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1 ***b1727/1.1* 1210.** Page 917, line 22: after that line insert:

2 ***b1727/1.1*** "SECTION 2673m. 118.035 of the statutes is created to read:

is this period bold?

3 **118.035 School uniforms.** (1) In this section, "school" means a public school
4 and includes a charter school other than a charter school under s. 118.40 (2r).

5 (2) A school board may adopt a policy that requires all pupils enrolled in school
6 in the school district, or all pupils enrolled in one or more schools in the school
7 district, to wear a uniform while in school or while under the supervision of a school
8 authority.

9 (3) If a school board adopts a policy under sub. (2), it shall do all of the following:

10 (a) Establish a method whereby the parent or guardian of a pupil enrolled in
11 a school in which the policy is in effect may exempt his or her child from complying
12 with the policy.

13 (b) Ensure that no pupil is penalized academically or otherwise discriminated
14 against because the pupil's parent or guardian has chosen to exempt the pupil from
15 complying with the policy.

16 (c) Notify each parent or guardian of a pupil enrolled in a school in which the
17 policy will be implemented of the policy at least 3 months before the school board
18 implements the policy.

19 (d) Assist economically disadvantaged pupils to obtain the uniforms.

20 (4) The requirements under sub. (3) do not apply to any school board that has
21 in effect on the effective date of this subsection [revisor inserts date], a school
22 uniform policy for pupils enrolled in a school in the school district and has had such
23 a policy in effect continuously since that date.

1 (5) By July 1, 2005, the department shall submit a report to the appropriate
2 standing committees of the legislature under s. 13.172 (3). The report shall address
3 all of the following issues relating to the imposition of school uniforms by school
4 boards:

5 (a) Methods of encouraging the involvement of the parents or guardians of
6 pupils enrolled in a school district in a school board's decision to require school
7 uniforms.

8 (b) The ability of pupils to obtain the uniforms.

9 (c) The effect of the imposition of the requirement on crime in the school,
10 including weapons possession, assault, battery, and vandalism, and on pupil
11 suspensions and expulsions.

12 (6) Nothing in this section affects the authority of a school board to require
13 pupils to wear uniforms for extracurricular activities, and the provisions of sub. (3)
14 do not apply to such a requirement.”.

15 ***b1746/1.1* 1211.** Page 917, line 22: after that line insert:

16 ***b1746/1.1*** “SECTION 2670m. 118.019 (2) (intro.) of the statutes is amended
17 to read:

18 118.019 (2) SUBJECTS. (intro.) A school board may provide an instructional
19 program in human growth and development in grades kindergarten to 12. If
20 provided, the program shall offer information and instruction appropriate to each
21 grade level and the age and level of maturity of the pupils. The Except as provided
22 in sub. (2m), the program may include instruction in any of the following areas:

23 ***b1746/1.1* SECTION 2670p.** 118.019 (2) (e) of the statutes is amended to read:

1 118.019 (2) (e) Human sexuality; reproduction; family planning, as defined in
2 s. 253.07 (1) (a), including natural family planning; human immunodeficiency virus
3 and acquired immunodeficiency syndrome; prenatal development; childbirth;
4 adoption; available prenatal and postnatal support; and male and female
5 responsibility.

6 *b1746/1.1* SECTION 2670q. 118.019 (2m) of the statutes is created to read:
7 118.019 (2m) MARRIAGE AND PARENTAL RESPONSIBILITY. If a school board provides
8 instruction in any of the areas under sub. (2) (e), the school board shall also provide
9 instruction in marriage and parental responsibility.”

10 *b1747/1.1* 1212. Page 917, line 22: after that line insert:

11 *b1747/1.1* “SECTION 2671m. 118.02 (2) of the statutes is amended to read:
12 118.02 (2) February 12, Abraham Lincoln’s birthday.

13 *b1747/1.1* SECTION 2671n. 118.02 (4) of the statutes is amended to read:
14 118.02 (4) February 22, George Washington’s birthday.

15 *b1747/1.1* SECTION 2671p. 118.02 (12) of the statutes is amended to read:
16 118.02 (12) October 12, Christopher Columbus’ birthday.

17 *b1747/1.1* SECTION 2671q. 118.02 (13) of the statutes is amended to read:
18 118.02 (13) November 11, Veterans Day.

19 *b1747/1.1* SECTION 2671r. 118.02 (17) of the statutes is created to read:
20 118.02 (17) April 19, Patriots’ Day.”

21 *b1748/2.1* 1213. Page 917, line 22: after that line insert:

22 *b1748/2.1* “SECTION 2673p. 118.045 (3) of the statutes is amended to read:
23 118.045 (3) A school board may commence the school term before September

24 1 in any school year if it holds a public hearing on the issue and adopts a resolution

1 ~~to that effect in that school year~~ the school board requests the department to allow
2 it to commence the school term before September 1 and the school board includes
3 reasons with its request. The department may grant a request only if it determines
4 that there are extraordinary reasons for granting it. The department shall
5 promulgate rules to implement and administer this subsection.”.

6 *b2188/1.1* **1214.** Page 917, line 22: after that line insert:

7 *b2188/1.1* “SECTION 2674d. 118.06 (title) of the statutes is amended to read:
8 **118.06 (title) Flag and, pledge of allegiance, and national anthem.**

9 *b2188/1.1* SECTION 2674j. 118.06 (2) of the statutes is amended to read:

10 118.06 (2) Every public and private school shall offer the pledge of allegiance
11 or the national anthem in grades one to 8 ~~at the beginning of 12 each school at least~~
12 one day per week. Every private school shall offer the pledge of allegiance or the
13 national anthem in grades one to 12 each school day unless the governing body of the
14 private school determines that the requirement conflicts with the school’s religious
15 doctrines. No pupil may be compelled, against the pupil’s objections or those of the
16 pupil’s parents or guardian, to recite the pledge or to sing the anthem.”.

17 *b2221/3.126* **1215.** Page 917, line 22: after that line insert:

18 *b2221/3.126* “SECTION 2669m. 118.025 of the statutes is amended to read:

19 **118.025 Arbor day observance.** A school principal may request one free tree
20 provided from state forest nurseries by the department of ~~natural resources~~ forestry
21 under s. 28.06 for each 4th grade pupil in the school for planting in conjunction with
22 an annual observance and celebration of arbor day.”.

23 *b2151/2.1* **1216.** Page 917, line 24: after “examinations” insert “and
24 **evaluations”.**

1 ***b2151/2.2* 1217.** Page 918, line 2: delete lines 2 to 10 and substitute
2 "licensed under ch. 449 or evaluated by a physician licensed under ch. 448."

3 ***b2151/2.3* 1218.** Page 918, line 12: after "examination" insert "or
4 evaluation".

5 ***b2151/2.4* 1219.** Page 918, line 18: after "examinations" insert "or
6 evaluations".

7 ***b0861/1.1* 1220.** Page 918, line 19: after that line insert:

8 ***b0861/1.1* "SECTION 2695e.** 118.29 (2) (a) 2r. of the statutes is created to read:
9 118.29 (2) (a) 2r. Except for glucagon administered under subd. 2., may
10 administer glucagon to any pupil who appears to be experiencing a severe
11 hypoglycemic event if, as soon as practicable, the school bus operator, employee, or
12 volunteer reports the event to an emergency medical service provider.

13 ***b0861/1.1* SECTION 2695m.** 118.29 (2) (a) 3. of the statutes is amended to
14 read:

15 118.29 (2) (a) 3. Is immune from civil liability for his or her acts or omissions
16 in administering a drug or prescription drug to a pupil under subd. 1., 2. ~~or~~, 2m. or
17 2r. unless the act or omission constitutes a high degree of negligence. This
18 subdivision does not apply to health care professionals."

19 ***b0929/1.2* 1221.** Page 918, line 19: after that line insert:

20 ***b0929/1.2* "SECTION 2679t.** 118.163 (1m) (c) of the statutes is created to read:
21 118.163 (1m) (c) An order for the person to report to a youth report center after
22 school, in the evening, on weekends, on other nonschool days, or at any other time
23 that the person is not under immediate adult supervision, for participation in the

1 social, behavioral, academic, community service, and other programming of the
2 center as described in s. 938.342 (1d) (c).

3 ***b0929/1.2* SECTION 2679u.** 118.163 (2) (L) of the statutes is created to read:

4 118.163 (2) (L) An order for the person to report to a youth report center after
5 school, in the evening, on weekends, on other nonschool days, or at any other time
6 that the person is not under immediate adult supervision, for participation in the
7 social, behavioral, academic, community service, and other programming of the
8 center as described in s. 938.342 (1g) (k)."

9 ***b2151/2.5* 1222.** Page 918, line 19: after "examinations" insert "or
10 evaluations".

11 ***b2185/1.1* 1223.** Page 919, line 20: after that line insert:

12 ***b2185/1.1* "SECTION 2703m.** 118.30 (1m) (d) of the statutes is amended to
13 read:

14 118.30 (1m) (d) If the school board operates high school grades, beginning in
15 the ~~2002-03~~ 2004-05 school year administer the high school graduation
16 examination adopted by the school board under sub. (1g) (b) to all pupils enrolled in
17 the school district, including pupils enrolled in charter schools located in the school
18 district, in the 11th and 12th grades. The school board shall administer the
19 examination at least twice each school year and may administer the examination
20 only to pupils enrolled in the 11th and 12th grades."

21 ***b1728/1.1* 1224.** Page 920, line 19: after that line insert:

22 ***b1728/1.1* "SECTION 2709m.** 118.30 (2) (f) of the statutes is created to read:

1 118.30 (2) (f) Each school board, and each operator of a charter school under
2 s. 118.40 (2r), shall ensure that no pupil uses a calculator while taking the 4th grade
3 examination under sub. (1m) or (1r).”

4 *b1748/2.2* **1225.** Page 920, line 19: after that line insert:

5 *b1748/2.2* “SECTION 2725m. 118.38 (1) (a) 8. of the statutes is created to read:
6 118.38 (1) (a) 8. The commencement of the school term under s. 118.045.”

7 *b2095/6.9* **1226.** Page 920, line 19: after that line insert:

8 *b2095/6.9* “SECTION 2715p. 118.40 (2r) (a) of the statutes is repealed and
9 recreated to read:

10 118.40 (2r) (a) In this subsection, “instructional staff” has the meaning given
11 in the rules promulgated by the department under s. 121.02 (1) (a) 2.

12 *b2095/6.9* SECTION 2715q. 118.40 (2r) (b) of the statutes is renumbered
13 118.40 (2r) (b) 1. (intro.) and amended to read:

14 118.40 (2r) (b) 1. (intro.) ~~The common council of the city of Milwaukee, the~~
15 ~~chancellor of the University of Wisconsin–Milwaukee and the Milwaukee area~~
16 ~~technical college district board~~ All of the following entities may establish by charter
17 and operate a charter school or, on behalf of their respective entities, may initiate a
18 contract with an individual or group to operate a school as a charter school.:

19 2. A charter shall include all of the provisions specified under sub. (1m) (b) 3.
20 to 14. A contract shall include all of the provisions specified under sub. (1m) (b) 1.
21 to 14. and shall specify the effect of the establishment of the charter school on the
22 liability of the contracting entity under this paragraph. The contract may include
23 other provisions agreed to by the parties. The chancellor of the University of
24 Wisconsin–Milwaukee or of the University of Wisconsin–Parkside may not establish

1 or enter into a contract for the establishment of a charter school under this
2 paragraph without the approval of the board of regents of the University of
3 Wisconsin System.

