



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2449/P2

ALL:all:all

DOA:.....John Montgomery – Budget Analysis

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LPS: please make
sure the line spacing
in the body of
the analysis of
~~Agenda~~ is consistent.
Some of the component
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than others.

AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau

*** ANALYSIS FROM -0762/P1 ***
INTRODUCTION

This bill is the “executive budget bill” under section 16.47 (1) of the statutes. It contains the governor’s recommendations for appropriations for the 2001–2003 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2001–2003 fiscal biennium. The descriptions that follow relate to the most significant changes in the law that are proposed in the bill. In most cases, changes in the amounts of existing spending authority and changes in the amounts of bonding authority under existing bonding programs are not discussed.

For additional information concerning this bill, see the department of administration’s publication *Budget in Brief* and the executive budget books, the legislative fiscal bureau’s summary document, and the legislative reference bureau’s drafting files, which contain separate drafts on each policy item. In most cases, the policy item drafts contain a more detailed analysis than is printed with this bill.

CJS
start

GUIDE TO THE BILL

As is the case for all other bills, the sections of the budget bill that affect statutes are organized in ascending numerical order of the statutes affected.

Treatments of prior session laws (styled “laws of [year], chapter” from 1848 to 1981, and “[year] Wisconsin Act” beginning with 1983) are displayed next by year of original enactment and by act number.

The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four-digit section number indicate the type of provision:

- 91XX Nonstatutory provisions.**
- 92XX Appropriation changes.**
- 93XX Initial applicability.**
- 94XX Effective dates.**

The remaining two digits indicate the state agency to which the provision relates:

- XX01 Administration.**
- XX02 Adolescent pregnancy prevention and pregnancy services board.**
- XX03 Aging and long-term care board.**
- XX04 Agriculture, trade and consumer protection.**
- XX05 Arts board.**
- XX06 Boundary area commission, Minnesota-Wisconsin.**
- XX07 Building commission.**
- XX08 Child abuse and neglect prevention board.**
- XX09 Circuit courts.**
- XX10 Commerce.**
- XX11 Corrections.**
- XX12 Court of appeals.**
- XX13 District attorneys.**
- XX14 Educational communications board.**
- XX15 Elections board.**

- XX16 Employee trust funds.**
- XX17 Employment relations commission.**
- XX18 Employment relations department.**
- XX19 Ethics board.**
- XX20 Financial institutions.**
- XX21 Governor.**
- XX22 Health and Educational Facilities Authority.**
- XX23 Health and family services.**
- XX24 Higher educational aids board.**
- XX25 Historical society.**
- XX26 Housing and Economic Development Authority.**
- XX27 Insurance.**
- XX28 Investment board.**
- XX29 Joint committee on finance.**
- XX30 Judicial commission.**
- XX31 Justice.**
- XX32 Legislature.**
- XX33 Lieutenant governor.**
- XX34 Lower Wisconsin state riverway board.**
- XX35 Medical College of Wisconsin.**
- XX36 Military affairs.**
- XX37 Natural resources.**
- XX38 Personnel commission.**
- XX39 Public defender board.**
- XX40 Public instruction.**
- XX41 Public lands, board of commissioners of.**
- XX42 Public service commission.**
- XX43 Regulation and licensing.**
- XX44 Revenue.**
- XX45 Secretary of state.**
- XX46 State fair park board.**
- XX47 Supreme Court.**
- XX48 Technical college system.**
- XX49 Technology for educational achievement in Wisconsin board.**
- XX50 Tobacco control board.**

- XX51 Tourism.**
- XX52 Transportation.**
- XX53 Treasurer.**
- XX54 University of Wisconsin Hospitals and Clinics Authority.**
- XX55 University of Wisconsin Hospitals and Clinics Board.**
- XX56 University of Wisconsin System.**
- XX57 Veterans affairs.**
- XX58 Workforce development.**
- XX59 Other.**

For example, for ^{(10) B} general nonstatutory provisions relating to the historical society, see SECTION 9125. For any agency that is not assigned a two-digit identification number and that is attached to another agency, see the number of the latter agency. For any other agency not assigned a two-digit identification number or any provision that does not relate to the functions of a particular agency, see number "59" (**other**) within each type of provision.

In order to facilitate amendment drafting and the enrolling process, separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading. Section numbers and headings for which there are no provisions will be deleted in enrolling and will not appear in the published act.

Following is a list of the most commonly used acronyms appearing in the analysis.

- DATCP Department of Agriculture, Trade and Consumer Protection
- DER . Department of Employment Relations
- DETF Department of Employee Trust Funds
- DFI . . Department of Financial Institutions
- DHFS Department of Health and Family Services
- DMA . Department of Military Affairs
- DNR . Department of Natural Resources
- DOA . Department of Administration
- DOC . Department of Corrections
- DOJ . Department of Justice
- DOR . Department of Revenue

LPS: compile
 messed up
 acronym list - Caroline will fix

use at least three for each

- DORL Department of Regulation and Licensing
- DOT . Department of Transportation
- DPI .. Department of Public Instruction
- DVA . Department of Veterans Affairs
- DWD Department of Workforce Development
- JCF .. Joint Committee on Finance
- OCI .. Office of the Commissioner of Insurance
- PSC . Public Service Commission
- UW .. University of Wisconsin
- WHEDA Wisconsin Housing and Economic Development Authority
- WHEFA Wisconsin Health and Educational Facilities Authority

*** ANALYSIS FROM -0392/3 ***

AGRICULTURE

AGRICULTURAL PRODUCER SECURITY

This bill changes the laws concerning milk contractors, grain dealers, grain warehouse keepers, and vegetable contractors (contractors). A milk contractor is a person who buys milk from milk producers or who markets milk on behalf of producers. A grain dealer is a person who buys grain from grain producers or who markets grain on behalf of producers. A grain warehouse keeper is a person who operates a warehouse in which the person stores grain that belongs to someone else. A vegetable contractor is a person who buys vegetables from vegetable producers for use in food processing or who markets ~~processing~~ vegetables on behalf of producers.

~~Under current law, this state~~ requires certain contractors to post security with DATCP to provide payment in case the contractors default on payments to producers. This bill establishes a segregated fund, called the agricultural producer security fund (the fund), into which certain contractors must pay, and out of which DATCP provides payment to producers when those contractors default on payments. The statutory changes concerning agricultural producer security take effect in 2002.

Milk contractors

Under current law, persons who operate dairy plants generally must be licensed by DATCP. There is no separate licensing requirement for milk contractors. Under current law, DATCP may not issue a license for a dairy plant unless the ~~applicant satisfies DATCP that the~~ applicant's financial condition is such as to

for use in food processing

to producers

owed

owed to producers

✓
✓

Requires a milk contractor to obtain a license from

because the contractor has negative equity

reasonably ensure prompt payment to milk producers. If a dairy plant operator does not meet minimum financial standards, the operator must file a bond or other security with DATCP or must provide for a trustee who receives payment for all dairy products produced by the dairy plant and who pays producers.

~~Under~~ this bill, DATCP ~~issues licenses to milk contractors.~~ A licensed milk contractor that files financial statements which show that the milk contractor does not meet minimum financial standards, or that does not file annual and quarterly financial statements, must contribute to the fund, unless the contractor is disqualified from the fund. If a milk contractor that contributes to the fund defaults on payments to producers, DATCP ~~will~~ pay default claims from the fund.

A milk contractor that is required to file security when first licensed (~~as explained below~~) is disqualified from the fund until DATCP releases the security. A milk contractor is disqualified from the fund if DATCP denies, suspends, or revokes the contractor's license. DATCP may also disqualify a milk contractor from the fund for other reasons, such as failing to pay required fund assessments. If DATCP disqualifies a milk contractor from the fund and the milk contractor files a financial statement that shows that the contractor does not meet minimum financial standards, the milk contractor may not act as a milk contractor in this state.

~~which~~ The bill establishes the formula for determining the amount of the assessments ~~which~~ must be paid by a milk contractor that contributes to the fund, except that ~~that~~ DATCP may, by rule, provide for a different formula. The assessments are based on a milk contractor's financial condition, the amount spent to procure milk from producers, and the number of consecutive years that the contractor has contributed to the fund.

A milk contractor must file security with DATCP if, when DATCP first licenses the contractor, the contractor's financial statement shows negative equity and the contractor procured more than \$1,500,000 in milk from producers in its most recent fiscal year. A dairy plant trusteeship may not be used to provide security after January 1, 2003. DATCP may release security filed by a milk contractor if the contractor procures no more than \$1,500,000 in milk from producers in two consecutive years or files annual financial statements that show positive equity for two consecutive years.

~~This~~ bill requires a milk contractor to maintain insurance that covers all milk and milk products in the possession of the milk contractor.

The

As under current law, the bill requires a milk contractor to pay a monthly fee to DATCP, based on the amount of milk that the milk contractor procures. Under the bill, if the balance in the fund contributed by milk contractors exceeds \$4,000,000 on any February 28, DATCP must ~~credit~~ 50% of the excess ~~to~~ these monthly fees.

Grain dealers ✓

use

to reduce

Under current law, most grain dealers are required to be licensed. If a grain dealer does not meet minimum financial standards, the grain dealer is required to file security with DATCP.

Under this bill, a grain dealer must obtain a license from DATCP unless the dealer pays cash on delivery for all producer-owned grain that the dealer procures or the dealer buys grain solely for the dealer's own use as feed or seed and spends less than \$400,000 per license year for that grain. A grain dealer that is required to be licensed must contribute to the fund, unless the dealer is disqualified. If a grain dealer that contributes to the fund defaults on payments to producers, DATCP ~~may~~ pay default claims from the fund.

→

because the dealer has negative equity

A grain dealer that is required to file security (as explained below) with DATCP when the grain dealer is first licensed under this bill ~~because the dealer has negative equity~~ is disqualified from the fund until DATCP releases the security. A grain dealer is disqualified from the fund, and required to pay cash on delivery for grain, if DATCP denies, suspends, or revokes the dealer's license or if DATCP disqualifies the dealer for cause.

that

The bill establishes the formula for determining the amount of the assessments ~~which~~ must be paid by a grain dealer that contributes to the fund, except that DATCP may, by rule, provide for a different formula. The assessments are based on a grain dealer's financial condition, the amount spent to procure grain from producers, the amount incurred under deferred payment contracts, and the number of consecutive years that the dealer has contributed to the fund.

A grain dealer must file security with DATCP if, when DATCP first licenses the dealer under this bill, the grain dealer reports more than \$500,000 in grain payments during its most recent fiscal year and the dealer's annual financial statement shows negative equity. A grain dealer that incurs obligations under deferred payment contracts may also be required to file security with DATCP. DATCP may release security required because the grain dealer had negative equity when first licensed if the dealer makes no more than \$500,000 in grain payments in two consecutive years or files annual financial statements that show positive equity for two

consecutive years. DATCP may release security required because a grain dealer uses deferred payment contracts if the dealer stops using deferred payment contracts or satisfies debt to equity ratio requirements for two consecutive years.

The ~~This~~ bill requires a grain dealer to maintain insurance to cover all grain in the custody of the grain dealer.

Under the bill, grain dealer license fees vary based on the amount that the grain dealer pays for grain during a license year and the number of trucks used to haul grain. Under the bill, if the balance in the fund contributed by grain dealers exceeds \$2,000,000 on any June 30, DATCP must ~~credit~~ *use* 50% of the excess ~~against~~ *to reduce* license fees.

Grain warehouse keepers ✓

Current law requires a grain warehouse keeper that holds 50,000 or more bushels of grain for others at any time to obtain a license from DATCP. A grain warehouse keeper that does not satisfy minimum financial standards must file security with DATCP.

Under this bill, ~~as under current law, a grain warehouse keeper that holds 50,000 or more bushels of grain for others at any time must obtain a license from DATCP.~~ A licensed grain warehouse keeper is required to contribute to the fund, unless the warehouse keeper is disqualified. If a grain warehouse keeper that contributes to the fund fails to deliver grain to depositors upon demand, DATCP ~~may~~ *pay* default claims from the fund.

