

Assembly Hearing Slip

(Please print plainly)

Date: 4-28-99
Bill No. AB 300
Or
Subject

(Name) ANN MARIE VINOPAL
(Street Address or Route Number) JUNEAU COUNTY TREASURER
(City & Zip Code) JUNEAU COUNTY &
(Representing) WISCONSIN COUNTY TREASURERS

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4-28-99
Bill No. AB 300
Or
Subject

(Name) WAYNE WOOD
(Street Address or Route Number) 2429 ROCKPORT RD
(City & Zip Code) JAMESVILLE WI 53545
(Representing) 44th ASSEMBLY DIST

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4/28/99
Bill No.
Or
Subject AB 300

(Name) ED HUDK
(Street Address or Route Number) 146 W. M. SLIA
(City & Zip Code) MADISON, WI
(Representing) WI ALLIANCE OF CITIES

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

* I'd this bill is
Amended to reflect the
Finance position we will
oppose.

Assembly Hearing Slip

(Please print plainly)

Date: 4/28/99
Bill No. AB 300
Or
Subject Lottery Credit
(Name) Laurie Krupiec
200 E. Wells St.
(Street Address or Route Number)
Milw. WI
(City & Zip Code)
City of Milw.
(Representing)

Speaking in favor:
Speaking against:
Registering in favor: (Ib recommended)
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4/28/99
Bill No. LRB-2907
Or
Subject Lottery Credit
(Name) Mike Birkley
111 So. Hamilton Suite 200
(Street Address or Route Number)
Madison, WI
(City & Zip Code)
Wis Property Taxpayers, Inc.
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4/28/99
Bill No. AB 300
Or
Subject Lottery Credit
(Name) Michael Johnson
103 W.
(Street Address or Route Number)
Madison, WI
(City & Zip Code)
Author
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4-28-99
Bill No. AB 300
Or
Subject
Begy S. Ross
(Name)
51 S. Main
(Street Address or Route Number)
Janesville, WI
(City & Zip Code)
Rock County & Wis
(Representing) County Treas.

- Speaking in favor: 2
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 4/28/99
Bill No. AB 300
Or
Subject
Tom Ourada Dept. of Revenue
(Name)
(Street Address or Route Number)
(City & Zip Code)
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

Please return this slip to a messenger promptly.

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date:
Bill No. AB 300
Or
Subject
Roger Cliff
(Name)
Box 5550
(Street Address or Route Number)
Madison 53705
(City & Zip Code)
WIS. FARM BUREAU FED.
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms:
Room 411 West
State Capitol
Madison, WI 53702

Assembly Committee on Ways and Means

DATE _____

Moved by Goet Seconded by Leh

AB 300 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

Passage

Introduction

Adoption

Rejection

Indefinite Postponement

Tabling

Concurrence

Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair	2			
3.	Rep. Bob Goetsch	3			
4.	Rep. Mike Huebsch	4			
5.	Rep. Frank Lasee	5			
6.	Rep. John Ainsworth	6			
7.	Rep. Suzanne Jeskewitz	7			
8.	Rep. Carol Owens	8			
9.	Rep. Joan Spillner	9			
10.	Rep. Wayne Wood	10			
11.	Rep. John La Fave		1		
12.	Rep. Lee Meyerhofer		2		
13.	Rep. Johnie Morris-Tatum		3		
14.	Rep. Jeffrey Plale	11			
15.	Rep. Bob Turner		4		
16.	Rep. Bob Ziegelbauer		5		
	Totals				

MOTION CARRIED

MOTION FAILED

Assembly Committee on Ways and Means

DATE _____

Moved by MT Seconded by Zieg

AB 300 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt 0049

A/S Amdt _____ to A/S Sub Amdt _____

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AB 300 SB _____ Clearinghouse Rule _____

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A/S Sub Amdt 0054

A/S Amdt _____ to A/S Sub Amdt _____

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11.	Rep. John La Fave				
12.	Rep. Lee Meyerhofer				
13.	Rep. Johnnie Morris-Tatum				
14.	Rep. Jeffrey Plale				
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16.	Rep. Bob Ziegelbauer				
	Totals				

MOTION CARRIED

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Assembly Committee on Ways and Means

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Moved by Ain Seconded by Goet

AB 300 SB _____ Clearinghouse Rule _____

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A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt 0054

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

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Rejection

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4.	Rep. Mike Huebsch	4			
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6.	Rep. John Ainsworth	6			
7.	Rep. Suzanne Jeskewitz	7			
8.	Rep. Carol Owens	8			
9.	Rep. Joan Spillner	9			
10.	Rep. Wayne Wood		1		
11.	Rep. John La Fave		- 2		
12.	Rep. Lee Meyerhofer		3		
13.	Rep. Johnie Morris-Tatum		4		
14.	Rep. Jeffrey Plale		5		
15.	Rep. Bob Turner		6		
16.	Rep. Bob Ziegelbauer		7		
	Totals				

MOTION CARRIED

MOTION FAILED

Assembly Committee on Ways and Means

DATE _____

Moved by _____ Seconded by _____

AB 360 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt 0049 _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

Passage

Introduction *u*

Adoption

Rejection

Indefinite Postponement

Tabling

Concurrence

Nonconcurrence

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3.	Rep. Bob Goetsch				
4.	Rep. Mike Huebsch				
5.	Rep. Frank Lasee				
6.	Rep. John Ainsworth				
7.	Rep. Suzanne Jeskewitz				
8.	Rep. Carol Owens				
9.	Rep. Joan Spillner				
10.	Rep. Wayne Wood				
11.	Rep. John La Fave				
12.	Rep. Lee Meyerhofer				
13.	Rep. Johnnie Morris-Tatum				
14.	Rep. Jeffrey Plale				
15.	Rep. Bob Turner				
16.	Rep. Bob Ziegelbauer				
	Totals				

MOTION CARRIED

MOTION FAILED


1999 - 2000 LEGISLATURE

1999 ASSEMBLY BILL 300 


April 22, 1999 - Introduced by Representatives M. Lehman, Goetsch, Wood, Huebsch, Ladwig, Montgomery, Stone, J. Lehman, Klusman, Owens, Urban, Porter, Bock, Reynolds, Olsen and Nass, cosponsored by Senators Decker, Panzer, Wirch, Burke, Schultz, Chvala, Shibilski, Cowles, Roessler, Grobschmidt, Jauch, Moen and Robson. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act** to repeal 20.115 (4) (g), 20.115 (4) (h), 20.455 (2) (g), 20.505 (8) (g), 20.505
Pg1Ln2 (8) (i), 562.077 and 563.05 (6); to renumber 563.135 and 563.80; to amend
Pg1Ln3 20.003 (5), 20.115 (4) (a), 20.115 (4) (b), 20.435 (7) (kg), 20.455 (2) (r), 20.505 (8)
Pg1Ln4 (h), 20.505 (8) (j), 20.566 (2) (r), 20.566 (8), 20.835 (2) (q), 20.835 (3) (q), 25.17
Pg1Ln5 (1) (jr), 25.75 (title), 25.75 (2), 25.75 (3) (intro.), 25.75 (3) (a), 25.75 (3) (b) 4.,
Pg1Ln6 25.75 (3) (e), 66.058 (3) (c) 8., 79.10 (1m), 79.10 (2), 79.10 (5), 79.10 (7m) (b) (title)
Pg1Ln7 and 1. a., 79.10 (9) (bm), 79.10 (9) (c), 79.10 (11) (title), (b) and (c), 79.11 (2), 79.11
Pg1Ln8 (3) (b), 93.31, 562.02 (2) (f), 562.04 (1) (b) 4., 562.04 (2) (d), 562.05 (2), 562.065
Pg1Ln9 (3) (d) (title) and 2., 562.065 (3m) (c) (title) and 2., 562.065 (4), 562.09 (2) (e),
Pg1Ln10 562.124 (2), 563.13 (4), 563.16, 563.92 (2), 563.98 (1g), 565.02 (6) and 565.02 (7);
Pg1Ln11 and to create 20.505 (8) (q), 20.505 (8) (r), 20.835 (3) (r), 25.75 (1) (am), 25.75
Pg1Ln12 (1) (d), 25.75 (3) (f), 79.10 (1) (dm), 79.10 (7r), 79.10 (10), 562.065 (3) (cm),
Pg2Ln1 563.055 (6), 563.135 (2m), 563.22 (2) (c) and 563.80 (2m) of the statutes;
Pg2Ln2 relating to: the property tax lottery credit and making appropriations.

Analysis by the Legislative Reference Bureau


AB300 

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


AB300 

On April 6, 1999, Wisconsin voters approved amendments to sections 24 (3), (5) and (6) (a) of article IV of the state constitution. The amendments require all moneys received by the state that are attributable to bingo, pari-mutuel on-track betting

and the lottery, less the moneys used for the regulation of or enforcement of laws relating to bingo, pari-mutuel on-track betting and the lottery, be used for property tax relief for state residents regardless of the income or age of the resident.