4 ***b2095/6.9* SECTION 2715qg.** 118.40 (2r) (b) 1. a. to d. of the statutes are
5 created to read:

6 118.40 (2r) (b) 1. a. The common council of the city of Milwaukee.

7 b. The chancellor of the University of Wisconsin–Milwaukee.

8 c. On a pilot basis, the chancellor of the University of Wisconsin–Parkside.

9 d. The Milwaukee area technical college district board.

10 ***b2095/6.9* SECTION 2715qL.** 118.40 (2r) (b) 3. of the statutes is created to
11 read:

12 118.40 (2r) (b) 3. If the chancellor of the University of Wisconsin–Parkside
13 contracts for the establishment of a charter school, the contract shall also provide
14 that the charter school must be operated by a governing board and that the
15 chancellor or his or her designee must be a member of the governing board. In
16 addition, if the contract provides that the instructional staff of the charter school
17 shall consist of employees of the board of regents of the University of Wisconsin
18 System, the contract shall also include provisions that do all of the following:

19 a. Delegate to the governing board of the charter school the board of regents'
20 authority to establish and adjust all compensation and fringe benefits of
21 instructional staff, subject to the terms of any collective bargaining agreement under
22 subch. V of ch. 111 that covers the instructional staff. In the absence of a collective
23 bargaining agreement, the governing board may establish and adjust all
24 compensation and fringe benefits of the instructional staff only with the approval of
25 the chancellor of the University of Wisconsin–Parkside.

1 b. Authorize the governing board of the charter school to perform specified
2 duties for the board of regents with respect to the instructional staff. This
3 authorization may include duties related to supervising the instructional staff,
4 taking disciplinary actions with respect to the instructional staff, recommending
5 new hires or layoffs, collective bargaining, claims, complaints, or benefits and
6 records administration.

7 ***b2095/6.9* SECTION 2715r.** 118.40 (2r) (bm) of the statutes is created to read:

8 118.40 (2r) (bm) The common council of the city of Milwaukee, the chancellor
9 of the University of Wisconsin–Milwaukee, and the Milwaukee area technical college
10 district board may only establish or enter into a contract for the establishment of a
11 charter school located in the school district operating under ch. 119. The chancellor
12 of the University of Wisconsin–Parkside may only establish or enter into a contract
13 for the establishment of a charter school located in a unified school district that is
14 located in the county in which the University of Wisconsin–Parkside is situated or
15 in an adjacent county.

16 ***b2095/6.9* SECTION 2715rg.** 118.40 (2r) (c) of the statutes is renumbered
17 118.40 (2r) (c) 2., and 118.40 (2r) (c) 2. (intro.), as renumbered, is amended to read:

18 118.40 (2r) (c) 2. (intro.) ~~An entity under par. (b) may not establish or enter into~~
19 ~~a contract for the establishment of a charter school located outside of the school~~
20 ~~district operating under ch. 119. A pupil residing within the school district operating~~
21 ~~under ch. 119 may attend a charter school established in the school district operating~~
22 ~~under ch. 119~~ under this subsection only if one of the following applies:

23 ***b2095/6.9* SECTION 2715ri.** 118.40 (2r) (c) 1. of the statutes is created to read:

24 118.40 (2r) (c) 1. Only pupils who reside in the school district in which a charter
25 school established under this subsection is located may attend the charter school.

1 ***b2095/6.9* SECTION 2715sk.** 118.40 (2r) (cm) of the statutes is created to read:

2 118.40 (2r) (cm) The chancellor of the University of Wisconsin–Parkside may
3 establish or enter into a contract for the establishment of only one charter school
4 under this subsection, which may not operate high school grades and which may not
5 accommodate more than 400 pupils.

6 ***b2095/6.9* SECTION 2715sm.** 118.40 (2r) (e) of the statutes is renumbered
7 118.40 (2r) (e) 1. and amended to read:

8 118.40 (2r) (e) 1. From the appropriation under s. 20.255 (2) (fm), the
9 department shall pay to the operator of the charter school an amount equal to the
10 sum of the amount paid per pupil under this ~~paragraph~~ subdivision in the previous
11 school year and the amount of revenue increase per pupil allowed under subch. VII
12 of ch. 121 in the current school year, multiplied by the number of pupils attending
13 the charter school. The department shall pay 25% of the total amount in September,
14 25% in December, 25% in February, and 25% in June. The department shall send the
15 check to the operator of the charter school.

16 ***b2095/6.9* SECTION 2715sn.** 118.40 (2r) (e) 2. of the statutes is created to
17 read:

18 118.40 (2r) (e) 2. If the chancellor of the University of Wisconsin–Parkside
19 establishes or contracts for the establishment of a charter school under this
20 subsection, in March the department shall pay to the unified school district in which
21 the charter school is located, from the appropriation under s. 20.255 (2) (fm), an
22 amount equal to the amount of school aid per pupil to which the unified school district
23 is eligible in the current school year multiplied by the number of pupils attending the
24 charter school who were previously enrolled in the unified school district.

25 ***b2095/6.9* SECTION 2715sp.** 118.40 (2r) (f) of the statutes is created to read:

1 118.40 (2r) (f) If the chancellor of the University of Wisconsin–Parkside
2 establishes or contracts for the establishment of a charter school under this
3 subsection, biennially the chancellor shall submit a report to the legislature under
4 s. 13.172 (2). The report shall include information on the academic performance of
5 the pupils who attend the charter school and on the success of the governance
6 structure of the charter school.

7 ***b2095/6.9* SECTION 2715t.** 118.40 (7) (am) 2. of the statutes is amended to
8 read:

9 118.40 (7) (am) 2. A charter school established under sub. (2r) or a private
10 school located in the school district operating under ch. 119 that is converted to a
11 charter school is not an instrumentality of ~~the any~~ school district ~~operating under ch.~~
12 ~~119~~ and the no school board of that school district may not employ any personnel for
13 the charter school. If the chancellor of the University of Wisconsin–Parkside
14 contracts for the establishment of a charter school under sub. (2r), the board of
15 regents of the University of Wisconsin System may employ instructional staff for the
16 charter school.”.

17 ***b2185/1.2* 1227.** Page 920, line 19: after that line insert: ✓

18 ***b2185/1.2* “SECTION 2707m.** 118.30 (1r) (d) of the statutes is amended to
19 read:

20 118.30 (1r) (d) If the charter school operates high school grades, beginning in
21 the ~~2002–03~~ 2004–05 school year, administer the high school graduation
22 examination adopted by the operator of the charter school under sub. (1g) (b) to all
23 pupils enrolled in the 11th and 12th grades in the charter school. The operator of the
24 charter school shall administer the examination at least twice each school year and

1 may administer the examination only to pupils enrolled in the 11th and 12th
2 grades.”.

3 ***b2185/1.3* 1228.** Page 920, line 19: after that line insert: ✓

4 ***b2185/1.3* “SECTION 2718m.** 118.33 (1) (f) of the statutes is amended to read:

5 118.33 (1) (f) 1. By September 1, ~~2002~~ 2004, each school board operating high
6 school grades shall develop a written policy specifying criteria for granting a high
7 school diploma that are in addition to the requirements under par. (a). The criteria
8 shall include the pupil’s score on the examination administered under s. 118.30 (1m)
9 (d), the pupil’s academic performance and the recommendations of teachers. Except
10 as provided in subd. 2., the criteria apply to pupils enrolled in charter schools located
11 in the school district.

12 2. By September 1, ~~2002~~ 2004, each operator of a charter school under s. 118.40
13 (2r) that operates high school grades shall develop a policy specifying criteria for
14 granting a high school diploma. The criteria shall include the pupil’s score on the
15 examination administered under s. 118.30 (1r) (d), the pupil’s academic performance
16 and the recommendations of teachers.

17 3. Beginning September 1, ~~2003~~ 2005, neither a school board nor an operator
18 of a charter school under s. 118.40 (2r) may grant a high school diploma to any pupil
19 unless the pupil has satisfied the criteria specified in the school board’s or charter
20 school’s policy under subd. 1. or 2.”.

21 ***b2186/1.1* 1229.** Page 920, line 19: after that line insert: ✓

22 ***b2186/1.1* “SECTION 2712m.** 118.30 (3) of the statutes is renumbered 118.30

23 (3) (a) and amended to read:

1 118.30 (3) (a) The state superintendent shall ~~make available upon request,~~
2 ~~allow a person to view an examination required to be administered under this section~~
3 ~~if the person submits to the state superintendent a written request to do so within~~
4 90 days after the date of administration, ~~any of the examination required to be~~
5 ~~administered under this section.~~ This ^{check space} ~~subsection paragraph~~ does not apply while the
6 an examination is being developed or validated.

7 ***b2186/1.1* SECTION 2714m.** 118.30 (3) (b) of the statutes is created to read:

8 118.30 (3) (b) The state superintendent shall promulgate rules establishing
9 procedures to administer par. (a). To the extent feasible, the rules shall protect the
10 security and confidentiality of the examinations required to be administered under
11 this section.”.

12 ***b0957/1.10* 1230.** Page 923, line 7: after that line insert:

13 ***b0957/1.10* “SECTION 2744m.** 119.04 (1) of the statutes is amended to read:

14 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121, and ss. 66.0235 (3) (c),
15 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38
16 (2), 115.45, 118.001 to 118.04, 118.045, 118.06, 118.07, 118.10, 118.12, 118.125 to
17 118.14, 118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18,
18 118.19, 118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258, 118.291,
19 118.30 to 118.43, 118.51, 118.52, 118.55, 120.12 (5) and (15) to ~~(26)~~ (27), 120.125,
20 120.13 (1), (2) (b) to (g), (3), (14), (17) to (19), (26), (34), (35) and (37), 120.14 and
21 120.25 are applicable to a 1st class city school district and board.”.

22 ***b2168/1.1* 1231.** Page 923, line 7: after that line insert:

23 ***b2168/1.1* “SECTION 2752r.** 119.23 (4m) of the statutes is amended to read:

1 119.23 (4m) ~~Beginning in the 1999–2000 school year, in~~ In addition to the
2 payment under sub. (4) the state superintendent shall pay to the parent or guardian
3 of each pupil enrolled in a private school under this section, in the manner described
4 in sub. (4) (c), an amount determined by multiplying 40% of the payment under sub.
5 (4) by the quotient determined by dividing the summer choice average daily
6 membership equivalent of the private school by the total number of pupils for whom
7 payments are being made under sub. (4).”.