A grain warehouse keeper that is required to file security (~~as explained below~~) with DATCP when the warehouse keeper is first licensed under this bill is disqualified from the fund until DATCP releases the security. A grain warehouse keeper is also disqualified from the fund if DATCP denies, suspends, or revokes the warehouse keeper's license.

that The bill establishes the formula for determining the amount of the assessments ~~which~~ must be paid by a grain warehouse keeper that contributes to the fund, except that DATCP may, by rule, provide for a different formula. The assessments are based on a warehouse keeper's financial condition, the capacity of the warehouses, and the number of consecutive years that the warehouse keeper has contributed to the fund.

A grain warehouse keeper must file security with DATCP if, when DATCP first licenses the warehouse keeper under this bill, the warehouse keeper operates grain warehouses with a combined capacity of more than 300,000 bushels and the warehouse keeper's annual financial statement shows negative equity. DATCP may

because the warehouse keeper has negative equity

release security filed by a grain warehouse keeper if the warehouse keeper has a warehouse capacity of less than 300,000 bushels for at least two consecutive years or files annual financial statements that show positive equity for two consecutive years.

The bill specifies annual grain warehouse keeper fees that are based on combined warehouse capacity. Under the bill, if the balance in the fund contributed by grain warehouse keepers exceeds \$300,000 on any June 30, DATCP must ~~credit~~ 12.5% of the excess ~~against~~ license fees. *to reduce* *use*

Vegetable contractors ✓

Current law requires a vegetable contractor to obtain a registration certificate from DATCP. A vegetable contractor that does not meet minimum financial standards must file security with DATCP unless the contractor makes payment on delivery for all vegetables obtained from producers or the contractor is a producer-owned cooperative doing business solely with its producer-owners.

This bill requires a vegetable contractor to obtain a license from DATCP. A licensed vegetable contractor must contribute to the fund unless the contractor makes payment on delivery for all vegetables obtained from producers, the contractor is a producer-owned cooperative that procures vegetables only from its producer owners, or the contractor is disqualified. If a vegetable contractor that contributes to the fund defaults on payments to producers, DATCP ~~may~~ pay default claims from the fund.

A vegetable contractor that is required to file security ~~as explained below~~ with DATCP when the vegetable contractor is first licensed under this bill because the contractor has negative equity is disqualified from the fund until DATCP releases the security. A vegetable contractor is disqualified from the fund if DATCP denies, suspends, or revokes the contractor's license. A vegetable contractor is disqualified from the fund, and required to pay cash on delivery for all vegetables received from producers, if DATCP issues a written notice disqualifying the contractor for cause, including failure to pay fund assessments when due.

that The bill establishes the formula for determining the amount of the assessments ~~which~~ must be paid by a vegetable contractor that contributes to the fund, except that DATCP may, by rule, provide for a different formula. The assessments are based on a vegetable contractor's financial condition, the amount spent to procure vegetables from producers, the amount incurred under deferred payment contracts, and the number of consecutive years that the contractor has contributed to the fund.

A vegetable contractor must file security with DATCP if, when DATCP first licenses the contractor under this bill, the contractor reports more than \$1,000,000 in obligations under contracts for the procurement of processing vegetables during its most recent fiscal year and the contractor's annual financial statement shows negative equity. A vegetable contractor that incurs obligations under deferred payment contracts may also be required to file security with DATCP. DATCP may release security required because the vegetable contractor had negative equity when first licensed if the contractor makes no more than \$1,000,000 in vegetable procurement obligations in two consecutive years or files annual financial statements that show positive equity for two consecutive years. DATCP may release security required because a vegetable contractor uses deferred payment contracts if the contractor stops using deferred payment contracts or satisfies financial requirements for two consecutive years.

~~This~~ bill requires a vegetable contractor to maintain insurance to cover all vegetables in the custody of the contractor, unless the vegetable contractor pays cash on delivery for all vegetables or the contractor is a producer-owned cooperative that procures vegetables only from its producer owners.

Under ~~this~~ bill, vegetable contractor license fees are based on the amount that a vegetable contractor owed to vegetable producers over the course of the contractor's most recent fiscal year. Under the bill, if the balance in the fund contributed by vegetable contractors exceeds \$1,000,000 on any November 30, DATCP must ~~credit~~ ^{use} 50% of the excess ~~against~~ ^{to reduce} license fees.

Recovery proceedings and administration ✓

Under this bill, when contractors who are licensed, or required to be licensed, fail to make payments when due or when grain warehouse keepers fail to return stored grain upon demand, producers or their agents may file default claims with DATCP. After DATCP audits the claims and determines the amount of each claim to allow, DATCP issues a proposed decision. If a contractor or claimant objects to the proposed decision, DATCP must hold a public hearing and then issue a final decision affirming or modifying the proposed decision.

The bill specifies payment amounts for each claim against a contractor that was contributing to the fund when the default occurred. For a claim against a milk contractor or grain dealer, the payment amount is 90% of the first \$20,000 allowed, 85% of the next \$20,000 allowed, 80% of the next \$20,000 allowed, and 75% of any amount allowed in excess of \$60,000. For a claim against a grain warehouse keeper,

the payment amount is 100% of the first \$100,000 allowed. For a claim against a vegetable contractor, the payment amount is 90% of the first \$40,000 allowed, 85% of the next \$40,000 allowed, 80% of the next \$40,000 allowed, and 75% of any amount allowed in excess of \$120,000. If a contractor was not ~~contributing~~ ^{to the fund} ~~contractor~~ when the default occurred but had posted security with DATCP, DATCP uses the security proceeds to pay the full amount of the allowed claims, except that, as under current law, if the security is not adequate to pay the full amount of the allowed claims, DATCP pays the claimants on a prorated basis. A claimant that does not receive full payment may sue the contractor for the balance of the allowed claim.

The bill requires DATCP to obtain three surety bonds, called industry bonds. One bond is to secure payments of claims against contributing milk contractors, one to secure payments of claims against contributing grain dealers and warehouse keepers, and one to secure payment of claims against contributing vegetable contractors. In addition, the bill requires DATCP to obtain a blanket surety bond. The bill requires DATCP to make a demand against the appropriate industry bond if payments of claims against contributing contractors in that industry exceed a threshold specified in the bill. The bill requires DATCP to make a demand against the blanket bond if claims against contributing contractors in an industry exceed the amount available under the industry bond.

The bill authorizes DATCP to demand that a defaulting contractor reimburse DATCP for any claim amounts that were paid from the fund because of the contractor's default. The bill also authorizes a person who issues an industry bond or the blanket bond to require a defaulting contractor to reimburse the amounts that the person paid out because of the contractor's default.

Under this bill, \$2,000,000 is transferred from the agrichemical management fund to the agricultural producer security fund on January 1, 2002, as a start-up loan. The bill requires DATCP to repay the loan, plus interest, and to complete the repayment no later than July 1, 2006.

The bill authorizes DATCP to promulgate rules that modify license fees and fund assessments. The bill requires DATCP to modify assessments to keep the balance in the fund within a specified range. The bill authorizes DATCP to deny, suspend, revoke, or impose conditions on a contractor's license for cause.

END

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to the fund

the payment amount is 100% of the first \$100,000 allowed. For a claim against a vegetable contractor, the payment amount is 90% of the first \$40,000 allowed, 85% of the next \$40,000 allowed, 80% of the next \$40,000 allowed, and 75% of any amount allowed in excess of \$120,000. If a contractor was not a contributing contractor when the default occurred but had posted security with DATCP, DATCP uses the security proceeds to pay the full amount of the allowed claims, except that, as under current law, if the security is not adequate to pay the full amount of the allowed claims, DATCP pays the claimants on a prorated basis. A claimant that does not receive full payment may sue the contractor for the balance of the allowed claim.

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START

OTHER AGRICULTURE ✓

Under current law, for a person to claim the farmland preservation tax credit, the land to which the claim relates must be subject either to a farmland preservation agreement or to an exclusive agricultural use zoning ordinance. A farmland preservation agreement is between the landowner and DATCP. The agreement commits the owner to keep the land in agricultural use for the duration of the agreement, up to 25 years, although ~~the law allows~~ DATCP ~~to~~ release land from an agreement under certain circumstances. Under current law, in some of the circumstances under which DATCP may release land from a farmland preservation agreement, or if land is rezoned from exclusive agricultural use, DATCP is required to file a lien against the land in the amount of the farmland preservation credit received by the owner during the preceding ten years. may

This bill eliminates the requirement that DATCP file a lien against land that is released from a farmland preservation agreement or that is rezoned from exclusive agricultural use. Under ~~this~~ bill, DATCP may not release land from a farmland preservation agreement until the owner pays \$50 per acre to this state, except in certain situations such as the death or disability of the owner. Also under ~~this~~ bill, a local governmental unit must require a payment of \$60 per acre as a condition of rezoning land from exclusive agricultural zoning. The local governmental unit forwards the payment to the state. the

***** ANALYSIS FROM -0405/1 *****

~~This bill expands DATCP's authority relating to pests.~~ Under current law, if DATCP finds that plants or other pest-harboring materials on agricultural lands or agricultural business premises are so infested with injurious pests as to constitute a hazard to plant or animal life in this state, DATCP may order the property owner to treat the premises or treat or destroy the infested plants or other material. If the property owner fails to comply with the order, DATCP may treat the premises or treat or destroy the infested plants or other material. This bill eliminates the provision that restricts DATCP's authority regarding treatment of infested premises and treatment or destruction of infested plants and other material to agricultural lands and agricultural business premises.

***** ANALYSIS FROM -0393/1 *****

Under ~~current law~~ ^{the} DATCP ~~administers~~ a soil and water resource management program ~~under which~~ DATCP ~~provides~~ grants to counties to help the counties fund ~~measures to~~ reduce soil erosion and water pollution, ~~including~~ cost-sharing grants awards

~~from counties to land owners.~~ This bill increases the authorized general obligation bonding authority for the soil and water resource management program by \$7,000,000.

***** ANALYSIS FROM -1615/3 *****

Under current law, DATCP ~~makes~~ ^{awards} agricultural research and development grants to fund demonstration projects, feasibility analyses, and applied research on new or alternative technologies and practices that will stimulate agricultural development. ↗

^(now 4) This bill authorizes DATCP to ~~make~~ ^{award} grants and provide technical assistance to support preliminary research ~~and investigations~~ on potential business enterprises that may increase the value of raw agricultural commodities. The bill provides Indian gaming receipts for the new grant program and for the existing agricultural research and development grant program.

***** ANALYSIS FROM -0406/3 *****

Under current law, a person is subject to a fine or imprisonment if the person violates certain laws enforced by DATCP including laws relating to the manufacture, distribution, and sale of commercial feed, laws relating to the safety of certain consumer products, and laws relating to hazardous substances. This bill provides that a person who violates any of these laws may ~~be~~ be subject to a forfeiture.

***** ANALYSIS FROM -1462/3 *****

Current law provides for a World Dairy Center Authority. The duties of the authority include establishing a center for the development of dairying in the United States and the world. This bill eliminates the World Dairy Center Authority.

***** ANALYSIS FROM -1856/6 *****

COMMERCE AND ECONOMIC DEVELOPMENT ✓

ECONOMIC DEVELOPMENT

Under ~~the~~ ^{this} bill, the department of commerce (department) must designate up to 20 areas in the state as technology zones. The department may certify any new or expanding high-technology business located in a designated technology zone for a tax credit that is based on the amount of real and personal property taxes that the business paid in the taxable year; the amount of sales and use taxes that the business paid in the taxable year; and the amount of income and franchise taxes that the business paid in the taxable year. A business certified by the department may claim the tax credit for three years, or for up to five years if the business experiences growth to an extent determined by the department, but the total amount that a business may

(civil monetary) or to the existing criminal penalties

claim is limited by the department, and not more than \$5,000,000 in tax credits may be claimed by all businesses certified in a technology zone.

Agency *** ANALYSIS FROM -0667/5 ***
 The department ~~of commerce (department)~~ administers three types of development zone programs: 1) the development zone program; 2) the development opportunity zone program; and 3) the enterprise development zone program. Generally, after an area is designated as one of the three types of development zones, a person or corporation that conducts or that intends to conduct economic activity in the designated zone is eligible for certain tax credits, which are based on the creation or retention of jobs, on expenses incurred to remediate environmental problems, or on significant capital investment to retain jobs.

