322.** 196.218 (4r) (a) 3. of the statutes is renumbered
19 44.70 (6).

20 ***-0250/4.17*** **SECTION 2323.** 196.218 (4r) (b) of the statutes is renumbered
21 44.73 (1) and amended to read:

22 44.73 (1) The ~~commission board~~, in consultation with the department ~~and the~~
23 ~~board~~, shall promulgate rules establishing an educational telecommunications
24 access program to provide ~~school districts, private schools, cooperative educational~~

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1 ~~service agencies, technical college districts, private colleges and public library~~
2 ~~boards~~ educational agencies with access to data lines and video links.

3 *~~0250/4.18~~* SECTION 2324. 196.218 (4r) (c) (intro.), 1., 2., 3. and 4. of the
4 statutes are renumbered 44.73 (2) (intro.), (a), (b), (c) and (d) and amended to read:

5 44.73 (2) (intro.) The rules promulgated under ~~par. (b)~~ sub. (1) shall do all of
6 the following:

7 (a) Allow ~~a school district, private school, cooperative educational service~~
8 ~~agency, technical college district, private college and public library board~~ an
9 educational agency to make a request to the board for access to either one data line
10 or one video link, except that if any educational agency may request access to
11 additional data lines if the agency shows to the satisfaction of the board that the
12 additional data lines are more cost-effective than a single data line and except that
13 a school district that operates more than one high school ~~the rules shall allow the~~
14 ~~school district to~~ may request access to both a data line and a video link and to request
15 access to more than one data line or video link. ~~The board shall forward requests~~
16 ~~received under this subdivision to the commission and the department.~~

17 (b) Establish eligibility requirements for ~~a school district, private school,~~
18 ~~cooperative educational service agency, technical college district, private college and~~
19 ~~public library board~~ an educational agency to participate in the program established
20 under ~~par. (b)~~. The requirements shall prohibit a participant in the program from
21 receiving assistance from the universal service fund for the purpose specified in sub.
22 (5) (a) 3. for educational telecommunications access that is substantially similar to
23 the access provided to the participant under the program sub. (1).

24 (c) Establish specifications for a data line or lines and video link that links for
25 which access is provided to a school district, private school, cooperative educational

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SECTION 2324

1 ~~service agency, technical college district, private college and public library board an~~
2 ~~educational agency~~ under the program established under ~~par. (b) sub. (1).~~

3 (d) Require ~~a school district, private school, cooperative educational service~~
4 ~~agency, technical college district, private college and public library board an~~
5 ~~educational agency~~ to pay the department not more than \$250 per month for each
6 data line or video link that is provided to the ~~school district, private school,~~
7 ~~cooperative educational service agency, technical college district, private college and~~
8 ~~public library board educational agency~~ under the program established under ~~par.~~
9 ~~(b) sub. (1)~~, except that the charge may not exceed \$100 per month for each data line
10 or video link that relies on a transport medium that operates at a speed of 1.544
11 megabits per second.

12 ~~*-0250/4.19*~~ SECTION 2325. 196.218 (4r) (c) 5. of the statutes is renumbered
13 44.73 (2) (e).

14 ~~*-0250/4.20*~~ SECTION 2326. 196.218 (4r) (d) of the statutes is renumbered
15 44.73 (3) and amended to read:

16 44.73 (3) The ~~commission board~~ shall submit an annual report to the ~~board~~
17 ~~department~~ on the status of providing data lines and video links that are requested
18 under ~~par. (c) 1. sub. (2) (a)~~ and the impact on the universal service fund of any
19 payment under ~~sub. (5) (a) 5. contracts under s. 16.974 (7).~~

20 ~~*-0250/4.21*~~ SECTION 2327. 196.218 (4r) (e) of the statutes is renumbered
21 44.73 (4) and amended to read:

22 44.73 (4) If the federal communications commission promulgates or modifies
23 rules that provide rate discounts for telecommunications services to ~~school districts,~~
24 ~~private schools, cooperative educational service agencies, technical college districts,~~
25 ~~private colleges or public library boards educational agencies~~ under 47 USC 254, the

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1 governor shall submit a report to the joint committee on finance that includes any
2 recommended changes to statutes or rules with respect to funding the program
3 established under ~~par. (b)~~ sub. (1).

4 ***-0250/4.22*** SECTION 2328. 196.218 (4r) (f) of the statutes is renumbered
5 44.73 (5) and amended to read:

6 44.73 (5) Notwithstanding ~~pars. (b) and (c)~~ subs. (1) and (2), technical college
7 districts are not eligible to participate in the program established under ~~par. (b)~~ sub.
8 (1) before April 1, 1998. ~~In consultation with the commission, the~~ The board shall
9 determine by April 1, 1998, whether there are sufficient moneys in the appropriation
10 under s. 20.275 (1) ~~(s)~~ (t) to include technical college districts in the program
11 established under ~~par. (b)~~ sub. (1). If the board determines that there are sufficient
12 moneys, technical college districts are eligible to participate in the program
13 established under ~~par. (b)~~ sub. (1) beginning on April 1, 1998.

14 ***-0250/4.23*** SECTION 2329. 196.218 (4r) (g) of the statutes is renumbered
15 44.73 (6) and amended to read:

16 44.73 (6) From the appropriation under s. 20.275 (1) (s) or (tm), the board may
17 award an annual grant to a school district or private school that had in effect on
18 October 14, 1997, a contract for access to a data line or video link, as documented by
19 the ~~commission~~ board. The board shall determine the amount of the grant, which
20 shall be equal to the cost incurred by the state to provide telecommunications access
21 to a school district or private school under a contract entered into under s. 16.974 (7)
22 (a) or (c) less the amount that the school district or private school would be paying
23 under ~~par. (e) 4.~~ sub. (2) (d) if the school district or private school were participating
24 in the program established under ~~par. (b)~~ sub. (1), except that the amount may not
25 be greater than the cost that a school district or private school incurs under the

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SECTION 2329

1 contract in effect on October 14, 1997. A school district or private school receiving
2 a grant under this ~~paragraph subsection~~ is not eligible to participate in the program
3 under ~~par. (b) sub. (1)~~. No grant may be awarded under this ~~paragraph subsection~~
4 after June 30, 2002.

