

snowmobiles and the registration fees paid by snowmobile manufacturers and dealers.

Under current law, DNR administers the registration system for all-terrain vehicles (ATVs), boats, and snowmobiles. Current law authorizes DNR to appoint agents who are not employed by DNR to issue ATV and snowmobile registration certificates and certificates of number and registration certificates for boats. Also under current law, DNR may establish an expedited service for renewals of these registration documents, which may be provided by the agents or by DNR directly. Current law imposes issuing fees when the documents are issued by agents and authorizes an expedited service fee when the expedited service is provided by DNR or agents. The agents keep a portion of these fees.

This bill changes the expedited service system by authorizing the establishment of a noncomputerized procedure and a computerized procedure for issuing original and duplicate registration documents and for transferring and renewing these documents. Under either procedure, DNR or the agents issue adequate documentation so that the registrant is able to immediately operate the ATV, boat, or snowmobile in compliance with the applicable registration laws. Under both systems, DNR and the agents collect an expedited service fee of \$3 from the registrant. Agents using the noncomputerized system retain the entire fee while agents using the computerized system send \$1 of each \$3 fee to DNR. Under the bill, DNR may continue to provide a registration service that does not use any expedited service procedure and for which no expedited service or issuing fee is charged.

OTHER NATURAL RESOURCES

Under current law, drainage boards operate one or more drainage districts. DATCP assists drainage boards and oversees their activities. A city, village, or town (municipality) may assume jurisdiction to operate a drainage district from a drainage board in certain instances. However, once a drainage district is under municipal jurisdiction, it is subject to the drainage laws of that municipality and is exempt from state drainage law.

DNR regulates construction in navigable waters. Generally, DNR determines whether a body of water such as a stream is navigable. Current law, however, provides an exemption for a drainage district drain that is located in the Duck Creek Drainage District. Under the exemption, the drain is not considered navigable unless a U.S. geological survey map or other scientific evidence shows that the drain was a navigable stream before it became a drainage district drain. This bill extends this exemption to any other drainage district drain if the drain is used primarily for agricultural purposes.

Current law generally provides that a person wishing to deposit any material or to place any structure upon the bed of any navigable water must obtain a permit from DNR. Current law provides an exemption to this requirement for the Duck Creek Drainage District under which the drainage board for that district may place a structure or deposit in a drain if DATCP, after consulting with DNR, specifically approves the structure or deposit or if the structure or deposit is required by DATCP

in order to conform the drain to specifications approved by DATCP in consultation with DNR. This bill extends this exemption to any other structure or deposit to be placed in a drainage district drain if the structure or deposit is used primarily for agricultural purposes.

Current law also provides that, with certain exceptions, a person wishing to remove material from the bed of a lake or stream must obtain a permit from DNR. Under one of the exemptions, the drainage board for the Duck Creek Drainage District may remove material from a drain that the board operates if the removal is required by DATCP in order to conform the drain to specifications imposed by DATCP in consultation with DNR. This bill extends this exemption to all other drainage district drains if the removal of the material is necessary primarily for agricultural purposes.

In addition to the current law requirements for obtaining permits to place a structure or deposit in navigable waters or to remove material from the bed of a lake or stream, current law requires that a drainage board obtain a separate permit from DNR to acquire and remove any dam or obstruction or to clean out, widen, deepen, or straighten any navigable stream. Under current law, only the Duck Creek Drainage District is exempt from this permitting requirement. This bill eliminates the permitting requirement for all drainage districts operated by drainage boards.

Current law grants the state bonding authority to acquire and develop land for various conservation purposes under two stewardship programs, one that began in 1990 and one that began on July 1, 2000. These programs are administered by DNR.

Under the program that began in 1990, the state is prohibited from using stewardship bonding to provide money to counties, local units of government, or political subdivisions so that they may acquire land by condemnation or may develop land that has been acquired by condemnation. Under current law, the program that began on July 1, 2000, does not include this prohibition. This bill applies the prohibition to this program.

Under current law, with certain exceptions, DNR may not use stewardship bonding under the program that began on July 1, 2000, for a project or activity that exceeds \$250,000 in cost unless it first notifies JCF of the proposal. This bill provides that DNR need not give notice to JCF unless the amount for the project or activity exceeds \$500,000.

Under current law, DNR awards grants to cities and villages for up to 50% of the cost of various tree projects, including tree disease evaluations and public education concerning trees in urban areas. This bill expands the grant program to authorize DNR to also award grants to counties, towns, and nonprofit organizations.

Under current law, DNR may award grants for up to 50% of the cost of acquiring certain clothing, supplies, equipment, and vehicles used for fire suppression purposes. This bill provides that the grants may also include awards for 50% of the

cost of acquiring fire prevention materials and of the cost of training fire fighters in forest fire suppression techniques.

OCCUPATIONAL REGULATION

This bill increases the fees for initial and renewal credentials for each of the occupations and businesses that DORL regulates except for renewal credentials for aesthetics schools, barbering or cosmetology schools and instructors, cemetery authorities, cemetery preneed sellers, cemetery salespersons, charitable organizations, electrology instructors, electrology schools, and manicuring schools.

Under current law, with certain exceptions, a person may not act as a private security person unless he or she is issued a private security permit by DORL. A “private security person” is defined as a private police, guard, or other person who stands watch for security purposes. To qualify for a private security permit, a person must satisfy certain requirements, including being employed by a private detective agency that is licensed by DORL and that does both of the following: 1) supplies uniformed private security personnel that patrol exclusively on private property; and 2) provides an up-to-date written record of its employees to DORL.

Also under current law, an individual who applies for a private security permit is eligible for a temporary private security permit that allows the person to engage in private security activities while DORL considers the application. A temporary private security permit is valid for no more than 30 days. This bill increases the duration of a temporary private security permit to no more than 60 days. The bill also clarifies that an applicant for a temporary private security permit is subject to the requirements under current law that an applicant for a credential issued by DORL or a board in DORL reimburse DORL for the cost of investigating the applicant and pay a fee for the temporary permit.

The bill also creates a private security agency license and allows a person to qualify for a private security permit by being employed by either a licensed private detective agency or a private licensed security agency that does both of the following: 1) supplies uniformed private security personnel that patrol exclusively on private property; and 2) provides an up-to-date written record of its employees to DORL.

Under the bill, DORL may issue a private security agency license to an individual, partnership, limited liability company, or corporation that does both of the following: 1) satisfies any qualification requirements established by DORL by rule; and 2) executes and files a bond or liability policy with DORL in an amount established by DORL by rule. In addition, if the applicant is an individual, he or she must be over 18 years of age and may not have been convicted of a felony for which he or she has not been pardoned. A private security agency license is renewable every two years upon payment of a \$20 renewal fee.

The bill prohibits a person from advertising, soliciting, or engaging in the business of a private security agency unless the person is issued a private security agency license under the bill. The bill allows DORL to revoke, suspend, or limit a private security agency license if the licensee: 1) is convicted of a misdemeanor or violates a state or local law punishable by a forfeiture (civil monetary penalty) if the

circumstances of the conviction or violation are substantially related to acting as a private security agency; 2) is convicted of a felony and is not pardoned for that felony; 3) makes a false statement in connection with an application for the license; or 4) engages in conduct reflecting adversely on the person's professional qualification.

Under current law, a person who has been granted a funeral director's license by the funeral directors examining board (board) must apply to renew the license every two years. The application must include proof that the applicant has completed certain continuing education requirements and is doing business at a recognized funeral establishment. However, if a person is not doing business at a recognized funeral establishment, he or she may be granted a certificate in good standing as a funeral director by the board. A person who has been granted such a certificate may renew his or her license at any time during the subsequent two-year licensure period if he or she is able to submit proof that he or she is doing business at a recognized funeral establishment.

This bill eliminates certificates in good standing as a funeral director but provides for a 12-month transitional period during which the board is required to restore the funeral director licenses of certain persons who hold valid certificates in good standing under current law. If a person holds a valid certificate that was granted for a license that was granted or last renewed before July 1, 1995, the board must restore his or her license if he or she demonstrates competence as a funeral director by a method satisfactory to the board, including by passing a written or oral examination or providing specified documentation to the board. If the board requires an examination, it may not be more stringent than the examination that is required for persons with licenses granted by other jurisdictions who apply for a reciprocal license from the board. In addition, the person must submit proof that he or she has completed at least 15 hours of continuing education during the past two years.

Under this bill, if a person holds a valid certificate that was granted for a license that was granted or last renewed on or after July 1, 1995, the board must restore his or her license if he or she submits proof that he or she has completed at least 15 hours of continuing education during the past two years. The bill specifies that no fee may be charged to a person who applies for restoration of a license under the bill or who takes an examination that is required for restoration of a license under the bill.

Under current law, an applicant for a credential issued by DORL or a board in DORL may be required to take an examination. If an examination is required, the applicant must pay an examination fee to DORL. The fee must be an amount equal to DORL's best estimate of the actual cost of preparing, administering, or grading the examination or obtaining and administering an approved examination from a test service.

Under this bill, if DORL prepares, administers, or grades the examination, the fee must be equal to DORL's best estimate of the actual cost of preparing, administering, or grading the examination. If DORL approves an examination prepared, administered, and graded by a test service provider, the fee must be equal

to DORL's best estimate of the actual cost of approving the examination, including selecting, evaluating, and reviewing the examination.

Under current law, DORL is required to mail a notice of credential renewal to each holder of a credential issued by DORL or a board in DORL at least 30 days prior to the renewal date for the credential. The notice must be mailed to the last address provided to DORL by the credential holder. Under this bill, DORL may either mail the notice of credential renewal as required under current law or give the notice to the credential holder by electronic transmission.

RETIREMENT AND GROUP INSURANCE

This bill creates a qualified transportation fringe benefit plan for state employees, administered by DETF. This plan is authorized under the federal Internal Revenue Code (IRC) and permits employees to set aside pre-tax income to pay eligible transportation expenses before taxes are computed. Three types of eligible transportation expenses are covered: parking expenses incurred at or near an employer's premises; expenses incurred to pay for an employee's use of mass transportation; and expenses incurred by an employee in paying his or her share of the cost of using a van pool.

Under current law, the group insurance board may not enter into an agreement to modify or expand group insurance coverage in a manner that materially affects the level of insurance premiums required to be paid by the state or its employees or the level of benefits. This bill authorizes the group insurance board to enter into such an agreement if the modification or expansion would reduce the cost incurred by the state in providing group health insurance to state employees.