This The bill designates an area in the city of Milwaukee as a development opportunity zone and authorizes up to \$4,700,000 to be claimed in tax credits for economic activity in the zone. The bill also provides that a person conducting economic activity in this new development opportunity zone who would not otherwise be able to claim tax credits may be certified for tax credits if: 1) the economic activity is instrumental in enabling another person to conduct economic activity in the zone that would not have occurred but for the first person's involvement; 2) the department determines that the person being certified for tax credits will pass the benefit of the tax credits through to the other person conducting the economic activity in the zone; and 3) the other person conducting economic activity in the zone does not claim tax credits for the economic activity.

In addition, the bill creates an income tax and franchise tax credit for a business that is certified to receive tax credits in the new development opportunity zone ~~(zone)~~ that is equal to 3% of the following: 1) the purchase price of tangible personal property that is used for at least 50% of its use for the business at a location in the zone; and 2) the amount expended to acquire, construct, rehabilitate, remodel, or repair real property in the zone. A business may claim the credit only to offset taxes that are imposed on income that is attributable to the operations of the business in the development zone.

current *** ANALYSIS FROM -0641/1 ***
 Under the ~~community-based economic development programs in current law,~~ the department ~~of commerce (department)~~ awards grants to ~~political subdivisions~~ counties, cities, villages, ~~and~~ towns, and community-based organizations for various purposes related to promoting economic development at the community

^{this} level. ~~The~~ bill eliminates these programs and creates ^{the} a new economy for Wisconsin (NEW) program. Under NEW, the department may make grants, not exceeding \$100,000 each, to community-based business incubators and nonprofit organizations that provide services to high-technology businesses or that promote entrepreneurship. Grant proceeds may be used only for assisting small businesses (businesses with fewer than 100 employees) in adopting new technologies in their operations, for assisting technology-based small businesses in activities that further technology transfer, or for assisting entrepreneurs in discovering business opportunities.

current *** ANALYSIS FROM ~~-0650/6~~ ^{affected} *** *award*

award Under the gaming economic development grant and loan program ~~in current law~~ ^{in current law}, the department ~~of commerce~~ ^{of commerce} (department) may make a grant for professional services, or a grant or loan for fixed asset financing, to an existing business in this state if the business has been negatively ~~impacted~~ ^{affected} by the existence of a casino and has a legitimate need for the grant or loan to improve profitability. Under the gaming economic diversification program ~~in current law~~ ^{in current law}, the department may make a grant or loan to an existing business in this state for a project that will diversify the economy of a community. Each program is funded with Indian gaming ~~revenue~~ ^{receipts}.

this Under ~~the~~ bill, start-up businesses, in addition to existing businesses, are eligible for the grants and loans under both programs. The bill adds remediating brownfields (which are abandoned, idle, or underused industrial or commercial facilities or sites that are adversely affected for expansion or redevelopment by actual or perceived environmental contamination) as a project purpose for which grants and loans may be awarded under the gaming economic diversification program and ~~requires the department to consider whether a project will take place in a rural community when awarding grants and loans under that program~~. In addition, the bill authorizes the department to ~~make a grant, not exceeding \$1,000,000,~~ ^{make a grant, not exceeding \$1,000,000,} to the M7 Development Corporation for construction of a multipurpose center at Lincoln Park in the city of Milwaukee and to ~~make grants of up to \$250,000 in each of fiscal years 2001-02 and 2002-03~~ ^{make grants of up to \$250,000} to the Chippewa Valley Technical College for a health care education center. These grants are paid out of the same Indian gaming ~~revenue appropriation out of which the gaming economic development and gaming economic diversification grants and loans are paid~~ ^{receipts}.

*** ANALYSIS FROM ~~-0645/3~~ ^{award} ***

^{the}
 Under ~~current law, the department of commerce (department)~~ administers the physician and health care provider loan assistance programs, under which the department may repay, over a three-year period, up to \$50,000 in educational loans on behalf of a physician who specializes in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry and who agrees to practice at least 32 hours per week for three years in a clinic in one or more eligible practice areas in this state and up to \$25,000 in educational loans on behalf of a physician assistant, nurse midwife, or nurse practitioner who agrees to practice at least 32 hours per week for three years in a clinic in one or more eligible practice areas in this state. ^{This} The bill expands the physician loan assistance program to include dentists, so that the department may repay, over a three-year period, up to \$50,000 in educational loans on behalf of a dentist who practices general or pediatric dentistry and who agrees to practice at least 32 hours per week for three years in a clinic in an area designated by the federal department of health and human services as having a shortage of dental professionals. A dentist participating in the program is subject to the same requirement as a physician to enter into a written agreement with the department, the same priority considerations as a physician if funding is not sufficient for all applicants, and the same penalty provisions as a physician for breaching the three-year practice agreement.

^{total of}
 *** ANALYSIS FROM -1864/6 ***

Under current law, the department of commerce (department) must provide grants not exceeding \$900,000 to the city of Milwaukee for a matching grant program administered by the Milwaukee Economic Development Corporation. Under that program, grants are provided to persons for remediation and economic redevelopment projects in the Menomonee valley. Funding comes from Indian gaming revenue.

^{award}
^{receipts}
^(no ff) The bill requires the department to make grants in the 2001-03 fiscal biennium directly to the Milwaukee Economic Development Corporation for its matching grant program and to the Menomonee Valley Partners, Inc. Funding comes from ~~the~~ environmental fund, to which Indian gaming revenue is transferred to cover the grants. The proceeds of these grants must be used to support job creation and private sector implementation of the Menomonee valley land use plan.

^{currently}
 *** ANALYSIS FROM -0878/2 ***

WHEDA administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal

^{receipts}

amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. Most of the loan guarantee programs are backed by funds in the Wisconsin development reserve fund. ↗

(w/4) Each loan guarantee program has a limit on the total outstanding principal amount of all loans that WHEDA may guarantee under the program (guarantee limit). In that way, WHEDA may guarantee more loans under a program as the loans already guaranteed under that program are paid down. ↗ The bill eliminates the separate guarantee limit under each of the guarantee loan programs that are backed by the Wisconsin development reserve fund and establishes one overall guarantee limit of \$62,000,000 for all programs backed by that reserve fund. Thus, as loans guaranteed under a program that is backed by the Wisconsin development reserve fund are paid down, WHEDA may guarantee more loans under any of the programs that are backed by that reserve fund and is not limited to guaranteeing more loans under the same program under which the loans are being paid down. ↗

requires
*** ANALYSIS FROM -0774/1 ***

~~Under~~ current law, WHEDA is required to ensure that the cash balance in the Wisconsin development reserve fund is maintained at a ratio of \$1 of reserve funding to \$4.50 of outstanding principal that WHEDA may guarantee under all of its loan guarantee programs, except the cultural and architectural landmark loan guarantee program, under which WHEDA no longer guarantees new loans. The bill changes the ratio at which WHEDA must maintain the Wisconsin development reserve fund to \$1 of reserve funding to \$5.50 of outstanding principal that WHEDA may guarantee under all of the programs guaranteed from the fund, except the cultural and architectural landmark loan guarantee program. The reserve funding ratio for that program remains at \$1 of reserve funding to \$4 of outstanding guaranteed principal.

current
*** ANALYSIS FROM -0880/5 ***

Under the small business development loan guarantee program, WHEDA may guarantee repayment of up to the lesser of \$200,000 or 80% of the principal of a loan made by a private lender to a small business (a business with 50 or fewer full-time employees) or the elected governing body of a federally recognized American Indian tribe or band in this state. The proceeds of a small business development loan may be used only for expenses associated with the expansion or acquisition of a business or with the start-up of a day care business. The bill adds to the eligible uses of a small business development loan expenses associated with the start-up of a small business

repaid

This

repaid

This

This

in a vacant storefront in the downtown area of a rural community, which is defined in the bill as a city, town, or village with a population of less than 50,000.

Heritage Tourism

Currently,
*** ANALYSIS FROM -0782/P1 ***

of tourism

of tourism

The department of tourism (department) administers the heritage tourism program in current law. In each fiscal biennium, the department may, upon application, select up to two areas of the state to participate in the program, which entitles an area to assistance in assessing its potential for heritage tourism (tourism that is based on historical or prehistorical resources) and in developing and implementing a plan to increase such tourism. Also under the program, the department must award grants for promoting heritage tourism in the selected areas to the persons that applied on behalf of the areas. Only one grant may be awarded to an applicant in a fiscal year, and grants may be awarded to an applicant only in two fiscal years.

This

The bill provides that the two grants that may be awarded to an applicant on behalf of a selected area may be awarded only in the two fiscal years of the fiscal biennium in which the area was selected. The bill also provides that, after the fiscal biennium in which an area was selected, the department may award grants of up to \$5,000 in a fiscal year to a nonprofit organization that is located in the area. A nonprofit organization is eligible for the new grants even if it previously received grants as the applicant on behalf of the area.

of tourism

facilities and related structures that are used for post-secondary education

La Postsecondary
*** ANALYSIS FROM -1888/3 ***

Under current law, WHEFA may issue bonds to finance certain projects undertaken for educational facilities, such as the construction, remodeling, furnishing, or equipping of an educational facility or related structure. An educational facility is defined as a regionally accredited, private, nonprofit postsecondary educational institution. The bill redefines an educational facility as a facility used for education by a regionally accredited, private, nonprofit institution so that the education-related projects for which WHEFA may issue bonds are not limited to facilities and related structures for postsecondary education purposes.

Postsecondary

This bill allows

also finance

*** ANALYSIS FROM -2099/2 ***

STET

The bill authorizes the department of commerce to advertise and promote products made in the state of timber produced in the state and provides funding from the conservation fund for this purpose.

*** ANALYSIS FROM -1694/11 ***

STET

that are used for primary and secondary

This bill provides that, if the Wisconsin Advanced Telecommunications Foundation (foundation) grants to DOA the unencumbered balances of its endowment fund and fast start fund, then moneys are transferred to the department of commerce to make grants for research on emerging technologies that promote industrial and economic development in southeastern Wisconsin. See **EDUCATION, OTHER EDUCATIONAL AND CULTURAL AGENCIES.**

current *** ANALYSIS FROM -0646/2 ***

awards
(Department)
Under the brownfields grant program ~~in current law~~, the department of commerce ~~makes~~ grants to persons, municipalities, and local development corporations for redevelopment of brownfields and remediation activities associated with the redevelopment. ~~Brownfields are abandoned, idle, or underused industrial or commercial facilities or sites that are adversely affected for expansion or redevelopment by actual or perceived environmental contamination.~~ The bill ^{This} provides that all of the following are eligible for a brownfields grant: an individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy.

← STET
*** ANALYSIS FROM -1734/3 ***

Forward Wisconsin, Inc., is a private corporation formed to promote economic development in the state by encouraging business enterprises to locate in the state. Its advertising, marketing, and promotion activities are paid with general purpose revenue and private funds. The bill creates another appropriation to the department of commerce, funded with Indian gaming revenue, for payments to Forward Wisconsin, Inc., for its activities to recruit out-of-state businesses to locate in this state.

*** ANALYSIS FROM -1735/2 ***

each
Under current law, the department of commerce may award up to \$1,000,000 in grants ~~per~~ fiscal year, ~~until June 30, 2001~~, to technology-based nonprofit organizations to provide support for manufacturing extension centers. ~~The funding comes from repayments of loans made by the department of commerce for various business, manufacturing, and technology development purposes.~~ The bill ^{This} extends the manufacturing extension center grant program by removing the end date of June 30, 2001, and changes the funding source to Indian gaming revenue.

← STET
*** ANALYSIS FROM -1736/2 ***

Under current law, the department of commerce may award a grant of up to \$10,000 to a business with 25 or fewer employees, or with no more than \$2,500,000

eliminates the June 30, 2001 expiration date of

in gross annual income in the preceding year, for the purpose of providing skills training or other education related to the needs of the business to current or prospective employees of the business. The statutes do not specify the appropriation from which the grants are to be paid. The bill provides that the grants are to be paid from an appropriation that is funded with Indian gaming revenue.

*** ANALYSIS FROM -1536/3 ***

COMMERCE ✓

Uniform Electronic Transactions Act ✓

This bill enacts a version of the Uniform Electronic Transactions Act (UETA), which was approved and recommended for enactment by the National Conference of Commissioners on Uniform State Laws in 1999. The bill contains only minor, nonsubstantive changes to the recommended version of UETA as necessary to incorporate UETA into the existing statutes. Currently, a combination of state and federal laws govern the use of electronic documents and signatures in this state. The most significant federal law in this regard is the Electronic Signatures in Global and National Commerce Act, commonly known as “E-sign.” Although E-sign contains provisions that potentially affect the maintenance and destruction of public records and the acceptance of electronic documents by governmental units, E-sign primarily affects the use of electronic documents and signatures in consumer and business transactions.