5 *~~1950/4.3~~* SECTION 2330. 196.218 (5) (a) 3. of the statutes is repealed.

6 *~~1508/2.3~~* SECTION 2331. 196.218 (5) (a) 5. of the statutes is amended to read:

7 196.218 (5) (a) 5. To pay costs incurred under contracts under s. 16.974 (7) to
8 the extent that these costs are not paid under ~~sub. (4r) (c) 4~~, s. 44.73 (2) (d), except
9 that no moneys in the universal service fund may be used to pay installation costs
10 that are necessary for a political subdivision to obtain access to bandwidth under a
11 shared service agreement under s. 44.73 (2r) (a).

12 *~~0250/4.24~~* SECTION 2332. 196.218 (5) (a) 7. of the statutes is amended to
13 read:

14 196.218 (5) (a) 7. To make grants awarded by the technology for educational
15 achievement in Wisconsin board to school districts and private schools under ~~sub.~~
16 ~~(4r) (g)~~ s. 44.73 (6). This subdivision does not apply after June 30, 2002.

17 *~~0250/4.25~~* SECTION 2333. 196.218 (5m) of the statutes is amended to read:

18 196.218 (5m) RULE REVIEW. ~~Except for rules promulgated under sub. (4r) (b),~~
19 ~~at~~ At least biennially, the commission shall review and revise as appropriate rules
20 promulgated under this section.

21 *~~0250/4.26~~* SECTION 2334. 196.218 (6) (b) of the statutes is amended to read:

22 196.218 (6) (b) The universal service fund council shall advise the commission
23 concerning the administration of this section and the content of rules promulgated
24 under this section. ~~This paragraph does not apply to the administration of sub. (4r)~~
25 ~~and rules promulgated under sub. (4r) (b).~~

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1 ***-0631/1.1*** SECTION 2335. 196.315 of the statutes is created to read:

2 **196.315 Prohibitions in certain proceedings.** (1) No person may make
3 any filing, including a complaint, in a proceeding under s. 196.26, 196.28 or 196.30
4 unless there is a nonfrivolous basis for doing so. A person may not make any filing,
5 including a complaint, in a proceeding under s. 196.26, 196.28 or 196.30 unless, to
6 the best of the person's knowledge, information and belief, formed after a reasonable
7 inquiry, all of the following conditions are satisfied:

8 (a) The filing is reasonably supported by applicable law.

9 (b) The allegations and other factual contentions in the filing have evidentiary
10 support or, if specifically so identified in the filing, are likely to have evidentiary
11 support after reasonable opportunity for further investigation or discovery.

12 (c) The filing is not intended to harass any other party to the proceeding.

13 (d) The filing is not intended to create a needless increase in the cost of
14 litigation.

15 **(2)** No later than 60 days after a complaint is filed under s. 196.26 or 196.30,
16 the commission shall determine whether the complaint has been filed in violation of
17 sub. (1). If, after notice and opportunity for hearing, the commission determines
18 under this subsection that a person has filed a complaint in violation of sub. (1), the
19 commission shall terminate the proceeding on the complaint and proceed under sub.
20 (4).

21 **(3)** If, at any time during a proceeding under s. 196.26, 196.28 or 196.30, the
22 commission determines, after notice and reasonable opportunity to be heard, that a
23 person has made a filing in violation of sub. (1), including the filing of a complaint,
24 the commission shall proceed under sub. (4).

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1 (4) If the commission determines that a person has violated sub. (1), the
2 commission shall order the person to pay to any party to the proceeding the amount
3 of reasonable expenses incurred by that party because of the filing, including
4 reasonable attorney fees, and the commission may directly assess a forfeiture
5 against the person of not less than \$25 nor more than \$5,000. A person against whom
6 the commission assesses a forfeiture under this subsection shall pay the forfeiture
7 to the commission within 10 days after receipt of notice of the assessment or, if the
8 person petitions for judicial review under ch. 227, within 10 days after receipt of the
9 final decision after exhaustion of judicial review. The commission shall remit all
10 forfeitures paid under this subsection to the state treasurer for deposit in the school
11 fund. The attorney general may bring an action in the name of the state to collect
12 any forfeiture assessed by the commission under this subsection that has not been
13 paid as provided in this subsection. The only contestable issue in such an action is
14 whether or not the forfeiture has been paid.

15 *~~2027/1.3~~* **SECTION 2336.** 196.77 of the statutes is amended to read:

16 **196.77 Promotional rates.** Except as provided in this section, nothing in this
17 chapter prohibits a telecommunications utility from filing a tariff to make a limited
18 offering of promotional rates. A promotional rate under this section shall take effect
19 automatically at the time specified in the tariff ~~but not earlier than 10 days after the~~
20 ~~date the tariff is filed with the commission~~ unless the commission ~~authorizes an~~
21 ~~earlier effective date or~~ suspends the tariff within 10 days after the date on which
22 it is filed. The commission may suspend a tariff if it believes that the tariff violates
23 s. 196.204, 196.209 or 196.219. If the commission suspends a tariff, it shall
24 investigate and resolve the matter within 60 days after the date on which the tariff
25 is suspended or the tariff shall be effective as filed.

BILL

1 ***-1836/2.11*** SECTION 2337. 214.01 (1) (im) of the statutes is amended to read:
2 214.01 (1) (im) “Division” means the division of savings ~~and loan~~ institutions.

3 ***-1836/2.12*** SECTION 2338. 214.592 of the statutes is amended to read:

4 **214.592 Financially related services tie-ins.** In any transaction conducted
5 by a savings bank, a savings bank holding company or a subsidiary of either with a
6 customer who is also a customer of any other subsidiary of any of them, the customer
7 shall be given a notice in 12-point boldface type in substantially the following form:

NOTICE OF RELATIONSHIP

9 This company, (insert name and address of savings bank, savings bank
10 holding company or subsidiary), is related to (insert name and address of savings
11 bank, savings bank holding company or subsidiary) of which you are also a customer.
12 You may not be compelled to buy any product or service from either of the above
13 companies or any other related company in order to participate in this transaction.