8 ***b2169/1.1* 1232.** Page 923, line 7: after that line insert: ✓

9 ***b2169/1.1* “SECTION 2748i.** 119.23 (2) (a) 3. of the statutes is amended to
10 read:

11 119.23 (2) (a) 3. The private school notified the state superintendent of its
12 intent to participate in the program under this section by ~~May~~ February 1 of the
13 previous school year. The notice shall specify the number of pupils participating in
14 the program under this section for which the school has space.”.

15 ***b2220/1.1* 1233.** Page 923, line 7: after that line insert: ✓

16 ***b2220/1.1* “SECTION 2749m.** 119.23 (4) (bm) of the statutes is created to read:

17 119.23 (4) (bm) A pupil enrolled in a 4–year–old kindergarten program shall
18 be counted under par. (b) as provided in s. 121.004 (7) (c) and (cm).”.

19 ***b0986/1.4* 1234.** Page 923, line 8: delete the material beginning with that
20 line and ending with page 924, line 22.

21 ***b0957/1.11* 1235.** Page 924, line 22: after that line insert: ✓

22 ***b0957/1.11* “SECTION 2760m.** 120.12 (27) of the statutes is created to read:

23 120.12 (27) **MINORITY CONTRACTING.** If the school board adopts a policy that
24 authorizes preferences or set–asides to minority businesses in the awarding of a

1 public contract, as defined in s. 60.47 (1) (a), ensure that the policy requires that the
2 minority business be certified by the department of commerce under s. 560.036 (2).”.

3 *b1524/1.8* **1236.** Page 924, line 22: after that line insert:

4 *b1524/1.8* “SECTION 2760g. 120.14 (3) of the statutes is amended to read:

5 120.14 (3) The annual meeting may authorize and direct an audit of the school
6 district accounts by a ~~licensed~~ certified public accountant licensed or certified under
7 ch. 442.

8 *b1524/1.8* SECTION 2760r. 120.18 (1) (gm) of the statutes is amended to read:

9 120.18 (1) (gm) Payroll and related benefit costs for all school district
10 employees in the previous school year. Costs for represented employees shall be
11 based upon the costs of any collective bargaining agreements covering such
12 employees for the previous school year. If, as of the time specified by the department
13 for filing the report, the school district has not entered into a collective bargaining
14 agreement for any portion of the previous school year with the recognized or certified
15 representative of any of its employees and the school district and the representative
16 have been required to submit final offers under s. 111.70 (4) (cm) 6., increased costs
17 limited to the lower of the school district’s offer or the representative’s offer shall be
18 reflected in the report. The school district shall amend the annual report to reflect
19 any change in such costs as a result of any award or settlement under s. 111.70 (4)
20 (cm) 6. between the date of filing the report and October 1. Any such amendment
21 shall be concurred in by the ~~licensed~~ certified public accountant licensed or certified
22 under ch. 442 certifying the school district audit.”.

23 *b1620/1.1* **1237.** Page 924, line 22: after that line insert:

24 *b1620/1.1* “SECTION 2760k. 120.08 (1) (a) of the statutes is amended to read:

1 120.08 (1) (a) Common school districts shall hold an annual meeting on the 4th
2 Monday in July at 8 p.m. and union high school districts shall hold an annual
3 meeting on the 3rd Monday in July at 8 p.m. unless the electors at one annual
4 meeting determine to thereafter hold the annual meeting on a different date or hour,
5 or authorize the school board to establish a different date or hour. No annual meeting
6 may be held before May 15 or after ~~September 30~~ October 31. The first school district
7 meeting in a common or union high school district created under s. 117.08, 117.09,
8 or 117.27 shall be considered an annual meeting.”.

9 ***b2220/1.2* 1238.** Page 925, line 3: after that line insert:

10 ***b2220/1.2* “SECTION 2761d.** 121.004 (7) (c) 1. c. of the statutes is created to
11 read:

12 121.004 (7) (c) 1. c. A pupil enrolled in a 4-year-old kindergarten program who
13 is not a child with a disability, as defined in s. 115.76 (5), shall be counted as 0.3 pupil.

14 ***b2220/1.2* SECTION 2761g.** 121.004 (7) (cm) of the statutes is amended to
15 read:

16 121.004 (7) (cm) ~~A~~ Notwithstanding par. (c) (intro.) and 1. c., a pupil enrolled
17 in a 4-year-old kindergarten program that provides the required number of hours
18 of direct pupil instruction under s. 121.02 (1) (f) 2. shall be counted as 0.6 pupil if the
19 program and that annually provides at least 87.5 additional hours of outreach
20 activities shall be counted as 0.4 pupil if the child is not a child with a disability, as
21 defined in s. 115.76 (5), and as 0.6 pupil if the pupil is a child with a disability.”.

22 ***b2095/6.10* 1239.** Page 925, line 10: after that line insert:

23 ***b2095/6.10* “SECTION 2762d.** 121.02 (1) (a) 2. of the statutes is amended to
24 read:

1 121.02 (1) (a) 2. Ensure that all instructional staff of charter schools located
2 in the school district hold a license or permit to teach issued by the department. The
3 state superintendent shall promulgate rules defining “instructional staff” for
4 purposes of this subdivision ~~and s. 118.40 (2r) (d) 1.”~~.

5 ***b2193/1.22* 1240.** Page 925, line 14: after that line insert: ✓

6 ***b2193/1.22* “SECTION 2764m.** 121.05 (1) (a) 8. of the statutes is amended to
7 read:

8 121.05 (1) (a) 8. Pupils enrolled in the school operated by the Wisconsin School
9 Educational Services Program for the Deaf and Hard of Hearing or the school
10 operated by the Wisconsin Center for the Blind and Visually Impaired under subch.
11 III of ch. 115 for whom the school district is paying tuition under s. 115.53 (2)
12 determined by multiplying the total number of periods in each day in which the
13 pupils are enrolled in the local public school by the total number of days for which
14 the pupils are enrolled in the local public school and dividing the product by 1,080.”.

15 ***b2220/1.3* 1241.** Page 925, line 14: after that line insert: ✓

16 ***b2220/1.3* “SECTION 2764m.** 121.07 (6) (a) (intro.) of the statutes is amended
17 to read:

18 121.07 (6) (a) (intro.) “Shared cost” is the sum of the net cost of the general fund
19 and the net cost of the debt service fund, except that “shared cost” excludes any costs,
20 including attorney fees, incurred by a school district as a result of its participation
21 in a lawsuit commenced against the state, beginning with such costs incurred in the
22 fiscal year in which the lawsuit is commenced, excludes any expenditures from a
23 capital improvement fund created under s. 120.135, excludes any expenditures made
24 as a result of the revenue limit increase under s. 121.91 (4) (L), and excludes the costs

1 of transporting those transfer pupils for whom the school district operating under ch.
2 119 does not receive intradistrict transfer aid under s. 121.85 (6) as a result of s.
3 121.85 (6) (am). In this paragraph, “net cost of the debt service fund” includes all of
4 the following amounts:”

5 *b2167/2.1* **1242.** Page 926, line 2: after that line insert: ✓

6 *b2167/2.1* “SECTION 2767h. 121.08 (4) (a) 2. of the statutes is amended to
7 read:

8 121.08 (4) (a) 2. Divide the sum under subd. 1. by the total amount of state aid
9 that all school districts are eligible to be paid from the appropriation under s. 20.255
10 (2) (ac), calculated as if the reduction under par. ~~(e)~~ (b) had not occurred.

11 *b2167/2.1* SECTION 2767j. 121.08 (4) (a) 3. of the statutes is amended to read:

12 121.08 (4) (a) 3. Multiply the amount of state aid that the school district is
13 eligible to be paid from the appropriation under s. 20.255 (2) (ac), calculated as if the
14 reduction under par. ~~(e)~~ (b) had not occurred, by the quotient under subd. 2.

15 *b2167/2.1* SECTION 2767k. 121.08 (4) (b) of the statutes is amended to read:

16 121.08 (4) (b) The amount of state aid that the school district operating under
17 ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also
18 be reduced by ~~50%~~ 45% of the amounts paid under s. 119.23 (4) and (4m) in the
19 current school year.

20 *b2167/2.1* SECTION 2767L. 121.08 (4) (c) of the statutes is repealed.

21 *b2167/2.1* SECTION 2767Lm. 121.08 (4) (d) of the statutes is amended to
22 read:

23 121.08 (4) (d) The state superintendent shall ensure that the total amount of
24 aid reduction under pars. (a) ~~to (e)~~ and (b) lapses to the general fund.”

1 ***b1994/8.46* 1243.** Page 928, line 7: delete "subd. 1. a." and substitute
2 "subd. 4. a."

 ***NOTE: Corrects an incorrect cross-reference.

3 ***b2220/1.4* 1244.** Page 928, line 17: after "(4)" insert "less the amount of
4 any revenue limit increase under s. 121.91 (4) (L)".

5 ~~***b0892/1.1* 1245.** Page 928, line 22: delete "and".~~

6 ***b2167/2.2* 1246.** Page 928, line 22: delete "and".

7 ***b0892/1.2* 1247.** Page 928, line ~~20~~²¹: after "~~and~~" insert "~~and~~ less the amount
8 of any revenue limit increase under s. 121.91 (4) (j)".

9 ***b2167/2.3* 1248.** Page 928, line 23: after "120.13 (19)" insert "and less an
10 amount equal to 45% of the amount estimated to be paid under s. 119.23 (4) and
11 (4m)".

12 ***b0747/1.5* 1249.** Page 929, line 1: delete lines 1 to 5 and substitute:

13 "121.15 (3m) (a) 2. "State school aids" means those aids appropriated under s.
14 20.255 ^{(1)(b) and} (2), other than s. 20.255 (2) (am), (fm), (fu), (k), (kn), and (m), and under ss.
15 20.275 (1) (d), (es), (et) and (f) and 20.285 (1) (ee), (r) and (rc) and those aids
16 appropriated under s. 20.275 (1) (s) that are used to provide grants or educational
17 telecommunications access to school districts under s. 44.73."

18 ~~***b1709/1.1* 1250.** Page 929, line 2: delete "20.255 (2)," and substitute
19 "20.255 (1) (b) and (2),".~~

20 ***b2193/1.23* 1251.** Page 929, line 5: after that line insert:

21 ***b2193/1.23* "SECTION 2779s.** 121.54 (3) of the statutes is amended to read:

1 121.54 (3) TRANSPORTATION FOR CHILDREN WITH DISABILITIES. Every school board
2 shall provide transportation for children with disabilities, as defined in s. 115.76 (5),
3 to any public or private elementary or high school, to the school operated by the
4 Wisconsin Center for the Blind and Visually Impaired or the school operated by the
5 Wisconsin School Educational Services Program for the Deaf and Hard of Hearing
6 or to any special education program for children with disabilities sponsored by a state
7 tax-supported institution of higher education, including a technical college,
8 regardless of distance, if the request for such transportation is approved by the state
9 superintendent. Approval shall be based on whether or not the child can walk to
10 school with safety and comfort. Section 121.53 shall apply to transportation provided
11 under this subsection.”.