INS. FROM P. 22 → Like E-sign, the bill primarily affects the use of electronic documents and electronic signatures in transactions. Under the bill’s broad definitions, such things as information stored on a computer disk or a voice mail recording would likely qualify for use as an electronic document. However, like E-sign, this bill does not apply to the execution of wills, to testamentary trusts, or to a transaction governed by any chapter of this state’s version of the Uniform Commercial Code other than the chapter dealing with sales of goods. Unlike E-sign, this bill may permit the use of electronic documents for matters relating to family law; court documents; notices of the cancellation of utility services; certain notices of default, acceleration, repossession, foreclosure, eviction, or the right to cure; certain notices of the cancellation or termination of health insurance or life insurance; and product recall notices.

Like E-sign, this bill specifies that a document or signature may not be denied legal effect or enforceability solely because it is in electronic form. Unlike E-sign, this bill further states that an electronic document satisfies any law requiring a

move
to
p. 22

document to be in writing and that an electronic signature satisfies any law requiring a signature. ^{The} ~~This~~ bill does not require the use of electronic documents or electronic signatures. Rather, the bill applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. However, unlike current law under E-sign, this bill does not contain any protections that specifically apply only to consumer transactions. The consumer protections currently in effect under E-sign would likely have no effect in this state upon the enactment of this bill.

Under this bill, a person may use an electronic document in a transaction to satisfy any law requiring the person to provide, send, or deliver information in writing to another person. Although the bill also states that a document relating to a transaction may not be denied legal effect solely because it is in electronic form, the bill likely permits a person to deny the legal effect of an electronic document that ~~is provided, sent, or delivered in violation of this provision~~. The bill also specifies that, with certain exceptions, a document must satisfy any law requiring the document to be posted or displayed in a certain manner; to be sent, communicated, or transmitted by a specified method; or to contain information that is formatted in a certain manner. Although this provision is subject to varying interpretations, it likely requires the parties to a transaction to comply with any legal requirement relating to the provision of information *other than a requirement that the information be provided on paper*.

The bill establishes the time and location of the sending and receipt of an electronic document, although the parties to a transaction may agree to alter the effect of these provisions. The bill also permits a sender to expressly provide in an electronic document that the document is deemed to be sent from a different location. The bill also establishes the legal effects of any change or error in an electronic document that occurs in a transmission between the parties to a transaction. These effects depend in part upon whether the parties have consented to the use of a security procedure and whether the transaction is an automated transaction involving an individual.

With certain exceptions, ~~the~~ bill permits the use of an electronic document to satisfy any law that requires document retention, as long as the retained information satisfies certain requirements relating to content and accessibility. An electronic document retained in compliance with these provisions has the same legal status as the original document and need not contain any information the sole purpose of

if the electronic document satisfies certain conditions
does not satisfy those conditions

this

which is to enable the document to be sent, communicated, or received. Under current law, this ancillary information is normally required to be retained if the document to which it is attached is required to be retained. The bill specifies that the state may enforce laws enacted after this bill that prohibit a person from using an electronic document to satisfy any requirement that the person retain a document for evidentiary, audit, or like purposes. It is unclear, though, what types of retention requirements are enacted for "evidentiary, audit, or like purposes." The bill also specifies that it does not preclude a governmental unit of this state from imposing additional requirements for the retention of any document subject to its jurisdiction. It is unclear how this provision relates to other provisions of the bill which provide that certain electronic documents satisfy any retention requirement.

Like E-sign, this bill also permits electronic notarization, acknowledgement, or verification of a signature or document relating to a transaction, as long as the electronic signature of the person performing the notarization, acknowledgement, or verification is accompanied by all other information required by law. In addition, like E-sign, this bill contains provisions potentially affecting the maintenance and destruction of public records. However, this potential effect is less likely to occur under this bill, if the scope of the UETA provisions is interpreted to be consistent with the prefatory note and comments to the recommended version of UETA. The bill also clarifies an ambiguity in current law under E-sign by authorizing a person to submit an electronic document or signature to a governmental unit only if the governmental unit consents. Furthermore, the bill grants DOA primary rule-making authority regarding the use of electronic documents and signatures by governmental units and grants DOA and the secretary of state joint rule-making authority regarding certain electronic notarizations.

E-sign generally preempts inconsistent state laws. However, with possible limited exceptions, E sign does not preempt a state law that constitutes an enactment of the recommended version of UETA. Several provisions of UETA are subject to varying interpretations. Unless otherwise noted, the foregoing analysis reflects the interpretation, if any, that is supported by the prefatory note or official comments to the recommended version of UETA.

more
to
P 20

*** ANALYSIS FROM -0601/1 ***

INSERT FROM
P. 20

Universal banking ✓

This bill allows a savings bank, a savings and loan association, and a state bank (a financial institution) to become certified by the division of banking in DFI as a

universal bank. If certified as a universal bank, the financial institution may exercise certain additional powers.

In order to be certified as a universal bank, a financial institution must be chartered or organized, and regulated, as a Wisconsin financial institution and be in existence and continuous operation for at least three years; must be well-capitalized; must not exhibit moderately severe or unsatisfactory financial, managerial, operational, and compliance weaknesses; and must not have been the subject of any enforcement action within the 12 months preceding the application. In addition, the most recent evaluation of the financial institution under the federal Community Reinvestment Act must rate the financial institution as outstanding or satisfactory at helping to meet the credit needs of its entire community. Also, the most recent evaluation of the financial institution under certain federal laws relating to customer privacy must indicate that the financial institution is in substantial compliance with those federal laws. A financial institution that the division of banking certifies as a universal bank retains its original status and remains subject to all of the laws that applied to the financial institution prior to its certification as a universal bank, except to the extent that such laws are inconsistent with the powers and duties of universal banks. The bill expands the powers of a financial institution that becomes certified as a universal bank to include any activity authorized for any savings bank, savings and loan association, or state bank.

~~In addition, the bill does all of the following with respect to the powers that a universal bank may exercise:~~

~~1~~ The bill permits a universal bank, with the approval of the division of banking, to exercise all powers that may be exercised directly by a national bank, a federally chartered savings bank, or a federally chartered savings and loan association. The division of banking may require a universal bank to exercise a federal power through a subsidiary, in order to limit the risk of exposure of the universal bank. In addition, the bill permits a universal bank, with the approval of the division of banking, to exercise through a subsidiary all powers that a subsidiary of these federal financial institutions may exercise.

~~2~~ A universal bank may deal in loans or extensions of credit for any purpose. Like state banks, the limitations imposed on a universal bank's lending generally focus on the total amount of liabilities of any one lender at any one time. Although the limit varies, the general rule is that the total liabilities of any one person to a universal bank may not exceed 20% of the capital of the universal bank. In addition,

The bill permits a

to

the bill grants a universal bank additional authority to lend an aggregate amount to all borrowers not to exceed 20% of the bank's capital. The division of banking may suspend this additional authority based upon factors including the universal bank's capital adequacy, management, earnings, liquidity, and sensitivity to market risk. The bill prohibits a universal bank, in determining whether to make a loan or extension of credit, from considering any health information obtained from the records of an affiliate of the universal bank that is engaged in the business of insurance, unless the person to whom the health information relates consents.

~~3~~ To the extent consistent with safe and sound banking practices, a universal bank ~~may~~ purchase, sell, underwrite, and hold certain investment securities in an amount up to 100% of the universal bank's capital. A universal bank may not invest greater than 20% of its capital in any one obligor or issuer. Subject to certain limits the bill also allows a universal bank to purchase, sell, underwrite, and hold equity securities. Universal banks may also invest in certain housing properties and projects and profit-participation projects. The bill provides that a universal bank also may invest without limitation in several specific types of securities. The universal bank may invest in risk management instruments, including financial futures transactions, financial operations transactions, and forward commitments, solely for the purpose of reducing, hedging, or otherwise managing its interest rate risk exposure. In addition, a universal bank may invest in other financial institutions. However, the bill contains specific provisions governing the purchase by a universal bank of its own stock and of stock in banks and bank holding companies.

~~4~~ The bill permits a universal bank to establish the types and terms of deposits that the universal bank solicits and accepts. A universal bank may pledge its assets as security for deposits and, with the approval of the division of banking, may securitize its assets for sale to the public. In addition, a universal bank may exercise certain safe deposit and trust powers.

~~5~~ A universal bank ~~may~~ exercise all powers necessary or convenient to effect the purposes for which the universal bank is organized or to further the businesses in which the universal bank is lawfully engaged. In addition, the bill allows a universal bank to engage in activities that are reasonably related or incident to the purposes of the universal bank. Under the bill, any activity permitted under the federal Bank Holding Company Act satisfies the reasonably related or incidental criterion. The bill also contains a list of specific activities that meet the reasonably

The bill permits
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The bill permits

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permits

related or incidental criterion. The listed activities include: real estate-related services; insurance services, other than insurance underwriting; securities brokerage; investment advice; securities and bond underwriting; mutual fund activities; financial consulting; and tax planning and preparation. A universal bank may also engage in activities that the division of banking determines by rule are reasonably related or incidental to these listed activities. In addition, the division of banking, by rule, may determine that other activities are reasonably related or incidental activities. In promulgating these rules, the division of banking need not follow the standard notice, hearing, and publication requirements that generally apply to administrative rule making.

Credit unions ✓

~~This bill makes numerous changes to the laws that govern the formation, operation, and regulation of credit unions in this state. The major provisions relating to credit unions include the following:~~

~~1.~~ This bill expands the pool of individuals, organizations, and associations that are eligible for membership in a credit union. Under ~~this~~ ^{the} bill, credit union membership is open to individuals who reside or are employed in well-defined, contiguous neighborhoods and communities, except that, if the office of credit unions determines, subsequent to a merger, that it is inappropriate to require the members of a credit union to reside or be employed in contiguous neighborhoods and communities, the requirement ~~that these neighborhoods and communities be contiguous~~ does not apply. In addition, membership is open to individuals who reside or are employed in well-defined, contiguous rural districts or multicounty regions. ~~This~~ bill also opens credit union membership to any organization or association that has its principal business location within any geographic limits of the credit union's field of membership. ~~This~~ bill also permits a credit union to accept any organization or association as a member ^{if} a majority of the directors, owners, or members of the organization or association are eligible for membership.

~~2.~~ Under current law, if the need exists, a credit union may establish branch offices within this state or no more than 25 miles outside of this state. ~~A credit union seeking to establish a branch office must first obtain the approval of the office of credit unions.~~ In addition, under current law regarding interstate mergers and acquisitions of credit unions, a credit union organized in this state may only merge with, acquire, or be acquired by a state or federal credit union that has its principal office in Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, or Ohio. ✓

This bill expands the authority of a credit union to establish branch offices. Under ~~this~~ bill, with the permission of the office of credit unions, a credit union may establish branch offices anywhere inside or outside of this state. In addition, ~~this~~ bill repeals this geographic limitation on mergers and acquisitions of credit unions.

~~3~~ Current law does not specifically permit a credit union organized under the laws of another state (non-Wisconsin credit union) to establish a branch office in this state. This bill specifies that a non-Wisconsin credit union may establish a branch office in this state if the office of credit unions finds that certain conditions apply to the non-Wisconsin credit union.

~~2~~ Under current law, subject to certain limitations, a credit union may invest in an organization that is organized primarily to provide goods and services to credit unions, credit union organizations, and credit union members (credit union service organization). Under current law, a credit union may invest in a credit union service organization that is a corporation. ~~Currently,~~ a credit union service organization may provide, among other things, credit card services, automated teller services, financial planning, and insurance sales. This bill permits a credit union to invest in a credit union service organization that is a corporation, limited partnership, limited liability company, or any other entity that is permitted under state law and that is approved by the office of credit unions. The bill also permits the office of credit unions to increase the maximum amount that a credit union may invest in a credit union service organization. In addition, the bill expands the types of goods and services that a credit union service organization may provide to include electronic transaction services.

