

**2003 DRAFTING REQUEST**

**Bill**

Received: 09/23/2003

Received By: rchampag

Wanted: Soon

Identical to LRB:

For: Jeffrey Plale (608) 266-7505

By/Representing: katie

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters: jkreye  
mlief  
pkahler  
rchampag

Subject: Employ Pub - employee benefits  
Tax - property  
Insurance - health  
Education - school finance  
Tax Credits - individual income

Extra Copies:

Submit via email: YES

Requester's email: Sen.Plale@legis.state.wi.us

Carbon copy (CC:) to: robert.marchant@legis.state.wi.us  
joseph.kreye@legis.state.wi.us

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**Pre Topic:**

No specific pre topic given

---

**Topic:**

Property tax credits, income tax credit for seniors, refinancing of public debt, transfer from patients compensation fund, school aids, and health care coverage for non-state public employees

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**Instructions:**

See Attached

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**Drafting History:**

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

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/P1	rchampag 09/24/2003	wjackson 09/24/2003		_____ _____			S&L
/1			pgreensl 09/24/2003	_____ _____	mbarman 09/24/2003		S&L
/2	rchampag 09/25/2003	csicilia 09/25/2003	jfrantze 09/26/2003	_____ _____	sbasford 09/26/2003		S&L
/3	mshovers 09/30/2003	csicilia 10/01/2003	pgreensl 10/01/2003	_____ _____ _____	lnorthro 10/01/2003 lnorthro 10/01/2003	sbasford 10/01/2003 sbasford 10/01/2003	S&L
/4	pkahler 10/02/2003	wjackson 10/02/2003	pgreensl 10/03/2003	_____ _____	sbasford 10/03/2003	lemery 10/06/2003	

FE Sent For:

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10/20/03 10/20/03

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10/11 p 8  
10/11 p 8/gpk

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13 MES 9/30/03  
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13 jps 10/1  
03



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MES & RJM

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#### Topic:

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#### Instructions:

See Attached

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1?	2	9/25/03	9/26	9/26			S&L

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1? 1/1	rchampag	1/1 Wlj 9/24	Completed ok 9-24	9/24 P8/RS			S&L
FE Sent For:							

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Plate

per Kater

Roll logbook

3209 , 3210 , & 3292

& PJK/MSL left (3301)

- change DPI report date on school  
books available for distribution to NOV 1

+ school district certification of levy  
vote to NOV 15



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3292/P1  
JK:kjf:jf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT to repeal** 20.835 (3) (c) and 79.155; **to amend** 74.09 (3) (b) 6.; **to repeal**  
2             **and recreate** 74.09 (3) (b) 6.; and **to create** 20.835 (3) (c) and 79.155 of the  
3             statutes; **relating to:** property tax credits based on municipal tax levies,  
4             granting rule-making authority, and making an appropriation.

---

***Analysis by the Legislative Reference Bureau***

This bill creates, for property tax assessments payable in 2005, a property tax credit for all taxpayers whose property is located in a municipality that increases its municipal purpose levy for 2004 by an amount that is two percent or less of the amount of the municipality's municipal purpose levy for 2003. If the municipality's municipal purpose levy for 2004 is the same amount as the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 25 percent. If the municipality increased its municipal purpose levy for 2004 by an amount that is greater than zero percent, but not more than two percent, of the amount of the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 12.5 percent. The estimated amount to be distributed to municipalities in fiscal year 2004-05 is \$350,000,000.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

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

1           **SECTION 1.** 20.835 (3) (c) of the statutes is created to read:

2           20.835 (3) (c) *Municipal purpose levy credit.* A sum sufficient to make  
3 payments under s. 79.155.

4           **SECTION 2.** 20.835 (3) (c) of the statutes, as created by 2003 Wisconsin Act ....  
5 (this act), is repealed.

6           **SECTION 3.** 74.09 (3) (b) 6. of the statutes is amended to read:

7           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
8 property for the previous year and the current year, and the percentage change  
9 between those years, and the amount of the credit under s. 79.155 (3) allocable to the  
10 property for the current year.