12 ***b2220/1.5* 1252.** Page 930, line 8: after that line insert: ✓

13 ***b2220/1.5*** “SECTION 2788m. 121.90 (1) (f) of the statutes is created to read:

14 121.90 (1) (f) In determining a school district’s revenue limit for the 2002–03
15 school year or for any school year thereafter, the department shall calculate the
16 number of pupils enrolled in each school year prior to the 2002–03 school year under
17 s. 121.004 (7) (c) (intro.), s. 121.004 (7) (c) 1. c., as created by 2001 Wisconsin Act ...
18 (this act), and s. 121.004 (7) (cm), as affected by 2001 Wisconsin Act ... (this act).”.

19 ***b0986/1.5* 1253.** Page 931, line 3: delete lines 3 to 22. ✓

20 ***b0745/1.1* 1254.** Page 932, line 23: after that line insert:

21 ***b0745/1.1*** “SECTION 2798w. 121.91 (4) (k) of the statutes is created to read:

22 121.91 (4) (k) The limit otherwise applicable under sub. (2m) to a school district
23 that is at least 275 square miles in area and in which the number of pupils enrolled

1 in the 2000–01 school year was less than 450 is increased for the 2001–02 school year
2 by the following amount:

3 1. If the number of pupils enrolled in the school district declined between the
4 1996–97 school year and the 2000–01 school year, but the decline was less than 10%,
5 \$100,000.

6 2. If the decline in the number of pupils enrolled between the 1996–97 school
7 year and the 2000–01 school year was at least 10% but not more than 20%, \$175,000.

8 3. If the decline in the number of pupils enrolled between the 1996–97 school
9 year and the 2000–01 school year was more than 20%, \$250,000.”.

10 *b0892/1.3* **1255**. Page 932, line 23: after that line insert:

11 *b0892/1.3* “SECTION 2798g. 121.91 (4) (j) of the statutes is created to read:

12 121.91 (4) (j) If a school board implemented an intradistrict pupil transfer
13 program to reduce racial imbalance in the school district after June 30, 1993, but
14 before the effective date of this paragraph [revisor inserts date], the limit
15 otherwise applicable to the school district under sub. (2m) in the 2001–02, 2002–03,
16 and 2003–04 school years is increased by an amount equal to one-third of the amount
17 received in the 1994–95 school year under s. 121.85 as a result of implementing the
18 program.”.

19 *b2180/4.1* **1256**. Page 932, line 23: after that line insert:

20 *b2180/4.1* “SECTION 2798s. 121.91 (4) (m) of the statutes is created to read:

21 121.91 (4) (m) 1. In this paragraph, “equalized valuation per member” means
22 equalized valuation divided by membership, except as follows:

1 a. For a school district operating only high school grades, “equalized valuation
2 per member” means equalized valuation divided by the result obtained by
3 multiplying membership by 3.

4 b. For a school district operating only elementary grades, “equalized valuation
5 per member” means equalized valuation divided by the result obtained by
6 multiplying membership by 1.5.

7 2. The limit otherwise applicable to a school district under sub. (2m) in any
8 school year is increased by the amount calculated as follows if the school board adopts
9 a resolution approving the increase by a two-thirds vote of the members elect:

10 a. Multiply the statewide average allowable revenue per member in the
11 previous school year by 0.78.

12 b. Divide the statewide average equalized valuation per member by the school
13 district’s equalized valuation per member or by \$120,000, whichever is greater.

14 c. Multiply the product under subd. 2. a. by the quotient under subd. 2. b.

15 d. Multiply the product under subd. 2. c. by the average of the number of pupils
16 enrolled in the school district in the current and the 2 preceding school years.

17 3. The amount of the revenue limit adjustment approved under subd. 2. shall
18 not be included in the base for determining the school district’s revenue limit for the
19 following school year.”

20 ***b2220/1.6* 1257.** Page 932, line 23: after that line insert:

21 ***b2220/1.6* “SECTION 2798gc.** 121.91 (4) (L) of the statutes is created to read:

22 121.91 (4) (L) The limit otherwise applicable to a school district under sub. (2m)

23 in any school year is increased by an amount calculated as follows:

1 1. Multiply the number of pupils who are not children with disabilities, as
2 defined in s. 115.76 (5), and who are enrolled in a 4-year-old kindergarten program
3 in the school district in the current school year, counting each pupil as 1.0 pupil, by
4 0.2.

5 2. Multiply the result under subd. 1. by the school district's allowable revenue
6 per pupil in the current school year.”.

7 ***b1067/1.1* 1258.** Page 933, line 9: delete the material beginning with that
8 line and ending with page 934, line 4.

9 ***b1994/8.47* 1259.** Page 934, line 13: delete “409.504” and substitute
10 “409.610 (2)”.

***NOTE: Corrects cross reference made incorrect by 2001 Wisconsin Act 10.

11 ***b1718/1.1* 1260.** Page 934, line 14: after that line insert:

12 ***b1718/1.1* “SECTION 2802m.** 125.06 (13) of the statutes is created to read:
13 125.06 (13) WINE SAMPLING ON “CLASS A” PREMISES. (a) The provision of wine
14 taste samples of not more than 3 fluid ounces each, free of charge, by a “Class A”
15 licensee to customers and visitors for consumption on the premises. No “Class A”
16 licensee may provide more than 2 taste samples per day to any one person. This
17 subsection applies only between the hours of 10 a.m. and 6 p.m. Notwithstanding
18 s. 125.07 (1) (a) 1., no “Class A” licensee may provide taste samples under this
19 subsection to any underage person. No “Class A” licensee may provide as taste
20 samples under this subsection wine that the “Class A” licensee did not purchase from
21 a wholesaler.

22 (b) Notwithstanding par. (a) and s. 125.10 (1), a municipality may prohibit the
23 provision of wine under this subsection.”.

1 ***b1067/1.2* 1261.** Page 934, line 15: delete lines 15 to 20. ✓

2 ***b1067/1.3* 1262.** Page 935, line 5: delete lines 5 to 12. ✓

3 ***b2197/2.1* 1263.** Page 935, line 12: after that line insert: ✓

4 ***b2197/2.1* "SECTION 2805g.** 125.31 (1) (a) 2. of the statutes is amended to
5 read:

6 125.31 (1) (a) 2. Notwithstanding ss. 125.29 (2) and 125.33 (1), a brewer may
7 maintain and operate one place on brewery premises and one place on real estate
8 owned by the brewer or a subsidiary or affiliate corporation or limited liability
9 company for the sale of fermented malt beverages for which a Class "B" license is
10 required for each place, but, except as provided in ~~subd.~~ subds. 3. and 4., not more
11 than 2 such Class "B" licenses shall be issued to any brewer.

12 ***b2197/2.1* SECTION 2805h.** 125.31 (1) (a) 4. of the statutes is created to read:

13 125.31 (1) (a) 4. Notwithstanding ss. 125.29 (2) and 125.33 (1), in addition to
14 places authorized under subd. 2., a brewer may possess or hold an indirect interest
15 in a Class "B" license for not more than 20 restaurants in each of which the sale of
16 alcohol beverages accounts for less than 60% of the restaurant's gross receipts if no
17 fermented malt beverages manufactured by the brewer are offered for sale in any of
18 these restaurants. No brewer may possess Class "B" licenses under both this
19 subdivision and subd. 3."

20 ***b1994/8.48* 1264.** Page 936, line 2: delete "not withstanding" and ✓
21 substitute "notwithstanding".

****NOTE: Corrects spacing.

22 ***b1067/1.4* 1265.** Page 937, line 23: delete the material beginning with that ✓
23 line and ending with page 939, line 16.

1 ***b0823/1.1* 1266.** Page 939, line 16: after that line insert:

2 ***b0823/1.1* "SECTION 2812se.** 125.51 (4) (br) 1. c. of the statutes is amended
3 to read:

4 125.51 (4) (br) 1. e. Add one license per each increase of 500 population ~~or~~
5 ~~fraction thereof~~ to the population recorded under par. (bm).

6 ***b0823/1.1* SECTION 2812sf.** 125.51 (4) (br) 1. f. of the statutes is created to
7 read:

8 125.51 (4) (br) 1. f. Add one license if the municipality had issued a license
9 under s. 125.51 (4) (br) 1. e., 1999 stats., based on a fraction of 500 population, but
10 a municipality's quota is only increased under this subd. 1. f. as long as the total
11 number of licenses issued by the municipality equals the maximum number of
12 licenses authorized, including under this subd. 1. f.

13 ***b0823/1.1* SECTION 2812sg.** 125.51 (4) (br) 2. of the statutes is amended to
14 read:

15 125.51 (4) (br) 2. Notwithstanding subd. 1., if the difference between the
16 number of licenses determined under par. (b) 1g. and under par. (bm) 1. is 3 or fewer,
17 the number of reserve "Class B" licenses authorized to be issued by that municipality
18 is the difference between the number of licenses determined under par. (b) 1g. and
19 under par. (bm) 1., plus one per each increase of 500 population ~~or fraction thereof~~
20 to the population recorded under par. (bm), plus one if the municipality had issued
21 a license under s. 125.51 (4) (br) 2., 1999 stats., based on a fraction of 500 population
22 but only as long as the total number of licenses issued by the municipality equals the
23 maximum number of licenses authorized."

24 ***b1461/3.16* 1267.** Page 939, line 16: after that line insert:

- 1 (a) A grain dealer, as defined in s. 126.10 (9).
- 2 (b) A grain warehouse keeper, as defined in s. 126.25 (9).
- 3 (c) A milk contractor, as defined in s. 126.40 (8).
- 4 (d) A vegetable contractor, as defined in s. 126.55 (14).
- 5 (6) “Current assets” means cash and other assets, including trade or
6 investment items, that may be readily converted into cash in the ordinary course of
7 business within one year after the date as of which the value of those assets is
8 determined.
- 9 (7) “Current liabilities” means those liabilities that are due within one year
10 after the date as of which the value of those liabilities is determined.
- 11 (8) “Department” means the department of agriculture, trade and consumer
12 protection.
- 13 (9) “Equity” means the value of assets less the value of liabilities.
- 14 (10) “Equity statement” means a report of the change in equity from the
15 beginning to the end of the accounting period covered by the report.
- 16 (11) “Fund” means the agricultural producer security fund established under
17 s. 25.463.
- 18 (12) “Generally accepted accounting principles” means the accounting
19 standards adopted by the Financial Accounting Standards Board, except that for a
20 business entity organized and operating outside the United States “generally
21 accepted accounting principles” includes generally accepted foreign accounting
22 standards that are substantially equivalent to standards adopted by the Financial
23 Accounting Standards Board.

1 (13) “Grain” means corn, wheat, soybeans, oats, barley, rye, buckwheat,
2 sorghum, flax seed, milo, sunflower seed, and mixed grain, as defined in 7 CFR
3 810.801, except that “grain” does not include any of the following:

4 (a) Sweet corn or other canning crops for processing.