This bill authorizes the secretary of employee trust funds (secretary) to settle any dispute in an appeal of a determination made by DETF that is subject to review by the employee trust funds board, the group insurance board, the teachers retirement board, the Wisconsin retirement board, and the deferred compensation board. In deciding whether to resolve such a dispute, the secretary must consider the cost of litigation, the likelihood of success on the merits, the cost of delay in resolving the dispute, the actuarial impact on the public employee trust fund, and any other relevant factor the secretary considers appropriate.

In addition, the bill authorizes the secretary, if the secretary determines that an otherwise eligible participant has unintentionally forfeited or otherwise involuntarily ceased to be eligible for any benefit administered by DETF because of an error in administration by DETF, to order the correction of the error to prevent inequity.

STATE GOVERNMENT

JUSTICE

Currently, DOJ is required to provide legal services to DATCP for enforcement of the laws related to consumer protection. DOJ may commence an action to restrain

by temporary or permanent injunction the violation of marketing and trade practices, including fraudulent representations, negative sales of telecommunication services, or unfair retailing of merchandise. This bill removes the authority of DOJ to enforce the laws relating to consumer protection and places that authority with DATCP or the district attorney. The bill permits DATCP to request DOJ to provide legal services to DATCP relating to consumer protection.

This bill increases from \$8 to \$12 the fee that DOJ charges a firearms dealer for each firearms restrictions record search requested by the dealer.

With certain exceptions, current law requires that a person pay a penalty assessment if ordered by a court to pay a fine or forfeiture for violating a state law or local ordinance. The penalty assessment amount is 23% of the amount of the fine or forfeiture (civil monetary penalty). Twenty-seven fifty-fifths of the revenue collected under the assessment is appropriated to DOJ to fund training of law enforcement, jail, and secure detention officers, and to fund the purchase of equipment for the state crime laboratories. The remaining twenty-eight fifty-fifths of the revenue collected under the penalty assessment is appropriated to the office of justice assistance (OJA) to fund an assortment of criminal justice and law enforcement programs.

This bill decreases the penalty assessment to 13% of the amount of a fine or forfeiture. The revenue collected under the penalty assessment is appropriated to OJA to fund the programs that OJA currently funds with the twenty-eight fifty-fifths portion of the 23% penalty assessment.

The bill creates a law enforcement training fund assessment that is separate from the penalty assessment. The law enforcement training fund assessment is an 11% surcharge on fines and forfeitures ordered for a violation of most state laws or local ordinances. The bill appropriates the revenue collected under the law enforcement training fund assessment to DOJ to fund the law enforcement, jail, and secure detention officer training, and the purchase of equipment for the crime laboratories that is currently funded by the twenty-seven fifty-fifths portion of the penalty assessment revenue appropriated to DOJ.

Under current law, DOJ administers a grant program to fund cooperative county-tribal law enforcement programs in counties that have Indian reservations within their boundaries. OJA administers a similar grant program to fund county law enforcement programs that are not supported by the DOJ grant program in counties that border Indian reservations. Each program is funded from Indian gaming receipts.

This bill moves administration of the DOJ cooperative county-tribal law enforcement grant program to DOA and consolidates it with the OJA grant program for counties bordering Indian reservations. The consolidated grant program provides funding for law enforcement services to counties that have an Indian reservation within their boundaries or that border an Indian reservation.

STATE EMPLOYMENT

Under current law, appointments and promotions to positions in the state classified civil service must be made according to merit and fitness. When vacancies occur in such positions, the administrator of the division of merit recruitment and selection in DER must certify names that may be considered for appointment to the position. This bill authorizes the administrator, with the approval of the secretary of employment relations, to establish pilot programs for the recruitment of individuals to fill vacant positions in the classified service. Under the bill, the pilot programs, which may not be in effect for more than one year, are exempt from all recruitment and certification requirements under current law, except that appointments and promotions to positions must be made according to the applicant's merit and fitness for the position.

Currently, any legislator who establishes a temporary residence in Madison for the period of any regular or special legislative session may receive an allowance for expenses incurred for food and lodging for each day that he or she is in Madison on legislative business. The amount of the allowance is recommended by the secretary of employment relations and incorporated into the state compensation plan and must be approved by the joint committee on employment relations.

This bill provides that the allowance is 90% of the per diem rate for travel for federal government business within the city of Madison, as established by the federal general services administration. Under the bill, the amount is established before the start of the biennial legislative session and remains in effect the entire biennial session.

Under current law, appointing authorities in state agencies are prohibited from appointing nonresidents to limited term appointments and to project positions in the state civil service. This bill eliminates this prohibition.

STATE FINANCE

This bill limits the aggregate amount of general purpose revenue (GPR) that may be appropriated in any fiscal biennium. Under the bill, the limit is calculated by first establishing a base year amount that equals the amount of GPR appropriated in the second year of the prior fiscal biennium. For the new fiscal biennium, the base year amount is increased by the annual percentage change in state aggregate personal income for the calendar year that begins on the January 1 that precedes the first year of the fiscal biennium. This amount is increased by the annual percentage change in state aggregate personal income for the calendar year that begins on the January 1 that precedes the second year of the fiscal biennium. The sum of these two amounts is the aggregate amount of GPR that may be appropriated during the fiscal biennium. Under the bill, DOA is required to make the determination of the amount of GPR that may be appropriated for each fiscal biennium.

The bill excludes certain GPR appropriations from the limit. These are appropriations for debt service or operating notes; appropriations to honor a moral obligation pledge that the state has taken with respect to certain revenue bonds;

appropriations to refund certain earnings to the federal government relating to state bond issues; an appropriation for legal expenses and the costs of judgments, orders, and settlements of actions and appeals incurred by the state; an appropriation to make a payment for tax relief; an appropriation to make a transfer from the general fund to the budget stabilization fund; an appropriation to make a transfer from the general fund to the tax relief fund; and any appropriation contained in a bill that is enacted with approval of at least two-thirds of the members of each house of the legislature.

This bill requires that certain transfers be made between the general fund, the budget stabilization fund, and the tax relief fund, which is created in the bill.

Under the bill, the secretary of administration (secretary) must annually calculate the difference between the amount of tax revenues projected to be deposited in the general fund (projected tax receipts) and the amount of tax revenues actually deposited in the general fund during the preceding fiscal year (actual tax receipts). If the projected tax receipts are less than the actual tax receipts, the secretary must transfer from the general fund to the budget stabilization fund an amount equal to 50% of the difference between the projected tax receipts and the actual tax receipts.

This transfer, however, may not take place once the balance of the budget stabilization fund is at least equal to 5% of the estimated expenditures from the general fund during the fiscal year, as projected in the biennial budget act or acts. Also, the secretary must reduce the amount of the transfer if the transferred amount would cause the general fund balance to be less than the required general fund statutory balance. (The required statutory balance refers to a statement in current law that the estimated general fund balance in any fiscal year may not be an amount less than the following percentage of the total general purpose revenue appropriations for that fiscal year plus any amount from general purpose revenue designated as “Compensation Reserves”: for fiscal year 2002–03, 1.4%; for fiscal year 2003–04, 1.6%; for fiscal year 2004–05, 1.8%; and, for fiscal year 2005–06 and each fiscal year thereafter, 2%.)

The bill creates a tax relief fund that consists of the difference between the projected tax receipts and the actual tax receipts in each fiscal year and the amount transferred from the general fund to the budget stabilization fund in each fiscal year.

In addition, the bill creates an individual income tax relief fund tax credit, which may be claimed by an individual taxpayer or by a taxpayer and his or her spouse. A claimant may also claim a credit for each of his or her dependents, although a dependent may not claim a credit. The credit is nonrefundable, meaning that if the amount of the credit exceeds the taxpayer’s tax liability, no check is issued in the amount of the difference. The credit is available only in taxable years in which the amount in the tax relief fund exceeds \$25,000,000. If the secretary certifies that the amount in the fund exceeds that amount, DOR determines the amount of the credit that may be claimed in that taxable year. The credit amount is determined by dividing the amount certified by the sum of all claimants, all spouses of claimants,

and all dependents, and then modified so that the amount in the fund is expended as fully as possible.

On November 23, 1998, Wisconsin and other states agreed to a settlement of lawsuits brought against the major U.S. tobacco product manufacturers (the tobacco settlement agreement). Under the tobacco settlement agreement, the state is to receive annual payments from the U.S. tobacco product manufacturers in perpetuity. This bill authorizes the secretary of administration (secretary) to sell the state's right to receive payments under the tobacco settlement agreement and provides that the proceeds from this sale are to be deposited in the permanent endowment fund, a trust fund created in the bill.

Under the bill, annually the secretary must transfer a certain amount of moneys in the permanent endowment fund to the general fund. For 2002 and 2003, the amount that must be transferred from the permanent endowment fund to the general fund is the amount that the state would have received as payments under the tobacco settlement agreement had the state's right to receive the payments not been sold. The amount available for transfer in each subsequent year, as calculated by the investment board, must equal the sum of the following:

1. An amount that equals 8.5% of the market value of the investments in the permanent endowment fund on June 1.
2. All proceeds of, and investment earnings on, investments of the permanent endowment fund made at the direction of the secretary that are received in the fiscal year.
3. All other amounts identified by the secretary as payments of residual interests to the state from the sale of the state's right to receive moneys under tobacco settlement agreement that are received in the fiscal year.

The bill also requires that, in fiscal years 2001–02 and 2002–03, the first \$12,006,400 and \$21,169,200, respectively, in payments from the tobacco settlement agreement be deposited in the tobacco control fund and appropriated to the tobacco control board for distribution to specific smoking cessation and prevention programs and for grants for smoking cessation education, research, and enforcement programs. In the event that the state's right to receive payments under the tobacco settlement agreement is sold before the required amounts are received in fiscal years 2001–03, the bill requires that a necessary amount be transferred from the general fund to the tobacco control fund to make up any shortfall.

The bill provides that the investment board may invest the assets of the permanent endowment fund in any investment that is an authorized investment for assets in the fixed retirement investment trust and the variable retirement trust. In addition, the bill requires the investment board to invest certain of the assets in the permanent endowment fund according to the terms and conditions specified by the secretary; the bill specifically provides that the investment board is not subject to its statutory standard of responsibility when it makes such an investment.

The bill also authorizes the secretary of administration to organize one or more nonstock corporations or limited liability companies for any purpose related to the sale of the state's right to receive payments under the tobacco settlement agreement

and appropriates moneys for the organization and initial capitalization of any such corporation or company.