11           **SECTION 4.** 74.09 (3) (b) 6. of the statutes, as affected by 2003 Wisconsin Act ....  
12 (this act), is repealed and recreated to read:

13           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
14 property for the previous year and the current year, and the percentage change  
15 between those years.

16           **SECTION 5.** 79.155 of the statutes is created to read:

17           **79.155 Municipal purpose levy credit. (1) DEFINITIONS.** In this section:

18           (a) “Municipal purpose levy” means the amount of total town, village, or city  
19 taxes, excluding total tax increments.

1 (b) “Total tax increments” means total tax increments as defined by rule, and  
2 as adjusted, by the department of revenue, based on the total tax increments  
3 reported on the statement of taxes filed by the taxation district with the department.

4 (c) “Total town, village, or city taxes” means total town, village, or city taxes as  
5 defined by rule, and as adjusted, by the department of revenue, based on the total  
6 town, village, or city taxes reported on the statement of taxes filed by the taxation  
7 district with the department.

8 (2) DISTRIBUTION TO MUNICIPALITIES. On or before March 28, 2005, each  
9 municipality that increases its municipal purpose levy for 2004 by an amount that  
10 is 2 percent or less of the amount of the municipality’s municipal purpose levy for  
11 2003 shall receive, from the appropriation under 20.835 (3) (c), an amount  
12 determined as follows:

13 (a) If the municipality’s municipal purpose levy for 2004 is the same amount  
14 as the municipality’s municipal purpose levy for 2003, an amount equal to the  
15 amount of the taxes levied by the municipality for municipal purposes in 2004,  
16 multiplied by 25 percent.

17 (b) If the municipality increased its municipal purpose levy for 2004 by an  
18 amount that is greater than zero percent, but not more than 2 percent, of the amount  
19 of the municipality’s municipal purpose levy for 2003, an amount equal to the  
20 amount of the taxes levied by the municipality for municipal purposes in 2004,  
21 multiplied by 12.5 percent.

22 (3) CREDIT AGAINST TAX LIABILITY. (a) For the property tax assessments as of  
23 January 1, 2004, every property taxpayer in a municipality that is eligible for a  
24 distribution under sub. (2) shall receive a tax credit in an amount determined by  
25 applying the percentage of the amount of the value of the property assessed to the



1 taxpayer to the amount of the distribution to be made to the municipality under sub.  
2 (2), except that no taxpayer may receive a credit that is greater than the total amount  
3 of property taxes to be paid on each parcel for which tax is levied for that year by that  
4 taxpayer. The credit under this paragraph shall reduce the property taxes otherwise  
5 payable by the taxpayer.

6 (b) On or before March 1, 2005, each taxation district shall notify the  
7 department of revenue of the total amount of credits allocated under par. (a).

8 (4) CORRECTIONS. (a) If the department of administration or the department  
9 of revenue determines by June 30, 2005, that there was an overpayment in the  
10 distribution to a municipality under sub. (2), the overpayment shall be corrected by  
11 reducing the amount of the municipality's subsequent payment under s. 79.035.

12 (b) If the department of administration or the department of revenue  
13 determines by June 30, 2005, that there was an underpayment in the distribution  
14 to a municipality under sub. (2), the underpayment shall be corrected by increasing  
15 the amount of the municipality's subsequent payment under s. 79.035.

16 (5) APPROPRIATION. The amount that is estimated to be expended from the  
17 appropriation under s. 20.835 (3) (c) is \$350,000,000 in the 2004–05 fiscal year.

18 **SECTION 6.** 79.155 of the statutes, as created by 2003 Wisconsin Act ... (this  
19 act), is repealed.

20 **SECTION 7. Effective date.**

21 (1) The repeal of sections 20.835 (3) (c) and 79.155 of the statutes and the repeal  
22 and recreation of section 74.09 (3) (b) 6. of the statutes take effect on July 1, 2005.

23 (END)



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3210/1  
RAC:kmg:jf

**2003 BILL**

1 **AN ACT to amend 20.866 (2) (xe); and to create 16.406 of the statutes; relating**  
2 **to: refinancing certain public debt and making an appropriation.**

---

*Analysis by the Legislative Reference Bureau*

Currently, before June 30, 2003, for public debt that is used to finance tax-supported or self-amortizing facilities, the state may contract additional public debt in an amount not to exceed \$75,000,000 to refund the indebtedness. The bill increases that amount to \$425,000,000 and provides that the refinancing of the debt must occur before June 30, 2005.