5 (b) Seed corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flax
6 seed, milo, sunflower seed, or mixed grain used or intended for use solely for planting
7 purposes.

8 (c) Corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flax seed,
9 milo, sunflower seed, or mixed grain that has been rolled, cracked, roasted, or
10 otherwise processed.

11 (14) “Income statement” means a report of the financial results of business
12 operations for a specific period.

13 (15) “Individual” means a natural person.

14 (16) “Interim financial statement” means a statement of financial condition
15 prepared for a period shorter than a fiscal year.

16 (17) “Milk” has the meaning given in s. 97.22 (1) (e).

17 (18) “Person,” notwithstanding s. 990.01 (26), means an individual,
18 corporation, cooperative, partnership, limited liability company, trust, state agency,
19 as defined in s. 20.001 (1), local governmental unit, as defined in s. 66.0131 (1) (a),
20 or other legal entity.

21 (19) “Producer,” unless otherwise qualified, means a grain producer, as defined
22 in s. 126.10 (10), milk producer, as defined in s. 126.40 (10), or vegetable producer,
23 as defined in s. 126.55 (16).

24 (20) “Reviewed financial statement” means a contractor’s financial statement,
25 other than an audited financial statement, if all of the following apply:

1 (a) The contractor attests in writing, under oath, that the financial statement
2 is complete and accurate.

3 (b) The financial statement is reviewed by an independent certified public
4 accountant ~~or by an independent public accountant who holds a certificate of~~
5 ~~authority~~ ^{licensed or certified} under ch. 442.

6 (21) "Security" means security filed or maintained under s. 126.16, 126.31,
7 126.47, or 126.61.

8 (22) "Sole proprietor" means a contractor who is an individual.

9 (23) "Statement of cash flows" means a report of cash receipts and cash
10 disbursements from operating, investing, and financing activities, including an
11 explanation of changes in cash and cash equivalents for the accounting period
12 covered by the report.

13 (24) "Vegetable" means any vegetable that is grown or sold for use in food
14 processing, whether or not the vegetable is actually processed as food. "Vegetable"
15 includes green beans, kidney beans, lima beans, romano beans, wax beans, beets,
16 cabbage, carrots, celery, cucumbers, onions, peas, potatoes, spinach, squash, and
17 sweet corn, but does not include grain.

18 SUBCHAPTER II

19 AGRICULTURAL PRODUCER

20 SECURITY FUND

21 **126.05 Agricultural producer security fund.** (1) The fund is a public trust
22 and shall be administered to secure payments to producers. Moneys deposited into
23 the fund may be used only for the purposes of this chapter.

24 (2) The department shall deposit into the fund all fees, surcharges,
25 assessments, reimbursements, and proceeds of surety bonds that the department

1 collects under this chapter. The department shall keep a record by contractor and
2 industry, of all deposits.

3 **126.06 Industry bonds. (1) DEPARTMENT TO ACQUIRE BONDS.** Using moneys
4 appropriated under s. 20.115 (1) (v), the department shall acquire and maintain all
5 of the following surety bonds:

6 (a) A surety bond that takes effect on May 1, 2002, to secure payment under
7 s. 126.72 (2) of claims against contributing milk contractors, as defined in s. 126.40
8 (1).

9 (b) A surety bond that takes effect on September 1, 2002, to secure payment
10 under s. 126.72 (2) of claims against contributing grain dealers, as defined in s.
11 126.10 (3), and contributing grain warehouse keepers, as defined in s. 126.25 (2).

12 (c) A surety bond that takes effect on February 1, 2002, to secure payment
13 under s. 126.72 (2) of claims against contributing vegetable contractors, as defined
14 in s. 126.55 (4).

15 (2) **BOND TERMS.** The department shall ensure all of the following:

16 (a) That the amount of each bond under sub. (1) is at least \$5,000,000 but not
17 more than \$20,000,000.

18 (b) That the amount of each bond under sub. (1) renews annually.

19 (c) That each bond under sub. (1) is payable to the department for the benefit
20 of the appropriate claimants under sub. (1).

21 (d) That each bond under sub. (1) is issued by a person who is authorized to
22 operate a surety business in this state.

23 (dm) That no surety issues more than one of the 3 bonds under sub. (1).

24 (e) That no bond issued under sub. (1) may be canceled or modified unless one
25 of the following applies:

1 1. The department agrees to the cancellation or modification.

2 2. The department receives written notice from the issuer in person or by
3 certified mail at least one year before the proposed cancellation or modification.

4 (f) That the issuer of each bond under sub. (1) issues the bond in a form, and
5 subject to any terms and conditions, that the department considers appropriate.

6 **(3) BOND PROCUREMENT.** The department shall procure the surety bonds under
7 sub. (1) according to the procedures provided in subch. IV of ch. 16.

8 **126.07 Blanket bond. (1) DEPARTMENT TO ACQUIRE BOND.** Using moneys
9 appropriated under s. 20.115 (1) (v), the department shall acquire and maintain a
10 surety bond, that takes effect on February 1, 2002, to secure payment under s. 126.72
11 (3) of claims against contributing contractors, as defined in s. 126.68 (1).

12 **(2) BOND TERMS.** The department shall ensure all of the following:

13 (a) That the amount of the bond under sub. (1) is at least \$20,000,000 but not
14 more than \$40,000,000.

15 (b) That the amount of the bond under sub. (1) renews annually.

16 (c) That the bond under sub. (1) is payable to the department for the benefit of
17 claimants described in sub. (1).

18 (d) That the bond under sub. (1) is jointly issued by at least 3 persons acting
19 as cosureties on the bond and that each of the persons is authorized to operate a
20 surety business in this state.

21 (e) That no issuer of the bond under sub. (1) may cancel or modify the bond, or
22 withdraw as a cosurety, unless one of the following applies:

23 1. The department agrees to the cancellation, modification, or withdrawal.

1 (3) “Contributing grain dealer” means a grain dealer who is licensed under s.
2 126.11, who either has paid one or more quarterly installments under s. 126.15 (7)
3 or is required to contribute to the fund, but the first quarterly installment under s.
4 126.15 (7) is not yet due, and who is not disqualified from the fund under s. 126.14
5 (2).

6 (4) “Current ratio” means the ratio of the value of current assets to the value
7 of current liabilities, calculated according to s. 126.13 (6) (c) 1.

8 (5) “Debt to equity ratio” means the ratio of the value of liabilities to equity,
9 calculated according to s. 126.13 (6) (c) 2.

10 (6) “Deferred payment contract” means a contract for the procurement of grain
11 under which a grain dealer takes custody or control of producer grain more than 7
12 days before paying for the grain in full. “Deferred payment contract” includes a
13 deferred price contract.

14 (7) “Deferred price contract” means a contract for the procurement of grain
15 under which a grain dealer takes custody or control of producer grain more than 7
16 days before the price of that grain must be determined under the contract.

17 (8) “Disqualified grain dealer” means a grain dealer who is disqualified from
18 the fund under s. 126.14 (2).

19 (9) “Grain dealer” means a person who buys producer grain or who markets
20 producer grain as a producer agent. “Grain dealer” does not include any of the
21 following:

22 (a) A person who merely brokers a contract between a grain producer and a
23 grain dealer without becoming a party to the contract, taking control of grain, or
24 accepting payment on behalf of the grain producer.

1 (b) A person who merely buys or sells grain on a board of trade or commodity
2 exchange.

3 (10) “Grain producer” means a person who grows grain.

4 (10m) “License year” means the period beginning on September 1 and ending
5 on the following August 31.

6 (11) “Procure grain” means to buy grain or acquire the right to market grain.

7 (12) “Procure producer grain in this state” means any of the following:

8 (a) To buy producer grain for receipt in this state.

9 (b) To acquire the right to market producer grain grown in this state.

10 (13) “Producer agent” means a person who acts on behalf of a grain producer
11 to market or accept payment for the grain producer’s grain without taking title to
12 that grain, including a person who uses a producer trust fund to market or accept
13 payment for producer grain. “Producer agent” does not include any of the following:

14 (a) A person who merely brokers a contract between a grain producer and a
15 grain dealer, without becoming a party to the contract, taking control of grain, or
16 accepting payment on behalf of the grain producer.

17 (b) A person who merely holds or transports grain for a grain producer without
18 marketing the grain or accepting payment on behalf of the grain producer.

19 (14) “Producer grain” means grain that is owned by or held in trust for one or
20 more grain producers. “Producer grain” includes grain that a producer agent
21 markets for a grain producer, without taking title to the grain.

22 **126.11 Grain dealers; licensing.** (1) LICENSE REQUIRED. Except as provided
23 in sub. (2), no grain dealer may procure producer grain in this state without a current
24 annual license from the department.

1 (2) EXEMPT GRAIN DEALERS. The following grain dealers are not required to hold
2 a license under this section, but may volunteer to be licensed:

3 (a) A grain dealer who pays cash on delivery for all producer grain.

4 (b) A grain dealer who buys producer grain solely for the grain dealer's own use
5 as feed or seed and who spends less than \$400,000 per license year for that grain.

6 (2m) LICENSE TERMS. A license under this section expires on the August 31
7 following its issuance. No person may transfer or assign a license issued under this
8 section.

9 (3) LICENSE APPLICATION. A grain dealer shall apply for an annual license under
10 this section in writing, on a form provided by the department. An applicant shall
11 provide all of the following:

12 (a) The applicant's legal name and any trade name under which the applicant
13 proposes to operate as a grain dealer.

14 (b) A statement of whether the applicant is an individual, corporation,
15 partnership, cooperative, limited liability company, trust, or other legal entity. If the
16 applicant is a corporation or cooperative, the applicant shall identify each officer of
17 the corporation or cooperative. If the applicant is a partnership, the applicant shall
18 identify each partner.

19 (c) The mailing address of the applicant's primary business location and the
20 name of a responsible individual who may be contacted at that location.

21 (d) The street address of each business location from which the applicant
22 operates in this state as a grain dealer and the name of a responsible individual who
23 may be contacted at each location that is staffed.

24 (e) All license fees and surcharges required under sub. (4).

25 (f) The sworn and notarized statement required under sub. (9).

1 (g) A financial statement if required under s. 126.13 (1) and not yet filed.

2 (h) Other relevant information required by the department.

3 (4) LICENSE FEES AND SURCHARGES. A grain dealer applying for an annual license
4 under this section shall pay the following fees and surcharges, unless the
5 department specifies a different fee or surcharge amount by rule:

6 (a) A nonrefundable license processing fee of \$25.

7 (b) The following license fees based on the grain dealer's reported grain
8 payments under sub. (9) (a), less any credit provided under sub. (6):

9 1. A fee of \$500, plus \$225 per business location in excess of one business
10 location, if the amount under sub. (9) (a) is at least \$500,000.

11 2. A fee of \$200 if the amount under sub. (9) (a) is at least \$50,000 but less than
12 \$500,000.

13 3. A fee of \$50 if the amount under sub. (9) (a) is less than \$50,000.