~~2~~ This bill expands the authority of a credit union to act as a trustee, allowing a credit union, to the extent permitted by federal law, to act as a trustee or custodian of member tax deferred retirement funds, individual retirement accounts, medical savings accounts, and other employee benefit accounts or funds. In addition, ~~this~~ bill allows a credit union, to the extent permitted by federal law, to act as a depository for member qualified and nonqualified deferred compensation funds.

~~3~~ Current law contains several credit union reporting requirements and, with certain exceptions, requires the office of credit unions to annually examine the records and accounts of each credit union. The employees of the office of credit unions and members of the credit union review board must keep information obtained in the course of examinations confidential, with limited exceptions. A violation of this confidentiality requirement is subject to a forfeiture of up to \$200. This bill specifies

(civil penalty)

creates a crime for certain disclosures of information by

that, with certain exceptions, any employee of the office of credit unions or member of the credit union review board who discloses any information about the private account or transactions of a credit union or who discloses any information obtained in the course of an examination is subject to a fine of not less than \$100 nor more than \$1,000, imprisonment for not less than six months nor more than three years, or both, and may be required to forfeit his or her office or position. This bill also creates a crime for knowingly falsifying certain credit union reports or statements. Any person who commits this crime may be fined not less than \$1,000 nor more than \$5,000 or imprisoned for not less than one year nor more than 15 years, or both.

This bill requires credit unions to comply with certain federal laws relating to customer financial privacy and requires the office of credit unions to examine credit unions for compliance with these federal laws.

Under current law, credit unions are subject to the provisions of chs. 93 to 100, agriculture, trade, and consumer protection statutes that apply to businesses generally. Banks, savings banks, and savings and loan associations are specifically exempted from the definition of "business" that applies in the agriculture, trade, and consumer protection statutes. This bill specifically exempts credit unions from this definition.

*** ANALYSIS FROM -2318/3 ***

Alcohol beverages ✓

Under the current Fair Dealership Law, which applies to most types of product distributors, a wholesaler of fermented malt beverages that operates under a contract or agreement, expressed or implied, with a brewer (known as the grantor) for distribution of a brewer's products, and that maintains a "community of interest" (i.e., a sufficiently close continuing financial interest) with the brewer, is considered a dealer, and may not have its distribution rights terminated, cancelled, not renewed, or substantially changed in terms of competitive circumstances, without good cause.

Good cause means failure by the wholesaler to comply substantially with essential and reasonable requirements imposed upon the wholesaler by the brewer, which requirements are not discriminatory as compared to their application by the brewer to other similarly situated wholesalers. Good cause also means bad faith by the wholesaler in carrying out the brewer's distribution business. A brewer that terminates, cancels, fails to renew, or substantially changes the wholesaler's distribution rights without good cause may be held liable, and injunctive relief preventing the brewer's actions may be obtained.

dealer

not
A brewer may not
terminate, cancel, fail to renew, or substantially change in terms of competitive circumstances a dealer's distribution rights without good cause

does so

Under this bill, a fermented malt beverages wholesaler that does not maintain a "community of interest" with a brewer may be considered a dealer of the brewer, such that the wholesaler's product distribution rights may not be terminated by the brewer without "good cause." The bill also requires that, if a fermented malt beverages wholesaler's authorization to distribute products is terminated in whole or in part by a brewer (even for "good cause"), any succeeding fermented malt beverages wholesaler must compensate the terminated wholesaler for the fair market value of the distributorship that was terminated by the brewer. An exception exists if the terminated wholesaler was terminated by the brewer because the terminated wholesaler: engaged in material fraudulent conduct or made material and substantial misrepresentations in its dealings with the brewer or others; was convicted of a felony substantially related to operation of the dealership; or knowingly distributed products outside the territory authorized by the brewer. Disputes regarding the amount of compensation owed by a succeeding wholesaler to a terminated wholesaler must be mutually resolved between the parties or resolved through binding arbitration through a nationally recognized arbitration association.

Under current law, with certain exceptions, the outright sale, transfer, or assignment of a license to sell alcohol beverages at retail is illegal and unenforceable. However, current licensees or permittees at times agree to surrender to the issuing authority their license or permit for a premises upon promise of payment by another party if the surrender results in the other party being awarded the liquor license or permit for the premises.

(wff) This bill prohibits municipalities and DOR from issuing to an applicant a retail license or permit to sell alcohol beverages if the premises described in the application is already covered by a current license or permit of the same kind unless each fermented malt beverage wholesaler to whom the current licensee or permittee is indebted is first notified that another person has applied for a license or permit for the same premises.

Under current law, a person who holds a security interest in alcohol beverages may, without a license or permit, sell alcohol beverages. This bill requires that a sale of fermented malt beverages by a secured party be made within 30 days after the secured party takes possession of the fermented malt beverages unless the secured party demonstrates good cause why this time period is insufficient to make a sale that is commercially reasonable or in conformity with the parties' security agreement.

Under current law, any person who ships fermented malt beverages from out-of-state ^{to this state} must hold an out-of-state shippers' permit, which authorizes the permittee to ship fermented malt beverages only to licensed wholesalers within the state. ~~Violators shall be fined not more than \$1,000 or imprisoned for not more than 90 days or both.~~ This bill requires DOR to issue a written warning for an out-of-state shipper's first violation, and ~~requires that any subsequent violation result in a fine of not more than \$10,000 or imprisonment for not more than two years or both.~~ ^{increases the penalty for}

Current law generally prohibits any brewer or wholesaler of fermented malt beverages from furnishing anything of value to a retailer of fermented malt beverages. A number of exceptions to this prohibition exist. One exception allows brewers and wholesalers to give to any fermented malt beverage retailer, for placement inside the premises, signs, clocks, or menu boards with an aggregate value of not more than \$150. This bill increases the aggregate limit on the value of signs, clocks, or menu boards from \$150 to \$2,500 during any calendar year.

Another exception allows a brewer or wholesaler to provide signs made from paper or cardboard for placement inside the retailer's premises. This bill allows a brewer or wholesaler to also provide signs made from plastic, vinyl, or other materials with a useful life of less than one year, without limitation on the aggregate value of these signs.

Another exception allows a brewer or wholesaler to purchase advertising from a national or statewide trade association of retailers. This bill allows a brewer or wholesaler to purchase advertising from an advertising agency or media company to promote brewer or wholesaler sponsored sweepstakes, contests, or promotions on the premises of retailers if the promotional material includes at least five unaffiliated retailers and if the retailer on whose premises the sweepstakes, contest, or promotion will occur does not receive compensation for hosting the event. The bill also allows a brewer or wholesaler to conduct its own sweepstakes, contest, or promotion on the premises of a retailer if these same conditions are satisfied.

~~Another exception allows a brewer or wholesaler to provide business entertainment to a fermented malt beverage retailer.~~ ^{not the also} This bill ^{also} increases the allowable business entertainment value limit from \$75 per day to \$500 per day and limits the number of days to not more than 12 in a calendar year.

Another exception allows a brewer that produces 350,000 or more barrels of fermented malt beverages annually to make contributions to national or statewide trade associations of retailers. This bill allows any brewer or wholesaler to make

contributions to national, statewide, or local trade associations of retailers. This would include allowing brewers or wholesalers to join local tavern leagues.

This bill also permits an applicant for an operator's license (commonly called a bartender's license) to complete a responsible beverage server training course by means of computer-based training and testing, including curriculum offered through the Internet.

sub sub

Administrative dissolution of limited liability company

*** ANALYSIS FROM -0712/4 ***

This bill requires DFI to establish by rule fees for a number of services provided by DFI relating to the regulation of business associations; the fees are currently set by statute.

In addition ^{*this*} the bill authorizes DFI to administratively dissolve a limited liability company if any of the following occur: the limited liability company does not pay, within one year, any fees or penalties due DFI; the limited liability company is without a registered agent or registered office in this state for at least one year; and the limited liability company does not notify DFI within one year that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

STOP
*** ANALYSIS FROM -0658/2 ***

Unclaimed property ✓

Under Wisconsin's version of the Uniform Unclaimed Property Act (UUPA), certain types of property are presumed to be abandoned if the owner of the property fails to take steps to evidence ownership within a specified time period (dormancy period). With certain limited exceptions, every other year the holder of property that is presumed to be abandoned must report and deliver the property to the state treasurer. With certain limited exceptions, the treasurer must sell the property within three years after the date on which the treasurer receives the property. If the property is a security other than a stock (for example, a stock option or an interest in a limited partnership), the treasurer must hold the security for at least one year before selling it, unless it is in the best interest of the state to do otherwise. Except for amounts sufficient to cover possible claims and the treasurer's administrative expenses, the treasurer currently deposits the clear proceeds of the sale of delivered property in the school fund.

Persons claiming an interest in any abandoned or unclaimed property delivered to the treasurer may file a claim with the treasurer to obtain the property. If a claim is allowed, the treasurer generally must deliver the property to the

B

contributions to national, statewide, or local trade associations of retailers. This would include allowing brewers or wholesalers to join local tavern leagues.

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sub sub

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In addition, ^{this} the bill authorizes DFI to administratively dissolve a limited liability company if any of the following occur: the limited liability company does not pay, within one year, any fees or penalties due DFI; the limited liability company is without a registered agent or registered office in this state for at least one year; and the limited liability company does not notify DFI within one year that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

START

*** ANALYSIS FROM -0658/2 ***

Unclaimed property ✓

Under Wisconsin's version of the Uniform Unclaimed Property Act (UUPA), certain types of property are presumed to be abandoned if the owner of the property fails to take steps to evidence ownership within a specified time period (dormancy period). With certain limited exceptions, every other year the holder of property that is presumed to be abandoned must report and deliver the property to the state treasurer. With certain limited exceptions, the treasurer must sell the property within three years after the date on which the treasurer receives the property. If the property is a security other than a stock (for example, a stock option or an interest in a limited partnership), the treasurer must hold the security for at least one year before selling it, unless it is in the best interest of the state to do otherwise. Except for amounts sufficient to cover possible claims and the treasurer's administrative expenses, the treasurer currently deposits the clear proceeds of the sale of delivered property in the school fund.

Persons claiming an interest in any abandoned or unclaimed property delivered to the treasurer may file a claim with the treasurer to obtain the property. If a claim is allowed, the treasurer generally must deliver the property to the

claimant or pay the claimant the amount the treasurer actually received or the net proceeds of the sale of the property, plus certain amounts for dividends or interest accruing to the property. However, if the claim is for any property other than a stock and if the treasurer sold the property within three years after the date on which the treasurer received the property, the treasurer must pay the claimant the value of the property at the time the claim was filed or the net proceeds of the sale, whichever is greater. This alternate method of valuation also applies if the claim is for a stock that the treasurer sold within three years after the date of receipt, as long as the claim is filed within that three-year period.

With certain limited exceptions, this bill requires annual reporting and delivery of unclaimed property to the state treasurer. The bill also shortens from seven years to five the dormancy period that applies to a stock or other intangible ownership interest in a business association. The bill establishes a single procedure that applies to the sale of all abandoned securities delivered to the treasurer, which requires the treasurer to hold the securities for at least one year before selling them, unless it is in the best interest of the state to do otherwise. In addition, the bill deletes the alternate method of valuation that applies to property, including stocks, sold within three years after the date on which the treasurer received the property. Thus, under this bill, the treasurer's liability for any claim is generally limited to delivery of the applicable abandoned or unclaimed property or payment of the amount the treasurer actually received or the net proceeds of the sale of the property, plus certain amounts for dividends or interest accruing to the property.

This bill also alters the procedure under the UUPA that applies to the reporting and delivery of certain support payments that qualify as abandoned property. See **HEALTH AND HUMAN SERVICES, OTHER HEALTH AND HUMAN SERVICES.**

COURTS AND PROCEDURE

OTHER COURTS AND PROCEDURE

Under current law, if there are no heirs of a decedent in an intestate estate (an estate in which the decedent did not leave a will), or if a legacy or distributive share in an estate cannot be paid to the distributee or is not claimed by the distributee within 120 days after entry of the final judgment, the property escheats to the state and is paid or delivered to the state treasurer ~~(treasurer)~~. The treasurer must publish notice in the official state newspaper with such information as the name of the decedent, the time and place of death, the amount paid to the treasurer, and how a person may make a claim against the escheated property. Within ten years after

state

the notice is published, a person may make a claim against the escheated property by filing a petition with the probate court that settled the estate and by sending copies of the petition to DOR and the attorney general. If the person establishes his or her claim in a court hearing, the court certifies the claim to DOA, which audits the claim; issues an order for any death tax due; and issues an order distributing the estate. The treasurer pays the claim.