AB300 


This bill restores the language of the property tax lottery credit that existed prior to the 1997-98 legislative session. The bill changes the name of the property tax lottery credit to the property tax gaming credit and provides a property tax gaming credit to any taxpayer whose primary residence is on a parcel of taxable property. An eligible taxpayer must file an application with the county or municipality treasurer to receive the credit.

AB300 

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


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

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

AB300, s. 1 

Pg2Ln3

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

AB300, s. 1 - continued 

Pg2Ln4

Pg2Ln5


Pg2Ln6

Pg2Ln7

Pg3Ln1

Pg3Ln2

20.003 (5) **Required Lottery Gaming Fund balance.** (a) The legislature may not enact any bill directly or indirectly affecting the lottery gaming fund if the bill would cause the estimated lottery gaming fund balance on June 30 of any fiscal year, as projected under s. 20.005 (1), to be less than 2% of the estimated gross lottery revenues, as defined in s. 25.75 (1) (b), for that fiscal year, as projected under s. 20.005 (1).

AB300, s. 1 - continued 

Pg3Ln3

Pg3Ln4

Pg3Ln5

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

Pg3Ln6 defined in s. 25.75 (1) (b).

AB300, s. 2



Pg3Ln7 **Section 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
Pg3Ln8 the following amounts for the purposes indicated:

1997-98

1998-99

Pg3Ln9 20.115 Agriculture, trade and consumer
Pg3Ln10 protection, department of

Pg3Ln11 (4) Agricultural assistance

Pg3Ln12 (b) Aids to county and district GPR A -0- -0-
Pg3Ln13 fairs

Pg3Ln13 20.505 Administration, department of

Pg3Ln14 (8) Division of gaming

Pg3Ln15 (q) General program SEG A -0- 662,800
Pg3Ln16 operations; rac-
ing

Pg3Ln17 (r) General program SEG A -0- 32,300
Pg3Ln18 operations;
bingo

AB300, s. 3



Pg3Ln19 **Section 3.** 20.115 (4) (a) of the statutes is amended to read:

AB300, s. 3 - continued



Pg3Ln20 20.115 (4) (a) Aid to Wisconsin livestock breeders association. The amounts in
Pg3Ln21 the schedule, ~~less moneys available under par. (h),~~ for the purpose of aid to the
Pg3Ln22 Wisconsin livestock breeders association for the conduct of junior livestock shows
Pg3Ln23 and other livestock educational programs under s. 93.31.

AB300, s. 4




Pg4Ln1 **Section 4.** 20.115 (4) (b) of the statutes is amended to read:


AB300, s. 4 - continued





Pg4Ln2 20.115 (4) (b) Aids to county and district fairs. ~~A sum sufficient~~ The amounts
Pg4Ln3 in the schedule to provide state aids to counties and agricultural societies,
Pg4Ln4 associations or boards and to incorporated dairy or livestock associations, not to
Pg4Ln5 exceed \$15,000 per fair as provided in s. 93.23. ~~No moneys in excess of the difference~~
Pg4Ln6 ~~between \$585,000 and the amount of moneys available under par. (g) in each fiscal~~


Pg4Ln7 ~~year may be expended from this appropriation.~~ If the total due the several counties
Pg4Ln8 and agricultural societies under this paragraph exceeds \$585,000 the amounts in the
Pg4Ln9 schedule, the department shall equitably prorate that amount.


AB300, s. 5 
Pg4Ln10 **Section 5.** 20.115 (4) (g) of the statutes is repealed.


AB300, s. 6 
Pg4Ln11 **Section 6.** 20.115 (4) (h) of the statutes is repealed.


AB300, s. 7 
Pg4Ln12 **Section 7.** 20.435 (7) (kg) of the statutes is amended to read:


AB300, s. 7 - continued 
Pg4Ln13 20.435 (7) (kg) Compulsive gambling awareness campaigns. The amounts in
Pg4Ln14 the schedule for the purpose of awarding grants under s. 46.03 (43). All moneys
Pg4Ln15 transferred from ~~ss. s. 20.505 (8) (g) and (h) and 20.566 (8) (q)~~ shall be credited to this
Pg4Ln16 appropriation account.


AB300, s. 8 
Pg4Ln17 **Section 8.** 20.455 (2) (g) of the statutes is repealed.

AB300, s. 9 
Pg4Ln18 **Section 9.** 20.455 (2) (r) of the statutes is amended to read:


AB300, s. 9 - continued 
Pg4Ln19 20.455 (2) (r) Gaming law enforcement; lottery gaming revenues. From the
Pg4Ln20 lottery gaming fund, the amounts in the schedule for the performance of the
Pg4Ln21 department's gaming law enforcement responsibilities as specified in s. 165.70 (3m).

AB300, s. 10 
Pg4Ln22 **Section 10.** 20.505 (8) (g) of the statutes is repealed.


AB300, s. 11 
Pg4Ln23 **Section 11.** 20.505 (8) (h) of the statutes is amended to read:

AB300, s. 11 - continued 
Pg4Ln24 20.505 (8) (h) General program operations; Indian gaming. The amounts in the
Pg4Ln25 schedule for general program operations under ch. 569. All Indian gaming receipts,


Pg5Ln1 as defined in s. 569.01 (1m), less the amounts appropriated under s. 20.455 (2) (gc),
Pg5Ln2 shall be credited to this appropriation account. Annually, of the moneys received
Pg5Ln3 under this appropriation account, an amount equal to ~~50%~~ of the amount in the
Pg5Ln4 schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation account
Pg5Ln5 under s. 20.435 (7) (kg).

AB300, s. 12 


Pg5Ln6 **Section 12.** 20.505 (8) (i) of the statutes is repealed.

AB300, s. 13 


Pg5Ln7 **Section 13.** 20.505 (8) (j) of the statutes is amended to read:

AB300, s. 13 - continued 


Pg5Ln8 20.505 (8) (j) General program operations; ~~charitable~~ raffles and crane games.
Pg5Ln9 The amounts in the schedule for general program operations under ~~chs. subch. VIII~~
Pg5Ln10 of ch. 563 and ch. 564. All moneys received by the department of administration
Pg5Ln11 ~~under ch. 563, except s. 563.80, and under s-~~ ss. 563.92 (2), 563.98 (1g) and 564.02
Pg5Ln12 (2) shall be credited to this appropriation account.

AB300, s. 14 


Pg5Ln13 **Section 14.** 20.505 (8) (q) of the statutes is created to read:

AB300, s. 14 - continued 


Pg5Ln14 20.505 (8) (q) General program operations; racing. From the gaming fund, the
Pg5Ln15 amounts in the schedule for general program operations under ch. 562.

AB300, s. 15 


Pg5Ln16 **Section 15.** 20.505 (8) (r) of the statutes is created to read:

AB300, s. 15 - continued 


Pg5Ln17 20.505 (8) (r) General program operations; bingo. From the gaming fund, the
Pg5Ln18 amounts in the schedule for general program operations relating to bingo under
Pg5Ln19 subchs. II to VII of ch. 563.

AB300, s. 16 

Pg5Ln20 **Section 16.** 20.566 (2) (r) of the statutes is amended to read:


AB300, s. 16 - continued 

Pg5Ln21 20.566 (2) (r) ~~Lottery Gaming~~ credit administration. From the ~~lottery gaming~~
Pg5Ln22 fund, the amounts in the schedule for the administration of the ~~lottery gaming~~ credit.

AB300, s. 17 

Pg5Ln23

Section 17. 20.566 (8) of the statutes is amended to read:

AB300, s. 17 - continued 

Pg5Ln24


Pg5Ln25

Pg6Ln1

Pg6Ln2

Pg6Ln3


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

AB300, s. 17 - continued 

Pg6Ln4

Pg6Ln5


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

AB300, s. 17 - continued 

Pg6Ln6

Pg6Ln7

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


AB300, s. 17 - continued 

Pg6Ln8

Pg6Ln9


Pg6Ln10

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

AB300, s. 18 

Pg6Ln11

Section 18. 20.835 (2) (q) of the statutes is amended to read:


AB300, s. 18 - continued 

Pg6Ln12

Pg6Ln13


Pg6Ln14

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

AB300, s. 19 

Pg6Ln15


Section 19. 20.835 (3) (q) of the statutes is amended to read:

AB300, s. 19 - continued 

Pg6Ln16


Pg6Ln17

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

AB300, s. 20 

Pg6Ln18

Section 20. 20.835 (3) (r) of the statutes is created to read:


AB300, s. 20 - continued 

Pg6Ln19

Pg6Ln20


Pg6Ln21

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

AB300, s. 21 


Pg6Ln22

Section 21. 25.17 (1) (jr) of the statutes is amended to read:

AB300, s. 21 - continued 


Pg6Ln23

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

AB300, s. 22 


Pg6Ln24

Section 22. 25.75 (title) of the statutes is amended to read:

AB300, s. 22 - continued 


Pg6Ln25

25.75 (title) ~~Lottery~~ Gaming fund.