The bill establishes the legal characteristics of any sale, assignment, or transfer of payments under the tobacco settlement agreement. In addition, the bill provides that, with certain exceptions, this state's version of Article 9 of the Uniform Commercial Code governs the granting and enforcing of security interests in those payments. Article 9 generally governs similar transactions. Under the bill, if a person obtains, evidences, and provides notice of an interest in the tobacco settlement agreement payments under the procedure specified in the bill, that interest is enforceable against the debtor, any assignee or grantee, and all third parties, including creditors under any lien obtained by judicial proceedings. In addition, the interest is superior to all other liens against the tobacco settlement agreement payments that arise after the date on which the interest attaches to those payments.

Currently, DOA is required, subject to numerous exceptions, to make purchases by solicitation of bids or competitive sealed proposals preceded by public notice. DOA must prepare written justification of contractual service procurements and must comply with rules regarding conflicts of interest between contractors and DOA employees. DOA must also attempt to ensure that a specified portion of its procurement business is awarded to minority-owned businesses. This bill exempts contracts entered into by DOA to provide financial services in relation to this state's interest in the tobacco settlement agreement payments from compliance with these requirements.

Currently, with certain exceptions, no person may commence a legal action against the state unless the person presents a claim to the claims board for a recommendation and the legislature denies the claim. This bill exempts claims presented in relation to this state's interest in the tobacco settlement agreement payments from compliance with this requirement.

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health or educational facilities, such as the construction or remodeling of a health or educational facility or related structure, and to refinance outstanding debt of health or educational facilities. Under this bill, WHEFA is authorized to purchase the state's right to receive payments under the tobacco settlement agreement, to make a loan that is secured by the state's right to receive those payments, and to issue bonds to finance the purchase or to make the loan. Any bonds issued to finance the purchase or to make the loan must be payable from, or secured by interests in, the payments under the tobacco settlement agreement. In addition, WHEFA is authorized to organize one or more nonstock corporations or limited liability companies for any purpose related to the purchase or sale of the state's right to receive payments under the tobacco settlement agreement.

This bill affirms the state's participation in the tobacco settlement agreement and states that the payments received under that agreement are the property of the state, to be used as the state decides by law. The bill also provides that no political subdivision of the state, or officer or agent of a political subdivision, may maintain

a claim related to the tobacco settlement agreement or any claim against any party that was released from liability by the state under the tobacco settlement agreement.

This bill requires the secretary to prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in the executive biennial budget bill or bills. This statement is to accompany the biennial budget report that is submitted by the secretary on the day that the governor delivers the budget message to the legislature.

The bill also requires that the legislative fiscal bureau prepare the same statement but based on the recommendations in the executive biennial budget bill or bills, as modified by an amendment offered by JCF, as engrossed by the first house, as concurred in and amended by the second house or as nonconcurring in by the second house, or as reported by any committee on conference.

The bill requires the secretary to prepare, as part of the biennial budget report, a comparison of the state's budgetary surplus or deficit according to generally accepted accounting principles, as reported in the most recent audited financial report prepared by DOA, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills.

Current statutes state that "[n]o bill directly or indirectly affecting general purpose revenues ... may be enacted by the legislature if the bill would cause the estimated general fund balance on June 30 of any fiscal year ... to be an amount equal to less than the following percentage of the total general purpose revenue appropriations for that fiscal year plus any amount from general purpose revenue designated as "Compensation Reserves" for that fiscal year" For fiscal year 2002-03, the amount is 1.4%. This bill reduces this amount to 1.2%.

PUBLIC UTILITY REGULATION

Under current law, the PSC is required to establish standards for water or sewer service that is provided to occupants of a mobile home park by the park operator or a contractor. The PSC's rules must include requirements for metering, billing, depositing, arranging deferred payment, installing service, refusing or discontinuing service, and resolving disputes about service. The rules must also ensure that charges are reasonable and not unjustly discriminatory, that service is reasonably adequate, and that any related practice is just and reasonable. This bill transfers authority to regulate water and sewer service provided to occupants of manufactured home parks from the PSC to the department of commerce.

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 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 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.

This bill authorizes the PSC to conduct an energy assessment of any proposed state agency rule that may affect state energy policies and, if the rule has a significant impact on the state's energy policies, to prepare an energy impact statement. The bill requires the state agency that is proposing the rule to consider the PSC energy impact statement before final adoption of the rule and to include the energy impact statement and the agency's response in the notice when the agency submits its proposed rule in final form to the legislature.

Under current law, telecommunications utilities and providers are subject to certain requirements regarding the protection of consumers, including other telecommunications utilities and providers that use their services. The PSC, on its own motion or upon a complaint filed by a consumer, may take administrative action or commence civil actions against telecommunications utilities and providers to enforce these requirements. This bill provides that the PSC has jurisdiction in its own name or on behalf of consumers to take such actions. The bill also clarifies that the PSC's authority to take administrative action includes initiating a contested case.

Under current law, the PSC may bring an action in court for injunctive relief for compelling compliance with the requirements, for compelling refunds of any moneys collected in violation of the requirements, or for any other relief under the public utility statutes. This bill also allows the PSC to take administrative action, in addition to bringing an action in court, for compelling compliance with the requirements or for compelling refunds. The bill also allows the PSC to take administrative action or bring an action in court for any other appropriate relief, instead of just any other relief under the public utility statutes. Also, the bill allows the PSC to directly impose forfeitures for violations of the requirements.

Under current law, the PSC may request the attorney general to bring an action in court to require a telecommunications utility or provider to compensate any person for any pecuniary loss caused by failure to comply with the requirements. Under this bill, in addition to requesting the attorney general to bring such an action, the PSC may take administrative action, including initiating a contested case, or bring its own action in court to require such compensation.

Under current law, the PSC may investigate whether rates, tolls, charges, schedules, or joint rates are unjust, unreasonable, insufficient, unjustly discriminatory or preferential, or unlawful and order that reasonable rates, tolls, charges, schedules, or joint rates be imposed, observed, or followed in the future. With respect to telecommunications providers, this bill also allows the PSC to order reasonable compensation for persons injured by reason of rates, tolls, charges, schedules, or joint rates of telecommunications providers that are investigated.

Under current law, public utilities and certain other entities, such as telecommunications providers, that violate laws enforced by the PSC, PSC orders, and certain other requirements are subject to a forfeiture of between \$25 and \$5,000, for each day of violation, which is imposed by a court. Under this bill, the PSC may also impose such a forfeiture against a telecommunications provider by administrative action.

Under current law, the PSC is required to inquire into neglect or violation of laws by public utilities and telecommunications carriers, enforce such laws, and report all violations to the attorney general. This bill also allows the PSC to take administrative action and institute and prosecute all necessary actions and proceedings for enforcing all laws relating to telecommunications providers or telecommunications carriers, and for the punishment of all violations.

This bill requires DOA to award grants to operators of dairy, beef, or swine farms for eliminating stray voltage concerns and sources or replacing electrical wiring. The bill creates a farm rewiring fund, consisting of contributions that certain gas and electric utilities make to the PSC, from which the grants are made. A farm operator is not eligible for grants unless the public utility that provides electric service to the farm has conducted tests to determine the sources of stray voltage on the farm.

Under current law, the PSC is allowed to assess against a public utility the expenses incurred by the PSC in taking regulatory action with respect to the public utility. The PSC is allowed to make similar assessments against other entities under its jurisdiction, including a person seeking approval to construct a wholesale merchant plant. A wholesale merchant plant is electric generating equipment that does not serve retail customers and that is owned and operated by either: 1) a person that is not a public utility; or 2) subject to approval of the PSC, an affiliate of a public utility.

Current law imposes a limit on the amount that the PSC may assess against a public utility or other entity under the PSC's jurisdiction. The total amount that the PSC may assess in a calendar year may not exceed four-fifths of one percent of the public utility's or entity's gross operating revenues derived from intrastate operations in the last preceding calendar year.

Under this bill, the limit on assessments does not apply to assessments for the expenses incurred by the PSC in taking regulatory action with respect to approving construction of wholesale merchant plants.

OTHER STATE GOVERNMENT

Creation of department of electronic government

This bill creates a department of electronic government (DEG). The bill transfers most existing functions of DOA relating to information technology and telecommunications to DEG and creates a number of new functions for DEG. The bill grants DEG broad powers to manage the state's information technology and telecommunications systems. Under the bill, the secretary of information services,

who serves as department head, is titled the “chief information officer.” The officer’s position is assigned to executive salary group 8 (\$82,979 to \$128,618 per year in 2000–01). The officer is appointed by the governor to serve at his or her pleasure. The officer appoints the staff of DEG, which includes a deputy, executive assistant, and three division administrators outside the classified service.

The bill also creates an information technology management board which is attached to DEG. The board consists of the governor, chief information officer, secretary of administration, and two heads of state executive branch agencies and two other members appointed by the governor without senate confirmation. The board advises DEG, monitors progress in attaining the state’s information technology goals, and hears and decides appeals of actions of the officer by executive branch agencies.

The bill directs DEG, with the assistance of executive branch agencies and the advice of the board, to manage the information technology portfolio of state government to meet specified criteria. The portfolio includes information technology systems, applications, infrastructure and information resources, and human resources devoted to developing and maintaining information technology systems.

Currently, each executive branch agency is required to prepare, revise, and submit annually to DOA, for its approval, an information technology strategic plan that details how the agency plans to use information technology to serve its needs and those of its clients. This bill makes proposed strategic plans of executive branch agencies subject to approval of the chief information officer, with the advice of the board.

The bill permits DEG to acquire, operate, or maintain any information technology equipment or systems required by DEG to carry out its functions and to provide information technology development and management services related to those systems. Under the bill, DEG may assess executive branch agencies for the costs of equipment or systems acquired, operated, maintained, or provided or services provided and may also charge legislative and judicial agencies for these costs as a component of any services provided by DEG to these agencies. The bill also permits DEG to assume direct responsibility for the planning and development of any information technology system in the executive branch of state government that the chief information officer determines to be necessary to effectively develop or manage the system, with or without the consent of any affected agency. The bill permits DEG to charge any executive branch agency for its reasonable costs incurred on behalf of the agency in carrying out this function.

