

2001 DRAFTING REQUEST

Bill

Received: 09/05/2000

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Michael Powers (608) 266-1192

By/Representing: Brett Davis, Vince Williams

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: Counties - miscellaneous
Munis - miscellaneous
Tax - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Prohibit county or municipality from contracting with tax delinquent businesses.

Instructions:

See Attached Prohibit munis and counties from contracting w/ tax delinquent businesses

Drafting History:

Table with 8 columns: Vers., Drafted, Reviewed, Typed, Proofed, Submitted, Jacketed, Required. It contains three rows of drafting history data.

FE Sent For:

<END>

Handwritten note: AT Intro.

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/?	shoveme 09/05/2000	jdye 09/07/2000					Local
/P1			martykr 09/08/2000		lrb_docadmin 09/08/2000		Local
/1	shoveme 01/10/2001	jdye 01/11/2001	kfollet 01/22/2001		lrb_docadmin 01/22/2001		

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/?	shoveme 09/05/2000	jdye 09/07/2000					Local

/P1			martykr 09/08/2000		lrb_docadmin 09/08/2000		
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11 MES 1/10/01
1 1/2 JLE

FE Sent For:

KJ
1/22
KJ/self
1/22

<END>

please transmit in electronic format to Vincent Williams

2001 DRAFTING REQUEST

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1/1	shoveme	1/1 9/7 JLD	DM 9/8	JLD 9/8 DM	Submit		
1/1	9/5/00						

FE Sent For:

<END>

Fri. 2-4-2000

Brett
Davis Rep Powers

6-1192

▷ doesn't want or business to do business with county or municipality if tax delinquent (any)
(contract with)

▷ county & municipality should be held responsible

▷ require county & municipality to verify (?)

→ doesn't know what the consequence would be

↳ may draft without this provision if no model for doing this

Shovers, Marc

From: Williams, Vincent
Sent: Tuesday, July 25, 2000 4:51 PM
To: Shovers, Marc
Subject: Drafting Request

A person I represent brought to my attention that there is no requirement for municipalities, which would restrict them from doing business with a vendor or contractor that owes delinquent taxes.

Would you draft a bill so that every municipality in the state is prohibited from doing business with vendors or purchasing products from a company that is not current with all of their tax obligations.

Examples of potential obligations would be administrative fees, business registrations and taxes (sales, property, corporate income, etc.). A company must pay all of these taxes in a timely manner. If a company is not current with their obligations to the local municipality, state or federal government, then the municipality could not award a contract or purchase products from such a company.

If you have any questions about this request, please contact Vince Williams in my office at 266-1192.



State of Wisconsin
1999-2000 LEGISLATURE

2001-2002

-0068/P1
LRB-4479/P1
MES.....
JLD RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-Note

Submit

1 AN ACT ...; relating to: prohibiting ^{individuals or} businesses with outstanding tax liabilities
2 from entering into contracts with political subdivisions.

Analysis by the Legislative Reference Bureau

This bill prohibits any tax delinquent person from entering into a contract with a (political subdivision) city, village, town, or county to provide that political subdivision with any goods or services. Under the bill, a tax delinquent person is defined as any person whose state or federal tax obligations, or fee obligations to a political subdivision, are unpaid for more than 90 days after all appeal rights have expired.

For further information see the *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:

3 SECTION 1. 66.0902^X of the statutes is created to read:
4 66.0902 Limitations on contracting with tax delinquent persons. (1)

5 DEFINITIONS. In this section:

6 (a) "Political subdivision" means a city, village, town^o or county.

1 (b) "Public contract" means contract with a political subdivision for the
2 construction, execution, repair, remodeling or improvement of a public work or
3 building or for the furnishing of supplies, material or services of any kind to a
4 political subdivision.

5 (c) "Tax delinquent person" means any person whose state or federal tax
6 obligations, or fee obligations to a political subdivision, are unpaid for more than 90
7 days after all appeal rights have expired.

8 (2) RESTRICTIONS ON PUBLIC CONTRACTS. No tax delinquent person may enter
9 into a public contract.

10

(END)

D-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

-0069
LRB-~~4479~~P1dn
MES.....

↑
jld

Please review this draft to ensure that it is consistent with your intent. I have structured the draft to put the [✓]onus on businesses to "self-police" instead of on the political subdivisions because, unless changes are made to the confidentiality provisions of the tax statutes, political subdivisions would not have access to ^{state} tax records to determine whether potential contractors are tax delinquent.