14 (c) A license fee of \$45 for each truck, in excess of one truck, that the grain dealer
15 uses to haul grain in this state.

16 (d) A license surcharge of \$425 if the grain dealer files a financial statement
17 under s. 126.13 (1) that is not an audited financial statement.

18 (e) A license surcharge of \$500 if the department determines that, within 365
19 days before submitting the license application, the applicant operated as a grain
20 dealer without a license in violation of sub. (1). The applicant shall also pay any
21 license fees, license surcharges, and fund assessments that are still due for any
22 license year in which the applicant violated sub. (1).

23 (f) A license surcharge of \$100 if during the preceding 12 months the applicant
24 failed to file an annual financial statement required under s. 126.13 (1) (b) by the
25 deadline specified in s. 126.13 (1) (c).

1 (g) A license surcharge of \$100 if a renewal applicant fails to renew a license
2 by the license expiration date of August 31. This paragraph does not apply to a grain
3 dealer who is exempt under sub. (2) and is voluntarily licensed.

4 (4m) EFFECT OF PAYMENT OF SURCHARGE. Payment under sub. (4) (e) does not
5 relieve the applicant of any other civil or criminal liability that results from the
6 violation of sub. (1), but does not constitute evidence of any law violation.

7 (5) LICENSE FOR PART OF YEAR; FEES. A person who applies for an annual grain
8 dealer license after the beginning of a license year shall pay the full annual fee
9 amounts required under sub. (4).

10 (6) FEE CREDITS. If the balance in the fund contributed by grain dealers exceeds
11 \$2,000,000 on June 30 of any license year, the department shall credit 50% of the
12 excess amount against fees charged under sub. (4) (b) to contributing grain dealers
13 who file timely license renewal applications for the next license year. The
14 department shall credit each contributing grain dealer on a prorated basis, in
15 proportion to the total fees that the grain dealer paid under sub. (4) (b) for the 4
16 preceding license years.

17 (7) FEE STATEMENT. The department shall provide, with each license application
18 form, a written statement of all license fees and surcharges required under sub. (4)
19 or the formula for determining them. The department shall specify any fee credit for
20 which the applicant may qualify under sub. (6).

21 (8) NO LICENSE WITHOUT FULL PAYMENT. The department may not issue an
22 annual license under sub. (1) until the applicant pays all license fees and surcharges
23 identified in the department's statement under sub. (7). The department shall
24 refund a fee or surcharge paid under protest if upon review the department
25 determines that the fee or surcharge is not applicable.

1 **(9) SWORN AND NOTARIZED STATEMENT.** As part of a license application under sub.
2 (3), an applicant shall provide a sworn and notarized statement, signed by the
3 applicant or an officer of the applicant, that reports all of the following:

4 (a) The total amount that the applicant paid, during the applicant's last
5 completed fiscal year, for producer grain procured in this state. If the applicant has
6 not yet operated as a grain dealer in this state, the applicant shall estimate the
7 amount that the applicant will pay during the applicant's first complete fiscal year
8 for producer grain procured in this state.

9 (b) The amount of the payments under par. (a) made under deferred payment
10 contracts.

11 (c) Whether the applicant has had any obligations under deferred payment
12 contracts, for grain procured in this state, at any time since the beginning of the
13 applicant's last completed fiscal year.

14 **(10) ACTION GRANTING OR DENYING APPLICATION.** The department shall grant or
15 deny an application under sub. (3) within 30 days after the department receives a
16 complete application. If the department denies a license application, the department
17 shall give the applicant a written notice stating the reason for the denial.

18 **(11) LICENSE DISPLAYED.** A grain dealer licensed under sub. (1) shall
19 prominently display a copy of that license at the following locations:

20 (a) On each truck that the grain dealer uses to haul grain in this state.

21 (b) At each business location from which the grain dealer operates in this state.

22 **126.12 Grain dealers; insurance. (1) FIRE AND EXTENDED COVERAGE**
23 **INSURANCE.** A grain dealer licensed, or required to be licensed, under s. 126.11 shall
24 maintain fire and extended coverage insurance, issued by an insurance company
25 authorized to do business in this state, that covers all grain in the custody of the grain

1 dealer, whether owned by the grain dealer or held for others, at the full local market
2 value of the grain.

3 (2) INSURANCE CANCELLATION; REPLACEMENT. Whenever an insurance policy
4 under sub. (1) is canceled, the grain dealer shall replace the policy so that there is
5 no lapse in coverage.

6 (3) INSURANCE COVERAGE; MISREPRESENTATION. No grain dealer may
7 misrepresent any of the following to the department or to any grain producer or
8 producer agent:

9 (a) That the grain dealer is insured.

10 (b) The nature, coverage, or material terms of the grain dealer's insurance
11 policy.

12 **126.13 Grain dealers; financial statements.** (1) REQUIRED ANNUAL
13 FINANCIAL STATEMENT. (a) A grain dealer shall file an annual financial statement with
14 the department, before the department first licenses the grain dealer under s. 126.11,
15 if the grain dealer's license application reports any of the following:

16 1. More than \$500,000 in grain payments under s. 126.11 (9) (a).

17 2. Any deferred payment contract obligations under s. 126.11 (9) (c).

18 (b) A grain dealer licensed under s. 126.11 shall file an annual financial
19 statement with the department during each license year if the grain dealer's license
20 application for that year reports any of the following:

21 1. More than \$500,000 in grain payments under s. 126.11 (9) (a) unless the
22 grain dealer is a contributing grain dealer who procures producer grain in this state
23 solely as a producer agent.

24 2. Any deferred payment contract obligations under s. 126.11 (9) (c).

1 (c) A grain dealer shall file an annual financial statement under par. (b) by the
2 15th day of the 4th month following the close of the grain dealer's fiscal year, except
3 that the department may extend the filing deadline for up to 30 days if the grain
4 dealer, or the accountant reviewing or auditing the financial statement, files a
5 written extension request at least 10 days before the filing deadline.

6 (d) A grain dealer licensed under s. 126.11 may not incur any obligations under
7 deferred payment contracts for grain procured in this state unless the contractor first
8 notifies the department and files an annual financial statement with the
9 department.

10 (2) VOLUNTARY ANNUAL FINANCIAL STATEMENT. A contributing grain dealer who
11 is not required to file a financial statement under sub. (1) may file an annual
12 financial statement with the department to qualify for a lower fund assessment
13 under s. 126.15.

14 (3) REVIEWED OR AUDITED FINANCIAL STATEMENT. (a) A grain dealer filing an
15 annual financial statement under sub. (1) or (2) shall file an audited financial
16 statement if any of the following applies:

17 1. The grain dealer's license application reports more than \$3,000,000 in
18 payments under s. 126.11 (9) (a).

19 2. The grain dealer's last 2 license applications report more than \$2,000,000
20 in payments under s. 126.11 (9) (a).

21 (b) If par. (a) does not apply, a grain dealer filing an annual financial statement
22 under sub. (1) or (2) shall file either a reviewed financial statement or an audited
23 financial statement.

24 (4) ACCOUNTING PERIOD. A grain dealer filing an annual financial statement
25 under sub. (1) or (2) shall file a financial statement that covers the grain dealer's last

1 completed fiscal year unless the grain dealer has been in business for less than one
2 year.

3 **(4m) INTERIM FINANCIAL STATEMENT.** The department may, at any time, require
4 a grain dealer licensed under s. 126.11 to file an interim financial statement with the
5 department. The grain dealer shall provide, with the interim financial statement,
6 the grain dealer's sworn and notarized statement that the financial statement is
7 correct. An interim financial statement need not be a reviewed financial statement
8 or an audited financial statement.

9 **(5) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.** (a) Except as provided in par.
10 (b), a grain dealer filing an annual financial statement under this section shall file
11 a financial statement that is prepared according to generally accepted accounting
12 principles.

13 (b) If a grain dealer is a sole proprietor and the grain dealer's financial
14 statement is not audited, the grain dealer shall file a financial statement that is
15 prepared on a historical cost basis.

16 **(6) FINANCIAL STATEMENT CONTENTS.** (a) Except as provided in par. (b), a grain
17 dealer filing a financial statement under this section shall file a financial statement
18 that consists of a balance sheet, income statement, equity statement, statement of
19 cash flows, notes to those statements, and any other information required by the
20 department. If the grain dealer is a sole proprietor, the grain dealer shall file his or
21 her business and personal financial statements. A grain dealer shall disclose on the
22 grain dealer's financial statement, separately and clearly, the grain dealer's unpaid
23 obligations to grain producers and producer agents.

1 (b) If a grain dealer has been in business for less than one year, the grain dealer
2 may file an annual financial statement under sub. (1) or (2) consisting of a balance
3 sheet and notes.

4 (c) A grain dealer filing a financial statement under this section shall include
5 in the financial statement, or in an attachment to the financial statement,
6 calculations of all of the following:

7 1. The grain dealer's current ratio, excluding any assets required to be excluded
8 under sub. (7).

9 2. The grain dealer's debt to equity ratio, excluding any assets required to be
10 excluded under sub. (7).

11 (7) ASSETS EXCLUDED. A grain dealer may not include any of the following assets
12 in the calculations under sub. (6) (c) unless the department specifically approves
13 their inclusion:

14 (a) A nontrade note or account receivable from an officer, director, employee,
15 partner, or stockholder, or from a member of the family of any of those individuals,
16 unless the note or account receivable is secured by a first priority security interest
17 in real or personal property.

18 (b) A note or account receivable from a parent organization, a subsidiary, or an
19 affiliate, other than an employee.

20 (c) A note or account that has been receivable for more than one year, unless
21 the grain dealer has established an offsetting reserve for uncollectible notes and
22 accounts receivable.

23 (9) ENTITY COVERED. A person filing a financial statement under this section
24 may not file, in lieu of that person's financial statement, the financial statement of
25 the person's parent organization, subsidiary, predecessor, or successor.

1 (10) DEPARTMENT REVIEW. The department may analyze a financial statement
2 submitted under this section and may reject a financial statement that fails to
3 comply with this section.

4 **126.14 Contributing grain dealers; disqualification.** (1) CONTRIBUTION
5 REQUIRED. A grain dealer who is required to be licensed under s. 126.11 (1) shall pay
6 fund assessments under s. 126.15 unless the grain dealer is disqualified under sub.
7 (2). A grain dealer who is voluntarily licensed under s. 126.11 may pay voluntary
8 assessments under s. 126.15, unless the grain dealer is disqualified under sub. (2).

9 (2) DISQUALIFIED GRAIN DEALER. (a) A grain dealer who is required to file
10 security under s. 126.16 (1) (a) is disqualified from the fund until the department
11 determines that one of the conditions in s. 126.16 (8) (a) 1. and 2. is satisfied.

12 (b) A grain dealer is disqualified from the fund, and required to pay cash on
13 delivery for producer grain, if any of the following occurs:

14 1. The department denies, suspends, or revokes the grain dealer's license.