AB300, s. 23 

Pg7Ln1


Section 23. 25.75 (1) (am) of the statutes is created to read:

AB300, s. 23 - continued 

Pg7Ln2


Pg7Ln3

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

AB300, s. 24 

Pg7Ln4


Section 24. 25.75 (1) (d) of the statutes is created to read:

AB300, s. 24 - continued 

Pg7Ln5


Pg7Ln6

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


AB300, s. 25 

Pg7Ln7


Section 25. 25.75 (2) of the statutes is amended to read:

AB300, s. 25 - continued 


Pg7Ln8 25.75 (2) **Creation.** There is created a separate nonlapsible trust fund known
Pg7Ln9 as the lottery gaming fund, to consist of gross lottery revenues received by the
Pg7Ln10 department of revenue, bingo revenues and pari-mutuel wagering revenues and
Pg7Ln11 earnings from these revenues. Revenues deposited in the gaming fund shall be used
Pg7Ln12 for the purposes specified in this section, for the general program operations of the
Pg7Ln13 department of administration relating to pari-mutuel wagering under ch. 562 and
Pg7Ln14 bingo under ch. 563, for the payment of the farmland tax relief credit under ss. 71.07
Pg7Ln15 (3m), 71.28 (2m) and 71.47 (2m) and for the payment of the gaming credit under s.
Pg7Ln16 79.10 (5).

AB300, s. 26 


Pg7Ln17 **Section 26.** 25.75 (3) (intro.) of the statutes is amended to read:

AB300, s. 26 - continued 


Pg7Ln18 25.75 (3) **Distribution Of gross lottery revenues.** (intro.) Amounts The
Pg7Ln19 distribution of the gross lottery revenues in the gaming fund shall be distributed as
Pg7Ln20 follows subject to all of the following:

AB300, s. 27 


Pg7Ln21 **Section 27.** 25.75 (3) (a) of the statutes is amended to read:

AB300, s. 27 - continued 


Pg7Ln22 25.75 (3) (a) Prizes. An amount equal to at least 50% of each year's gross lottery
Pg7Ln23 revenues from the sale of lottery tickets and lottery shares shall be returned as prizes
Pg7Ln24 to the holders of winning lottery tickets or lottery shares sold during that year.

AB300, s. 28 


Pg7Ln25 **Section 28.** 25.75 (3) (b) 4. of the statutes is amended to read:

AB300, s. 28 - continued 

Pg8Ln1 25.75 (3) (b) 4. Moneys Any moneys derived from gross lottery revenues that
Pg8Ln2 are appropriated from the lottery gaming fund under s. 20.455 (2) (r) shall not be
Pg8Ln3 included.


AB300, s. 29 

Pg8Ln4 **Section 29.** 25.75 (3) (e) of the statutes is amended to read:


AB300, s. 29 - continued 

Pg8Ln5 25.75 (3) (e) Lottery Gaming credit state administration expenses. From the
Pg8Ln6 appropriation under s. 20.566 (2) (r), lottery proceeds, bingo revenues and


Pg8Ln7 pari-mutuel wagering revenues shall be used to offset department of revenue
Pg8Ln8 expenses in administering the lottery gaming credit.

AB300, s. 30 


Pg8Ln9 **Section 30.** 25.75 (3) (f) of the statutes is created to read:

AB300, s. 30 - continued 


Pg8Ln10 25.75 (3) (f) Gaming credit certification. From the appropriation under s.
Pg8Ln11 20.835 (3) (r), gaming proceeds shall be used to make payments under s. 79.10 (7r)
Pg8Ln12 to counties and cities for certification of the gaming credit.

AB300, s. 31 


Pg8Ln13 **Section 31.** 66.058 (3) (c) 8. of the statutes is amended to read:

AB300, s. 31 - continued 


Pg8Ln14 66.058 (3) (c) 8. The credit under s. 79.10 (9) (bm), as it applies to the principal
Pg8Ln15 dwelling on a parcel of taxable property shall apply to the estimated fair market
Pg8Ln16 value of a mobile home that is the principal dwelling of the owner. The owner of the
Pg8Ln17 mobile home shall file a claim for the credit with the treasurer of the municipality
Pg8Ln18 in which the property is located no later than January 31. To obtain the credit under
Pg8Ln19 s. 79.10 (9) (bm), the owner shall attest on the claim that the mobile home is the
Pg8Ln20 owner's principal dwelling, as defined in s. 79.10 (1) (dm). The treasurer shall reduce
Pg8Ln21 the owner's parking permit fee by the amount of any allowable credit. The treasurer
Pg8Ln22 shall furnish notice of all amounts claims for credits filed under this subdivision to
Pg8Ln23 the department of revenue as provided under s. 79.10 (1m).

AB300, s. 32 


Pg8Ln24 **Section 32.** 79.10 (1) (dm) of the statutes is created to read:

AB300, s. 32 - continued 

Pg9Ln1 79.10 (1) (dm) "Principal dwelling" means any dwelling that is used by the
Pg9Ln2 owner of the dwelling as a primary residence.


AB300, s. 33 

Pg9Ln3 **Section 33.** 79.10 (1m) of the statutes is amended to read:


AB300, s. 33 - continued 

Pg9Ln4 79.10 (1m) (a) Each municipality shall notify the department of revenue of the
Pg9Ln5 total amount of credits ~~to be paid~~ claimed by taxpayers under sub. (9) (bm) ~~and the~~
Pg9Ln6 ~~total number of parcels of taxable real property and personal property accounts in~~


Pg9Ln7 ~~the municipality that are eligible for the credit under sub. (5).~~

AB300, s. 33 - continued 


Pg9Ln8 (b) Counties and municipalities shall submit to the department of revenue all
Pg9Ln9 data related to the lottery gaming credit and requested by the department of
Pg9Ln10 revenue.

AB300, s. 34 


Pg9Ln11 **Section 34.** 79.10 (2) of the statutes is amended to read:

AB300, s. 34 - continued 


Pg9Ln12 79.10 (2) **Notice to municipalities.** On or before December 1 of the year
Pg9Ln13 preceding the distribution under sub. (7m) (a), the department of revenue shall
Pg9Ln14 notify the clerk of each town, village and city of the estimated fair market value, as
Pg9Ln15 determined under sub. (11), to be used to calculate the lottery gaming credit under
Pg9Ln16 sub. (5) and of the amount to be distributed to it under sub. (7m) (a) on the following
Pg9Ln17 4th Monday in July. The anticipated receipt of such distribution shall not be taken
Pg9Ln18 into consideration in determining the tax rate of the municipality but shall be
Pg9Ln19 applied as tax credits.

AB300, s. 35 


Pg9Ln20 **Section 35.** 79.10 (5) of the statutes is amended to read:

AB300, s. 35 - continued 


Pg9Ln21 79.10 (5) **Lottery Gaming Credit.** Each municipality shall receive, from the
Pg9Ln22 appropriation under s. 20.835 (3) (q), an amount determined by multiplying the
Pg9Ln23 school tax rate by the estimated fair market value, not exceeding the value
Pg9Ln24 determined under sub. (11), of every parcel of taxable real property ~~and every~~
Pg9Ln25 personal property account in the municipality on which a principal dwelling is
Pg10Ln1 located in the municipality and for which a claim for the credit under sub. (9) (bm)
Pg10Ln2 is made by the owner of the principal dwelling.

AB300, s. 36 

Pg10Ln3 **Section 36.** 79.10 (7m) (b) (title) and 1. a. of the statutes are amended to read:


AB300, s. 36 - continued 

Pg10Ln4 79.10 (7m) (b) (title) ~~Lottery~~ Gaming credit.


AB300, s. 36 - continued 

Pg10Ln5 1. a. The amount determined under sub. (5) with respect to ~~the number of~~


Pg10Ln6 ~~parcels of taxable real property and personal property accounts~~ claims filed for which
Pg10Ln7 the town, village or city has furnished notice under sub. (1m) by March 1 shall be
Pg10Ln8 distributed from the appropriation under s. 20.835 (3) (q) by the department of
Pg10Ln9 administration on the 4th Monday in March.

AB300, s. 37 


Pg10Ln10 **Section 37.** 79.10 (7r) of the statutes is created to read:

AB300, s. 37 - continued 


Pg10Ln11 79.10 (7r) **Gaming credit certification reimbursement.** (a) A county or city
Pg10Ln12 that performs the certification procedure under sub. (10) (a) shall receive, from the
Pg10Ln13 appropriation under s. 20.835 (3) (r), 50 cents for each gaming credit certified for a
Pg10Ln14 principal dwelling located in that county or city.

AB300, s. 37 - continued 


Pg10Ln15 (b) The amounts determined under par. (a) shall be distributed by the
Pg10Ln16 department of administration on the first Friday in September, 1999, and every 5th
Pg10Ln17 year thereafter, based on applications on file with the county or city on August 1. A
Pg10Ln18 county or city shall inform the department of revenue of the number of applications
Pg10Ln19 on file before August 16.

AB300, s. 37 - continued 

Pg10Ln20 (c) If the department of revenue determines before August 1 of the year
Pg10Ln21 following a distribution under par. (b) that a county or city received an overpayment
Pg10Ln22 or underpayment under par. (b) because of a late application or an erroneous
Pg10Ln23 payment, the department of revenue shall correct the overpayment or
Pg10Ln24 underpayment by reducing or increasing the subsequent year's distribution under
Pg10Ln25 par. (b). Corrections shall be made without interest.