Currently, DOA must provide computer services to state agencies in the executive, legislative, and judicial branches. DOA may also provide telecommunications services to those agencies and computer or telecommunications services to local governments and private schools, postsecondary institutions, museums, and zoos. DOA may also provide supercomputer services to state agencies, local governments, and entities in the private sector. Under this bill, DEG may enter into an agreement to provide any services that DEG is authorized to provide to any state agency or authority, any unit of the federal government, any local governmental unit, or any entity in the private sector. DEG may also develop and

operate or maintain any system or device facilitating Internet or telephone access to information about programs of state agencies or authorities, local governmental units, or entities in the private sector by means of electronic communication and may assess or charge agencies, authorities, units, and entities in the private sector for its costs of development, operation, or maintenance on the same basis that DEG assesses or charges for information technology equipment or systems.

The bill appropriates to DEG all revenues received from assessments or charges, without limitation, for the purpose of carrying out its functions. The bill also appropriates general purpose revenue to DEG equivalent to the depreciated value of its equipment.

Currently, the number of full-time equivalent (FTE) positions for each state agency within each revenue source is fixed by law or by the governor, JCF, or the legislature in budget determinations. Program-revenue funded positions may be adjusted by the governor with the concurrence of JCF and federally funded positions may be adjusted by the governor alone. This bill permits the chief information officer to transfer any number of FTE positions having responsibilities related to information technology or telecommunications from any executive branch agency to DEG or any other executive branch agency and to transfer the funding source for any position from one source to another for the purpose of carrying out the functions of DEG. Upon transfer of any position, the incumbent in that position is also transferred without loss of pay, fringe benefits, or seniority privileges. The bill also permits the officer to transfer moneys from the appropriation account for any appropriation made to an executive branch agency, except a sum sufficient appropriation, without the consent of the agency, for the purpose of facilitating more efficient and effective funding of information technology or electronic communications resources within the executive branch of state government. Under the bill, any transfer of positions or funding may not be made if it would be inconsistent with state or federal law or any requirement imposed by the federal government as a condition to receipt of aids by this state.

Currently, every executive branch agency, other than the board of regents of the UW system, is required to purchase computer services from DOA, unless DOA grants permission to the agency to procure the services from a private source or from another agency, or to provide the services to itself. This bill provides that every executive branch agency, including the board of regents of the UW system, must purchase all materials, equipment, supplies, and services relating to information technology or telecommunications from DEG, unless DEG requires the agency to purchase the materials, supplies, equipment, or contractual services under a master contract established by DEG or unless DEG grants permission to the agency to procure the materials, supplies, equipment, or services from a private source or from another agency, or to provide the materials, supplies, equipment, or services to itself. The bill also makes all contracts by any executive branch agency for the purchase of materials, supplies, equipment, or contractual services relating to information technology or telecommunications subject to review and approval of the chief information officer.

Currently, subject to numerous exceptions, state agencies are generally required to make purchases through solicitation of bids or competitive sealed proposals preceded by public notice, and to allow DOC the opportunity to provide the materials, supplies, equipment, or services under certain conditions if DOC is able to do so. These requirements do not apply to purchases by the division of information technology services of DOA relating to the functions of the division. This bill provides that these requirements do not apply to purchases of any materials, supplies, equipment, or services by DEG. The bill requires DEG to submit an annual report to DOA concerning any purchases by DEG that are not made in accordance with these requirements. The bill also permits DEG to establish master contracts for the purchase of materials, supplies, equipment, or contractual services relating to information technology or telecommunications for use by state agencies and authorities, local governmental units, and entities in the private sector and to require any executive branch agency to make purchases of materials, supplies, equipment, or contractual services included under the master contract pursuant to that contract.

Currently, executive branch agencies must make purchases through DOA unless DOA delegates direct purchasing authority to the agencies. DOA prescribes standard specifications for state purchases which agencies are generally required to incorporate into purchasing orders and contracts when appropriate. Under this bill, DOA must delegate authority to DEG to make all of its purchases independently of DOA, and any standard specifications prescribed by DOA for the purchase of materials, supplies, equipment, or services for information technology or telecommunications purposes are subject to approval of the chief information officer.

Elections administration

Under current law, voter registration is required in every municipality with a population greater than 5,000. The information required on voter registration forms is specified by law. This bill requires voter registration in every municipality. The bill also establishes a centralized, statewide voter registration list that is maintained by the state elections board. Under the bill, the list must be electronically accessible by any person, but no person other than an authorized election official may change the list. The bill permits the board to change the list only for the purpose of deleting the registration of individuals who register to vote outside this state or whose registrations are required to be cancelled as the result of a municipal canvass. Under the bill, each municipal clerk or board of election commissioners must electronically enter registrations or changes of registration on the list, except that the bill permits the town clerk of any town having a population of not more than 5,000 to designate the county clerk of the county where the town is located as the town clerk's agent for entry of this data. The bill also directs the board to provide grants to counties and municipalities to finance the cost of maintenance of the list.

Currently, with certain exceptions, the deadline for voter registration is 5 p.m. on the second Wednesday before an election. However, electors may also register in person at the office of the municipal clerk or board of election commissioners up to 5 p.m. on the day before the election or, in most cases, may register at the proper

polling place on election day. Currently, an individual who registers after the deadline must provide a specified form of proof of residence. If the individual is unable to do so, another qualified elector of the same municipality may corroborate the information contained in the individual's registration form. The corroborating elector then must provide this proof of residence. Currently, there is no limit on the number of times a person may act as a corroborating elector.

This bill requires any elector who registers to vote after the deadline, if possible, to present a valid Wisconsin driver's license or valid Wisconsin identification card containing the elector's photograph and current street address. The bill permits any other elector to present an identification card that contains the elector's photograph and current street address or any other identification card that contains the elector's name and photograph and an identifying number. An elector who is unable to present any identification may have his or her identity and registration information corroborated by another elector as currently provided. However, under the bill, a corroborating elector may not corroborate more than two registrations in one day. The bill also permits the board, by rule, to specify additional information that must be provided on registration forms. In addition, the bill provides that any election official who fails to exercise due care to lawfully register an elector to vote is subject to a forfeiture (civil penalty) of not more than \$1,000.

With certain limited exceptions, before being permitted to vote at any polling place, an elector currently must provide his or her name and address. If registration is required to vote and the elector is not registered, the elector must provide a specified form of proof of residence to register. If registration is not required, the elector may be required to provide this proof. With certain limited exceptions, this bill requires each elector attempting to vote at any polling place in a municipality to follow the same identification or corroboration procedure that is required under the bill for late voter registration. The bill requires election officials to verify that the name and address on any identification are the same as the elector's name and address on the list of registered electors. Under the bill, election officials must also verify that the photograph contained in any identification reasonably resembles the elector. The identification procedure does not affect absentee voting or voting by military electors.

Currently, following each general election, a municipality where registration is required must complete a canvass to identify each registered elector who has failed to vote within the previous four years, attempt to notify each such elector, and revise and correct its list of registered electors accordingly. This bill provides that if a municipality fails to complete the canvass within 120 days of the general election, the board may conduct the canvass at the expense of the municipality.

Currently, each municipality appoints and supervises election inspectors (poll workers). Under this bill, if the board finds that an inspector has repeatedly and materially failed to substantially comply with the election laws or rules of the board, the board may remove the inspector and appoint a replacement to serve the remainder of the inspector's unexpired term. The replacement must be compensated by the municipality and is subject to the supervision of the municipal clerk or board of election commissioners. However, unlike most other inspectors, the replacement

may be appointed without regard to party affiliation. The bill also permits the board to appoint a special master to assume all functions of the municipal clerk or board of election commissioners if the board finds that a municipality has repeatedly and materially failed to substantially comply with the election laws or rules of the board in administering elections. The bill requires the municipality to pay all costs incurred relating to the special master.

Under current law, the board may promulgate rules to interpret or implement the laws relating to the conduct and administration of elections and election campaigns. This bill expands the board's rule-making authority, permitting the board to promulgate rules to promote the efficient and fair conduct of elections. This bill also directs the board to conduct training programs so that individuals exercising the right of access to polling places may inform themselves of the election laws, the procedures for conducting elections, and the rights of individuals who observe election proceedings.

Land information and land use

Currently, the land information board is attached to DOA. The board serves as a state clearing house for access to land information and provides technical assistance to state agencies and local governmental units with land information responsibilities, reviews and approves county plans for land records modernization, and provides aids to counties, derived from recording fee revenues collected by counties, for land records modernization projects. Under current law, the board and its functions are abolished effective on September 1, 2003. This bill abolishes the land information board on the day the bill becomes law and permanently transfers its functions, together with its assets and liabilities, to DOA.

Under the Land Information Program, a number of state agencies, including DOA, DATCP, DHFS, DNR, and DOR, are required to submit biennially to the land information board a plan to integrate land information so that the information is readily translatable, retrievable, and geographically referenced for use by any state, local governmental unit, or public utility. This bill eliminates the requirement that DOR submit such a plan, beginning with the plan that is due in 2002.

Currently, counties collect a land record fee for recording and filing most instruments that are recorded or filed with the register of deeds. The fee is \$10 for the first page of an instrument and \$2 for each additional page. Until September 1, 2003, counties must remit \$2 of each \$10 collected for recording or filing the first page of each instrument to the land information board, which the board uses to fund its general program operations and to make grants to counties for land records modernization projects. Currently, if a county does not have a land information office or does not use \$4 of the fee for recording or filing the first page of an instrument for land records modernization, the county must remit \$6 of the fee for recording or filing the first page of an instrument to the land information board. On September 1, 2003, the fee for recording or filing the first page of an instrument is reduced from \$10 to \$8 and no portion is remitted to the state.

This bill permanently increases the fee for recording or filing the first page of an instrument with a register of deeds from \$10 to \$11, and requires a county to remit

either \$2 or \$7 of this fee to DOA, depending on whether the county has a land information office and uses the fee for land records modernization.

Currently, DOA may provide grants to local governments to be used to finance a portion of the cost of certain comprehensive planning activities from general purpose revenue. This bill provides, in addition, for a portion of the land record fee received by DOA to be used for that purpose.

Under current law, the Wisconsin land council in DOA must perform duties including identifying and recommending to the governor land use goals and priorities, identifying and studying areas of conflict in the state's land use statutes and between state and local land use laws and recommending to the governor legislation to resolve the conflicts, and studying the development of a computer-based land information system.

This bill discontinues the council's function of studying the development of a computer-based land information system, and adds several new functions to the council's duties, including establishing a land information working group and reviewing county land records modernization plans. The bill also adds three members to the 16-member council and eliminates the council's sunset date of September 1, 2003.