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

19 ***-1836/2.13*** SECTION 2339. 215.01 (6) of the statutes is amended to read:
20 215.01 (6) “Division” means the division of savings ~~and loan~~ institutions.

21 ***-1836/2.14*** SECTION 2340. 215.02 (title) of the statutes is amended to read:
22 **215.02 (title) Division of savings and loan institutions.**

23 ***-1836/2.15*** SECTION 2341. 215.141 of the statutes is amended to read:

24 **215.141 Financially related services tie-ins.** In any transaction conducted
25 by an association, a savings and loan holding company or a subsidiary of either with

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1 a customer who is also a customer of any other subsidiary of any of them, the
2 customer shall be given a notice in 12-point boldface type in substantially the
3 following form:

NOTICE OF RELATIONSHIP

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

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

16 ***-1085/4.5* SECTION 2342.** 218.015 (7) of the statutes is amended to read:

17 218.015 (7) ~~In~~ Except as provided in s. 893.83, in addition to pursuing any other
18 remedy, a consumer may bring an action to recover for any damages caused by a
19 violation of this section. The court shall award a consumer who prevails in such an
20 action twice the amount of any pecuniary loss, together with costs, disbursements
21 and reasonable attorney fees, and any equitable relief the court determines
22 appropriate.

23 ***-1836/2.16* SECTION 2343.** 220.04 (9) (a) 2. of the statutes is amended to read:

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1 220.04 (9) (a) 2. “Regulated entity” means a bank, universal bank, trust
2 company bank and any other entity which is described in s. 220.02 (2) or 221.0526
3 as under the supervision and control of the division.

4 ***-1836/2.17*** SECTION 2344. 221.0303 (2) of the statutes is amended to read:

5 221.0303 (2) OPERATION AND ACQUISITION OF CUSTOMER BANK COMMUNICATIONS
6 TERMINALS. A bank may, directly or indirectly, acquire, place and operate, or
7 participate in the acquisition, placement and operation of, at locations other than its
8 main or branch offices, customer bank communications terminals, in accordance
9 with rules established by the division. The rules of the division shall provide that
10 any such customer bank communications terminal shall be available for use, on a
11 nondiscriminatory basis, by any state or national bank and by all customers
12 designated by a bank using the terminal. This subsection does not authorize a bank
13 which has its principal place of business outside this state to conduct banking
14 business in this state. The customer bank communications terminals also shall be
15 available for use, on a nondiscriminatory basis, by any credit union, savings and loan
16 association or savings bank, if the credit union, savings and loan association or
17 savings bank requests to share its use, subject to rules jointly established by the
18 division of banking, the office of credit unions and the division of savings ~~and loan~~
19 institutions. The division by order may authorize the installation and operation of
20 a customer bank communications terminal in a mobile facility, after notice and
21 hearing upon the proposed service stops of the mobile facility.

22 ***-1836/2.18*** SECTION 2345. 221.0321 (5) of the statutes is amended to read:

23 221.0321 (5) CERTAIN SECURED LOANS. A bank may make loans secured by
24 assignment or transfer of stock certificates or other evidence of the borrower’s
25 ownership interest in a corporation formed for the cooperative ownership of real

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1 estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a mortgage
2 involving a one-family residence, apply to a proceeding to enforce the lender's rights
3 in security given for a loan under this subsection. The division shall promulgate joint
4 rules with the office of credit unions and the division of savings ~~and loan~~ institutions
5 that establish procedures for enforcing a lender's rights in security given for a loan
6 under this subsection.

7 ***-1836/2.19* SECTION 2346.** Chapter 222 of the statutes is created to read:

8 **CHAPTER 222**

9 **UNIVERSAL BANKS**

10 **SUBCHAPTER I**

11 **GENERAL PROVISIONS**

12 **222.0101 Title.** This chapter may be cited as the "Wisconsin universal bank
13 law".

14 **222.0102 Definitions.** In this chapter:

15 (1) "Adequately capitalized" has the meaning given in 12 USC 1831o (b) (1) (B).

16 (2) "Capital" of a universal bank means the sum of the following, less the
17 amount of intangible assets that is not considered to be qualifying capital by a deposit
18 insurance corporation or the division:

19 (a) For a universal bank organized as a stock organization, the universal bank's
20 capital stock, preferred stock, undivided profits, surplus, outstanding notes and
21 debentures approved by the division, other forms of capital designated as capital by
22 the division and other forms of capital considered to be qualifying capital of the
23 universal bank by a deposit insurance corporation.

24 (b) For a universal bank organized as a mutual organization, the universal
25 bank's net worth, undivided profits, surplus, outstanding notes and debentures

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1 approved by the division, other forms of capital designated as capital by the division
2 and other forms of capital considered to be qualifying capital by a deposit insurance
3 corporation.

4 (3) "Deposit insurance corporation" means the Federal Deposit Insurance
5 Corporation or other instrumentality of, or corporation chartered by, the United
6 States that insures deposits of financial institutions and that is supported by the full
7 faith and credit of the U.S. government as stated in a congressional resolution.

8 (4) "Division" means the division of banking.

9 (5) "Financial institution" means a state savings bank organized under ch. 214,
10 state savings and loan association organized under ch. 215 or a state bank chartered
11 under ch. 221.

12 (6) "Universal bank" means a financial institution that has been issued a
13 certificate of authority under s. 222.0205.

14 (7) "Well-capitalized" has the meaning given in 12 USC 1831o (b) (1) (A).

15 **222.0103 Applicability. (1) SAVINGS BANKS.** A universal bank that is a savings
16 bank organized under ch. 214 remains subject to all of the requirements, duties and
17 liabilities, and may exercise all of the powers, of a savings bank, except that in the
18 event of a conflict between this chapter and those requirements, duties, liabilities or
19 powers, this chapter shall control.

20 (2) **SAVINGS AND LOAN ASSOCIATIONS.** A universal bank that is a savings and loan
21 association organized under ch. 215 remains subject to all of the requirements,
22 duties and liabilities, and may exercise all of the powers, of a savings and loan
23 association, except that, in the event of a conflict between this chapter and those
24 requirements, duties, liabilities or powers, this chapter shall control.