The bill also provides that this public debt may only be contracted if the secretary of administration makes a specific request to the Building Commission and that the secretary may make this request only if the Department of Administration determines that the estimated net general fund balance for the fiscal year is less than the estimated net general fund balance for that fiscal year as shown in the most recent schedule summary.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

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

3 **SECTION 1.** 16.406 of the statutes is created to read:





State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3301/1  
PJK&MJL:cjs:ch

## 2003 BILL

1     **AN ACT** *to amend* 655.26 (2), 655.27 (3) (am), 655.27 (4) (a), 655.27 (5) (e) and  
2             655.275 (5) (a) (intro.); and *to create* 20.145 (2) (a) of the statutes; **relating to:**  
3             a transfer from the patients compensation fund to the general fund and making  
4             an appropriation.

---

### *Analysis by the Legislative Reference Bureau*

Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the patients compensation fund. Money for the fund comes from annual assessments paid by the health care providers subject to the health care liability insurance requirements. This bill transfers from the patients compensation fund to the general fund \$100,000,000 in fiscal year 2003-04 and \$100,000,000 in fiscal year 2004-05, increases the general school aid appropriation by these amounts, and creates a general purpose revenue sum sufficient appropriation to cover payment of any medical malpractice claim that exceeds the moneys remaining in the patients compensation fund.

**BILL**

(I)  
and local

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 20.145 (2) (a) of the statutes is created to read:

2           20.145 (2) (a) *Claims payable by patients compensation fund.* A sum sufficient  
3 for paying any portion of a claim for damages arising out of the rendering of health  
4 care services that the patients compensation fund under s. 655.27 is required to pay  
5 under ch. 655 but that the patients compensation fund is unable to pay because of  
6 insufficient moneys.

7           **SECTION 2.** 655.26 (2) of the statutes is amended to read:

8           655.26 (2) By the 15th day of each month, the board of governors shall report  
9 the information specified in sub. (1) to the medical examining board for each claim  
10 paid by the fund or from the appropriation under s. 20.145 (2) (a) during the previous  
11 month for damages arising out of the rendering of health care services by a health  
12 care provider or an employee of a health care provider.

13           **SECTION 3.** 655.27 (3) (am) of the statutes is amended to read:

14           655.27 (3) (am) *Assessments for peer review council.* The fund, a mandatory  
15 health care liability risk-sharing plan established under s. 619.04, and a private  
16 health care liability insurer shall be assessed, as appropriate, fees sufficient to cover  
17 the costs of the patients compensation fund peer review council, including costs of  
18 administration, for reviewing claims paid by the fund, or from the appropriation  
19 under s. 20.145 (2) (a), by the plan, and by the insurer, respectively, under s. 655.275  
20 (5). The fees shall be set by the commissioner by rule, after approval by the board  
21 of governors, and shall be collected by the commissioner for deposit in the fund. The

**BILL**

1 costs of the patients compensation fund peer review council shall be funded from the  
2 appropriation under s. 20.145 (2) (um).

3 **SECTION 4.** 655.27 (4) (a) of the statutes is amended to read:

4 655.27 (4) (a) Moneys shall be withdrawn from the fund, or paid from the  
5 appropriation under s. 20.145 (2) (a), by the commissioner only upon vouchers  
6 approved and authorized by the board of governors.

7 **SECTION 5.** 655.27 (5) (e) of the statutes is amended to read:

8 655.27 (5) (e) Claims filed against the fund shall be paid in the order received  
9 within 90 days after filing unless appealed by the fund. If the amounts in the fund  
10 are not sufficient to pay all of the claims, claims received after the funds are  
11 exhausted shall be ~~immediately payable the following year in the order in which they~~  
12 ~~were received~~ paid from the appropriation under s. 20.145 (2) (a).