15 2. The department issues a written notice disqualifying the grain dealer for
16 cause, including failure to pay fund assessments under s. 126.15 when due or failure
17 to file a financial statement under s. 126.13 when due.

18 3. The grain dealer fails to reimburse the department, within 60 days after the
19 department issues a reimbursement demand under s. 126.73 (1), for the full amount
20 that the department pays to claimants under s. 126.72 (1) because of that grain
21 dealer's default.

22 4. The grain dealer fails to reimburse a bond surety, within 60 days after the
23 bond surety issues a reimbursement demand under s. 126.73 (2), for the full amount
24 that the surety pays to the department under s. 126.72 (2) or (3) for the benefit of
25 claimants affected by that grain dealer's default.

1 **(3) PAYMENTS BY DISQUALIFIED GRAIN DEALER.** (a) The department may not return
2 to a disqualified grain dealer any fund assessments that the grain dealer paid as a
3 contributing grain dealer.

4 (b) A disqualified grain dealer remains liable for any unpaid fund installment
5 under s. 126.15 that became due while the grain dealer was a contributing grain
6 dealer. A disqualified grain dealer is not liable for any fund installment that becomes
7 due after the grain dealer is disqualified under sub. (2).

8 **126.15 Contributing grain dealers; fund assessments.** (1) **GENERAL.** A
9 contributing grain dealer shall pay an annual fund assessment for each license year.
10 The assessment equals \$20 or the sum of the following, whichever is greater, unless
11 the department by rule specifies a different assessment:

12 (a) The grain dealer's current ratio assessment. The current ratio assessment
13 for a license year equals the grain dealer's current ratio assessment rate under sub.
14 (2) multiplied by the amount reported under s. 126.11 (9) (a) in the grain dealer's
15 license application for that license year.

16 (b) The grain dealer's debt to equity ratio assessment. The debt to equity ratio
17 assessment for a license year equals the grain dealer's debt to equity ratio
18 assessment rate under sub. (4) multiplied by the amount reported under s. 126.11
19 (9) (a) in the grain dealer's license application for that license year.

20 (c) The grain dealer's deferred payment assessment. The deferred payment
21 assessment for a license year equals the grain dealer's deferred payment assessment
22 rate under sub. (6) multiplied by the payment amount, if any, that the grain dealer
23 reports under s. 126.11 (9) (b) in the grain dealer's license application for that license
24 year.

1 (2) CURRENT RATIO ASSESSMENT RATE. A grain dealer's current ratio assessment
2 rate is calculated, at the beginning of the license year, as follows:

3 (a) If the grain dealer has filed an annual financial statement under s. 126.13
4 and that financial statement shows a current ratio of at least 1.25 to 1.0, the grain
5 dealer's current ratio assessment rate equals the greater of zero or the current ratio
6 assessment factor in sub. (3) (a) multiplied by the following amount:

- 7 1. Subtract one from the current ratio.
- 8 2. Divide the amount determined under subd. 1. by 3.
- 9 3. Multiply the amount determined under subd. 2. by negative one.
- 10 4. Raise the amount determined under subd. 3. to the 3rd power.
- 11 5. Subtract 0.75 from the current ratio.
- 12 6. Divide 0.65 by the amount determined under subd. 5.
- 13 7. Raise the amount determined under subd. 6. to the 5th power.
- 14 8. Add the amount determined under subd. 4. to the amount determined under
15 subd. 7.
- 16 9. Add 2 to the amount determined under subd. 8.

17 (b) If the grain dealer has filed an annual financial statement under s. 126.13
18 and that financial statement shows a current ratio of less than 1.25 to 1.0, but greater
19 than 1.0 to 1.0, the grain dealer's current ratio assessment rate equals the current
20 ratio assessment factor in sub. (3) (b) multiplied by the following amount:

- 21 1. Subtract one from the current ratio.
- 22 2. Divide the amount determined under subd. 1. by 3.
- 23 3. Multiply the amount determined under subd. 2. by negative one.
- 24 4. Raise the amount determined under subd. 3. to the 3rd power.
- 25 5. Subtract 0.75 from the current ratio.

1 6. Divide 0.65 by the amount determined under subd. 5.

2 7. Raise the amount determined under subd. 6. to the 5th power.

3 8. Add the amount determined under subd. 4. to the amount determined under
4 subd. 7.

5 9. Add 2 to the amount determined under subd. 8.

6 (c) If the grain dealer has filed an annual financial statement under s. 126.13
7 and that financial statement shows a current ratio of less than or equal to 1.0 to 1.0,
8 the grain dealer's current ratio assessment rate equals the current ratio assessment
9 factor in sub. (3) (b) multiplied by 120.81376.

10 (d) Except as provided in par. (e), if the grain dealer has not filed an annual
11 financial statement under s. 126.13, the grain dealer's current ratio assessment rate
12 equals the current ratio assessment factor in sub. (3) (b) multiplied by 5.71235.

13 (e) If the grain dealer has not filed an annual financial statement under s.
14 126.13 and the grain dealer procures grain in this state solely as a producer agent,
15 the grain dealer's current ratio assessment rate is 0.00025, except that, for the grain
16 dealer's 5th or higher consecutive full license year of participation in the fund, the
17 grain dealer's current ratio assessment rate is 0.000175.

18 **(3) CURRENT RATIO ASSESSMENT FACTOR.** (a) A grain dealer's current ratio
19 assessment factor under sub. (2) (a) is 0.00003 except that, for the grain dealer's 5th
20 or higher consecutive full license year as a contributing grain dealer, the grain
21 dealer's current ratio assessment factor is zero.

22 (b) A grain dealer's current ratio assessment factor under sub. (2) (b) to (d) is
23 0.000045 except that, for the grain dealer's 5th or higher consecutive full license year
24 as a contributing grain dealer, the grain dealer's current ratio assessment factor is
25 0.000036.

1 (4) DEBT TO EQUITY ASSESSMENT RATE. A grain dealer's debt to equity ratio
2 assessment rate is calculated, at the beginning of the license year, as follows:

3 (a) If the grain dealer has filed an annual financial statement under s. 126.13
4 and that financial statement shows positive equity and a debt to equity ratio of not
5 more than 4.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals
6 the greater of zero or the debt to equity ratio assessment factor in sub. (5) (a)
7 multiplied by the following amount:

- 8 1. Subtract 4 from the debt to equity ratio.
- 9 2. Divide the amount determined under subd. 1. by 3.
- 10 3. Raise the amount determined under subd. 2. to the 3rd power.
- 11 4. Subtract 1.7 from the debt to equity ratio.
- 12 5. Divide the amount determined under subd. 4. by 1.75.
- 13 6. Raise the amount determined under subd. 5. to the 7th power.
- 14 7. Add the amount determined under subd. 3. to the amount determined under
15 subd. 6.
- 16 8. Add 2 to the amount determined under subd. 7.

17 (b) If the grain dealer has filed an annual financial statement under s. 126.13
18 and that financial statement shows a debt to equity ratio of greater than 4.0 to 1.0,
19 but less than 5.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals
20 the debt to equity ratio assessment factor in sub. (5) (b) multiplied by the following
21 amount:

- 22 1. Subtract 4 from the debt to equity ratio.
- 23 2. Divide the amount determined under subd. 1. by 3.
- 24 3. Raise the amount determined under subd. 2. to the 3rd power.
- 25 4. Subtract 1.7 from the debt to equity ratio.

1 5. Divide the amount determined under subd. 4. by 1.75.

2 6. Raise the amount determined under subd. 5. to the 7th power.

3 7. Add the amount determined under subd. 3. to the amount determined under
4 subd. 6.

5 8. Add 2 to the amount determined under subd. 7.

6 (c) If the grain dealer has filed an annual financial statement under s. 126.13
7 and that financial statement shows negative equity or a debt to equity ratio of at least
8 5.0 to 1.0, the grain dealer's debt to equity ratio assessment rate equals the debt to
9 equity ratio assessment factor in sub. (5) (b) multiplied by 86.8244.

10 (d) Except as provided in par. (e), if the grain dealer has not filed an annual
11 financial statement under s. 126.13, the grain dealer's debt to equity ratio
12 assessment rate equals the debt to equity ratio assessment factor in sub. (5) (b)
13 multiplied by 8.77374.

14 (e) If the grain dealer has not filed an annual financial statement under s.
15 126.13 and the grain dealer procures grain in this state solely as a producer agent,
16 the grain dealer's debt to equity ratio assessment rate is 0.00025, except that it is
17 0.000175 for the grain dealer's 5th or higher consecutive full license year of
18 participation in the fund.

19 **(5) DEBT TO EQUITY RATIO ASSESSMENT FACTOR.** (a) A grain dealer's debt to equity
20 ratio assessment factor under sub. (4) (a) is 0.0000125, except that it is zero for the
21 grain dealer's 5th or higher consecutive full license year as a contributing grain
22 dealer.

23 (b) A grain dealer's debt to equity ratio assessment factor under sub. (4) (b) to
24 (d) is 0.00001875, except that it is 0.000015 for the grain dealer's 5th or higher
25 consecutive full license year as a contributing grain dealer.

1 **(6) DEFERRED PAYMENT ASSESSMENT RATE.** A grain dealer's deferred payment
2 assessment rate is 0.0035, except that it is 0.002 for the grain dealer's 5th or higher
3 consecutive full license year as a contributing grain dealer.

4 **(7) QUARTERLY INSTALLMENTS.** (a) A contributing grain dealer shall pay the
5 grain dealer's annual fund assessment in equal quarterly installments that are due
6 as follows:

7 1. The first installment is due on October 1 of the license year.

8 2. The 2nd installment is due on January 1 of the license year.

9 3. The 3rd installment is due on April 1 of the license year.

10 4. The 4th installment is due on July 1 of the license year.

11 (b) A contributing grain dealer may prepay any of the quarterly installments
12 under par. (a).

13 (c) A contributing grain dealer who applies for an annual license after the
14 beginning of a license year shall pay the full annual fund assessment required under
15 this section. The grain dealer shall pay, with the first quarterly installment that
16 becomes due after the day on which the department issues the license, all of that
17 year's quarterly installments that became due before that day.

18 (d) A contributing grain dealer who fails to pay the full amount of any quarterly
19 installment when due shall pay, in addition to that installment, a late payment
20 penalty of \$50 or 10% of the overdue installment amount, whichever is greater.

21 **(8) NOTICE OF ANNUAL ASSESSMENT AND QUARTERLY INSTALLMENTS.** When the
22 department issues an annual license to a contributing grain dealer, the department
23 shall notify the grain dealer of all of the following:

24 (a) The amount of the grain dealer's annual fund assessment under this
25 section.

1 (b) The amount of each required quarterly installment under sub. (7) and the
2 date by which the grain dealer must pay each installment.

3 (c) The penalty that applies under sub. (7) (d) if the grain dealer fails to pay any
4 quarterly installment when due.

5 **126.16 Grain dealers; security. (1) SECURITY REQUIRED.** (a) A grain dealer
6 shall file security with the department, and maintain that security until the
7 department releases it under sub. (8) (a), if all of the following apply when the
8 department first licenses the grain dealer under s. 126.11:

9 1. The grain dealer reports more than \$500,000 in grain payments under s.
10 126.11 (9) (a).