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1 **(3) BANKS.** A universal bank that is a bank chartered under ch. 221 remains
2 subject to all of the requirements, duties and liabilities, and may exercise all of the
3 powers, of a bank, except that, in the event of a conflict between this chapter and
4 these requirements, duties, liabilities or powers, this chapter shall control.

5 **222.0105 Fees.** The division may establish such fees as it determines are
6 appropriate for documents filed with the division under this chapter and for services
7 provided by the division under this chapter.

8 **222.0107 Administration. (1) POWERS OF DIVISION.** The division shall
9 administer this chapter for all universal banks.

10 **(2) RULE-MAKING AUTHORITY.** The division may promulgate rules to administer
11 and carry out this chapter. The division may establish additional limits or
12 requirements on universal banks, if the division determines that the limits or
13 requirements are necessary for the protection of depositors, members, investors or
14 the public.

SUBCHAPTER II**CERTIFICATION**

17 **222.0201 Procedure. (1) APPLICATION.** A financial institution may apply to
18 become certified as a universal bank by filing a written application with the division.
19 The application shall include such information as the division may require. The
20 application shall be on such forms and in accordance with such procedures as the
21 division may prescribe.

22 **(2) REVIEW BY DIVISION.** An application submitted to the division shall either
23 be approved or disapproved by the division in writing within 60 days after its
24 submission to the division. The division and the financial institution may mutually
25 agree to extend the application period for an additional period of 60 days.

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1 **222.0203 Eligibility. (1) REQUIREMENTS.** The division shall approve an
2 application for certification as a universal bank, if the applying financial institution
3 meets all of the following requirements:

4 (a) The financial institution is chartered or organized, and regulated, under ch.
5 214, 215 or 221 and has been in existence and continuous operation for a minimum
6 of 3 years prior to the date of the application.

7 (b) The financial institution is well-capitalized or adequately capitalized.

8 (c) The financial institution does not exhibit a combination of financial,
9 managerial, operational and compliance weaknesses that is moderately severe or
10 unsatisfactory, as determined by the division based upon the division's assessment
11 of the financial institution's capital adequacy, asset quality, management capability,
12 earnings quantity and quality, adequacy of liquidity, and sensitivity to market risk.

13 (d) During the 12-month period prior to the application, the financial
14 institution has not been the subject of an enforcement action and there is no
15 enforcement action pending against the financial institution by any state or federal
16 financial institution regulatory agency, including the division.

17 **(2) FAILURE TO MAINTAIN COMPLIANCE.** For any period during which a universal
18 bank fails to meet the requirements under sub. (1), the division may by order limit
19 or restrict the exercise of the powers of the universal bank under this chapter.

20 **222.0205 Certificate of authority.** Upon approval of the application under
21 s. 222.0201 for certification as a universal bank, the division shall issue to the
22 applicant a certificate of authority stating that the financial institution is certified
23 as a universal bank under this chapter.

24 **222.0207 Decertification.** A financial institution that is certified as a
25 universal bank under this chapter may elect to terminate its certification upon 60

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1 days' prior written notice to the division and written approval of the division. The
2 financial institution shall, as a condition to the termination, terminate its exercise
3 of all powers granted under this chapter prior to the termination of the certification.
4 Written approval of the termination by the division is void if the financial institution
5 fails to satisfy the precondition to termination under this section.

SUBCHAPTER III**ORGANIZATION**

8 **222.0301 Articles of incorporation and bylaws.** A universal bank shall
9 continue to operate under its articles of incorporation and bylaws as in effect prior
10 to certification as a universal bank or as such articles or bylaws may be subsequently
11 amended in accordance with the provisions of the chapter under which the universal
12 bank was organized or chartered.

13 **222.0303 Name. (1) USE OF "BANK".** Notwithstanding ss. 214.035, 215.40 (1)
14 and 215.60 (1) and subject to subs. (2) and (4), a universal bank may use the word
15 "bank" in its name, without having to include the word "savings". Notwithstanding
16 ss. 215.40 (1) and 215.60 (1) and subject to subs. (2) and (4), a universal bank that
17 is organized under ch. 215 and that uses the word "bank" in its name in accordance
18 with this section need not include the words "savings and loan association" or
19 "savings association" in its name.

20 **(2) DISTINGUISHABILITY.** Except as provided in subs. (3) and (4), the name of the
21 universal bank shall be distinguishable upon the records of the division from all of
22 the following names:

23 (a) The name of any other financial institution organized under the laws of this
24 state.

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1 (b) The name of a national bank or foreign bank authorized to transact business
2 in this state.

3 (3) EXCEPTIONS. A universal bank may apply to the division for authority to use
4 a name that does not meet the requirement under sub. (2). The division may
5 authorize the use of the name if any of the conditions under s. 221.0403 (2) (a) or (b)
6 is met.

7 (4) USE OF SAME NAME. A universal bank may use a name that is used in this
8 state by another financial institution or by an institution authorized to transact
9 business in this state, if the universal bank has done any of the following:

10 (a) Merged with the other institution.

11 (b) Been formed by reorganization of the other institution.

12 (c) Acquired all or substantially all of the assets, including the name, of the
13 other institution.

14 **222.0305 Capital and assets. (1) CAPITAL REQUIREMENTS.** Notwithstanding
15 subch. VI of ch. 214 and ss. 215.24 and 221.0205, the division shall determine the
16 minimum capital requirements of universal banks.

17 **(2) CERTAIN ASSET REQUIREMENTS.** Section 214.045 does not apply to universal
18 banks.

19 **222.0307 Acquisitions, mergers and asset purchases. (1) IN GENERAL.** A
20 universal bank may, with the approval of the division, purchase the assets of, merge
21 with, acquire or be acquired by any other financial institution, universal bank,
22 national bank, federally chartered savings bank or savings and loan association, or
23 by a holding company of any of these entities. Notwithstanding subch. III of ch. 214
24 and ss. 214.09 and 215.36, the approval of the division of savings institutions is not
25 required.