AB300, s. 38 

Pg11Ln1 **Section 38.** 79.10 (9) (bm) of the statutes is amended to read:

AB300, s. 38 - continued 

Pg11Ln2 79.10 (9) (bm) Lottery Gaming credit. Except as provided in ss. 79.175 and
Pg11Ln3 79.18, every owner of ~~taxable personal property or a principal dwelling~~ on a parcel
Pg11Ln4 of taxable real property is entitled to receive a lottery gaming credit in an amount
Pg11Ln5 determined by multiplying the estimated fair market value ~~of the personal property~~
Pg11Ln6 ~~of~~ of the parcel of taxable real property, not exceeding the value determined under
Pg11Ln7 sub. (11), by the school tax rate. The owner shall receive the credit if the owner claims
Pg11Ln8 the credit in the manner provided under sub. (10) (a).

AB300, s. 39



Pg11Ln9

Section 39. 79.10 (9) (c) of the statutes is amended to read:

AB300, s. 39 - continued



Pg11Ln10

Pg11Ln11

Pg11Ln12

Pg11Ln13

Pg11Ln14

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

AB300, s. 40



Pg11Ln15

Section 40. 79.10 (10) of the statutes is created to read:

AB300, s. 40 - continued



Pg11Ln16

Pg11Ln17

Pg11Ln18

Pg11Ln19

Pg11Ln20

Pg11Ln21

Pg11Ln22

Pg11Ln23

Pg11Ln24

Pg11Ln25

Pg12Ln1

Pg12Ln2

Pg12Ln3

Pg12Ln4

Pg12Ln5

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

AB300, s. 40 - continued



Pg12Ln6

Pg12Ln7

Pg12Ln8

Pg12Ln9

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

AB300, s. 40 - continued



Pg12Ln10

Pg12Ln11


Pg12Ln12

Pg12Ln13


Pg12Ln14

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


Pg12Ln15 eligible for the credit under sub. (9) (bm) is located.

AB300, s. 40 - continued 


Pg12Ln16 (d) If the department of revenue determines that a credit was claimed by a
Pg12Ln17 taxpayer who was not entitled to the credit for reasons other than that the taxpayer
Pg12Ln18 failed to complete the information required under par. (a), the department of revenue
Pg12Ln19 shall collect the credit as a special charge against the county where the property for
Pg12Ln20 which the credit was claimed is located. The county shall instruct the appropriate
Pg12Ln21 taxation district to collect the credit as a special charge on the next property tax bill
Pg12Ln22 issued for the property.

AB300, s. 41 


Pg12Ln23 **Section 41.** 79.10 (11) (title), (b) and (c) of the statutes are amended to read:

AB300, s. 41 - continued 


Pg12Ln24 79.10 (11) (title) **Lottery Gaming Credit estimated fair market value.**

AB300, s. 41 - continued 

Pg13Ln1 (b) Before October 16, the department of administration shall determine the
Pg13Ln2 total funds available for distribution under the lottery gaming credit in the following
Pg13Ln3 year and shall inform the joint committee on finance of that total. Total funds
Pg13Ln4 available for distribution shall be all existing and projected lottery proceeds, as
Pg13Ln5 defined in s. 25.75 (1) (c), bingo revenues, as defined in s. 25.75 (1) (am), pari-mutuel
Pg13Ln6 wagering revenues, as defined in s. 25.75 (1) (d), and interest for the fiscal year of the
Pg13Ln7 distribution, less the amount estimated to be expended under ss. 20.455 (2) (r),
Pg13Ln8 20.505 (8) (q) and (r), 20.566 (2) (r) and 20.835 (2) (q) and (3) (r); less 20% of the
Pg13Ln9 amount estimated to be expended under s. 20.835 (3) (r) on the first Friday in
Pg13Ln10 September, 2004, or on the first Friday in September of every 5th year thereafter; and
Pg13Ln11 less the required reserve under s. 20.003 (5). The joint committee on finance may
Pg13Ln12 revise the total amount to be distributed if it does so at a meeting that takes place
Pg13Ln13 before November 1. If the joint committee on finance does not schedule a meeting
Pg13Ln14 to take place before November 1, the total determined by the department of
Pg13Ln15 administration shall be the total amount estimated to be distributed under the
Pg13Ln16 lottery gaming credit in the following year.


AB300, s. 41 - continued 

Pg13Ln17 (c) Before November 1, the department of administration shall inform the
Pg13Ln18 department of revenue of the total amount available for distribution under the
Pg13Ln19 lottery gaming credit in the following year. Before December 1, the department of
Pg13Ln20 revenue shall calculate, to the nearest \$100, the estimated fair market value
Pg13Ln21 necessary to distribute the total amount available for distribution under the lottery
Pg13Ln22 gaming credit in the following year.

AB300, s. 42 

Pg13Ln23

Section 42. 79.11 (2) of the statutes is amended to read:

AB300, s. 42 - continued 


Pg13Ln24

Pg13Ln25

Pg14Ln1


Pg14Ln2

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

AB300, s. 43 

Pg14Ln3

Section 43. 79.11 (3) (b) of the statutes is amended to read:


AB300, s. 43 - continued 

Pg14Ln4

Pg14Ln5


Pg14Ln6

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

AB300, s. 44 

Pg14Ln7

Section 44. 93.31 of the statutes is amended to read:

AB300, s. 44 - continued 

Pg14Ln8

Pg14Ln9

Pg14Ln10

Pg14Ln11

Pg14Ln12

Pg14Ln13

Pg14Ln14

Pg14Ln15

Pg14Ln16

Pg14Ln17

Pg14Ln18

Pg14Ln19

Pg14Ln20

Pg14Ln21

Pg14Ln22


Pg14Ln23

Pg14Ln24

Pg15Ln1


Pg15Ln2

93.31 Livestock breeders association. The secretary of the Wisconsin livestock breeders association shall on and after July 1 of each year make a report to the department, signed by the president, treasurer and secretary of the association, setting forth in detail the receipts and disbursements of the association for the preceding fiscal year in such form and detail together with such other information as the department may require. On receipt of such reports, if the department is satisfied that the business of the association has been efficiently conducted during the preceding fiscal year and in the interest of and for the promotion of the special agricultural interests of the state and for the purpose for which the association was organized and if the final statement shows that all the receipts together with the state aid have been accounted for and disbursed for the proper and necessary purposes of the association, and in accordance with the laws of the state, then the department shall file a certificate with the department of administration and it shall draw its warrant and the state treasurer shall pay to the treasurer of the association the amount of the appropriations made available for the association by s. 20.115 (4) (a) ~~and (h)~~ for the conduct of junior livestock shows and other livestock educational programs. The association may upon application to the state purchasing agent, upon such terms as he or she may require, obtain printing for the association under the state contract.

AB300, s. 45 

Pg15Ln3

Section 45. 562.02 (2) (f) of the statutes is amended to read:

AB300, s. 45 - continued 

Pg15Ln4

Pg15Ln5

Pg15Ln6

Pg15Ln7

Pg15Ln8


Pg15Ln9

Pg15Ln10

Pg15Ln11


Pg15Ln12

562.02 (2) (f) Suspend or revoke any license or impose a forfeiture for any violation of this chapter or department rules relating to pari-mutuel racing. The department may suspend or revoke an occupational license issued under s. 562.05 (1) (d) or impose a forfeiture on that licensee under this paragraph if the stewards do not hold a meeting under s. 562.04 (1) (b) or hold a meeting but do not suspend the license or impose a forfeiture. Upon appeal, the department may change any action of the stewards under s. 562.04 (1) (b). Fifty percent of the moneys received under this paragraph shall be ~~credited to the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g)~~ deposited into the gaming fund.

AB300, s. 46 

Pg15Ln13

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

AB300, s. 46 - continued 

Pg15Ln14

Pg15Ln15

Pg15Ln16

Pg15Ln17


Pg15Ln18

Pg15Ln19

Pg15Ln20


Pg15Ln21

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

AB300, s. 47 

Pg15Ln22

Section 47. 562.04 (2) (d) of the statutes is amended to read:

AB300, s. 47 - continued 


Pg15Ln23

Pg15Ln24

Pg16Ln1


Pg16Ln2

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


AB300, s. 48 

Pg16Ln3


Section 48. 562.05 (2) of the statutes is amended to read:

AB300, s. 48 - continued 


Pg16Ln4 562.05 (2) The department shall establish, by rule, the qualifications for any
Pg16Ln5 license required under sub. (1) and fix the fee for that license and any background
Pg16Ln6 investigation under sub. (7) related to that license. Any moneys received under this
Pg16Ln7 subsection shall be credited to the appropriation accounts under ss. ~~20.455 (2) (g) and~~
Pg16Ln8 ~~20.505 (8) (g)~~ deposited into the gaming fund.

AB300, s. 49 


Pg16Ln9 **Section 49.** 562.065 (3) (cm) of the statutes is created to read:

AB300, s. 49 - continued 


Pg16Ln10 562.065 (3) (cm) Moneys to be deposited into gaming fund. All moneys received
Pg16Ln11 under par. (c) shall be deposited into the gaming fund.