Under current law, DOA awards transportation planning grants to local governmental units (cities, villages, towns, counties, and regional planning commissions) to pay for planning activities related to the transportation element of a comprehensive land use and development plan. Under this bill, DOA may also award transportation planning grants to assist local governmental units in the integrated transportation and land-use planning for highway corridors (areas expected to need additional capacity for vehicular traffic or to have possible safety or operational problems resulting from pressure for development). The bill requires DOA to award transportation planning grants in the following order of priority: 1) grants that pay for planning activities related to a transportation element and which also assist in highway corridor planning; 2) grants that only pay for planning activities related to a transportation element; and 3) grants that only assist in highway corridor planning. The bill also expands the definition of "local governmental unit" to include a metropolitan planning organization (an organization that develops transportation plans and programs).

State procurement services

Currently, DOA provides procurement services to state agencies and some local governments. These procurement functions are financed with general purpose revenue. This bill permits DOA to assess any state agency or local government to which it provides procurement services for the cost of the services provided to the agency or local government. The bill also permits DOA to identify savings that DOA determines were realized by any state agency to which it provides procurement services, and to assess the agency for not more than the amount of the savings so identified. The bill does not define "savings" and does not specify any methodology for determination of these assessments. The bill appropriates to DOA all moneys

collected from these assessments to be used to finance procurement services. The change potentially decreases the moneys available to agencies and local governments for other purposes. The bill also appropriates moneys from the revenue sources that finance the programs of state agencies to supplement the unbudgeted costs of procurement service charges, except charges for identified procurement savings.

Currently, subject to numerous exceptions, DOA, or any state agency in the executive branch to which DOA delegates purchasing authority, must make purchases by bid or competitive sealed proposal that must be preceded by at least two notices published in the official state newspaper, the latest of which must be inserted at least seven days prior to opening of the bids or competitive sealed proposals. This bill permits DOA or any state agency to which DOA delegates purchasing authority to make purchases by soliciting sealed bids to be opened at a specified date and time or by solicitation of bids at an auction to be conducted electronically at a specified date and time, or by competitive sealed proposal. If bids are to be solicited at an electronic auction, the bill requires notice of the auction to be posted on an Internet site determined or authorized by DOA at least seven days prior to the date of the auction. The bill also permits notice of any proposed purchase by DOA or an agency to which DOA delegates purchasing authority to be posted electronically on an Internet site determined or authorized by DOA at least seven days prior to the date that bids or competitive sealed proposals are to be opened or bids are to be received by auction in lieu of the publication required under current law.

Currently, DOA maintains a subscription service that provides current information of interest to prospective vendors concerning state procurement opportunities. This bill permits DOA to permit prospective vendors to provide product or service information through this service and also permits DOA to prescribe fees or establish fees through a competitive process for the use of the service. Any revenue collected from the fees is deposited in the state VendorNet fund, which is used to pay the costs of the subscription service.

Municipal boundary review

Currently, DOA is required to review proposed municipal incorporations and certain municipal annexations in counties having a population of 50,000 or more, and to make findings with respect to certain matters specified by law. Currently, the cost of conducting this review is financed with general purpose revenue.

This bill permits DOA to prescribe and collect a fee for conducting this review. The fee must be paid by the person or persons filing a petition for incorporation or by the person or persons filing a notice of proposed annexation. The bill appropriates to DOA all moneys collected from these fees to finance reviews of proposed municipal incorporations and annexations.

Federal-state relations

Current law directs DOA to operate a federal aid management service. The service is directed to process applications by state agencies for grants from the federal government upon request of the agencies. DOA may assess any state agency

to which DOA provides services a fee for its expenses incurred in providing those services.

This bill directs DOA to initiate contacts with the federal government for the purpose of facilitating participation by state agencies in federal aid programs, to assist those agencies in applying for such aid, and to facilitate influencing the federal government to make policy changes that will be beneficial to this state. The bill also permits DOA to assess agencies to which DOA provides those services a fee for its expenses incurred in providing those services.

Dual state employment or retention

Current law prohibits any elective state official from holding any other position or being retained in any other capacity with a state agency or authority, except an unsalaried position or unpaid service with a state agency or authority that is compatible with the official's duties, the emoluments of which are limited to reimbursement for actual and necessary expenses incurred in the performance of those duties. Current law also prohibits any other individual who is employed in a full-time position or capacity with a state agency or authority from holding another position or being retained in another capacity with a state agency or authority from which the individual receives, directly or indirectly, more than \$12,000 from the agency or authority as compensation for the individual's services during the same year. These prohibitions do not apply to an individual other than an elective state official who has a full-time appointment for less than 12 months during any period of time that is not included in the appointment. This bill repeals both of these prohibitions.

Energy efficiency fund elimination

Currently, state agencies may apply for loans from the energy efficiency fund to finance energy efficiency projects. The loans are repaid from utility expense appropriations made to the agencies in an annual amount equal to the utility expense savings realized by the agencies as a result of the energy efficiency projects. In addition, for six years after each loan is repaid, DOA may transfer an amount equal to one-third of the savings realized to the general fund, and an amount equal to one-third of the savings realized to the energy efficiency fund for maintenance of projects with an energy efficiency benefit and for energy efficiency monitoring. An amount equal to the final one-third of the savings realized may be utilized by an agency for its general program operations, subject to approval of JCF.

This bill abolishes the energy efficiency fund. Under the bill, DOA may transfer an amount equal to all repayments of loans made from the fund for energy efficiency projects from the appropriate utility expense appropriations to the general fund. Any unencumbered balance in the energy efficiency fund on the day the bill becomes law is also transferred to the general fund.

State-local partnership

This bill directs that DOA, to the extent possible, coordinate state policies governing the relationship between the state and local governments in this state and

attempt to make those policies as uniform as practicable. The bill also permits DOA to attempt to mediate disputes between local governments and state agencies to the extent feasible. To carry out these functions, the bill directs DOA to appoint a state-local government coordinator outside the classified service.

TAXATION

INCOME TAXATION

Under current law, when computing corporate income taxes and franchise taxes, a formula is used to attribute a portion of a corporation's income to this state. The formula has three factors: a sales factor, a property factor, and a payroll factor. The sales factor represents 50% of the formula and the property and payroll factors each represent 25% of the formula. When computing income taxes and franchise taxes for an insurance company, a formula with a premium factor and a payroll factor is used to attribute a portion of an insurance company's income to this state.

Under this bill, beginning on January 1, 2005, the sales factor will be the only factor used to attribute a portion of a corporation's income to this state. The property and payroll factors will be decreased, and eventually phased out, over the next four years as the sales factor is increased and becomes the only factor. Beginning on January 1, 2005, the premium factor will be the only factor used to attribute a portion of an insurance company's income to this state. The payroll factor will be decreased, and eventually phased out, over the next four years as the premium factor is increased and becomes the only factor.

Under current law, the income of an electric or gas utility is apportioned by rules established by DOR. Under the bill, for taxable years beginning after December 31, 2002, and before January 1, 2005, the income of an electric or gas utility is apportioned in the same manner as the income of a corporation under the bill. Beginning on January 1, 2005, the sales factor will be the only factor used to attribute a portion of the income of an electric or gas utility to this state.

Under current law, the income of a financial organization is apportioned, for corporate income tax and franchise tax purposes, by rules established by DOR. Under the bill, for taxable years beginning after December 31, 2002, and before January 1, 2005, the income of a financial organization is apportioned by multiplying that income by a fraction that includes a sales factor representing more than 50% of the fraction, as determined by rule by DOR. For taxable years beginning after December 31, 2004, the income of a financial organization is apportioned by using a sales factor, as determined by DOR.

Under current law, an inter vivos trust (a trust that is created during the life of the grantor) that is made irrevocable before October 29, 1999, is considered resident at the place where the trust is being administered. This state taxes a trust that is resident within this state. Also under current law, in general, an inter vivos trust is taxable by this state if the grantor was a resident of this state.

Under this bill, an inter vivos trust that is made irrevocable before October 29, 1999, is considered resident, and is thus taxable by this state, only if the trust was administered in this state before October 29, 1999, or, if administered in this state

on or after October 29, 1999, if the grantor is a resident of this state. This change first applies to taxable years beginning on January 1, 1999.

Under current law, the individual income tax brackets are indexed for inflation. Generally, for taxable years beginning after December 31, 1999, the brackets are increased each year based on the annual percentage change between the consumer price index (CPI) for August of the previous year and August 1997. An exception to the general rule is that for taxable years beginning after December 31, 2000, the top bracket is increased each year by the same percentage as the percentage change between the CPI for August of the previous year and August 1999. This bill limits the applicability of the exception to the general rule that governs indexing of the individual income tax brackets to taxable year 2001.

Under current law, resident shareholders of subchapter S corporations and members of limited liability corporations (LLCs) treated as partnerships may claim a tax credit for taxes that those S corporations and LLCs pay to another state. This bill expands the application of this tax credit so that it may be claimed by otherwise qualified resident partners of a partnership that pays taxes to another state.

PROPERTY TAXATION

This bill creates a property tax exemption for a hub facility operated by an air carrier. A “hub facility” is a facility at an airport from which an air carrier company operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations; or an airport or any combination of airports in this state from which an air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company’s headquarters are in this state.

Under current law, regional planning commissions (RPCs) may be created by the governor, or by a state agency or official that the governor designates, upon the submission of a petition in the form of a resolution by the governing body of a city, village, town, or county (local governmental units). An RPC may conduct research studies; collect and analyze data; prepare maps; make plans for the physical, social, and economic development of the region; provide advisory services to local governmental units and other public and private agencies on regional planning problems; and coordinate local programs that relate to the RPC’s objectives. This bill authorizes RPCs to acquire and hold real property for public use. The bill also authorizes RPCs to convey and dispose of such property.

Under current law, property owned by municipalities or by certain districts, such as school districts, technical college districts, and metropolitan sewerage districts, is exempt from the property tax. Under this bill, property owned by an RPC is also exempt from the property tax.

Under current law, in lieu of paying local property taxes, a light, heat, and power company pays a license fee to the state based on a percentage of the company’s

gross revenue that is attributable to this state. However, if a light, heat, and power company structure is used in part for the company's business operation and in part for purposes that are not related to the company's business operation, the part of the structure that is used for purposes that are not related to the company's business operation is subject to local property taxes.

Under this bill, property, excluding land, that is owned or leased by a public utilities holding company that provides services to a light, heat, and power company affiliated with the holding company is assessed for local property taxes on the portion of the fair market value of the property that is not used for providing services to the light, heat, and power company.