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1 **222.0403 Loan powers. (1) PERMITTED PURPOSES.** A universal bank may
2 make, sell, purchase, arrange, participate in, invest in or otherwise deal in loans or
3 extensions of credit for any purpose.

4 **(2) IN GENERAL.** Except as provided in subs. (3) to (8), the total liabilities of any
5 person, other than a municipal corporation, to a universal bank for a loan or
6 extension of credit may not exceed 20% of the capital of the universal bank at any
7 time. In determining compliance with this section, liabilities of a partnership
8 includes the liabilities of the general partners, computed individually as to each
9 general partner on the basis of his or her direct liability.

10 **(3) CERTAIN SECURED LIABILITIES.** The percentage limitation under sub. (2) is
11 50% of the universal bank's capital, if the liabilities under sub. (2) are limited to the
12 following types of liabilities:

13 (a) *Warehouse receipts.* A liability secured by warehouse receipts issued by
14 warehouse keepers who are licensed and bonded in this state under ss. 99.02 and
15 99.03 or under the federal Bonded Warehouse Act or who hold a registration
16 certificate under ch. 127, if all of the following requirements are met:

- 17 1. The receipts cover readily marketable nonperishable staples.
- 18 2. The staples are insured, if it is customary to insure the staples.
- 19 3. The market value of the staples is not, at any time, less than 140% of the face
20 amount of the obligation.

21 (b) *Certain bonds or notes.* A liability in the form of a note or bond that meets
22 any of the following qualifications:

- 23 1. The note or bond is secured by not less than a like amount of bonds or notes
24 of the United States issued since April 24, 1917, or certificates of indebtedness of the
25 United States.

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1 2. The note or bond is secured or covered by guarantees or by commitments or
2 agreements to take over, or to purchase, the bonds or notes, and the guarantee,
3 commitment or agreement is made by a federal reserve bank, the federal small
4 business administration, the federal department of defense or the federal maritime
5 commission.

6 3. The note or bond is secured by mortgages or trust deeds insured by the
7 federal housing administration.

8 (4) OBLIGATIONS OF LOCAL GOVERNMENTAL UNITS. (a) *Definition.* In this
9 subsection, "local governmental unit" has the meaning given in s. 16.97 (7).

10 (b) *General limitation.* Except as otherwise provided in this subsection, the
11 total liabilities of a local governmental unit to a universal bank for money borrowed
12 may not, at any time, exceed 25% of the capital of the universal bank.

13 (c) *Revenue obligations.* Liabilities in the form of revenue obligations of a local
14 governmental unit are subject to the limitations provided in par. (b). In addition, a
15 universal bank is permitted to invest in a general obligation of that local
16 governmental unit in an amount that will bring the combined total of the general
17 obligations and revenue obligations of a single local governmental unit to a sum not
18 in excess of 50% of the capital of the universal bank.

19 (d) *General obligations.* If the liabilities of the local governmental unit are in
20 the form of bonds, notes or other evidences of indebtedness that are a general
21 obligation of a local governmental unit, the total liability of the local governmental
22 unit may not exceed 50% of the capital of the universal bank.

23 (e) *Temporary borrowings.* The total amount of temporary borrowings of any
24 local governmental unit maturing within one year after the date of issue may not
25 exceed 60% of the capital of the universal bank. Temporary borrowings and

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1 longer-term general obligation borrowings of a single local governmental unit may
2 be considered separately in determining compliance with this subsection.

3 (5) OBLIGATIONS OF CERTAIN INTERNATIONAL ORGANIZATIONS; OTHER FOREIGN BONDS.

4 A universal bank may purchase bonds offered for sale by the International Bank for
5 Reconstruction and Development and the Inter-American Development Bank or
6 such other foreign bonds as may be approved under rules established by the division.
7 At no time shall the aggregate investment in any of these bonds issued by a single
8 issuer exceed 10% of the capital of the universal bank.

9 (6) FOREIGN NATIONAL GOVERNMENT BONDS. A universal bank may purchase
10 general obligation bonds issued by any foreign national government if the bonds are
11 payable in United States funds. The aggregate investment in these foreign bonds
12 may not exceed 3% of the capital of the universal bank, except that this limitation
13 does not apply to bonds of the Canadian government and Canadian provinces that
14 are payable in United States funds.

15 (7) LIMITS ESTABLISHED BY BOARD. (a) *When financial statements required.* A
16 universal bank may not make or renew a loan or loans, the aggregate total of which
17 exceeds the level established by the board of directors without being supported by a
18 signed financial statement of the borrower, unless the loan is secured by collateral
19 having a value in excess of the amount of the loan. A signed financial statement
20 furnished by the borrower to a universal bank in compliance with this paragraph
21 must be renewed annually as long as the loan or any renewal of the loan remains
22 unpaid and is subject to this paragraph.

23 (b) *Treatment of loans complying with limits.* A loan or a renewal of a loan made
24 by a universal bank in compliance with par. (a), without a signed financial statement,
25 may be treated by the universal bank as entirely independent of any secured loan

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1 made to the same borrower if the loan does not exceed the limitations provided in this
2 section.

3 (8) EXCEPTIONS. This section does not apply to any of the following:

4 (a) *Liabilities secured by certain short-term federal obligations.* A liability that
5 is secured by not less than a like amount of direct obligations of the United States
6 which will mature not more than 18 months after the date on which such liabilities
7 to the universal bank are entered into.

8 (b) *Certain federal and state obligations or guaranteed obligations.* A liability
9 that is a direct obligation of the United States or this state, or an obligation of any
10 governmental agency of the United States or this state, that is fully and
11 unconditionally guaranteed by the United States or this state.

12 (c) *Commodity Credit Corporation liabilities.* A liability in the form of a note,
13 debenture or certificate of interest of the Commodity Credit Corporation.

14 (d) *Discounting bills of exchange or business or commercial paper.* A liability
15 created by the discounting of bills of exchange drawn in good faith against actually
16 existing values or the discounting of commercial or business paper actually owned
17 by the person negotiating the same.