AB300, s. 50 


Pg16Ln12 **Section 50.** 562.065 (3) (d) (title) and 2. of the statutes are amended to read:

AB300, s. 50 - continued 


Pg16Ln13 562.065 (3) (d) (title) ~~General program operations; aids to county and district~~
Pg16Ln14 ~~fairs.~~

AB300, s. 50 - continued 


Pg16Ln15 2. The department shall ~~credit~~ deposit the money received under subd. 1. ~~to the~~
Pg16Ln16 ~~appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g)~~ into the gaming
Pg16Ln17 fund.

AB300, s. 51 


Pg16Ln18 **Section 51.** 562.065 (3m) (c) (title) and 2. of the statutes are amended to read:

AB300, s. 51 - continued 

Pg16Ln19 562.065 (3m) (c) (title) ~~Allocation between~~ Payment by licensee and state
Pg16Ln20 ~~association~~ to the department.


AB300, s. 51 - continued 

Pg16Ln21 2. The licensee may retain 50% of the amount of the deduction under par. (a)
Pg16Ln22 remaining after the payment of purses under par. (b), and the payment of the
Pg16Ln23 licensee's cost under subd. 1. The licensee shall deposit the remaining 50% of that
Pg16Ln24 amount with the department. The department shall ~~credit~~ deposit all moneys
Pg17Ln1 received under this subdivision ~~to the appropriation account under s. 20.505 (8) (i)~~
Pg17Ln2 into the gaming fund.

AB300, s. 52 

Pg17Ln3

Section 52. 562.065 (4) of the statutes is amended to read:

AB300, s. 52 - continued 

Pg17Ln4


Pg17Ln5

Pg17Ln6

Pg17Ln7


Pg17Ln8

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

AB300, s. 53 


Pg17Ln9

Section 53. 562.077 of the statutes is repealed.

AB300, s. 54 

Pg17Ln10

Section 54. 562.09 (2) (e) of the statutes is amended to read:

AB300, s. 54 - continued 


Pg17Ln11

Pg17Ln12

Pg17Ln13


Pg17Ln14

562.09 (2) (e) The department shall establish, by rule, and charge fees for testing under this subsection. Fees received under this paragraph shall be credited ~~to the appropriation accounts under ss. 20.455 (2) (g) and 20.505 (8) (g)~~ deposited into the gaming fund.

AB300, s. 55 

Pg17Ln15

Section 55. 562.124 (2) of the statutes is amended to read:

AB300, s. 55 - continued 

Pg17Ln16

Pg17Ln17

Pg17Ln18

Pg17Ln19

Pg17Ln20

Pg17Ln21

Pg17Ln22

Pg17Ln23


Pg17Ln24

Pg17Ln25

Pg18Ln1

Pg18Ln2

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

AB300, s. 56 

Pg18Ln3

Section 56. 563.05 (6) of the statutes is repealed.

AB300, s. 57



Pg18Ln4

Section 57. 563.055 (6) of the statutes is created to read:

AB300, s. 57 - continued



Pg18Ln5

Pg18Ln6

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

AB300, s. 58



Pg18Ln7

Section 58. 563.13 (4) of the statutes is amended to read:

AB300, s. 58 - continued



Pg18Ln8

Pg18Ln9

Pg18Ln10

Pg18Ln11

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

AB300, s. 59



Pg18Ln12

Section 59. 563.135 of the statutes is renumbered 563.135 (1).

AB300, s. 60



Pg18Ln13

Section 60. 563.135 (2m) of the statutes is created to read:

AB300, s. 60 - continued



Pg18Ln14

Pg18Ln15

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

AB300, s. 61



Pg18Ln16

Section 61. 563.16 of the statutes is amended to read:

AB300, s. 61 - continued



Pg18Ln17

Pg18Ln18

Pg18Ln19

Pg18Ln20

Pg18Ln21


Pg18Ln22

Pg18Ln23


Pg18Ln24

563.16 Amendment of license to conduct bingo. Upon application by a licensed organization, a license may be amended, if the subject matter of the amendment properly and lawfully could have been included in the original license. An application for an amendment to a license shall be filed and processed in the same manner as an original application. An application for the amendment of a license shall be accompanied by a \$3 fee. If any application for amendment seeks approval of additional bingo occasions or designates a new member responsible for the proper utilization of gross receipts, the appropriate fee under s. 563.13 (4) also shall be paid.


Pg18Ln25 If the department approves an application for an amendment to a license, a copy of
Pg19Ln1 the amendment shall be sent to the applicant who shall attach it to the original
Pg19Ln2 license. All moneys received under this section shall be deposited into the gaming
Pg19Ln3 fund.

AB300, s. 62 


Pg19Ln4 **Section 62.** 563.22 (2) (c) of the statutes is created to read:

AB300, s. 62 - continued 


Pg19Ln5 563.22 (2) (c) All moneys received under this subsection shall be deposited into
Pg19Ln6 the gaming fund.

AB300, s. 63 


Pg19Ln7 **Section 63.** 563.80 of the statutes is renumbered 563.80 (1).

AB300, s. 64 


Pg19Ln8 **Section 64.** 563.80 (2m) of the statutes is created to read:

AB300, s. 64 - continued 


Pg19Ln9 563.80 (2m) All moneys received under sub. (1) shall be deposited into the
Pg19Ln10 gaming fund.

AB300, s. 65 


Pg19Ln11 **Section 65.** 563.92 (2) of the statutes is amended to read:

AB300, s. 65 - continued 

Pg19Ln12 563.92 (2) The fee for a raffle license shall be \$25 and shall be remitted with
Pg19Ln13 the application. A raffle license shall be valid for 12 months and may be renewed as
Pg19Ln14 provided in s. 563.98 (1g). The department shall issue the license within 30 days
Pg19Ln15 after the filing of an application if the applicant qualifies under s. 563.90 and has not
Pg19Ln16 exceeded the limits of s. 563.91. All moneys received by the department under this
Pg19Ln17 subsection shall be credited to the appropriation account under s. 20.505 (8) (j).


AB300, s. 66 

Pg19Ln18 **Section 66.** 563.98 (1g) of the statutes is amended to read:


AB300, s. 66 - continued 

Pg19Ln19 563.98 (1g) An organization licensed under this subchapter may renew the
Pg19Ln20 license by submitting a \$25 renewal fee with the report under sub. (1). All moneys
Pg19Ln21 received under this subsection shall be credited to the appropriation account under


Pg19Ln22 s. 20.505 (8) (j).

AB300, s. 67 


Pg19Ln23 **Section 67.** 565.02 (6) of the statutes is amended to read:

AB300, s. 67 - continued 


Pg19Ln24 565.02 (6) The department shall deposit all gross lottery revenues, as defined
Pg19Ln25 in s. 25.75 (1) (b), in the lottery gaming fund.

AB300, s. 68 


Pg20Ln1 **Section 68.** 565.02 (7) of the statutes is amended to read:

AB300, s. 68 - continued 


Pg20Ln2 565.02 (7) Not later than March 1 of each year, the department shall submit
Pg20Ln3 to the joint committee on finance a report that includes an estimate for that fiscal
Pg20Ln4 year and for the subsequent fiscal year of the gross revenues from the sale of lottery
Pg20Ln5 tickets and lottery shares, the total amount paid as prizes and the prize payout ratio
Pg20Ln6 for each type of lottery game offered, and an evaluation of the effect of prize payout
Pg20Ln7 ratios of lottery games on lottery sales, lottery operating costs and on maximizing the
Pg20Ln8 revenue available for the lottery gaming property tax credit. If, within 14 working
Pg20Ln9 days after the date on which the committee receives the report, the cochairpersons
Pg20Ln10 of the committee notify the department that the committee has scheduled a meeting
Pg20Ln11 for the purpose of reviewing the department's proposed prize payouts, the
Pg20Ln12 department may proceed with its plans for the prize payouts for the subsequent fiscal
Pg20Ln13 year only upon approval of the plans by the committee. If the cochairpersons of the
Pg20Ln14 committee do not notify the department within 14 working days after the date on
Pg20Ln15 which the committee receives the report that the committee has scheduled a meeting
Pg20Ln16 for the purpose of reviewing the department's proposed prize payouts, the
Pg20Ln17 department's plans for the prize payouts for the subsequent fiscal year are
Pg20Ln18 considered approved by the committee.

AB300, s. 69 

Pg20Ln19 **Section 69.** Nonstatutory provisions.

AB300, s. 69 - continued 

Pg20Ln20 (1) **Position authorizations; department of administration.**

AB300, s. 69 - continued 

Pg20Ln21 (a) The authorized FTE positions for the department of administration, funded
Pg20Ln22 from the appropriation under section 20.505 (8) (g) of the statutes, as affected by this
Pg20Ln23 act, are decreased by 27.85 PR positions on the effective date of this paragraph, for

Pg20Ln24 the purpose of performing general program operations related to pari-mutuel
Pg20Ln25 wagering.