Under current law, DOR assesses manufacturing property, and determines what property is classified as manufacturing property, for property tax purposes. If a reviewing authority for property tax assessments reduces a manufacturing property's assessed value or determines that manufacturing property is exempt from property tax, the property owner may file a claim for a property tax refund with the municipality in which the property is located. The municipality pays the refund in one sum that includes interest on the refund amount, paid at the rate of 0.8% a month.

Under current law, a property owner may file an objection to a property tax assessment of the owner's manufacturing property with the state board of assessors within 60 days of receiving notice from DOR of the property's assessment.

Under this bill, a municipality may pay a property tax refund to an owner of manufacturing property in five annual installments rather than all at once, if the refund is more than \$10,000, the refund amount represents at least 0.0025% of the municipality's tax levy, and the municipality's tax levy is less than \$100,000,000. The interest on the refund amount is paid either at a rate of 10% a year or at a rate determined by the last auction of six-month U.S. treasury bills, whichever is less. In addition, the state compensates the municipality for the interest on any such refund that is paid by the municipality.

Under the bill, a property owner who files an objection to a property tax assessment of the owner's manufacturing property must include in the objection the reasons for the objection, an estimate of the correct assessment, and the basis for that estimate. In addition, the property owner may file supplemental information to support the objection within 60 days from the date that the objection is filed.

Under current law, an owner of manufacturing property must submit annually by March 1 a report to DOR that contains certain information about the property that DOR considers necessary for property tax assessment purposes. An owner of manufacturing property who fails to submit the report by the date that it is due must pay a penalty equal to the greater of \$10 or 0.05% of the property's assessment for the previous year, but not more than \$1,000. If the property owner does not submit the report within 30 days from the date that it is due, the property owner must pay a second penalty that is equal to the first.

Under this bill, an owner of manufacturing property who fails to submit the report by the date that it is due is subject to the following penalties: if the report is

one to ten days late, \$25; if the report is 11 to 30 days late, the greater of \$50 or 0.05% of the previous year's assessment, but not more than \$250; and if the report is more than 30 days late, the greater of \$100 or 0.1% of the previous year's assessment, but not more than \$750.

OTHER TAXATION

Under current law, in lieu of paying local property taxes, a private light, heat, and power company and an electric cooperative pay a license fee to the state based on a percentage of the company's or cooperative's gross revenues that are attributable to this state. A private light, heat, and power company pays a license fee based, in part, on multiplying its gross revenues from the sale of gas services by 0.97% and multiplying its other gross revenues by 3.19%. An electric cooperative pays a license fee based, in part, on multiplying its gross revenues by 3.19%.

Under this bill, a private light, heat, and power company and an electric cooperative pay a license fee to the state based, in part, on multiplying the company's or cooperative's gross revenues from the sale of wholesale electricity by 1.59%. The license fee applies to gross revenues from the sale of wholesale electricity that are earned during tax periods beginning on January 1, 2003, and ending on December 31, 2008. A private light, heat, and power company will continue to pay a license fee under current law based on multiplying its gross revenues from the sale of gas services by 0.97% and multiplying its other gross revenues, except revenues from the sale of wholesale electricity, by 3.19%. An electric cooperative will continue to pay a license fee under current law based on multiplying its gross revenues, except revenues from the sale of wholesale electricity, by 3.19%.

Under current law, a farm that is not a corporation, except a farm that has no more than \$1,000,000 in gross receipts, pays a recycling surcharge of \$25. Under this bill, a farm that is not a corporation, except a farm that has less than \$4,000,000 in gross receipts, pays a recycling surcharge in an amount that is equal to 2% of its net income, up to a maximum of \$9,800, or \$25, whichever is greater.

Under current law, tax stamps must be affixed to each cigarette package that is sold in this state. This bill prohibits affixing tax stamps to cigarette packages that are not intended to be sold, distributed, or used in the United States; that are not labeled as provided under federal law; that are modified by a person who is not the cigarette manufacturer; that are altered so as to remove, conceal, or obscure certain labels; and that are imported into the United States after December 31, 1999, in violation of federal law. Under the bill, a person who possesses over 400 of such cigarettes, or who sells or distributes such cigarettes, is subject to the same penalties that are applicable to the possession of cigarettes without tax stamps.

Under current law, DOR may offset tax refunds against debts owed by a taxpayer to another state agency or to a municipality or county. Current law also authorizes DOR to enter into agreements with the Internal Revenue Service to offset state tax refunds against federal tax obligations and federal tax refunds against

state tax obligations. This bill authorizes DOR to enter into agreements with other states to offset tax refunds against another state's tax obligations if the other state agrees to implement an offset program for Wisconsin residents' tax refunds from that other state against tax obligations of this state.

TRANSPORTATION

HIGHWAYS

Under current law, the building commission may issue revenue bonds for major highway projects and transportation administrative facilities in a principal amount that may not exceed \$1,447,085,500. A major highway project is a project having a total cost of more than \$5,000,000 and involving construction of a new highway 2.5 miles or more in length; reconstruction or reconditioning of an existing highway that relocates at least 2.5 miles of the highway or adds one or more lanes at least five miles in length to the highway; or improvement of an existing multilane divided highway to freeway standards.

This bill increases the revenue bond limit from \$1,447,085,500 to \$1,743,570,900. The bill also provides that revenue bond proceeds may not exceed 53% of the total funds expended in any fiscal year for major highway projects, beginning with fiscal year 2002–03. Additionally, the bill provides that revenue bond proceeds may be expended for reconstruction of the Marquette interchange, lying at or near the junction of I 94, I 43, and I 794, in Milwaukee County. In addition to the revenue bond limit of \$1,743,570,900 specified above, the building commission may issue revenue bonds for the Marquette interchange reconstruction project in a principal amount that may not exceed \$6,996,600.

Current law requires that any major highway project, unlike other construction projects undertaken by DOT, receive the approval of the transportation projects commission (TPC) and the legislature before the project may be constructed. This bill adds three major highway projects recommended by TPC to the current list of enumerated projects already approved for construction.

This bill appropriates federal moneys to fund reconstruction of the Marquette interchange in Milwaukee County. The bill also provides for a grant from DOT to the city of Milwaukee of up to \$5,000,000 from the state's federal interstate cost estimate (ICE) funds to fund a local roads project to reconstruct West Canal Street to serve as a traffic mitigation corridor in connection with the Marquette interchange reconstruction. DOT may not award the grant unless the city makes a matching contribution from its federal ICE funds equal to the amount of the grant from DOT; the city contributes an additional \$10,000,000 toward the West Canal Street reconstruction project; and, the federal department of transportation approves the use of the federal ICE funds for the project. The bill also requires DOT to award grants totaling \$5,000,000 of state funds to the city of Milwaukee to reconstruct West Canal Street if the city contributes \$10,000,000 toward the West Canal Street reconstruction project.

This bill provides that the maximum state share of costs for the project involving demolition of the abandoned Park East Freeway corridor in Milwaukee County is \$8,000,000, as provided in an agreement between the city of Milwaukee, Milwaukee County, and the state, of which \$6,800,000 is required to be from the state's federal ICE funds. The local share of costs for the project may not be less than \$17,000,000, the amount specified in the agreement between the parties, of which \$14,500,000 is required to be federal ICE funds received by the city or county.

Under the nonentitlement component of the local roads improvement program, DOT currently allocates \$500,000 in each fiscal year to fund eligible town road improvements and \$750,000 in each fiscal year to fund eligible municipal street improvements. This bill requires DOT to make additional allocations of \$529,000 in fiscal year 2001–02 and \$1,954,200 in fiscal year 2002–03. These funds may be used for either of these purposes.

DRIVERS AND MOTOR VEHICLES

Currently, a person may not operate a motor vehicle while under the influence of an intoxicant, controlled substance, or other drug (OWI), or improperly refuse to submit to a test to determine his or her blood alcohol concentration. Under current law, if a person commits either of these OWI-related offenses, the person's motor vehicle operating privilege is suspended or revoked for a certain period of time, depending on the number of the person's prior OWI-related convictions, suspensions, or revocations. A person whose operating privilege is suspended or revoked is eligible to apply for an occupational driver's license after a waiting period of between 30 and 120 days, depending on the number of the person's prior OWI-related convictions, suspensions, or revocations. However, a person who has no prior OWI-related convictions, suspensions, or revocations is eligible to apply immediately.

Under current law, if a person is convicted of an OWI-related offense and the person has two or more prior OWI-related convictions, suspensions, or revocations, a court may order that the vehicle owned by the person and involved in the violation or refusal be seized and subject to forfeiture. If the court does not order that the vehicle be seized and subject to forfeiture, the court is required to order that the vehicle be immobilized or equipped with an ignition interlock device.

Beginning on January 1, 2002, a court will not be required to order that the vehicle owned by the person and involved in the violation or refusal be immobilized or equipped with an ignition interlock device even if the court does not order that the vehicle be seized and subject to forfeiture, and even if the person has two or more prior OWI-related convictions, suspensions, or revocations. Rather, the court may, but is not required to, order any of those options.

Also beginning on January 1, 2002, if a person is convicted of an OWI-related offense and the person has one or more prior OWI-related convictions, suspensions, or revocations, the court may, but is not required to, order that the vehicle owned by the person and involved in the violation or refusal be immobilized or equipped with an ignition interlock device.

This bill makes the following changes, beginning on January 1, 2002: 1) if a person is convicted of an OWI-related offense and the person has one or more prior OWI-related convictions, suspensions, or revocations, the court must order that each vehicle owned by the person be immobilized or equipped with an ignition interlock device for a period of not less than one year, and the person is not eligible to apply for an occupational driver's license for one year; and 2) if a person is convicted of an OWI-related offense and the person has two or more prior OWI-related convictions, suspensions, or revocations, the court may order that the vehicle owned by the person and involved in the violation or refusal be seized and subject to forfeiture in lieu of the ignition interlock or immobilization options.

Under current law, a person who is ordered to pay a fine or a forfeiture (civil monetary penalty) for an OWI violation is required to pay a driver improvement surcharge of \$345. Funds collected from the driver improvement surcharge are used to provide alcohol and other drug abuse services to drivers, to provide chemical-testing training to law enforcement officers, and to fund various state agencies for services related to OWI offenses. This bill increases the driver improvement surcharge from \$345 to \$355.