1999 AB-275 and ASA 1 to 275, for example, allow the department of revenue to publish information on delinquent taxpayers by creating exceptions to state income and franchise tax confidentiality provisions. Is this an approach you'd like to follow?

Also, your original instructions indicated that you weren't sure whether you wanted political subdivisions to verify whether businesses had outstanding tax delinquencies or whether you wanted to specify any consequences for a violation of proposed s. 66.0902. [✓]

You may wish to have this draft reviewed by the Departments of Revenue and Commerce. Please let me know if you would like any changes made to the draft and I will incorporate them into the ~~2001-02~~ version of the draft.

next

MES

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0068/P1dn
MES:jld:km

September 8, 2000

Please review this draft to ensure that it is consistent with your intent. I have structured the draft to put the onus on businesses to "self-police" instead of on the political subdivisions because, unless changes are made to the confidentiality provisions of the tax statutes, political subdivisions would not have access to state tax records to determine whether potential contractors are tax delinquent.

1999 AB-275 and ASA 1 to 275, for example, allow the department of revenue to publish information on delinquent taxpayers by creating exceptions to state income and franchise tax confidentiality provisions. Is this an approach you'd like to follow?

Also, your original instructions indicated that you weren't sure whether you wanted political subdivisions to verify whether businesses had outstanding tax delinquencies or whether you wanted to specify any consequences for a violation of proposed s. 66.0902.

You may wish to have this draft reviewed by the Departments of Revenue and Commerce. Please let me know if you would like any changes made to the draft and I will incorporate them into the next version of the draft.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

Shovers, Marc

From: Williams, Vincent
Sent: Monday, January 08, 2001 1:21 PM
To: Shovers, Marc
Subject: Change to LRB 0068/1

Marc,

Please make the change we spoke about on the phone and remove the grace period of 90 days from the definition of "Tax delinquent person" that appears on line 6 page 2 of LRB 0068/1.

Thank you again for your assistance. In addition, could I ask that the new draft, LRB 0068/2 be delivered in electronic (.pdf) format.

Vince Williams
Research Assistant
Rep. Mike Powers' Office



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0068/H1
MES:jld:bcg

RNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

regen

1 AN ACT to create 66.0902 of the statutes; relating to: prohibiting individuals
2 or businesses with outstanding tax liabilities from entering into contracts with
3 political subdivisions.

Analysis by the Legislative Reference Bureau

This bill prohibits any tax delinquent person from entering into a contract with a city, village, town, or county (political subdivision) to provide that political subdivision with any goods or services. Under the bill, a tax delinquent person is defined as any person whose state or federal tax obligations, or fee obligations to a political subdivision, are unpaid ~~for more than 90 days~~ after all appeal rights have expired.

For further information see the *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:

4 SECTION 1. 66.0902 of the statutes is created to read:
5 **66.0902 Limitations on contracting with tax delinquent persons. (1)**
6 DEFINITIONS. In this section:

1 (a) "Political subdivision" means a city, village, town, or county.

2 (b) "Public contract" means contract with a political subdivision for the
3 construction, execution, repair, remodeling, or improvement of a public work or
4 building or for the furnishing of supplies, material, or services of any kind to a
5 political subdivision.

6 (c) "Tax delinquent person" means any person whose state or federal tax
7 obligations, or fee obligations to a political subdivision, are unpaid for more than 90
8 ~~days~~ ✓ after all appeal rights have expired.

9 (2) RESTRICTIONS ON PUBLIC CONTRACTS. No tax delinquent person may enter
10 into a public contract.

11

(END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

January 22, 2001

MEMORANDUM

To: Representative Powers

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-0068 Prohibit county or municipality from contracting with tax delinquent businesses.

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-0129 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

May 31, 2001

MEMORANDUM

To: Representative Powers

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **2001 AB-402** (LRB-0068/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

May 31, 2001

TO: Mark Shovers
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on AB 402 regarding Prohibiting Individuals with Outstanding Tax Liabilities from Contracting with Political Subdivisions

We have the following concerns about the proposed legislation:

1. The bill provides no mechanism to enforce its objective. Neither political subdivisions nor persons contracting with political subdivisions are assigned responsibilities. The bill appears to rely on an honor system, which may be unworkable.
2. The Department may not have authority under the confidentiality laws to reveal to a political subdivision the tax obligations of a person that contracts with a political subdivision.
3. The term "tax obligation" should be clarified to include interest and penalties.
4. There may be constitutional issues with respect to a state statute that links eligibility for local government contracts to federal tax laws.

If you have questions regarding this technical memorandum, please contact Blair Kruger at 266-1310 or bkruger@dor.state.wi.us.