18 (e) *Certain other federal or federally guaranteed obligations.* In obligations of,
19 or obligations that are fully guaranteed by, the United States and in obligations of
20 any federal reserve bank, federal home loan bank, the Student Loan Marketing
21 Association, the Government National Mortgage Association, the Federal National
22 Mortgage Association, the Federal Home Loan Mortgage Corporation, the
23 Export-Import Bank of Washington or the Federal Deposit Insurance Corporation.

24 (9) ADDITIONAL AUTHORITY. (a) *In general.* In addition to the authority granted
25 under subs. (1) to (8), and except as provided in par. (b), a universal bank may lend

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1 under this subsection, through the universal bank or subsidiary of the universal
2 bank, to all borrowers from the universal bank and all of its subsidiaries, an
3 aggregate amount not to exceed 20% of the universal bank's capital. Neither a
4 universal bank nor any subsidiary of the universal bank may lend to any borrower,
5 under this subsection and any other law or rule, an amount that would result in an
6 aggregate amount for all loans to that borrower that exceeds 20% of the universal
7 bank's capital. A universal bank or its subsidiary may take an equity position or
8 other form of interest as security in a project funded through such loans. Every
9 transaction by a universal bank or its subsidiary under this subsection shall require
10 prior approval by the governing board of the universal bank or its subsidiary,
11 respectively. Such loans are not subject to s. 221.0326 or to classification as losses,
12 for a period of 3 years from the date of each loan except as provided in par. (b).

13 (b) *Suspension of additional authority.* The division may suspend authority
14 established under this subsection and, in such case, may specify how an outstanding
15 loan shall be treated by the universal bank or its subsidiary. Among the factors that
16 the division may consider in suspending authority under this subsection are the
17 universal bank's capital adequacy, asset quality, earnings quantity, earnings quality,
18 adequacy of liquidity and sensitivity to market risk and the ability of the universal
19 bank's management.

20 **222.0405 Investment powers.** (1) INVESTMENT SECURITIES. Except as
21 provided in subs. (3) to (8), a universal bank may purchase, sell, underwrite and hold
22 investment securities, consistent with safe and sound banking practices, up to 100%
23 of the universal bank's capital. A universal bank shall not invest greater than 20%
24 of the universal bank's capital in the investment securities of one obligor or issuer.
25 In this subsection, "investment securities" includes commercial paper, banker's

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1 acceptances, marketable securities in the form of bonds, notes, debentures and
2 similar instruments that are regarded as investment securities.

3 (2) EQUITY SECURITIES. Except as provided in subs. (3) to (8), a universal bank
4 may purchase, sell, underwrite and hold equity securities, consistent with safe and
5 sound banking practices, up to 20% of capital or, if approved by the division in
6 writing, a greater percentage of capital.

7 (3) HOUSING ACTIVITIES. With the prior written consent of the division, a
8 universal bank may invest in the initial purchase and development, or the purchase
9 or commitment to purchase after completion, of home sites and housing for sale or
10 rental, including projects for the reconstruction, rehabilitation or rebuilding of
11 residential properties to meet the minimum standards of health and occupancy
12 prescribed for a local governmental unit, the provision of accommodations for retail
13 stores, shops and other community services that are reasonably incident to that
14 housing, or in the stock of a corporation that owns one or more of those projects and
15 that is wholly owned by one or more financial institutions. The total investment in
16 any one project may not exceed 15% of the universal bank's capital, nor may the
17 aggregate investment under this subsection exceed 50% of capital. A universal bank
18 may not make an investment under this subsection unless it is in compliance with
19 the capital requirements set by the division under s. 222.0305 (1) and with the capital
20 maintenance requirements of its deposit insurance corporation.

21 (4) PROFIT-PARTICIPATION PROJECTS. A universal bank may take equity positions
22 in profit-participation projects, including projects funded through loans from the
23 universal bank, in an aggregate amount not to exceed 20% of capital. The division
24 may suspend the investment authority under this subsection. If the division
25 suspends the investment authority under this subsection, the division may specify

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1 how outstanding investments under this subsection shall be treated by the universal
2 bank or its subsidiary. Among the factors that the division may consider in
3 suspending authority under this subsection are the universal bank's capital
4 adequacy, asset quality, earnings quantity, earnings quality, adequacy of liquidity
5 and sensitivity to market risk and the ability of the universal bank's management.
6 This subsection does not authorize a universal bank, directly or indirectly through
7 a subsidiary, to engage in the business of underwriting insurance.

8 (5) **DEBT INVESTMENTS.** A universal bank may invest in bonds, notes, obligations
9 and liabilities described under s. 222.0403 (3) to (7), subject to the limitations under
10 those subsections.

11 (6) **CERTAIN LIABILITIES.** This section does not limit investment in the
12 liabilities described in s. 222.0403 (8).

13 (7) **CERTAIN INVESTMENTS.** A universal bank may invest without limitation in
14 any of the following:

15 (a) *Business development corporations.* Stocks or obligations of a corporation
16 organized for business development by this state or by the United States or by an
17 agency of this state or the United States.

18 (b) *Urban renewal investment corporations.* Obligations of an urban renewal
19 investment corporation organized under the laws of this state or of the United States.

20 (c) *Certain bank insurance companies.* An equity interest in an insurance
21 company or an insurance holding company organized to provide insurance for
22 universal banks and for persons affiliated with universal banks, solely to the extent
23 that this ownership is a prerequisite to obtaining directors' and officers' insurance
24 or blanket bond insurance for the universal bank through the company.

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1 (d) *Certain remote service unit corporations.* Shares of stock, whether
2 purchased or otherwise acquired, in a corporation acquiring, placing and operating
3 remote service units under s. 214.04 (21) or 215.13 (46) or bank communications
4 terminals under s. 221.0303 (2).

5 (e) *Service corporations.* Equity or debt securities or instruments of a service
6 corporation subsidiary of the universal bank.

7 (f) *Federal funds.* Advances of federal funds.

8 (g) *Certain risk management financial products.* With the prior written
9 approval of the division, financial futures transactions, financial options
10 transactions, forward commitments or other financial products for the purpose of
11 reducing, hedging or otherwise managing its interest rate risk exposure.

12 (h) *Certain fiduciaries.* A subsidiary organized to exercise corporate fiduciary
13 powers under ch. 112.