11 2. The grain dealer files an annual financial statement under s. 126.13 (1) (a)
12 and that financial statement shows negative equity.

13 (b) A grain dealer who reports any deferred payment contract obligations under
14 s. 126.11 (9) (c) or 126.13 (1) (d) shall file security with the department, and maintain
15 that security until the department releases it under sub. (8) (b), unless the grain
16 dealer has positive equity and one of the following applies:

17 1. The grain dealer's annual financial statement under s. 126.13 covers a fiscal
18 year ending on or before January 1, 2006, and shows a debt to equity ratio of not more
19 than 5.0 to 1.0.

20 2. The grain dealer's annual financial statement under s. 126.13 covers a fiscal
21 year ending after January 1, 2006, and shows a debt to equity ratio of not more than
22 4.0 to 1.0.

23 **(2) SECURITY CONTINUED.** A grain dealer who filed security under ch. 127, 1999
24 stats., before September 1, 2002, shall maintain that security until the department
25 releases it under sub. (8) (c).

1 **(3) AMOUNT OF SECURITY.** A grain dealer who is required to file or maintain
2 security under this section shall at all times maintain security that is at least equal
3 to the sum of the following:

4 (a) An amount equal to 35% of the grain dealer's average monthly payment for
5 the 3 months, during the preceding 12 months, in which the grain dealer made the
6 largest monthly payments for producer grain procured in this state, except that this
7 amount is not required of a contributing grain dealer after December 1, 2002.

8 (b) The grain dealer's highest total, at any time during the preceding 12
9 months, of unpaid obligations for producer grain procured in this state under
10 deferred payment contracts.

11 **(4) FORM OF SECURITY.** The department shall review, and determine whether
12 to approve, security filed or maintained under this section. The department may
13 approve only the following types of security:

14 (a) Currency.

15 (b) A commercial surety bond if all of the following apply:

16 1. The surety bond is made payable to the department for the benefit of grain
17 producers and producer agents.

18 2. The surety bond is issued by a person authorized to operate a surety business
19 in this state.

20 3. The surety bond is issued as a continuous term bond that may be canceled
21 only with the department's written agreement or upon 90 days' prior written notice
22 served on the department in person or by certified mail.

23 4. The surety bond is issued in a form, and subject to any terms and conditions,
24 that the department considers appropriate.

1 (c) A certificate of deposit or money market certificate if all of the following
2 apply:

3 1. The certificate is issued or endorsed to the department for the benefit of grain
4 producers and producer agents who deliver grain to the grain dealer.

5 2. The certificate may not be canceled or redeemed without the department's
6 written authorization.

7 3. No person may transfer or withdraw funds represented by the certificate
8 without the department's written permission.

9 4. The certificate renews automatically without any action by the department.

10 5. The certificate is issued in a form, and subject to any terms and conditions,
11 that the department considers appropriate.

12 (d) An irrevocable bank letter of credit if all of the following apply:

13 1. The letter of credit is payable to the department for the benefit of grain
14 producers and producer agents.

15 2. The letter of credit is issued on bank letterhead.

16 3. The letter of credit is issued for an initial period of at least one year.

17 4. The letter of credit renews automatically unless at least 90 days before the
18 scheduled renewal date the issuing bank gives the department written notice, in
19 person or by certified mail, that the letter of credit will not be renewed.

20 5. The letter of credit is issued in a form, and subject to any terms and
21 conditions, that the department considers appropriate.

22 (e) Security filed under ch. 127, 1999 stats., before September 1, 2002, except
23 that on January 1, 2003, the department shall withdraw its approval of any security
24 that is not approvable under pars. (a) to (d).

1 **(5) DEPARTMENT CUSTODY OF SECURITY.** The department shall hold, in its custody,
2 all security filed and maintained under this section. The department shall hold the
3 security for the benefit of grain producers and producer agents who deliver grain to
4 a grain dealer.

5 **(6) MONTHLY REPORTS.** A grain dealer who is required to file or maintain
6 security under this section shall file monthly reports with the department. The grain
7 dealer shall file a report on or before the 10th day of each month, in a form specified
8 by the department. In a monthly report, a grain dealer shall provide information
9 reasonably required by the department, including all of the following:

10 (a) The grain dealer's average monthly payment for the 3 months, during the
11 preceding 12 months, in which the grain dealer made the largest monthly payments
12 for producer grain procured in this state.

13 (b) The grain dealer's highest total unpaid obligations, at any time during the
14 preceding 12 months, for producer grain procured in this state under deferred
15 payment contracts. If the amount owed on deferred price contracts has not yet been
16 determined, the grain dealer shall estimate the amount based on contract terms and
17 prevailing market prices on the last day of the previous month.

18 **(7) ADDITIONAL SECURITY.** (a) The department may, at any time, demand
19 additional security from a grain dealer if any of the following applies:

20 1. The grain dealer's existing security falls below the amount required under
21 sub. (3) for any reason, including depreciation in the value of the security filed with
22 the department, an increase in grain payments or grain prices, or the cancellation
23 of any security filed with the department.

24 2. The grain dealer fails to provide required information that is relevant to a
25 determination of security requirements.

1 (b) The department shall issue a demand under par. (a) in writing. The
2 department shall indicate why the security is required, the amount of security
3 required, and the deadline date for filing security. The department may not specify
4 a deadline for filing security that is more than 30 days after the date on which the
5 department issues its demand for security.

6 (c) A grain dealer may request a hearing, under ch. 227, on a demand for
7 security under par. (b). A request for hearing does not automatically stay a security
8 demand.

9 (d) If a grain dealer fails to comply with the department's demand for security
10 under this subsection, the grain dealer shall give written notice of that fact to all
11 grain producers and producer agents from whom the grain dealer procures producer
12 grain in this state. If the grain dealer fails to give accurate notice under this
13 paragraph within 5 days after the deadline for filing security under par. (b) has
14 passed, the department shall promptly notify those grain producers and producer
15 agents by publishing a class 3 notice under ch. 985. The department may also give
16 individual notice to those grain producers or producer agents of whom the
17 department is aware.

18 (e) If a grain dealer fails to comply with the department's demand for security
19 under this subsection, the department may do any of the following:

20 1. Issue a summary order under s. 126.55 (2) that prohibits the grain dealer
21 from procuring producer grain or requires the grain dealer to pay cash on delivery
22 for all producer grain.

23 2. Suspend or revoke the grain dealer's license.

1 **(8) RELEASING SECURITY.** (a) The department may release security filed under
2 sub. (1) (a), except for any amount of security that the grain dealer is required to file
3 because sub. (1) (b) applies to the grain dealer, if any of the following applies:

4 1. The grain dealer reports, for at least 2 consecutive years, no more than
5 \$500,000 in annual grain payments under s. 126.11 (9) (a) and the grain dealer pays
6 the quarterly fund assessment that would have been required of the grain dealer if
7 the grain dealer had been a contributing grain dealer on the most recent quarterly
8 installment date under s. 126.15 (7).

9 2. The grain dealer's annual financial statement under s. 126.13 shows positive
10 equity for at least 2 consecutive years and the grain dealer pays the quarterly fund
11 assessment that would have been required of the grain dealer if the grain dealer had
12 been a contributing grain dealer on the most recent quarterly installment date under
13 s. 126.15 (7).

14 (b) The department may release security filed under sub. (1) (b), except for any
15 amount of security that the grain dealer is required to file because sub. (1) (a) applies
16 to the grain dealer, if any of the following applies:

17 1. The grain dealer has not had any deferred payment contract obligations
18 since the beginning of the grain dealer's last completed fiscal year.

19 2. The grain dealer files 2 consecutive annual financial statements under s.
20 126.13 showing that the grain dealer meets the applicable equity requirement and
21 debt to equity ratio under sub. (1) (b).

22 (c) On December 1, 2002, the department may release security maintained
23 under sub. (2), unless the grain dealer is required to file security under sub. (1).

24 (d) The department may release security to the extent that the security exceeds
25 the amount required under sub. (3).

1 (e) The department may release security if the grain dealer files alternative
2 security, of equivalent value, that the department approves.

3 (f) The department shall release security if the grain dealer is no longer in
4 business and has paid all grain obligations in full.

5 **126.17 Grain dealers; records.** (1) RECORDS AND ACCOUNTS; GENERAL. A grain
6 dealer shall keep records and accounts of all grain procured and all grain sold or
7 marketed by the grain dealer. A grain dealer shall keep records that are complete,
8 accurate, current, well-organized, and accessible, so that the grain dealer and the
9 department can readily determine all of the following:

10 (a) The kinds and amounts of grain procured, the procurement dates, the
11 procurement terms, and the persons from whom the grain dealer procured the grain.

12 (b) The kinds and amounts of grain sold or marketed, the sale or marketing
13 dates, the sale or marketing terms, and the persons to whom the grain dealer sold
14 or marketed the grain.

15 (c) The kinds and amounts of grain, received from others, that the grain dealer
16 has used for feed, seed, milling, manufacturing, processing, or other purposes.

17 (d) The kinds and amounts of grain, received from others, that the grain dealer
18 has on hand, including the kinds and amounts of grain owned by the grain dealer,
19 and the kinds and amounts of grain held for others.

20 (e) The nature and amount of the grain dealer's obligations to grain producers
21 and producer agents, including obligations under deferred payment contracts. The
22 grain dealer shall keep a daily record of obligations under priced contracts and a
23 separate daily record of obligations under deferred price contracts that have not yet
24 been priced.

1 (f) The nature and amount of the grain dealer's obligations to depositors, as
2 defined in s. 126.25 (5), under agreements for the storage of grain, if any.

3 (g) The grain dealer's accounts receivable from the sale or marketing of grain,
4 including the names of the account debtors, the amount receivable from each account
5 debtor, and the dates on which payment is due.

6 (2) RECORDS OF GRAIN PROCURED. A grain dealer shall keep records all of the
7 following related to each shipment of grain procured by the grain dealer:

8 (a) The kind and weight of grain procured.

9 (b) The grade and quality of the grain if determined.

10 (c) The date on which the grain dealer procured the grain.

11 (d) The name and address of the person from whom the grain dealer procured
12 the grain.

13 (e) Whether the grain dealer purchased the grain, holds it under an agreement
14 for storage, or is marketing the grain as a producer agent.

15 (f) The terms of purchase, storage, or marketing.

16 (g) If the grain dealer procured the grain under a deferred payment contract,
17 the terms of that contract.

18 (3) RECORDS RETENTION; INSPECTION. (a) A grain dealer shall keep copies of all
19 of the following records for at least 6 years after the records are created:

20 1. Records required under this section and s. 126.18 (2).

21 2. Records that the grain dealer was required to keep, under ch. 127, 1999
22 stats., and department rules, before September 1, 2002.

23 (b) A grain dealer shall make records required under this section available to
24 the department for inspection and copying upon request.