

2001 DRAFTING REQUEST

Assembly Amendment (AA-AB576)

Received: 10/23/2001

Received By: kahlepj

Wanted: Today

Identical to LRB:

For: Mark Miller (608) 266-5342

By/Representing: himself

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Addl. Drafters:

Subject: Econ. Development - misc.

Extra Copies:

Submit via email: YES

Requester's email: Rep.Miller@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Eligible borrower binding contract

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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Page 2

FE Sent For:

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1/?	kahlepj		KJ 10/23	KJ/PC 10/23			

FE Sent For:

<END>

Kahler, Pam

From: Miller, Mark
Sent: Monday, October 22, 2001 8:17 PM
To: Kahler, Pam
Cc: Dykman, Peter
Subject: AB576 request for amendments

Importance: High

Ms Kahler,

Please draft the following amendments to AB 576, the Airline Loan Bill. The bill is scheduled for Assembly floor action Tuesday. Because of the extremely short time available to draft amendments, I copied this email to Peter Dykman as a precaution. Please call to clarify any questions. Thank you.

Mark Miller

1. page 6, Borrower requirements [234.80 (3)], add the following requirements as individual amendments: *0804*
 - a. The term of the loan does not exceed September 11, 2008.
 - b. 25% of the borrower's employees are represented by a union.
2. Borrower must enter into a legally binding agreement with the department that for the first two years of the loan, any officer or employee of the company whose total compensation exceeded \$300,000 in calendar year 2000, shall not receive annual compensation in excess of that amount. Nor can such employees receive severance pay or other benefits exceeding twice the total compensation received in 2000. This amendment is meant to parallel the federal restrictions, but with a slightly longer effective date. In addition, while the guarantee is in effect after the first two years, such officers and employees are limited to cost-of-living increases in compensation. Limitation on severance and benefits is no longer in effect after two years. *0805*
- 2a. Similar to above but identical to Federal restrictions on executive compensation (no increase in compensation during the two year period prior to September 11, 2003, limitation on severance pay and benefits to twice that amount). *0806*
3. Borrower must enter an agreement with the department to maintain their headquarters in Wisconsin for the duration of the loan. *0807*
4. If the borrower is an airline operating a hub in Wisconsin, the borrower must agree to maintain hub operations in Wisconsin for the duration of the loan. *0808*
- Failure to observe the conditions (2, 2a, 3 & 4) above result in a forfeiture equal to 10% of the guaranteed amount. *no sense ↑*
5. Prohibit the department from reducing the amount of loan guarantees available to other programs backed by WRDF without approval by Joint Finance Committee.

Mark Miller

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Rep.Miller@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0805/x

PSK
js

~~PRELIMINARY DRAFT NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT,
TO 2001 ASSEMBLY BILL 576

NSW
D-106

- 1 At the locations indicated, amend the bill as follows:
- 2 1. Page 5, line 20: after that line insert:
- 3 "(am) The borrower enters into the agreement under sub. (3m)."
- 4 2. Page 7, line 3: after that line insert:
- 5 "(3m) COMPENSATION AGREEMENT. (a) An eligible borrower shall enter into an
- 6 agreement with the authority that includes all of the following provisions:
- 7 1. No officer or employee of the eligible borrower who received total
- 8 compensation in the year 2000 in excess of \$300,000 may receive annual
- 9 compensation in excess of \$300,000 during the first 2 years of the loan term.
- 10 2. No officer or employee of the eligible borrower who received total
- 11 compensation in the year 2000 in excess of \$300,000 may receive severance pay or
- 12 other benefits in excess of \$600,000 during the first 2 years of the loan term.

1 3. After the first 2 years of the loan term and while collection of any of the loan
2 principal is guaranteed under this section, the total compensation of any officer or
3 employee of the eligible borrower who received total compensation in the year 2000
4 in excess of \$300,000 may be increased each year by no more than the average
5 percentage change in the consumer price index for all urban consumers, U.S. city
6 average, for the calendar year ending on the preceding December 31, as computed
7 by the federal department of labor.

8 (b) If an eligible borrower fails to comply with any of the provisions under par.
9 (a), the eligible borrower shall be required to pay to the authority 10% of the original
10 principal amount guaranteed under this section with respect to the eligible
11 borrower.”. ✓

12 **(END)**

D. W. S. to

D-note

I do not know if the language
of this amendment reflects your
intent ~~well~~. Without more time, there
wasn't sufficient time to discuss and
work out
the details. ~~PTK~~

PTK

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa0805/1dn
PJK:cjs:kjf

October 23, 2001

I do not know if the language of this amendment reflects your intent. There wasn't sufficient time to discuss and work out the details.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us