14 (i) *Agricultural credit corporations.* An agricultural credit corporation. Unless
15 a universal bank owns at least 80% of the stock of the agricultural credit corporation,
16 a universal bank may not invest more than 20% of the universal bank's capital in the
17 agricultural credit corporation.

18 (j) *Deposit accounts and insured obligations.* Deposit accounts or insured
19 obligations of any financial institution, the accounts of which are insured by a deposit
20 insurance corporation.

21 (k) *Certain federal obligations.* Obligations of, or obligations that are fully
22 guaranteed by, the United States and stocks or obligations of any federal reserve
23 bank, federal home loan bank, the Student Loan Marketing Association, the
24 Government National Mortgage Association, the Federal National Mortgage

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1 Association, the Federal Home Loan Mortgage Corporation or the Federal Deposit
2 Insurance Corporation.

3 (L) *Other investments.* Any other investment authorized by the division.

4 (8) INVESTMENTS IN OTHER FINANCIAL INSTITUTIONS. In addition to the authority
5 granted under ss. 222.0307 and 222.0409, and subject to the limitations of sub. (2),
6 a universal bank may invest in other financial institutions.

7 (9) INVESTMENTS THROUGH SUBSIDIARIES. A universal bank may make
8 investments under this section, directly or indirectly through a subsidiary, unless
9 the division determines that an investment shall be made through a subsidiary with
10 appropriate safeguards to limit the risk exposure of the universal bank.

11 **222.0407 Universal bank purchase of its own stock.** (1) IN GENERAL. A
12 universal bank may hold or purchase not more than 10% of its capital stock, notes
13 or debentures, except as provided in sub. (2) or (3).

14 (2) DIVISION APPROVAL. A universal bank may hold or purchase more than 10%
15 of its capital stock, notes or debentures, if approved by the division.

16 (3) ADDITIONAL AUTHORITY. A universal bank may hold or purchase more than
17 10% of its capital stock, notes or debentures if the purchase is necessary to prevent
18 loss upon a debt previously contracted in good faith. Stock, notes or debentures held
19 or purchased under this subsection may not be held by the universal bank for more
20 than 6 months if the stock, notes or debentures can be sold for the amount of the claim
21 of the universal bank against the holder of the debt previously contracted. The
22 universal bank shall either sell the stock, notes or debentures within 12 months of
23 acquisition under this subsection or shall cancel the stock, notes or debentures.
24 Cancellation of the stock, notes or debentures reduces the amount of the universal
25 bank's capital stock, notes or debentures. If the reduction reduces the universal

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1 bank's capital below the minimum level required by the division, the universal bank
2 shall increase its capital to the amount required by the division.

3 (4) LOANS SECURED BY CAPITAL, SURPLUS OR DEPOSITS. A universal bank may not
4 loan any part of its capital, surplus or deposits on its own capital stock, notes or
5 debentures as collateral security, except that a universal bank may make a loan
6 secured by its own capital stock, notes or debentures to the same extent that the
7 universal bank may make a loan secured by the capital stock, notes and debentures
8 of a holding company for the universal bank.

9 **222.0409 Stock in bank-owned banks.** With the approval of the division,
10 a universal bank may acquire and hold stock in one or more banks chartered under
11 s. 221.1202 or national banks chartered under 12 USC 27 (b) or in one or more
12 holding companies wholly owning such a bank. Aggregate investments under this
13 section may not exceed 10% of the universal bank's capital.

14 **222.0411 General deposit powers. (1) IN GENERAL.** A universal bank may
15 set eligibility requirements for, and establish the types and terms of, deposits that
16 the universal bank solicits and accepts. The terms set under this subsection may
17 include minimum and maximum amounts that the universal bank may accept and
18 the frequency and computation method of paying interest.

19 (2) PLEDGE OF SECURITY FOR DEPOSITS. Subject to the limitations of s. 221.0324
20 that are applicable to banks, a universal bank may pledge its assets as security for
21 deposits.

22 (3) SECURITIZATION OF ASSETS. With the approval of the division, a universal
23 bank may securitize its assets for sale to the public. The division may establish
24 procedures governing the exercise of authority granted under this subsection.

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1 (4) **SAFE DEPOSIT POWERS.** A universal bank may take and receive, from any
2 individual or corporation for safekeeping and storage, gold and silver plate, jewelry,
3 money, stocks, securities, and other valuables or personal property; and rent out the
4 use of safes or other receptacles upon its premises upon such compensation as may
5 be agreed upon. A universal bank has a lien for its charges on any property taken
6 or received by it for safekeeping. If the lien is not paid within 2 years from the date
7 the lien accrues, or if property is not called for by the person depositing the property,
8 or by his or her representative or assignee, within 2 years from the date the lien
9 accrues, the universal bank may sell the property at public auction. A universal bank
10 shall provide the same notice for a sale under this subsection that is required by law
11 for sales of personal property on execution. After retaining from the proceeds of the
12 sale all of the liens and charges due the bank and the reasonable expenses of the sale,
13 the universal bank shall pay the balance to the person depositing the property, or to
14 his or her representative or assignee.

15 **222.0413 Other service and incidental activity powers.** (1) **NECESSARY**
16 **OR CONVENIENT POWERS.** Unless otherwise prohibited or limited by this chapter, a
17 universal bank may exercise all powers necessary or convenient to effect the
18 purposes for which the universal bank is organized or to further the businesses in
19 which the universal bank is lawfully engaged.

20 (2) **REASONABLY RELATED POWERS.** (a) Subject to any applicable state or federal
21 regulatory or licensing requirements, a universal bank may engage, directly or
22 indirectly through a subsidiary, in activities reasonably related or incident to the
23 purposes of the universal bank. Activities reasonably related or incident to the
24 purposes of the universal bank are those activities that are part of the business of
25 financial institutions, or closely related to the business of financial institutions, or

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1 convenient and useful to the business of financial institutions, or reasonably related
2 or incident to the operation of financial institutions or are financial in nature.
3 Activities that are reasonably related or incident to the purposes of a universal bank
4 include the following:

- 5 1. Business and professional services.
- 6 2. Data processing.
- 7 3. Courier and messenger services.
- 8 4. Credit-related activities.
- 9 5. Consumer services.
- 10 6. Real estate-related services, including real estate brokerage services.
- 11 7. Insurance and related services, other than insurance underwriting.
- 12 8. Securities brokerage.
- 13 9. Investment advice.
- 14 10. Securities and bond underwriting.
- 15 11. Mutual fund activities.
- 16 12. Financial consulting.
- 17 13. Tax planning and preparation.
- 18 14. Community development and charitable activities.
- 19 15. Debt cancellation contracts.
- 20 16. Any activities reasonably related or incident to activities under subs. 1.
21 to 15.