~~The bill changes this procedure somewhat. The~~ treasurer must publish a notice regarding escheated property at least annually (current law specifies no time requirement); a person filing a petition with the probate court must send a copy of the petition to the treasurer, instead of to DOR; the court is no longer required to certify a claim to DOA, which is no longer required to audit claims; and the court is no longer required to issue an order for any death tax due.

The bill also provides a new, optional procedure for making a claim against escheated property. The new procedure is similar to a procedure under current law for claiming abandoned property by filing a claim with the treasurer, except that under the new procedure the value of the claimed escheated property may not exceed \$5,000. Rather than filing a petition with the probate court, a person claiming escheated property of \$5,000 or less may, within ten years after publication by the treasurer of notice regarding the estate and the escheated property, file a claim with the treasurer, who must consider the claim within 90 days after filing. If the treasurer allows the claim, the treasurer must provide written notice to and obtain the written consent of the attorney general and file written notice of the allowed claim, as well as the written consent of the attorney general, with the probate court that settled the estate. After the necessary filings, the probate court must issue an order requiring the treasurer to pay the claim. If the treasurer does not act on a claim within 90 days after the claim is filed, or if the treasurer disallows a claim, the person filing the claim may file an action in the probate court that settled the estate to establish the claim.

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Telemarketing

*** ANALYSIS FROM -1997/3 ***

COMMERCE AND ECONOMIC DEVELOPMENT

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in this state

This bill creates three prohibitions regarding "telephone solicitations," which are defined as unsolicited telephone calls encouraging a person to purchase property, goods, or services. First, the bill prohibits an employee of a professional telemarketer from using a blocking service that withholds from the recipient of the call the name

or telephone number associated with the telephone line used to make the call. ^A ~~The bill defines~~ professional telemarketer ^{is} ~~as~~ any business with employees whose primary duty is to make telephone solicitations.

Second, the bill prohibits an employee of a professional telemarketer from making a telephone solicitation to a person who has provided notice to the professional telemarketer that the person does not want to receive telephone solicitations.

Third, the bill prohibits an employee of a professional telemarketer from making a telephone solicitation unless, when initiating the telephone conversation, the employee discloses each the following: 1) the employee's name; 2) the identity of the person selling the property, goods, or services for whom the telephone solicitation is being made; and 3) the purpose of the call.

~~The bill's prohibitions apply to any interstate telephone solicitation that is received by a person in this state and to any intrastate telephone solicitation. Also, if an employee of a professional telemarketer violates a prohibition, the professional telemarketer is subject to a forfeiture of not more than \$500. Under certain circumstances, a professional telemarketer may be subject to a supplemental forfeiture of not more than \$10,000 if the telephone solicitation was directed against an elderly person or a disabled person. The bill's prohibitions are enforced by DATCP, except that a district attorney, upon informing DATCP, may enforce a prohibition.~~

In addition, the bill makes changes to a prohibition under current law against any person using a prerecorded message in a telephone solicitation without the consent of the person called. Under this bill, the prohibition applies to any employee of a professional telemarketer, instead of any person. ~~Also, under the bill, if an employee of a professional telemarketer violates the prohibition, the professional telemarketer is subject to the forfeiture and supplemental forfeiture described above. In addition, like the three prohibitions created by the bill, the prohibition applies to any interstate telephone solicitation that is received by a person in this state and to any intrastate telephone solicitation. Finally, the bill requires DATCP to enforce the prohibition, except that a district attorney, upon informing DATCP, may enforce the prohibition. Under current law, district attorneys, not DATCP, are required to enforce the prohibition.~~

and are therefore exempt from regulation

Securities agents ✓

With certain exceptions, current law prohibits a person from engaging in the business of banking without being organized and chartered as a national bank, state bank, or trust company bank. Certain agents who receive and hold money, pending investment in real estate or securities on behalf of the person who deposited the money, are not engaged in the business of banking, ~~as that term is currently defined.~~ However, this exemption ~~from the definition of banking~~ only applies if the agent keeps the money in a separate trust fund, does not mingle the money with the agent's own property, and does not agree to pay interest on the money other than to account for the actual income that is derived from the money while held pending investment.

This bill expands this exemption ~~from the definition of banking~~ to include an agent who receives and holds money, pending investment in real estate or securities on behalf of the person who deposits the money regardless of whether the money is separately kept and regardless of whether the agent agrees to pay interest on the money. Thus, under this bill, an agent may pay interest on money that the agent receives and holds, pending investment in real estate or securities on behalf of the person who deposited the money.

*** ANALYSIS FROM -0599/1 ***

Wisconsin Consumer Act ✓

Under current law, a transaction in which a consumer is granted credit in an amount of \$25,000 or less and which is entered into for personal, family, or household purposes (consumer credit transaction) is generally subject to the Wisconsin Consumer Act. The Wisconsin Consumer Act provides obligations, remedies, and penalties that current law generally does not require for other transactions. With certain limited exceptions, any person who makes or solicits consumer credit transactions in this state must register with DFI. A person who is subject to this registration requirement must pay a registration fee, unless the average outstanding monthly balance of all consumer credit transactions that the person entered into in this state is \$250,000 or less. Currently, the minimum fee is \$25 and the maximum fee is \$1,500 or 0.005% of the average monthly outstanding balance, whichever is less.

~~This bill changes these registration and fee requirements.~~ ^{the} Under ~~the~~ bill, a person is exempt from the annual registration requirement, and the annual registration fee, if the person's year-end balance is \$250,000 or less, although the person still must make an initial registration and pay an initial registration fee. This

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bill also deletes the statutory minimum and maximum registration fees and requires DFI to set registration fees by rule, based upon the existing, specified criteria.

TM's

***** ANALYSIS FROM -2023/1 *****

The bill creates a regulatory flexibility committee composed of ten members who are required to issue a report regarding the direct and indirect impact of proposed rules; grace periods for businesses to correct violations; installment payments of fines or forfeitures; and the authority to the Joint Committee for Review of Administrative Rules to suspend or modify existing or proposed rules.

***** ANALYSIS FROM -0676/2 *****

BUILDINGS AND SAFETY ✓

Fire dues program ✓

Under current law, an eligible city, village, or town (municipality) may receive a grant from the department of commerce ~~that may be used~~ to purchase fire protection equipment, to provide fire inspection services and public education, to train fire fighters and fire inspectors, and to fund certain accounts established for the benefit of fire fighters (fire dues program). The fire dues program is funded from a percentage of certain insurance premiums.

This bill makes numerous changes and clarifications to the fire dues program. With certain exceptions, in order for a municipality to be eligible to receive a grant from the fire dues program, the chief of the municipal fire department currently must provide a fire inspection for every public building and place of employment in the fire department's territory. Under the bill, a municipality may be eligible to receive a grant if the municipality ensures that at least 95% of the required fire inspections are provided for in the municipality and if the municipality certifies to the department of commerce that these inspections were provided. It is unclear under current law whether certain fire dues program eligibility requirements and fire safety laws apply to a municipality or to a fire department that provides services to a municipality. In general, the bill specifies that the fire dues program eligibility requirements apply to a municipality rather than to a fire department. In addition, the bill requires a municipality to ensure that certain fire safety laws, such as those requiring fire inspections, that apply to a fire department, a fire chief, or other designated individuals, are followed in the municipality.

Fire safety laws ✓

Current law generally requires the chief of each municipal fire department to comply with certain fire safety laws relating to fire inspections and fire safety education. This bill authorizes the department of commerce to create a fire safety and injury prevention education program. In addition, ~~this~~ bill makes numerous changes and clarifications to the fire safety laws. Among other things, the bill expands the department of commerce's authority with regard to fire safety to include jurisdiction over and supervision of all buildings, structures, premises, and public thoroughfares in this state for the purpose of administering all laws relating to fire inspections, fire prevention, fire detection, and fire suppression. In addition, the bill

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authorizes the department of commerce to enter a private dwelling, with the consent of the owner or renter, in order to verify the proper installation and maintenance of smoke detectors and fire suppression devices, such as fire sprinklers.

*** ANALYSIS FROM -0677/2 ***

BUILDINGS AND SAFETY

Manufactured building code enforcement ✓

Under current law, the department of commerce administers the manufactured building code to ensure that minimum standards are met for the manufacture and installation of manufactured buildings as dwellings. Currently, a city, village, town, or county (municipality) may, with the approval of the department of commerce, enact an ordinance to enforce the manufactured building code with regard to the installation of manufactured buildings as dwellings in the municipality. A county ordinance applies in any city, village, or town within the county that has not adopted ordinances to enforce the manufactured building code, unless the city, village, or town is exempt from administration of the manufactured building code. Currently, any city, village, or town with a population of 2,500 or less ~~(small municipality)~~ is exempt from administration of the manufactured building code. Generally, inspections must be performed to enforce the manufactured building code in a municipality ~~(manufactured building code inspections)~~.

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This bill removes the requirement that a municipality obtain department of commerce approval before enacting an ordinance to enforce the manufactured building code with regard to the installation of manufactured buildings as dwellings in the municipality. In addition, this bill creates new requirements relating to the administration of the manufactured building code in small municipalities. Under this bill, a small municipality may do any of the following:

1. Enact an ordinance to enforce the manufactured building code, either independently or jointly with another municipality, with regard to the installation of manufactured buildings as dwellings in the small municipality.
2. Adopt a resolution requesting the appropriate county to enforce the manufactured building code with regard to the installation of manufactured buildings as dwellings in the municipality.
3. Adopt a resolution not to exercise either of the above options, in which case the small municipality is exempt from administration of the manufactured building code.
4. Take no action, in which case the department of commerce must enforce the manufactured building code throughout the municipality.

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***** ANALYSIS FROM -2007/2 *****

This bill transfers authority to regulate water and sewer service provided to occupants of manufactured home parks from PSC to the department of commerce. See **STATE GOVERNMENT, PUBLIC UTILITY REGULATION.**

***** ANALYSIS FROM -2142/4 *******CORRECTIONAL SYSTEM****ADULT CORRECTIONAL SYSTEM**

Under current law, any person who is serving a sentence, other than a life sentence, for a felony that was committed before December 31, 1999, may be paroled after serving 25% of his or her sentence. The parole commission makes the decision as to when the person actually is paroled. Currently, any person who is serving a sentence, other than a life sentence, for a felony that was committed on or after December 31, 1999, is sentenced to prison and to extended supervision for a specific time determined by the court.

This bill allows the secretary of corrections to release a prisoner eligible for parole or extended supervision, before the end of his or her mandatory time of imprisonment, if the prisoner is seriously or terminally ill. Under the bill, the prisoner may be released if the secretary determines that the inmate's release would not pose a risk of harm to any person and that the inmate's health care costs are likely to be paid by the federal medicare program, a veteran's program, medical assistance, or another federal or state medical program, or by the inmate. The bill requires DOC to promulgate rules regarding eligibility for, and revocation from, this program.

***** ANALYSIS FROM -1855/2 ********Revocation of extended supervision***

Under current law, if a person violates a requirement of parole or extended supervision, DOC may return the person to prison. Current law also permits DOC to take a person into custody if ~~it~~ alleges that the person has violated a condition or rule relating to parole. This bill specifies that DOC may also take a person under extended supervision into custody if ~~it~~ alleges that the person has violated a condition or rule relating to extended supervision. In addition, the bill specifies how to calculate the amount of time remaining on a bifurcated sentence ~~See the structure of felony sentences under current law~~, for purposes of determining the maximum amount of time for which a person may be returned to prison after a violation of extended supervision and the length of the term of extended supervision that the person must serve thereafter.

CRIMES

***** ANALYSIS FROM -1606/3 *****

Under current law, the person in charge of a state correctional institution is required to notify ~~the~~ inmate's relative of the death. Currently, DOC is also required to provide the relative with written notification that, upon request, DOC will provide the relative with a copy of any autopsy or any report or information regarding the inmate's death.