Under current law, circuit courts and municipal courts may suspend a person's operating privilege for a variety of reasons, including failure to pay an amount ordered by the court. However, circuit courts and municipal courts are not permitted to suspend a person's operating privilege solely because of the person's failure to pay a forfeiture imposed for an ordinance violation unrelated to the operation of a motor vehicle. This bill permits circuit courts and municipal courts to suspend the operating privilege of a juvenile solely because the juvenile has not paid a forfeiture imposed for an ordinance violation unrelated to the operation of a motor vehicle.

Current law imposes a six-year redesign cycle for most motor vehicle registration plates, by the end of which DOT must redesign the plates. DOT must issue redesigned plates upon every initial vehicle registration and upon every registration renewal if the vehicle's plate is more than six years old. The first six-year cycle will be completed by July 1, 2005, and DOT will have provided redesigned plates to every vehicle by that date. However, DOT may not redesign or reissue the "Celebrate Children" plates until January 1, 2005. After that date, DOT may redesign and issue those plates upon initial registration or renewal.

This bill creates a seven-year redesign cycle and extends the reissue deadline for each category of registration by one year. The bill requires DOT to wait until July 1, 2007, to redesign plates for three recently designed plates: "Celebrate Children," "Ducks Unlimited," and "professional football team."

Under current law, DOT charges a special license plates fee in addition to the regular registration fee to issue or reissue license plates for certain vehicles that are owned or leased by members of authorized special groups. The fee is \$5, \$10, or \$15, depending on the type of plate, except that there are no fees for special plates for

disabled veterans and other persons entitled to use disabled parking spaces, Congressional Medal of Honor awardees, certain former prisoners of war, Somalia War veterans, and registrants interested in endangered resources. This bill directs DOT to charge \$15 for all special plates, except that there continues to be no charge for special plates for disabled veterans and other disabled persons, Congressional Medal of Honor awardees, and certain former prisoners of war.

Under current law, no person may operate upon a highway any vehicle or combination of vehicles that exceeds certain limits on size, weight, or load unless that person possesses a permit issued by DOT. The fees for certain single trip, annual, consecutive month, and multiple trip permits issued by DOT are 10% higher than the usual rates for the period beginning on January 1, 2000, and ending on June 30, 2003, after which time the fees revert to their previous amounts. This bill delays the sunset date of the permit fee increases from June 30, 2003, to December 31, 2007.

Under current law, DOT charges \$3 for any of the following: a single file search or computerized search of vehicle operating records, a single vehicle operating record contained on computer tape or other electronic media, or a single record of uniform traffic citations or motor vehicle accidents contained on computer tape or other electronic media. DOT charges \$4 to search a single operating record requested by telephone.

In addition, under current law an employer of any person who operates a commercial motor vehicle (a commercial driver) may register any commercial driver employed by the employer on a list maintained by DOT. DOT notifies the employer of any conviction, suspension, revocation, cancellation, disqualification, or out-of-service order against that driver. DOT charges \$3 for each notification that it provides to the employer. This bill increases each of the specified fees by \$2.

Current law requires any motor vehicle that is subject to an emissions test to undergo the test within 90 days before the vehicle's registration is renewed in the second year after the vehicle's model year and every two years thereafter. This bill removes the 90-day requirement and allows DOT to determine when those vehicles will be presented for testing.

TRANSPORTATION AIDS

Under current law, DOT makes general transportation aids payments to a county based on a share-of-costs formula, and to a city, village, or town (municipality) based on the greater of a share-of-costs formula for municipalities or an aid rate per road mile, which is \$1,704 for calendar year 2000 and thereafter. This bill increases the aid rate per road mile to \$1,747 for calendar year 2001 and \$1,790 for calendar year 2002 and thereafter.

This bill increases the maximum amount of general transportation aids that may be paid to counties from the current limit of \$84,059,500 to \$88,598,700 in calendar year 2002 and \$89,239,300 in calendar year 2003 and thereafter. The bill also increases the maximum amount of aid that may be paid to municipalities under

the program from the current limit of \$264,461,500 to \$277,684,500 in calendar year 2002 and \$277,907,200 in calendar year 2003 and thereafter.

Under current law, DOT administers an urban mass transit operating assistance program that provides state aid to local public bodies in urban areas served by mass transit systems to assist with the expenses of operating those systems. Aid paid for mass transit systems that have annual operating expenses of less than \$20,000,000 is determined under a formula. Under the formula, DOT makes state aid payments in amounts sufficient to ensure that the combination of state and federal aids contributed toward the operating expenses of an urban mass transit system equals the uniform percentage established by DOT for each of the two smaller classes of mass transit system. The two smaller classes are: 1) mass transit systems serving urban areas having a population of 50,000 or more but having annual operating expenses of less than \$20,000,000 (Tier B systems); and 2) mass transit systems serving urban areas having a population of less than 50,000 (Tier C systems). "Operating expenses" used in this aid formula are based on actual operating costs from the second preceding year, with adjustments for the projected expenses of new services, for which historical cost data is not available.

This bill deletes the requirement that annual transit aid payments for Tier B and Tier C systems be made based on actual operating costs from the second preceding year. The bill requires that annual state transit aid payments for Tier B and Tier C systems be based on estimated operating costs for that year, effective with calendar year 2001 payments.

The bill also increases the total amount of state aid payments to each class of mass transit system, as follows:

1. For a mass transit system having annual operating expenses in excess of \$80,000,000 (Tier A-1 system), from \$53,555,600 in calendar year 2000 to \$54,894,500 in calendar year 2001 and thereafter.
2. For a mass transit system having annual operating expenses of at least \$20,000,000 but less than \$80,000,000 (Tier A-2 system), from \$14,297,600 in calendar year 2000 to \$14,655,000 in calendar year 2001 and thereafter.
3. For Tier B systems, from \$19,804,200 in calendar year 2000 to \$20,299,300 in calendar year 2001 and thereafter.
4. For Tier C systems, from \$5,349,100 in calendar year 2000 to \$5,482,800 in calendar year 2001 and thereafter.

The bill requires DOT to make supplemental mass transit aid payments in any calendar year for any eligible urban mass transit system for whom the percentage increase in the average cost per passenger trip in the preceding calendar year did not exceed the percentage increase in the consumer price index for that calendar year. DOT must distribute supplemental mass transit aid payments for similar urban mass transit systems on a proportionate basis according to annual ridership on each urban mass transit system during the preceding calendar year.

Under current law, DOT administers a Transportation Facilities Economic Assistance and Development Program. Under the program, DOT may improve a highway, airport, or harbor, or provide other assistance for the improvement of those transportation facilities or certain rail property or railroad tracks, as part of a major economic development project. DOT may also make loans for the improvement of any of these transportation facilities. This bill renames the program the Tommy G. Thompson Transportation Economic Assistance Program.

RAIL AND AIR TRANSPORTATION

This bill increases the authorized general obligation bonding limit for the acquisition and improvement by DOT of rail property from \$23,500,000 to \$28,000,000.

Under current law, with certain exceptions, a property owner is immune from liability for damages occurring on the property while a person is engaged in a recreational activity on the property.

This bill creates an immunity from civil liability for any property owner upon which a rails-with-trails trail is located and for any railroad that operates within an active rail corridor upon which a rails-with-trails trail is located for the death, injury, or property damage resulting from an individual's use of a rails-with-trails trail, regardless of whether the death, injury, or property damage occurred in connection with a recreational activity or occurred on public or private property. Under the bill, a rails-with-trails trail is a strip of land that is located partly or fully within an active rail corridor and is identified in an agreement entered into by a railroad that operates within that rail corridor and a person that is sponsoring and maintaining the strip of land for the use of individuals for purposes specified in the agreement. The immunity does not apply to deaths, injuries, or property damage caused by the property owner's or railroad's willful or wanton acts or omissions.

OTHER TRANSPORTATION

This bill increases the authorized general obligation bonding limit for grants awarded by DOT for harbor improvements from \$22,000,000 to \$25,000,000.

This bill authorizes DOT to award grants to a local professional football stadium district, which is a special purpose district, in each county with a population of more than 150,000 that includes the principal site of an existing, or to be constructed, league-approved home stadium for a professional football team. Under the bill, no grant may be awarded after June 30, 2002.

Under current law, DOT administers a program that distributes federal funds for congestion mitigation and air quality improvement projects. Currently, federal law requires a local matching contribution equal to 20% of the cost of a project. This bill requires DOT to award a grant of \$420,700 to the city of Kenosha to provide 50% of the local matching contribution required for a congestion mitigation and air quality improvement project for a parking facility in the city of Kenosha. As a

condition of receiving the grant, the city of Kenosha must provide matching funds for the project.

Under current law, DOT administers the Safe-Ride Grant Program, under which DOT provides grants to municipalities and nonprofit corporations to cover the costs of transporting persons who have a prohibited alcohol concentration from premises that are licensed to sell alcohol beverages to their places of residence. The program is funded with moneys from the driver improvement surcharge, which is collected from each person who is ordered to pay a fine or forfeiture for operating a motor vehicle while under the influence of an intoxicant, controlled substance, or other drug. A portion of the surcharge is forwarded to the state and 3.76% of the state's portion is appropriated to DOT for the Safe-Ride Grant Program.

This bill eliminates the requirement that 3.76% of the state's portion of the driver improvement surcharge be used to fund the Safe-Ride Grant Program. Under the bill, the secretary of administration may use unencumbered driver improvement surcharge moneys to fund the program after consulting with the secretaries of health and family services and transportation, the superintendent of public instruction, the attorney general, and the president of the UW System.

Under current law, DOT administers a program to reduce the number of automobile trips, especially during peak hours of traffic, and to encourage the shared use of motor vehicles by two or more individuals to or from their places of work or postsecondary school. Under the program, DOT awards grants for the development and implementation of demand management or ride-sharing programs.

This bill makes job access and employment transportation assistance eligible under the program and adds to the program a stated purpose of enhancing the success of welfare-to-work programs.

This bill permits DOT to enter into agreements to accept telecommunications services or any plant or equipment used for telecommunications services as payment for the accommodation of a utility facility within a highway right-of-way.

Under current law, DOT may impose a fee for security and traffic enforcement services provided by the state traffic patrol at any public event that charges spectators an admission fee and that is organized by a private organization. This bill allows DOT to charge a fee for such services at any such event that is publicly or privately organized. The bill also allows DOT to charge a fee for security and traffic enforcement services requested by a person who is installing, inspecting, removing, relocating, or repairing a utility facility that lies within a highway right-of-way.