22 (b) An activity that is authorized by statute or regulation for financial
23 institutions to engage in as of the effective date of this paragraph [revisor inserts
24 date], is an activity that is reasonably related to or incident to the purposes of a
25 universal bank. An activity permitted under the Bank Holding Company Act is an

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1 activity that is reasonably related to or incident to the purposes of a universal bank.
2 The list of activities reasonably related or incident to the purposes of a universal
3 bank may be expanded by the division. Any additional activity approved by the
4 division shall be authorized for all universal banks.

5 (3) NOTICE REQUIREMENT. A universal bank shall give 60 days' prior written
6 notice to the division of the universal bank's intention to engage in an activity under
7 this section.

8 (4) STANDARDS FOR DENIAL. The division may deny the authority of a universal
9 bank to engage in an activity under this section, other than those activities described
10 in sub. (2) (a) 1. to 16., if the division determines that the activity is not an activity
11 reasonably related or incident to the purposes of a universal bank, that the financial
12 institution is not well-capitalized or adequately capitalized, that the financial
13 institution is the subject of an enforcement action or that the financial institution
14 does not have satisfactory management expertise for the proposed activity.

15 (5) INSURANCE INTERMEDIATION. A universal bank, or an officer or salaried
16 employe of a universal bank, may obtain a license as an insurance intermediary, if
17 otherwise qualified. A universal bank may not, directly or indirectly through a
18 subsidiary, engage in the business of underwriting insurance.

19 (6) OTHER ACTIVITIES APPROVED BY THE DIVISION. A universal bank may engage
20 in any other activity that is approved by rule of the division.

21 (7) ACTIVITIES PROVIDED THROUGH A SUBSIDIARY. A universal bank may engage
22 in activities under this section, directly or indirectly through a subsidiary, unless the
23 division determines that an activity must be conducted through a subsidiary with
24 appropriate safeguards to limit the risk exposure of the universal bank.

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1 **(8) LIMITATIONS ON INVESTMENTS THROUGH SUBSIDIARIES.** The amount of the
2 investment in any one subsidiary that engages in an activity under this section may
3 not exceed 20% of capital or, if approved by the division, a higher percentage
4 authorized by the division. The aggregate investment in all subsidiaries that engage
5 in an activity under this subsection may not exceed 50% of capital or, if approved by
6 the division, a higher percentage authorized by the division.

7 **(9) OWNERSHIP OF SUBSIDIARIES.** A subsidiary that engages in an activity under
8 this section may be owned jointly, with one or more other financial institutions,
9 individuals or entities.

10 **222.0415 Trust powers.** Subject to rules of the division, a universal bank may
11 exercise trust powers in accordance with s. 221.0316.

12 ***-1836/2.20*** **SECTION 2347.** 223.105 (3) (a) of the statutes is amended to read:
13 223.105 (3) (a) To assure compliance with such rules as may be established
14 under s. 220.04 (7) the division of banking, the office of credit unions and the division
15 of savings ~~and loan~~ institutions shall, at least once every 18 months, examine the
16 fiduciary operations of each organization which is under its respective jurisdiction
17 and is subject to examination under sub. (2). If a particular organization subject to
18 examination under sub. (2) is not otherwise under the jurisdiction of one of the
19 foregoing agencies, such examination shall be conducted by the division of banking.

20 ***-1836/2.21*** **SECTION 2348.** 223.105 (4) of the statutes is amended to read:
21 223.105 (4) **NOTICE OF FIDUCIARY OPERATION.** Except for those organizations
22 licensed under ch. 221 or this chapter, any organization engaged in fiduciary
23 operations as defined in this section shall, as required by rule, notify the division of
24 banking, the office of credit unions or the division of savings ~~and loan~~ institutions of
25 that fact, directing the notice to the agency then exercising regulatory authority over

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1 the organization or, if there is none, to the division of banking. Any organization
2 which intends to engage in fiduciary operations shall, prior to engaging in such
3 operations, notify the appropriate agency of this intention. The notifications
4 required under this subsection shall be on forms and contain information required
5 by the rules promulgated by the division of banking.

6 ***-1836/2.22* SECTION 2349.** 223.105 (5) of the statutes is amended to read:

7 223.105 (5) ENFORCEMENT REMEDY. The division of banking or the division of
8 savings ~~and loan~~ institutions or office of credit unions shall upon the failure of such
9 organization to submit notifications or reports required under this section or
10 otherwise to comply with the provisions of this section, or rules established by the
11 division of banking under s. 220.04 (7), upon due notice, order such defaulting
12 organization to cease and desist from engaging in fiduciary activities and may apply
13 to the appropriate court for enforcement of such order.

14 ***-1836/2.23* SECTION 2350.** 223.105 (6) of the statutes is amended to read:

15 223.105 (6) SUNSET. Except for an organization regulated by the office of credit
16 unions or the division of savings ~~and loan~~ institutions or an organization authorized
17 by the division of banking to operate as a bank or trust company under ch. 221 or this
18 chapter, an organization may not begin activity as a fiduciary operation under this
19 section after May 12, 1992. An organization engaged in fiduciary operations under
20 this section on May 12, 1992, may continue to engage in fiduciary operations after
21 that date.

22 ***-1191/2.1* SECTION 2351.** 224.30 (1) (title) of the statutes is created to read:

23 224.30 (1) (title) DEFINITION.

24 ***-1191/2.2* SECTION 2352.** 224.30 (2) (title) of the statutes is created to read:

25 224.30 (2) (title) ELECTRONIC FORMS AND SIGNATURES.