Under current law, if the district attorney has notice that the death of a person may be the result of homicide or suicide, or may have occurred under unexplained or suspicious circumstances, the district attorney may order an inquest to determine the cause of the person's death. The coroner or medical examiner is required to notify the district attorney of a suspicious death and may request that the district attorney order an inquest regarding that death. The district attorney may then order an inquest or may request that the coroner or medical examiner conduct a preliminary examination for the district attorney. If the district attorney does not order an inquest, under current law the coroner or medical examiner may petition the circuit court to order an inquest.

Under this bill, the coroner or medical examiner is required to conduct an autopsy of every individual who dies while he or she is in the legal custody of DOC and is an inmate in a correctional facility located in this state. If the coroner or medical examiner determines that the person's death was the result of any of the circumstances that could result in the district attorney ordering an inquest, the bill requires the coroner or medical examiner to notify the district attorney and request an inquest.

If an individual dies while he or she is in the legal custody of DOC and confined to a correctional facility in another state under a contract with DOC, the bill requires DOC to have an autopsy performed on the individual. Under the bill, the autopsy must be performed by either a coroner or medical examiner of the county from which the individual was sentenced or by an appropriate authority in the other state. If a coroner or medical examiner of the county from which the individual was sentenced determines that the individual's death may have been the result of any of the ~~situations~~ that would permit the district attorney to order an inquest, a copy of the results of the autopsy must be sent to the appropriate authority in the other state. The bill requires DOC to pay the costs of an autopsy.

***** ANALYSIS FROM -0475/3 *****

civ circumstances

This bill gives DOC authority to establish medium security correctional institutions at Redgranite and New Lisbon. Funding for the building of these institutions was included in the state building program in the 1997 budget act.

The bill also specifies that any correctional institution that has been constructed by a private person and leased or purchased by the state for use by DOC is a state prison and names the medium security penitentiary located near Black River Falls the "Jackson Correctional Institution."

***** ANALYSIS FROM -0473/3 *****

This bill increases the number of members of the parole commission from six to eight until June 30, 2003. After that date, the parole commission reverts back to six members. The parole commission determines if a person may be released on parole from an adult correctional facility. The chairperson of the parole commission appoints the other members of the parole commission.

***** ANALYSIS FROM -0470/1 *****

Under current law, DOC may require a prisoner in a correctional institution to pay a deductible, ~~coinsurance~~^a, copayment, or ~~similar charge~~^a if the prisoner receives medical or dental care and the prisoner earns wages while he or she resides in the correctional institution. Currently, DOC ~~has the authority to~~ exempt or waive the payment of those charges under criteria that DOC establishes by rule. ^{may}

^(w/ff) This bill deletes the requirement that the prisoner must earn wages while he or she resides in the correctional institution before he or she may be required to pay a deductible, ~~coinsurance~~^a, ~~copayment~~^a, or ~~similar charge~~^a.

***** ANALYSIS FROM -0606/2 *****

^{2d} Under current law, as interpreted in *State ex rel. Speener v. Gudmanson*, 234 Wis. 461 (2000), the definition of "correctional institution" for purposes of the prisoner litigation ~~reform legislation, 1997 Wisconsin Act 123~~^{er}, does not include an out-of-state jail. As a result of that decision, persons who are in the custody of DOC and placed in a jail or prison that is located outside of this state are not subject to the requirements of the ~~prisoner litigation reform legislation~~^{er}. This bill overrides that decision by defining a "prisoner" for purposes of ~~prisoner litigation~~^{er} to include any person who is incarcerated, imprisoned, or otherwise detained and who is in the custody of ~~the department of corrections~~^{er} or of the sheriff, superintendent, or other keeper of a jail or house of corrections. All persons who are placed in a jail or prison outside this state by DOC are in the custody of DOC.

***** ANALYSIS FROM -0451/1 *****

DOC

laws relating to

Under current law, until July 1, 2001, DOC may operate the juvenile correctional facility at Prairie du Chien as a state prison for nonviolent offenders who are not more than 21 years of age. This bill extends that authority to July 1, 2003.

***** ANALYSIS FROM -0449/3 *****

JUVENILE CORRECTIONAL SYSTEM

Under current law relating to community youth and family aids, generally referred to as "youth aids," DOC is required to allocate various state and federal moneys to counties to pay for state-provided juvenile correctional services and local delinquency-related and juvenile justice services. DOC charges counties for the costs of services provided by DOC according to per person daily cost assessments specified in the statutes. Currently, those assessments include assessments of \$154.08 for care in a juvenile correctional facility or a treatment facility, \$76.71 for corrective sanctions services, and \$18.62 for aftercare services. This bill increases those assessments for fiscal year 2001-02 to \$171.16 for care in a juvenile correctional facility or a treatment facility, \$82.89 for corrective sanctions services, and \$23.25 for aftercare services and for fiscal year 2002-03 to \$176.06 for care in a juvenile correctional facility or a treatment facility, \$84.87 for corrective sanctions services, and \$23.80 for aftercare services. The bill also eliminates statutorily set assessments for care in a child caring institution, group home, foster home, or treatment foster home.

Which is a crime punishable by life imprisonment if committed by an adult, or may place

***** ANALYSIS FROM -0447/3 *****

Under current law, a court assigned to exercise jurisdiction under the Juvenile Justice Code (juvenile court) may place a juvenile ten years of age or over who has committed a Class A felony ~~or~~ a juvenile 14 years of age or over who has committed a Class B felony in the serious juvenile offender program (SJOP) if the juvenile court finds that the only other disposition that would be appropriate for the juvenile would be placement in a juvenile secured correctional facility. The SJOP contains various component phases for its participants, including placement in a juvenile secured correctional facility or, if the participant is 17 years of age or over, an adult prison. The SJOP also includes a component phase of intensive or other field supervision, including juvenile corrective sanctions supervision, juvenile aftercare supervision or, if the participant is 17 years of age or over, adult intensive sanctions supervision. Also, under current law, DOC may transfer a juvenile who is placed in a juvenile secured correctional facility to the Racine Youthful Offender Correctional Facility, which is a medium security adult correctional institution for offenders 15 to 21 years

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which is a crime punishable by imprisonment for 60 years if committed by an adult

of age, if the juvenile is 15 years of age or over and the conduct of the juvenile in the juvenile secured correctional facility presents a serious problem to the juvenile or others.

The Wisconsin ~~Supreme~~ ^{change as shown} Court recently held, however, in *State of Wisconsin v. Hezzie R.*, 219 Wis. 2d 849 (1998), that subjecting a juvenile who has no right to a trial by jury under the Juvenile Justice Code to placement in an adult prison violates the juvenile's constitutional right to a trial by jury because placement in an adult prison constitutes criminal punishment rather than juvenile rehabilitation. Accordingly, this bill eliminates the authority of DOC to transfer a juvenile who has been adjudicated delinquent to an adult prison, including the intensive sanctions program, which is defined in the statutes as a state prison.

Current law contains conflicting provisions relating to the age under which a juvenile who has been sentenced to an adult prison (juvenile prisoner) must be placed in a juvenile secured correctional facility and the age at which a juvenile prisoner may be transferred to an adult prison. One provision requires DOC to keep juvenile prisoners under 15 years of age in a juvenile secured correctional facility, another provision requires DOC to keep juvenile prisoners under 16 years of age in a juvenile secured correctional facility, and another provision does not permit DOC to transfer a juvenile prisoner to an adult prison until the juvenile attains 17 years of age. This bill provides a uniform age of 15 years at which DOC may transfer a juvenile prisoner to an adult prison.

***** ANALYSIS FROM -0448/3 *****

Under current law, a participant in the SJOP who has committed a Class A felony may be placed in a juvenile secured correctional facility or an adult prison until the participant has reached 25 years of age and a participant in the SJOP who has committed a Class B felony may be placed in such a facility or prison for not more than three years.

(w/ff) This bill permits the juvenile court to extend the period for which a participant in the SJOP may be placed in a juvenile secured correctional facility for not more than an additional two years if the juvenile court finds that the participant is in need of the supervision, care, and rehabilitation that a placement in a juvenile secured correctional facility provides and that public safety considerations require that the participant be placed in such a facility. The bill also permits DOC to extend the period for which a participant in the SJOP may be placed in a juvenile secured correctional facility for not more than an additional 30 days without a hearing, unless DOC provides for a hearing by rule. In addition, the bill specifies that a

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30-day extension under the bill does not preclude a two-year extension under the bill, and vice versa.

***** ANALYSIS FROM -0446/2 *****

Under current law, a juvenile may be taken into custody under circumstances in which a law enforcement officer believes, on reasonable grounds, that the juvenile has violated the terms of supervision ordered by the juvenile court or the terms of aftercare supervision administered by DOC or a county department of human services or social services (county department). A juvenile who has been taken into custody on that ground may be held in custody if probable cause exists to believe that the juvenile will run away so as to be unavailable for proceedings of the juvenile court or proceedings for revocation of aftercare supervision. This bill permits a juvenile who has violated a condition of the juvenile's placement in a Type 2 secured correctional facility or a Type 2 child caring institution (Type 2 CCI) or a condition of the juvenile's participation in the intensive sanctions program to be taken into custody by a law enforcement officer and held in custody if the juvenile is at risk of running away so as to be unavailable for action by DOC or a county department relating to that violation.

Type 2 secured correctional facilities consist of the corrective sanctions program, under which DOC places a juvenile in the community and provides the juvenile with intensive surveillance and community-based treatment services, the SJOP, ~~which includes certain component phases under which DOC provides a juvenile with supervision that is more restrictive than ordinary supervision in the community,~~ and CCIs that DOC has designated as Type 2 secured correctional facilities for the placement of certain juveniles who have been adjudged delinquent. Similarly, Type 2 CCIs consist of CCIs that DOC has designated for the placement of certain juveniles who have been adjudged delinquent and placed under the supervision of a county department. The intensive supervision program is a program under which a juvenile is placed in the community and the county department provides the juvenile with intensive surveillance and community-based treatment services.

***** ANALYSIS FROM -2174/2 *****

Under current law, DOC ~~is required to~~ ^{must} provide a juvenile boot camp program for juveniles who have been adjudged delinquent and placed under the supervision of DOC. This bill eliminates that program.

***** ANALYSIS FROM -0452/1 *****

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Currently, DOC must provide an average of \$3,000 per year per slot to purchase community-based treatment services for each participant in the corrective sanctions program. This bill requires DOC to provide an average of *not more than* \$3,000 per year per slot to purchase those services.

***** ANALYSIS FROM -0166/4 *****

adults?

Under current law, DOC is required to enter into contracts with organizations in Milwaukee County, Kenosha County, Racine County, and Brown County to provide services in those counties for the diversion of youths from gang activities into productive activities (youth diversion program). This bill transfers administration of the youth diversion program from DOC to the office of justice assistance in DOA.

***** ANALYSIS FROM -0437/3 *****

~~Under current law, DHFS operates the Mendota Juvenile Treatment Center (center), as a juvenile secured correctional facility, to provide evaluations and treatment for juveniles whose behavior presents a serious problem to themselves or others in other juvenile secured correctional facilities and whose mental health needs can be met at the center. Currently, DOC is required to transfer to DHFS certain amounts in each fiscal year to pay for those services. This bill sets those amounts for fiscal years 2001-02 and 2002-03.~~

***** ANALYSIS FROM -0052/1 ***
COURTS AND PROCEDURE**

PUBLIC DEFENDER

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Under current law, the state public defender may not provide legal services or assign an attorney to an adult in a criminal case if the adult is not in custody and has not been charged with a crime. Likewise, the state public defender may not provide legal services or assign an attorney to a child in a juvenile case if the child is not in custody and is not yet subject to a proceeding under the Children's Code or the Juvenile Justice Code in which an attorney must or may be appointed. ~~The~~ bill eliminates both of those prohibitions.

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***** ANALYSIS FROM -1792/2 *****

Under current law, judges may sentence misdemeanor offenders to pay a fine not to exceed \$10,000 or to serve up to nine months in jail, or both, for each criminal violation classified as a misdemeanor. ~~The~~ bill directs the public defender board, in conjunction with the director of state courts and the Wisconsin District Attorneys Association, to submit a proposal recommending alternative charging and sentencing options for misdemeanor offenders, to DOA by July 1, 2002, and, if DOA

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approves the proposal, to implement ^{permits} the portions of the proposal that do not require changes to state law. The bill ~~directs~~ DOA to earmark up to \$2,000,000 in fiscal year 2002-03 for implementation of portions of the proposal approved by DOA.