AB300, s. 69 - continued



Pg21Ln1 (b) The authorized FTE positions for the department of administration, funded
Pg21Ln2 from the appropriation under section 20.505 (8) (j) of the statutes, as affected by this
Pg21Ln3 act, are decreased by 3.0 PR positions on the effective date of this paragraph, for the
Pg21Ln4 purpose of performing general program operations related to bingo games.

AB300, s. 69 - continued



Pg21Ln5 (c) The authorized FTE positions for the department of administration are
Pg21Ln6 increased by 27.85 SEG positions on the effective date of this paragraph, to be funded
Pg21Ln7 from the appropriation under section 20.505 (8) (q) of the statutes, as created by this
Pg21Ln8 act, for the purpose of performing general program operations related to pari-mutuel
Pg21Ln9 wagering.

AB300, s. 69 - continued



Pg21Ln10 (d) The authorized FTE positions for the department of administration are
Pg21Ln11 increased by 3.0 SEG positions on the effective date of this paragraph, to be funded
Pg21Ln12 from the appropriation under section 20.505 (8) (r) of the statutes, as created by this
Pg21Ln13 act, for the purpose of performing general program operations related to bingo
Pg21Ln14 games.

AB300, s. 69 - continued



Pg21Ln15 (2) **Position authorizations; department of justice.** The authorized FTE
Pg21Ln16 positions for the department of justice, funded from the appropriation under section
Pg21Ln17 20.455 (2) (g) of the statutes, as affected by this act, are decreased by 1.0 PR position
Pg21Ln18 on the effective date of this paragraph, for the purpose of performing gaming law
Pg21Ln19 enforcement responsibilities.

AB300, s. 70



Pg21Ln20 **Section 70.** Appropriation changes.

AB300, s. 70 - continued



Pg21Ln21 (1) **Pari-mutuel wagering:** On the effective date of this subsection, the
Pg21Ln22 unencumbered balance in the appropriation account of the department of
Pg21Ln23 administration under section 20.505 (8) (g) of the statutes, as affected by this act,
Pg21Ln24 immediately before the effective date of this subsection is transferred to the gaming
Pg21Ln25 fund.

AB300, s. 70 - continued



Pg22Ln1
Pg22Ln2
Pg22Ln3

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

AB300, s. 70 - continued



Pg22Ln4
Pg22Ln5
Pg22Ln6
Pg22Ln7

(3) **Gaming law enforcement.** On the effective date of this subsection, the unencumbered balance in the appropriation account of the department of justice under section 20.455 (2) (g) of the statutes, as affected by this act, immediately before the effective date of this subsection is transferred to the gaming fund.

AB300, s. 70 - continued



Pg22Ln8
Pg22Ln9
Pg22Ln10
Pg22Ln11
Pg22Ln12
Pg22Ln13

(4) **Gaming law enforcement.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of justice under section 20.455 (2) (r) of the statutes, as affected by the acts of 1997 and 1999, the dollar amount is increased by \$36,700 for fiscal year 1998-99 to increase the authorized FTE positions for the department by 1.0 SEG position for the performance of gaming law enforcement responsibilities.

AB300, s. 71



Pg22Ln14

Section 71. Initial applicability.

AB300, s. 71 - continued



Pg22Ln15
Pg22Ln16
Pg22Ln17
Pg22Ln18

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

(End)



Legislative Fiscal Bureau

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AB 300 ?

COPY

November 24, 1998

TO: Representative Michael Lehman
103 West, State Capitol

FROM: Rick Olin and Art Zimmerman

SUBJECT: Constitutional Amendment Related to the Lottery Tax Credit

At your request, this memorandum provides information on several questions you raised about the proposed amendment to the Wisconsin Constitution that would allow greater flexibility in distributing lottery proceeds as property tax relief.

Constitutional Amendment

Amendments to the Wisconsin Constitution must be adopted by two successive Legislatures and ratified by the voters before becoming effective. A proposed change is introduced in the form of a joint resolution for first consideration. If the resolution is adopted by both houses in one legislative session, a new joint resolution containing the identical constitutional text must be introduced on "second consideration" and approved in the following session before the proposal can be placed on the ballot. The joint resolution on second consideration also specifies the wording of the ballot question and sets the date for submitting the question to the people at a statewide election.

During the 1997-99 legislative session, the Legislature approved 1997 Assembly Joint Resolution 80 related to the distribution of the net proceeds of the state lottery and other monies received by the state attributable to pari-mutuel on-track betting and bingo. If a resolution containing the same wording is approved early in the 1999-2001 legislative session, the question could be placed on the ballot for the general election that will occur on April 6, 1999.

The ballot question to be included in the resolution should contain several points:

1. Section 24 of Article IV of the Constitution is the subject of the amendment;
2. The changes would affect the use of revenues, including investment earnings, from bingo games, pari-mutuel on-track betting and the state lottery;
3. The use of the monies would be limited to property tax relief for state residents and for operations, regulation and enforcement activities related to gaming;
4. The distribution of the monies for property tax relief could not be based on the recipient's age or income; and
5. The distribution of the monies for property tax relief would not have to conform to the rules for uniform taxation required under Section 1 of Article VIII of the Constitution.

Constitutional questions may be worded in a way that utilizes common language and does not literally mirror the language in the resolution. Since many voters may not know the rules of uniform taxation, some latitude exists relative to the description of the provision that would nullify the constraints otherwise imposed by Section 1 of Article VIII of the Constitution. For example, the question might be worded to ask, "Shall Section 24 of Article IV of the Constitution be amended to require the use of the net state proceeds of state-sanctioned bingo, pari-mutuel racing and lottery activities for property tax relief for residents of this state and to allow the Legislature to limit the distribution of this property tax relief to those types of property specified by law, but to prohibit any variation in the amount of relief based on the recipient's age or income?" The Legislative Reference Bureau will develop the question's final wording.

Proceeds Available for Distribution

Under the joint resolution, gaming proceeds are estimated to range from \$120 million to \$125 million, annually. Table 1 reports the estimated revenues from the affected sources for 1998-99 and 1999-2000. These amounts are net of funds expended on operations, regulation and enforcement activities related to gaming.

TABLE 1

**Estimated Net Proceeds from Gaming Activities
Available for Property Tax Relief under Proposed Joint Resolution**

	<u>1998-1999</u>	<u>1999-2000</u>
Bingo Tax	\$461,600	\$386,600
Net Bingo Fees	46,200	42,600
Pari-mutuel Tax	2,200,000	2,200,000
Net Pari-mutuel Revenues	432,600	352,200
Lottery Proceeds	<u>121,025,700</u>	<u>119,559,100</u>
Total Net Proceeds	\$124,166,100	\$122,540,500

Under current law, these revenues are used in a variety of ways. Under the joint resolution, their use would be restricted to property tax relief for state residents and to operations, regulation and enforcement activities related to gaming. Therefore, the resolution would require modifications to the following statutory provisions that enumerate specific uses of gaming proceeds:

- general fund deposit of \$386,000 annually in bingo proceeds and \$2,200,000 annually in pari-mutuel proceeds;
- compulsive gambling awareness campaigns through the Department of Health and Family Services of \$14,000 annually in pari-mutuel proceeds and \$36,000 annually in lottery proceeds;
- state aids through the Department of Agriculture, Trade and Consumer Protection to counties, agricultural societies, associations or boards, and dairy or livestock associations of up to \$650,000 annually in pari-mutuel proceeds; and
- state assistance through the Department of Agriculture, Trade and Consumer Protection to the Wisconsin Livestock Breeders Association for junior livestock shows and other educational programs of up to \$50,000 annually in pari-mutuel proceeds.

In addition, the Department of Revenue funds its administration of the lottery tax credit with lottery proceeds (\$123,300 in 1998-99). It could be argued that these expenditures should continue to be funded with lottery proceeds because they could be included as lottery operating expenses. Finally, modifications to the farmland tax relief credit and lottery tax credit could be required because these credits are extended, in part, to nonresidents who would not be eligible for tax relief under the proposed resolution. For 1998-99, the farmland tax relief credit is estimated at \$11,200,000, or 9.0% of the revenues reported on Table 1.

Alternatives for Distributing Gaming Proceeds

Between 1991(92) and 1995(96), lottery proceeds were distributed as property tax credits and extended only to property used as the owner's primary residence. Approval of the proposed constitutional amendment would permit the gaming proceeds to be distributed in a similar fashion. If all of the gaming proceeds were distributed as a homeowner's credit, an average credit of almost \$100 would result.

Also, you asked for an estimate of the cost of distributing a portion of the gaming proceeds to renters through the property tax/rent credit (PTRC). Under current law, the credit equals up to 10% of rent constituting property taxes on a principal residence. The maximum credit is \$200, or 10% of \$2,000 in property taxes. [For 1998-99 only, the maximum credit will be \$350, or 14% of \$2,500 of property taxes.] Rent constituting property taxes is defined as 25% of actual rent paid if payment for heat is not included in rent or 20% of actual rent if payment for heat is included in rent. The PTRC is applied directly against tax liability, but the credit is not refundable. Increasing the renters' credit rate from 10% would require an additional \$2.5 million if the credit rate is set at 10.5% and \$5.0 million if the credit rate is set at 11.0%.