13 **SECTION 6.** 655.275 (5) (a) (intro.) of the statutes is amended to read:

14 655.275 (5) (a) (intro.) The council shall review, within one year of the date of  
15 first payment on the claim, each claim that is paid by the fund, or from the  
16 appropriation under s. 20.145 (2) (a), by a mandatory health care liability  
17 risk-sharing plan established under s. 619.04, by a private health care liability  
18 insurer, or by a self-insurer for damages arising out of the rendering of medical care  
19 by a health care provider or an employee of the health care provider and shall make  
20 recommendations to all of the following:

21 **SECTION 7. Nonstatutory provisions.**

22 (1) Notwithstanding section 121.15 (4) (b) of the statutes, the department of  
23 public instruction shall calculate the total amount of school aid that each school  
24 district will receive in the 2003–04 school year by November 1, 2003.





State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3209/1  
RAC:jld:pg

**2003 BILL**

1 **AN ACT relating to:** studying the feasibility of covering local government and  
2 school district employees under the state employee health care coverage  
3 program.

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***Analysis by the Legislative Reference Bureau***

The bill creates a special committee to be called the Commission on Municipal Employer Health Care Coverage Costs (commission). The commission consists of the governor or his or her designee; the secretary of revenue or his or her designee; the secretary of administration or his or her designee; one member of the assembly, appointed by the speaker of the assembly; one member of the senate, appointed by the president of the senate; one member who represents labor organizations, appointed by the governor; and one member who represents the public interest, appointed by the governor. Under the bill, the commission must study the feasibility of allowing all local government and school district employers to provide their employees with health insurance coverage under the health care coverage plan for state employees that is administered by the Group Insurance Board. The commission must report its findings and recommendations no later than December 31, 2004.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

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



**BILL****SECTION 1. Nonstatutory provisions.**

(1) COMMISSION ON MUNICIPAL EMPLOYER HEALTH CARE COVERAGE COSTS.

(a) In this subsection, “municipal employer” has the meaning given in section 111.70 (1) (j) of the statutes.

(b) There is created a special committee to be called the commission on municipal employer health care coverage costs. The commission shall consist of the following members:

1. The governor or his or her designee.

2. The secretary of revenue or his or her designee.

3. The secretary of administration or his or her designee.

4. One member of the assembly, appointed by the speaker of the assembly.

5. One member of the senate, appointed by the president of the senate.

6. One member who represents labor organizations, as defined in section 111.70 (1) (h) of the statutes, appointed by the governor.

7. One member who represents the public interest, appointed by the governor.

(c) The governor shall call the first meeting of the commission and the commission, at that meeting, shall select a chairperson.

(d) The department of administration shall do all of the following:

1. Provide all necessary administrative support services to the commission.

2. Reimburse members of the commission for their actual and necessary expenses incurred in carrying out their functions from the appropriation under section 20.505 (4) (ba) of the statutes, within the budget of the committee authorized under section 16.40 (14) of the statutes.

**BILL**

1           (e) The commission shall study the feasibility of allowing municipal employers  
2 to provide their employees with health insurance coverage under section 40.51 (6)  
3 of the statutes.

4           (f) No later than December 31, 2004, the commission shall report its findings  
5 and recommendations to the governor, and to the legislature in the manner provided  
6 in section 13.172 (2) of the statutes. Upon submittal of its report, the commission  
7 ceases to exist.

8

(END)

3341

- 3292

- 3210

- 3301

- 3209

## Sorted Item List

<u>Store File Name</u>	<u>Text</u>
-3210.1	16.406 of the statutes is created to read:
-3301.1	20.145 (2) (a) of the statutes is created to read:
-3292.1	20.835 (3) (c) of the statutes is created to read:
-3292.2	20.835 (3) (c) of the statutes, as created by 2003 Wisconsin Act .... (this act), is repealed.
-3210.2	20.866 (2) (xe) of the statutes is amended to read:
-3292.3	74.09 (3) (b) 6. of the statutes is amended to read:
-3292.4	74.09 (3) (b) 6. of the statutes, as affected by 2003 Wisconsin Act .... (this act), is repealed and recreated to read:
-3292.5	79.155 of the statutes is created to read:
-3292.6	79.155 of the statutes, as created by 2003 Wisconsin Act .... (this act), is repealed.
-3301.2	655.26 (2) of the statutes is amended to read:
-3301.3	655.27 (3) (am) of the statutes is amended to read:
-3301.4	655.27 (4) (a) of the statutes is amended to read:
-3301.5	655.27 (5) (e) of the statutes is amended to read:
-3301.6	655.275 (5) (a) (intro.) of the statutes is amended to read:
-3209.1	Nonstatutory provisions.
-3292.7	Effective date.
-3301.7	Nonstatutory provisions.
-3301.8	Appropriation changes.