Current federal law requires DOT to pay specified percentages of expenditures for highway construction projects to disadvantaged business enterprises. A "disadvantaged business enterprise" is a business that is at least 51% owned, controlled, and actively managed by minority group members, women, or other individuals found to be socially and economically disadvantaged, or by a combination

of such individuals. Current federal law also prohibits DOT from discriminating on the basis of race, color, national origin, or sex in the award of any construction contract that is paid for in part using federal funds.

To determine compliance with these requirements and prohibitions, federal law requires DOT to collect and submit to the federal department of transportation data concerning the ownership of businesses that bid for construction contracts let by DOT, and other financial information pertaining to such businesses and their owners. Federal law generally requires DOT to keep confidential such information submitted to it by a disadvantaged business enterprise.

This bill requires DOT to keep confidential certain information requested by DOT for purposes of determining or demonstrating compliance with the federal requirements and prohibitions described above. The information required to be kept confidential consists of information relating to an individual's statement of net worth, a statement of experience, and a company's financial statement, including the gross receipts of a bidder. The bill contains exceptions to allow DOT to disclose the information to the federal department of transportation, to the person to whom the information relates, and to persons having the written consent of that person.

Under current law, DOT administers a Minority Civil Engineer Scholarship and Loan Repayment Incentive Program to foster minority training and employment in civil engineering. DOT may award scholarships to minorities enrolled full time in a bachelor of science degree program in civil engineering, and may award loan repayment grants to minority civil engineers who are employed by DOT and have education loans outstanding.

This bill authorizes DOT to award scholarships to other targeted group members enrolled full time in any accredited bachelor degree program, or in any associate degree program or vocational diploma program at a technical college. Under the bill, a targeted group member is a person with a disability or any member of a class whose race, color, or sex is employed less in any job classification in DOT than is available in the statewide labor market. The bill also allows DOT to award loan repayment grants to targeted group members who are employed by DOT and have education loans outstanding.

VETERANS AND MILITARY AFFAIRS

VETERANS

Currently, under the Veteran's Housing Loan Program, a veteran who meets certain requirements is eligible for a primary mortgage loan. Current law requires a veteran to apply for a primary mortgage loan through a DVA-approved financial institution (authorized lender). The authorized lender evaluates the veteran's credit worthiness. DVA also reviews the loan application to ensure that the veteran meets other requirements of the loan program. If the application is approved by both the authorized lender and DVA, the authorized lender makes the loan and then performs loan-servicing activities, such as collecting the veteran's monthly mortgage payment, forwarding these payments to DVA, and collecting delinquent payments. Before forwarding a monthly mortgage payment to DVA, an authorized lender may

deduct from the veteran's monthly mortgage payment a monthly fee for performing loan-servicing activities.

Also under current law, as a condition of receiving a loan, a veteran must pay to the authorized lender a monthly escrow payment for the payment of real estate taxes and casualty insurance premiums. Current law requires the authorized lender to hold these payments in escrow and then pay to the city and the insurance company the amounts due or the amount escrowed, whichever is less.

Finally, under the loan program, a veteran must have adequate fire and extended coverage insurance. Current law requires that these insurance policies name the authorized lender as an insured.

This bill permits DVA to perform loan-servicing activities for any loans made under the Veteran's Housing Loan Program and to purchase from authorized lenders the rights to service loans that are made under the program.

The bill funds both the loan-servicing activities and the purchase of servicing rights with moneys from the veterans mortgage loan repayment fund but restricts the expenditure or encumbrance of these moneys until after DVA and DOA develop a plan for the most cost-effective method of servicing the loans.

The bill also permits DVA to hold in escrow monthly payments paid by a veteran for real estate taxes and casualty insurance premiums. The bill requires an authorized lender or, if DVA holds the payments in escrow, DVA to pay the amounts due for real estate taxes and insurance premiums regardless of whether the amount held in escrow is sufficient to cover the amounts due. If the amount held in escrow is insufficient to pay the amounts due, the lender or DVA, after paying the amounts due, must recover the balance from the veteran. If the amount held in escrow is more than the amounts due, the lender or DVA, after paying the amounts due, is required to pay the balance to the veteran. Under the bill, DVA may not begin holding monthly escrow payments until the plan for the most cost-effective method of servicing the loans is completed by DVA and DOA.

Currently, veterans who receive a primary mortgage loan under the Veteran's Housing Loan Program must pay the authorized lender an origination fee at the time of closing. This bill requires DVA to pay to authorized lenders, on behalf of disabled veterans who have received from the federal department of veterans affairs at least a 30% connected service disability rating, any origination fees.

Currently, an eligible veteran may receive a home improvement loan of up to \$25,000 under the Veteran's Housing Loan Program. This bill specifies that a veteran may use a home improvement loan to remove or otherwise alter existing home improvements that were made to improve the accessibility of the home for a disabled individual.

Under current federal law, veterans and war orphans may receive federal benefits to cover the costs of training and education at certain approved schools or through certain approved courses of instruction. Federal law delegates the authority to approve these schools and courses of instruction to state agencies. Under current

state law, the educational approval board (EAB), which is attached to DVA, approves these schools and courses of instruction. This bill eliminates the authority of EAB to approve the schools and courses of instruction for the training and education of veterans and war orphans and authorizes DVA to approve these schools and courses.

Currently, under the Veterans' Tuition and Fee Reimbursement Program, DVA reimburses eligible veterans up to 65%, or, in the case of certain disabled veterans, 100%, of the tuition and fees incurred by the veteran while a full-time student at a state institution of higher education or at any institution for which the veteran received a tuition waiver under the Minnesota-Wisconsin student reciprocity agreement. For purposes of calculating the amount of a reimbursement, any grants or scholarships received by the veteran are subtracted from the total tuition and fees incurred by the veteran.

Under the current Part-Time Study Grant Program, DVA reimburses eligible veterans up to 65%, or, in the case of certain disabled veterans, 100%, of the cost of tuition and fees incurred by the veteran for a correspondence course or part-time classroom study at a state institution of higher education, at any public or private high school, or at an institution of higher education that is located outside the state, if the course is not offered in the state, is not offered within 50 miles of the veteran's home, and is not located more than 50 miles from the state boundary line. The reimbursement under either of the above programs may not exceed 65%, and, in the case of certain disabled veterans, 100%, of the standard cost for a state resident at the University of Wisconsin-Madison.

This bill increases the amount an eligible veteran may be reimbursed under either program to 100% of the tuition and fees incurred by the veteran minus any grants or scholarships received by the veteran. The bill also increases the maximum amount of a grant for all eligible veterans under both programs to 100% of the standard cost for a state resident at the University of Wisconsin-Madison. The bill also permits a veteran to receive reimbursement under both programs for tuition and fees incurred by the veteran while a student at a proprietary school that has been approved by EAB or at a school approved by DVA under its authority to approve schools and courses for veterans and war orphans.

Under current law, as a condition of eligibility for most veterans benefit programs, a veteran must have been a resident of this state upon entering or reentering military service or have been a resident of this state for any period of five consecutive years. The same residency requirement applies to veterans who are applying for admission to the Wisconsin Veterans Home at King (WVHK) or the Southern Wisconsin Veterans Retirement Center (SWVRC). In addition, the spouse of a veteran or a parent of a veteran is eligible for admission to WVHK or SWVRC if he or she has been a resident of this state for the five years preceding the date of his or her application for admission. WVHK and SWVRC provide residential treatment and nursing home care to veterans and the spouses and parents of veterans.

Under this bill, a veteran is eligible for those veterans benefit programs that currently have a residency requirement and for admission to WVHK or SWVRC if the veteran was a resident of this state upon entering or reentering military service or has been a resident of this state for any period of 12 consecutive months. Also, under the bill, a spouse or parent of a veteran is eligible for admission to WVHK or SWVRC, if he or she has been a resident of this state for the 12 months preceding the date of his or her application for admission.

Currently, under the Veterans Retraining Grant Program, DVA awards employment retraining grants of up to \$3,000 to eligible veterans who are unemployed, underemployed, or who have received a notice of termination of employment. As a condition of eligibility for a retraining grant, a veteran must be enrolled in a proprietary school that is approved by EAB, other than a proprietary school that offers four-year degrees or four-year programs, be enrolled in a technical college training course, or be engaged in a structured on-the-job training program. This bill permits DVA to pay a retraining grant to a veteran's employer, on behalf of the veteran, if the veteran is engaged in a structured on-the-job training program and is otherwise eligible for the retraining grant program.

This bill requires DVA to pay \$100,000 annually to the Wisconsin department of the Disabled American Veterans to provide transportation services to veterans.

MILITARY AFFAIRS

Under current law, the Wisconsin national guard is composed of the army and air national guard. Current law also allows the adjutant general to establish and organize a state defense force if the national guard is called into the service of the United States. This bill creates a Wisconsin naval militia, which will be under the control of the adjutant general and will be subject to the same policies and procedures as the other military components.

Under current law, regional emergency response teams have been established to respond to a "Level A" release, which is a release of a hazardous substance that necessitates the highest level of protective equipment for the skin and respiratory systems of emergency response personnel. Local emergency response teams are required to respond to a "Level B" release, which is a release of a hazardous substance that necessitates the highest level of protective equipment for the respiratory systems of emergency response personnel but less skin protection than a "Level A" release.

The division of emergency management in DMA (division) is currently required to promulgate rules regarding the duties of local and regional emergency response teams and the governmental units that employ those teams. The division also awards grants for the cost of such duties and reimburses the teams for unreimbursed costs that are incurred in responding to a release. Emergency response teams are required to make a good faith effort to identify the person who is responsible for the hazardous substance release and to determine if that person is financially able to

reimburse the team for its expenses. Currently, a person who is financially able to reimburse the team for expenses incurred in responding to the release is required to reimburse those expenses.

Under this bill, the division must establish the procedures that the emergency response teams must follow to determine if an emergency that requires a team's response exists as the result of a release or potential release of a hazardous substance. Under the bill, the division must reimburse regional and local emergency response teams for costs incurred in responding to an emergency that results from a potential release if procedures have been developed to determine if an emergency exists. A person may be required to reimburse a team for expenses incurred in responding to an emergency that results from a potential release if the team has developed the procedures to determine if an emergency exists.

This bill requires that regional emergency response teams have members that meet the highest standards required under federal law and the National Fire Protection Association and that are trained in each of the appropriate specialty areas under the National Fire Protection Association standard. The bill also requires regional emergency response teams to file annual financial reports with the adjutant general.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

This bill will be referred to the joint survey committee on retirement systems for a detailed analysis, which will be printed as an appendix to this bill.

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

(END)