The average credit for homeowners is reported on Table 2. The table includes alternatives where no other forms of property tax relief are provided and where funding is provided for the farmland tax relief credit and to expand the renters' portion of the PTRC.

TABLE 2

Estimated Average Homeowner's Credit under Four Funding Alternatives

	Homeowner's Tax Credit <u>Only</u>	Farmland Tax Relief <u>Credit</u>	PTRC Increase of 0.5% <u>for Renters</u>	PTRC Increase of 1.0% <u>for Renters</u>
Total Proceeds	\$122,500,000	\$122,500,000	\$122,500,000	\$122,500,000
Other Tax Relief	0	11,200,000	2,500,000	5,000,000
Relief for Homeowners	122,500,000	111,300,000	120,000,000	117,500,000
Average Credit For Homeowners	\$98.55	\$89.54	\$96.54	\$94.53

If you have any questions on this information, please let us know.

RO/lah



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AB 300 ?

January 11, 1999
COPY

TO: Representative Michael Lehman
Room 103 West, State Capitol

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Assembly Joint Resolution 2 Regarding the Distribution of Revenues from the State Lottery, Pari-Mutuel On-Track Betting and Bingo

At your request, this memorandum provides information on 1999 Assembly Joint Resolution 2 (AJR 2), which would amend provisions in the Wisconsin Constitution regarding the distribution of revenues from the state lottery, pari-mutuel on-track betting and bingo.

Amendments to the Wisconsin Constitution must be adopted by two successive Legislatures and ratified by the voters before becoming effective. A proposed change is introduced in the form of a joint resolution. AJR 2 was introduced on January 7, 1999, and referred to the Assembly Committee on Ways and Means. The resolution contains wording identical to 1997 Assembly Joint Resolution 80, which was approved by the Legislature in the 1997-99 legislative session.

A resolution identical to AJR 2 has been introduced in the Senate as SJR 2 and has been referred to the Committee on Judiciary and Consumer Affairs.

SUMMARY OF JOINT RESOLUTION

AJR 2 would amend three provisions in Section 24 of Article IV of the Wisconsin Constitution. That section enumerates the forms of gambling that are permissible in the state, and identifies certain activities as not constituting gambling. The three provisions to be amended relate to the state lottery, pari-mutuel on-track betting and bingo. Specifically, AJR 2 would permit state revenues from those activities to continue to be used for operations, regulation and enforcement activities related to gambling, but would limit the use of the remaining revenues to property tax relief for state residents. State revenues would be defined to include investment earnings on lottery, pari-mutuel on-track betting and bingo revenues. The distribution of monies for property tax relief

for state residents would be subject to two conditions. First, the distribution could not be based on the recipient's age or income. Second, the distribution would not have to conform to the rules of uniform taxation required under Section 1 of Article VIII of the Wisconsin Constitution.

Because AJR 2 is the Legislature's second consideration of this proposal, the resolution also specifies the date for submitting the question to the people at a statewide election and contains the wording for the ballot question. The question would appear on the ballot for the election scheduled for Tuesday, April 6, 1999, and would be worded as follows:

Question 1: "Distribution of gambling proceeds. Shall section 24 (3), (5) and (6) (a) of article IV of the constitution be amended to require that the net proceeds of the state lottery and of moneys received by the state from bingo games and pari-mutuel on-track betting be used for property tax relief for residents of this state as provided by law, but subject to the condition that the distribution not vary based on the income or age of the person provided property tax relief?"

FISCAL EFFECT

Under AJR 2, gambling revenues available for property tax relief are estimated to range from \$120 million to \$125 million, annually. Table 1 reports the estimated revenues from the affected sources for 1998-99 and 1999-00. These amounts are net of funds expended on operations, regulation and enforcement activities related to gambling.

TABLE 1

**Estimated Revenues from Gambling Activities
Available for Property Tax Relief under Proposed Joint Resolution**

	<u>1998-99</u>	<u>1999-00</u>
Bingo Revenues	\$507,800	\$429,200
Pari-Mutuel Revenues	2,632,600	2,552,200
Lottery Proceeds	<u>121,025,700</u>	<u>119,559,100</u>
Total Available Revenues	\$124,166,100	\$122,540,500

Under current law, these revenues are used in a variety of ways. Under the joint resolution, their use would be restricted to property tax relief for state residents. Currently, lottery proceeds are used to fund the lottery and farmland tax relief credits. While both credits are for property tax relief, the credits are received both by residents and by nonresidents. Therefore, AJR 2 would

require modifications to these programs. Additional changes would be required for statutory provisions directing the distribution of the other revenues:

- \$386,000 in bingo revenues and \$2,200,000 in pari-mutuel revenues are deposited annually in the general fund;

- \$14,000 in pari-mutuel revenues and \$36,000 in lottery revenues are expended annually by the Department of Health and Family Services for compulsive gambling awareness campaigns;

- up to \$650,000 in pari-mutuel revenues is distributed annually by the Department of Agriculture, Trade and Consumer Protection as aid to counties, agricultural societies, associations or boards and dairy livestock associations; and

- up to \$50,000 in pari-mutuel revenues is distributed annually by the Department of Agriculture, Trade and Consumer Protection as assistance to the Wisconsin Livestock Breeders Association for junior livestock shows and other educational programs.

These uses would not be permitted under AJR 2.

UNIFORMITY CLAUSE

AJR 2 would not amend the uniformity clause of the Wisconsin Constitution. Instead, AJR 2 would amend the section of the Constitution regarding gambling so that the expenditures of state revenues from gambling would not be subject to limitations imposed by the uniformity clause.

The uniformity clause requires that property taxes be imposed equally, according to value and at the same rate, for all classes of property within a taxing jurisdiction. Uniformity generally requires that property of equal value be taxed equally, or be entirely exempt from taxation.

In October, 1996, a Dane County Circuit Court found the previous lottery credit unconstitutional because it violated the uniformity clause. From 1991(92) through 1995(96), lottery credits were extended exclusively to property used as the owner's primary residence. The credit caused taxes to be unequal between properties receiving the credit and properties not receiving the credit. Passage of AJR 2 would permit, but not require, a homeowner credit similar to the one in existence before the 1996 court decision.

If you have any questions on this information, please let me know.

RO/dls



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AB 300 ?

COPY

February 19, 1999

TO: Representative Michael Lehman
Room 103 West, State Capitol

FROM: Rick Olin and Kelsie Doty

SUBJECT: Alternatives for Distributing Gaming Proceeds

At your request, this memorandum provides information regarding alternatives for distributing gaming proceeds if the Wisconsin Constitution is amended as proposed in Assembly Joint Resolution (AJR) 2. Detail is provided on options to provide property tax relief to homeowners, renters and farmers.

Summary of AJR 2

AJR 2 would amend three provisions in Section 24 of Article IV of the Wisconsin Constitution. That section enumerates the forms of gambling that are permissible in the state, and identifies certain activities as not constituting gambling. The three provisions to be amended relate to the state lottery, pari-mutuel on-track betting and bingo. Specifically, AJR 2 would permit state revenues from those activities to be used for operations, regulation and enforcement activities related to gambling, but would limit the use of the remaining revenues to property tax relief for state residents. State revenues would be defined to include investment earnings on lottery, pari-mutuel on-track betting and bingo revenues. The distribution of monies for property tax relief for state residents would be subject to two conditions. First, the distribution could not be based on the recipient's age or income. Second, the distribution would not have to conform to the rules of uniform taxation required under Section 1 of Article VIII of the Wisconsin Constitution.

Estimate of Available Proceeds

Under the provisions of AJR 2, \$122.6 million is estimated to be available for distribution as property tax relief in 1999-00. Under current law, the distribution under the farmland tax relief credit is estimated at \$10.6 million in 1998-99. For purposes of this analysis, we have assumed that \$10.6 million will continue to be distributed to farmers and, of the remaining \$112.0 million, \$89.6

million will be available for distribution to homeowners and \$22.4 million will be available for distribution to renters. This division is based on the distribution of property taxes reported by homeowners and rent constituting property taxes reported by renters on state income tax returns. These amounts, which were used to calculate the property tax/rent credit (PTRC) and homestead credit, were split 80%/20% in 1997 according to data obtained from the Wisconsin income tax sample.

The current procedure by which the Joint Committee on Finance certifies the amount available for property tax relief, based on an estimate provided by the Department of Administration, could continue, but may need to be modified. Between 1991(92) and 1995(96), the amount of property tax relief provided to homeowners through the lottery credit varied from year to year as the available lottery proceeds changed. Over the same period, taxes on farmland owned by eligible claimants were reduced by 10% through the farmland tax relief credit.

If the goal is to annually adjust the distribution of available gaming proceeds among farmers, homeowners and renters, the procedure could be modified to require the Committee to make adjustments to the distribution to each group based on property tax and rent data for the most recent year. If there is a desire to maintain a constant percentage allocation among farmers, homeowners and renters, this allocation could be specified in the statutes. For example, using the figures from the preceding analysis, the allocation could be set at 8.6% for farmers, 73.1% for homeowners and 18.3% for renters. Alternately, an absolute dollar allocation could be established for one or more of the groups, with variable funding provided for the remaining group or groups based on available proceeds. Finally, a decision could be made to not provide any funding to one or more of these groups or to provide funding to additional groups.