*** ANALYSIS FROM -0094/5 ***

CIRCUIT COURTS

Under current law, if a court knows that ^a certain person^s, including those ^{one} charged with a crime, subject to juvenile court proceedings, or subject to mental health proceedings, is unable to communicate and understand English because of a language difficulty or a disability, the court must tell the person that he or she has the right to an interpreter. If the person is indigent, ~~current law requires~~ ^{must} the court ~~to~~ provide an interpreter at the public's expense. Current law also allows courts to use interpreters in other court proceedings and allows agencies to use interpreters in contested cases.

~~Currently, the expenses of furnishing an interpreter in court ^{are} is paid by the director of state courts. If the state public defender needs an interpreter to assist the public defender with a client in a court proceeding, the state public defender pays the expenses. In municipal court and before administrative agencies, the unit of government involved is required to pay the interpreter expenses.~~

~~Current law limits the amount of fees for interpreters before a municipal court or an agency to \$10 per 0.5 day or higher fees established by the unit of government and \$35 per 0.5 day before a court of record or when assisting the state public defender. This bill does not change these amounts.~~

^{must} Under ~~the~~ ^{this} bill, the court ^{is} provides a qualified interpreter to those persons who are eligible for an interpreter. ^{is} The bill defines a "qualified interpreter" ^{is} as one who is able to readily communicate with the person, ^{translate} transfer the meaning of statements to and from English in the court-related proceedings, and accurately interpret, in a manner that conserves the meaning, tone, and style of the original statement. Under the bill, the clerk of court may provide a qualified interpreter to assist a person with limited English proficiency when that person asks the court for assistance regarding a legal proceeding, such as how to bring an action to obtain a domestic abuse injunction.

^(wA) The bill allows a person with limited English proficiency to waive the appointment of an interpreter if the court determines on the record that the waiver has been made knowingly, intelligently, and voluntarily, and allows the person to retract that waiver at any time during the court proceedings for good cause.

delet?

The bill requires the supreme court to adopt policies and procedures for the recruitment, training, testing, and retention of qualified interpreters, and requests that the supreme court cooperate with the technical college system in the training and testing of those interpreters.

*** ANALYSIS FROM -0638/3 ***

Currently, a special prosecution fee of \$2 is collected by the Milwaukee County clerk of circuit court whenever a circuit court fee is imposed in civil actions to pay the costs of clerks in Milwaukee County in violent crime cases and cases involving felony drug violations. This bill deletes this fee.

insert 0363/5 *move to p. 93*
*** ANALYSIS FROM -0363/5 ***

~~COURTS AND PROCEDURE~~ *who used*

special

Under current law, DNR may characterize a solid waste as a special waste available for beneficial use in a public works project and must maintain a public list of those ~~characterized solid~~ wastes. Currently, a contracting agency in a public works project may require the use of those special wastes in a public works project. Current law grants immunity from liability to any person ~~using~~ those special wastes in a public works project if that use occurred while performing work under the contract for the public works project, the contract permitted or required the use of those special wastes, and the use conformed to the contract provisions. Current law makes the immunity inapplicable to reckless, wanton, or intentional misconduct or if death or injury of an individual resulted from the use. Under current law, DNR may grant a research waiver or an exemption from the requirements regarding the disposal or recycling of high-volume industrial wastes and certain other solid wastes.

The

Under this bill, solid wastes that DNR has exempted from the disposal requirement are considered special wastes and DNR may characterize them as suitable for use in public works projects. ~~This~~ bill requires DNR to maintain a list of special wastes that are suitable for use in specified types of public works projects. Under the bill, the current provisions regarding liability apply to the use of those listed special wastes in public works projects if the conditions established for their use are met.

LRB-1695/4
move to p. 164
insert 1695/4
This bill creates immunity from liability for public utilities for stray voltage.

Under the bill, a public utility is immune from liability for any damage caused by or resulting from stray voltage contributed by the public utility if the stray voltage is below the level of concern established by the PSC. In addition, the stray voltage must be determined using the PSC's principles and guidelines regarding stray voltage

LPS: make sure that there is a space between this insert and the material that precedes it on p. 164

Insert 1/6/95/4 contd

screening and diagnostic procedures. Upon the request of any party to an action for damages for stray voltage, the PSC must evaluate and testify as to whether its applicable order was followed in calculating the amount of stray voltage. ^{The} This bill provides that damages from stray voltage are not subject to the current provision that allows treble damages for injuries resulting from the willful, wanton, or reckless acts or omissions of the public utility's directors, officers, employees, or agents.

(end of ins.)

***** ANALYSIS FROM -0310/1 *****

Current law prohibits trial, conviction, and sentencing of a person accused of committing an offense if the person lacks sufficient mental capacity to understand the proceeding and to assist in his or her own defense. If there is reason to doubt a person's mental capacity, the court presiding over the proceeding must appoint a mental health expert to examine the defendant. Current law requires that DHFS provide \$484,300 annually ~~from general purpose revenue to a county with a~~ ~~population of 500,000 or more.~~ Milwaukee County) to pay for competency examinations in that county.

This bill eliminates the designation of Milwaukee County as the recipient agency of DHFS funding for competency examinations, leaving DHFS discretion to select the recipient agency or agencies. The bill also removes the specification of a dollar amount that DHFS must provide for competency examinations in Milwaukee County. ~~The bill appropriates funds for the competency examinations from the general purpose revenue appropriation that funds treatment and services for people on conditional or supervised release from DHFS mental health institutions.~~

Under current law, if there are no heirs of a decedent in an intestate estate (an estate in which the decedent did not leave a will), or if a legacy or distributive share in an estate cannot be paid to the distributee or is not claimed by the distributee within 120 days after entry of the final judgment, the property escheats to the state and is paid or delivered to the state treasurer (treasurer). The treasurer must publish notice in the official state newspaper with information concerning the estate and the escheated property. Within ten years after the notice is published, a person may make a claim against the escheated property by filing a petition with the probate court that settled the estate and sending copies of the petition to DOR and the attorney general. If the person establishes his or her claim in a court hearing, the court certifies the claim to DOA, which audits the claim; issues an order for any death tax due; and issues an order distributing the estate. The treasurer pays the claim.

Under this bill, the

~~The bill changes this procedure somewhat.~~ The treasurer must publish a notice regarding escheated property at least annually (current law specifies no time requirement); a person filing a petition with the probate court must send a copy of the petition to the treasurer, instead of to DOR; the court is no longer required to certify a claim to DOA, which is no longer required to audit claims; and the court is no longer required to issue an order for any death tax due.

A The bill also provides a new, optional procedure for making a claim against escheated property that does not exceed \$5,000. Rather than filing a petition with the probate court, a person claiming such property may, within ten years after publication by the treasurer of notice regarding the estate and the escheated property, file a claim with the treasurer. If the treasurer allows the claim, the treasurer files written notice of the allowed claim, as well as written consent of the attorney general, with the probate court, which must issue an order requiring the treasurer to pay the claim. If the treasurer disallows a claim or does not act on a claim within 90 days after it is filed, the person who filed the claim may file an action in the probate court that settled the estate to establish the claim.

***** ANALYSIS FROM -0454/3 *****

Under current law, DATCP administers, investigates, and enforces certain consumer protection and trade practice laws and prosecutes violations of these laws.

These laws include laws prohibiting or regulating methods of competition, fraudulent representations, fraudulent drug advertising, prize notices, mail-order sales, purchases of vegetables and dairy products from farmers, and advertising of telecommunications services. A person found to have violated one of these laws ~~is~~ ^{may be}

subject to a forfeiture or a fine. [↑]

Under current law, a person is subject to a forfeiture if he or she violates a law relating to weights and measures. These include laws against obstructing or hindering a state or local inspector of weights or measures, causing any weight or measure used in the buying or selling of a commodity to be incorrect, and removing an official weights and measures inspector's tag from a commodity. If the violation is intentional, the person is subject to a fine.

~~Current law requires a court to impose an assessment equal to 15% of the fine or forfeiture if the court imposes a fine or forfeiture for a violation of certain consumer protection laws or of certain laws relating to weights and measures.~~ The bill raises the assessment to 25% of the fine or forfeiture. The assessments are used by DATCP to pay for providing consumers with information and education. This bill expands

(civil monetary penalty)

(w/) If a

currently,

This

current law requires the court to impose an assessment equal to 15% of the fine or forfeiture.

the purpose for which these assessments may be used to include all other consumer protection activities conducted by DATCP.

***** ANALYSIS FROM -1855/2 *****

CRIMES ✓

CRIMINAL SENTENCES ✓

The structure of felony sentences under current law ✓

Under current law, if a person committing a felony before December 31, 1999, is sentenced to prison for a term of years, the person receives an indeterminate sentence, which typically consists of a term of confinement followed by parole. The person's term of confinement is not fixed when the sentence is imposed. He or she may be released on parole after serving as little as one-fourth of the sentence, ~~as much as two-thirds of it for more, if the crime for which the person was sentenced is classified as a serious felony.~~

Current law provides a separate system for prison sentences for crimes committed on or after December 31, 1999. If a court chooses to sentence a felony offender to imprisonment in a state prison (other than through a life sentence) for a felony committed on or after December 31, 1999, the court must do so by imposing a bifurcated sentence, under which the offender initially serves a fixed term of confinement in prison of at least one year. The maximum term of confinement under a bifurcated sentence for felonies classified in the criminal code ranges from two to 40 years. If the person is being sentenced to prison for an unclassified felony, the term of confinement in prison portion of the sentence may not exceed 75% of the total length of the bifurcated sentence.

An offender is not eligible for parole under a bifurcated sentence. Instead, after serving the term of confinement portion of the bifurcated sentence, he or she serves a fixed term of extended supervision as the second part of the bifurcated sentence.

Concurrent and consecutive sentences ✓

Under current law, a court may order any sentence to be served concurrent with or consecutive to any other sentence imposed at the same time or previously. This bill specifies how the person will serve the periods of confinement and the periods of extended supervision and parole under the sentences under the following circumstances: 1) when the court requires a sentence under which the person may be placed on extended supervision (a "determinate sentence") to be served concurrent with or consecutive to another determinate sentence; 2) when the court requires a determinate sentence to be served concurrent with or consecutive to an

indeterminate sentence; or 3) when the court requires an indeterminate sentence to be served concurrent with or consecutive to a determinate sentence. The bill also requires that a person sentenced to consecutive indeterminate and determinate sentences serve the term of extended supervision under the determinate sentence before serving the period of parole under the indeterminate sentence, regardless of the order in which the crimes were committed or the sentences imposed.

Penalties for criminal attempts

Current law specifies that the maximum penalty for an attempt to commit a felony (other than certain felonies having separate penalties for attempts) is one-half of the maximum penalty for the completed crime. This bill specifies that the maximum term of confinement under a bifurcated sentence imposed for an attempt to commit a classified felony is one-half of the maximum term of confinement for the completed crime. The bill also specifies that the maximum term of confinement under a bifurcated sentence imposed for an attempt to commit an unclassified felony is 75% of the maximum length of the bifurcated sentence for the attempt.

Other sentencing changes

ⓧ This bill specifies that, if a court, through the application of one or more sentence enhancers, decides to sentence a misdemeanor to prison, the court must impose a bifurcated sentence. In such a case, the term of confinement in prison may not constitute more than 75% of the bifurcated sentence.

ⓧ Under current law, the maximum term of probation for a misdemeanor is two years, and the maximum term of probation for a felony is the maximum sentence length for the crime or three years, whichever is greater. Under this bill, the maximum term of probation for a felony or for a misdemeanor for which a court may impose a bifurcated sentence is the maximum term of confinement in prison for the crime or three years, whichever is greater.

ⓧ Under current law, if a person is found not guilty of a crime by reason of mental disease or mental defect and the crime is not punishable by life imprisonment, ~~the maximum term for which the person may be committed to the department of health and family services is~~ two-thirds of the maximum sentence length for the crime. Under this bill, the maximum term of commitment for a felony other than one punishable by life imprisonment or for a misdemeanor for which a court may impose a bifurcated sentence is the maximum term of confinement that could be imposed on a person convicted of the crime.

STOP

DHFS for a maximum term of