Administration of a Homeowner's Credit

A homeowner's tax credit could be administered through the property tax or state income tax systems and could be structured in several ways. Payments would be made to an estimated 1.25 million homeowners.

Extend the Credit on Property Tax Bills. By extending a credit on property tax bills, taxpayers would receive tax relief when they pay their taxes. Because municipalities and counties prepare the tax bills, they would bear the administrative burden of calculating the credit. If a homeowner's credit is extended on property tax bills, procedures to distinguish between resident and nonresident property owners and between homestead and nonhomestead properties would be required. Between 1991(92) and 1995(96), three separate procedures were used to identify properties eligible for the lottery credit.

a. **Claim the Credit When Taxes Are Paid:** For 1991, credits were displayed on all tax bills. When making tax payments, property owners chose between two amounts, one that was net of the lottery credit and one that did not include the lottery credit. If the amount net of the lottery

credit was paid, the owner was required to claim the credit by endorsing the tax bill, which certified that the property was used as the owner's primary residence.

b. **Precertify Eligibility for the Credit Annually:** Between 1992 and 1996, owners of eligible properties claimed the credit in advance by filing a form with the municipal or county treasurer. This allowed credits to be displayed only on tax bills of eligible properties. Owners that failed to precertify their eligibility were permitted to claim the credit after tax bills were issued. Local governments were reimbursed 50 cents for each claim that they processed.

c. **Precertify Eligibility for the Credit Every Five Years:** Beginning on January 1, 1996, taxpayers were to apply for the credit by filing a precertification application once every five years. During the interim, they could claim the credit by filing an application if their eligibility changed or by indicating on a real estate transfer return that they were eligible for the credit. Under this procedure, local governments would have been reimbursed for their administrative costs once every five years. This procedure was never fully implemented, because the lottery credit was ruled unconstitutional in October, 1996.

Extend the Credit through the Income Tax. Administering a credit through the income tax system transfers the burden of administering the credit from local governments to the state. By matching tax credit claimants against income tax filers, the state may be in a better position than local governments to ensure that credits are extended exclusively to state residents. While the credit could be incorporated into the current state income tax form, a separate form would also have to be developed because credits could not be based on income. Therefore, the credit would have to be refundable so that taxpayers with no taxable income or income tax liability could claim the credit. By extending the credit through the income tax system, taxpayers may be less likely to associate the credit with property tax relief. Taxpayers would not be able to realize property tax relief from the credit until they file their state income tax or separate tax credit claim form.

Calculating the Homeowner's Credit

Three possible options for calculating tax credits for homeowners are described below:

Uniform Tax Credits. Each homeowner would receive an identical credit amount, calculated by dividing the available proceeds by the number of homeowners. Based on an estimated \$89.6 million in available proceeds and 1.25 million homeowners, each taxpayer would receive a credit of \$72. This would increase to \$98 if all available proceeds were used for homeowners. These figures would vary from year to year, based on available proceeds and the number of homeowners. As a result, the credit amount would have to be redetermined each year. A \$72 credit amount would decrease taxes on a median-valued home by approximately 3%. This percentage would be higher for lower-valued homes and lower for higher-valued homes.

Percentage of Tax Bill. Each taxpayer's credit would equal a percentage of the property taxes on the homestead property. The credit could be calculated on the total amount of taxes due or on

one component of the tax bill, such as school taxes. Based on an estimated \$89.6 million in available proceeds, credit rates of approximately 3.0% of total taxes or 6.6% of school taxes could be used. These percentages would increase to 4.1% and 9.1%, respectively, if all available proceeds were used for homeowners. These percentages would vary from year to year depending on the amount of available proceeds and number of claimants. As a result, the percentage used would have to be set each year.

Tax on the First Increment of Value. Each taxpayer's credit would equal the taxes on the first increment of home value. The first increment of value, termed the value base, would be the same for all homeowners, and the credit would be calculated by multiplying the value base by the tax rate on the home. The total tax rate could be used, or a component of the total rate, such as the school tax rate, could be used. Based on an estimated \$89.6 million in available proceeds, value bases of approximately \$3,100 for total taxes or \$6,700 for school taxes could be established. These would increase to \$4,200 and \$9,100, respectively, if all available proceeds were used for homeowners. The value base would change each year, so that all available funding would be used.

Administration. The first two options (uniform tax credit and percentage of tax bill) could be administered either through the income tax or property tax systems. If extended on property tax bills, the credit could be displayed as a component of the tax bill and incorporated into the calculation of total taxes due. Credit amounts under the percentage of tax bill option would have to be calculated by claimants, if the credit is extended through the income tax system. Under the option where the credit equals the tax on the first increment of value, the credit should be extended on property tax bills, rather than through the income tax system, due to the complexity of calculating the credit. DOR could determine the uniform tax credit, credit percentage or value base after the Joint Committee on Finance certifies the amount of available funding, as is done for the lottery credit value base under current law. Alternately, a procedure could be established where the Committee reviews these factors, rather than just reviewing the estimate of available proceeds.

Tax Credit for Renters

Since renters do not receive property tax bills, tax credits from gaming proceeds would have to be extended to renters through some other mechanism. Currently, the PTRC and homestead credit are extended to renters through the state income tax system. Rent constituting property taxes is defined as 20% of rent payments, if heat is included in the rent payment, and 25% of rent payments, if heat is not included in the rent payment. A tax credit funded with gaming proceeds could be structured in a similar fashion. Like the homestead credit, this credit would have to be refundable so it is available to all renters, without regard to their income. The rate for the credit would have to be determined annually. This could be done either by the Joint Committee on Finance or by DOR, after available gaming proceeds are certified. Based on estimates of \$22.4 million in funding for 1999-00 and 1,466,000 renters, a credit rate of 2.8% could be extended for 1999-00.

Eligible renters should be defined to include only those renters living in housing subject to property taxes or subject to payments in lieu of property taxes. This could be verified by requiring a certificate from landlords, as under the homestead tax credit program. Also, the landlord certificate would include the amount of rent and whether or not heat is included in rent payments.

Tax Credit for Farmers

Under current law, tax credits funded with lottery proceeds are distributed to farmers through the farmland tax relief credit. The credit is administered through the state income tax system and equals 10% of up to \$10,000 in net property taxes levied on agricultural land. This credit would probably satisfy the residency requirement enumerated in the constitutional amendment since claimants must be domiciled in Wisconsin for the full year.

The amendment's provision prohibiting the distribution of gaming proceeds based on income may preclude the farmland tax credit requirement that claimants report gross farm profits of at least \$6,000 in the previous year or at least \$18,000 in the three preceding years. Extending the credit to all agricultural land owned by Wisconsin residents would increase the cost of the credit by an estimated \$2.6 million. If funding for the credit is held at \$10.6 million, the reimbursement rate for 1999-00 would decline from 10% of net taxes to 8%.

If the percentage reimbursement rate is changed so that it varies from year to year based on available funding, a procedure to determine the rate should be established. One option would be to have DOR make the determination, subject to review by the Joint Committee on Finance.

Penalties for False Claims

You suggested that a penalty should be extended to individuals who falsely claim a credit. The form for such a penalty would depend on whether the credit is extended through the property tax or income tax system.

If the credit is extended through the property tax system, the state could be authorized to collect improper amounts through a special charge to the county where the property that received the credit is located. Furthermore, the county could be instructed to proceed as if the amount is an unpaid tax, subject to delinquency provisions. Delinquent property taxes accrue interest at 1% per month, or 12% annually. In addition, counties may impose a penalty of 0.5% per month, or 6% annually. State law authorizes counties to issue tax certificates for delinquent taxes and eventually take title to the property through foreclosure of the certificate or by "action in rem."

For credits extended through the income tax system, interest and penalty provisions related to income taxes could apply. Delinquent income taxes are subject to interest at 1.5% per month, or 18% annually, which DOR may reduce to 12% under certain circumstances. In addition, penalties on the unpaid amount may be imposed. These range from 5% per month, but not exceeding 25% of

the amount due, to 100% of the amount due when there is intent to defeat or evade the tax assessment required by law.

Changes to Other Programs

Current law provides for the expenditure of gaming proceeds in several ways that will not conform to the constraints enumerated in the constitutional amendment. The following provisions would have to either be eliminated or amended to specify a different funding source:

a. \$386,000 in bingo revenues and \$2,200,000 in pari-mutuel revenues are deposited annually in the general fund;

b. \$14,000 in pari-mutuel revenues and \$36,000 in lottery revenues are expended annually by the Department of Health and Family Services for compulsive gambling awareness campaigns;

c. up to \$650,000 in pari-mutuel revenues is distributed annually by the Department of Agriculture, Trade and Consumer Protection as aid to counties, agricultural societies, associations or boards and dairy livestock associations; and

d. up to \$50,000 in pari-mutuel revenues is distributed annually by the Department of Agriculture, Trade and Consumer Protection as assistance to the Wisconsin Livestock Breeders Association for junior livestock shows and other educational programs.

If you have any questions on this information, please let us know.

RO/lah