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-3341/P1

RAC:....:ch

Today

LRB-3341/1  
RAC/JK) PJK/MJL:all:

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

2003 Bill

REGEN

1 AN ACT *to repeal* 20.835 (3) (c) and 79.155; *to amend* 20.866 (2) (xe), 74.09 (3)  
 2 (b) 6., 655.26 (2), 655.27 (3) (am), 655.27 (4) (a), 655.27 (5) (e) and 655.275 (5)  
 3 (a) (intro.); *to repeal and recreate* 74.09 (3) (b) 6.; and *to create* 16.406,  
 4 20.145 (2) (a), 20.835 (3) (c) and 79.155 of the statutes; **relating to:** property  
 5 tax credits based on municipal tax levies; refinancing certain public debt; a  
 6 transfer from the patients compensation fund to the general fund; studying the  
 7 feasibility of covering local government and school district employees under the  
 8 state employee health care coverage program; granting rule-making authority;  
 9 and making an appropriation

*Analysis by the Legislative Reference Bureau*

\*\*\* ANALYSIS FROM -3292/P1 \*\*\*

No circle

4 (1) This bill creates, for property tax assessments payable in 2005, a property tax credit for all taxpayers whose property is located in a municipality that increases its municipal purpose levy for 2004 by an amount that is ~~two~~ <sup>two</sup> percent or less of the amount of the municipality's municipal purpose levy for 2003. If the municipality's municipal purpose levy for 2004 is the same amount as the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax

This bill does all of the following:

credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 25 percent. If the municipality increased its municipal purpose levy for 2004 by an amount that is greater than ~~two~~<sup>two</sup> percent, but not more than ~~two~~<sup>two</sup> percent, of the amount of the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 12.5 percent. The estimated amount to be distributed to municipalities in fiscal year 2004-05 is \$350,000,000.

~~\*\*\* ANALYSIS FROM 3210/1 \*\*\*~~

2. Currently, before June 30, 2003, for public debt that is used to finance tax-supported or self-amortizing facilities, the state may contract additional public debt in an amount not to exceed \$75,000,000 to refund the indebtedness. The bill increases that amount to \$425,000,000 and provides that the refinancing of the debt must occur before June 30, 2005.

The bill also provides that this public debt may only be contracted if the secretary of administration makes a specific request to the Building Commission and that the secretary may make this request only if the Department of Administration determines that the estimated net general fund balance for the fiscal year is less than the estimated net general fund balance for that fiscal year as shown in the most recent schedule summary.

~~\*\*\* ANALYSIS FROM 3301/1 \*\*\*~~

3. Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the patients compensation fund. Money for the fund comes from annual assessments paid by the health care providers subject to the health care liability insurance requirements. This bill transfers from the patients compensation fund to the general fund \$100,000,000 in fiscal year 2003-04 and \$100,000,000 in fiscal year 2004-05, increases the general school aid appropriation by these amounts, and creates a general purpose revenue sum sufficient appropriation to cover payment of any medical malpractice claim that exceeds the moneys remaining in the patients compensation fund.

~~\*\*\* ANALYSIS FROM 3209/1 \*\*\*~~

4. The bill creates a special committee to be called the Commission on Municipal Employer Health Care Coverage Costs (commission). The commission consists of the governor or his or her designee; the secretary of revenue or his or her designee; the secretary of administration or his or her designee; one member of the assembly, appointed by the speaker of the assembly; one member of the senate, appointed by the president of the senate; one member who represents labor organizations, appointed by the governor; and one member who represents the public interest, appointed by the governor. Under the bill, the commission must study the feasibility of allowing all local government and school district employers to provide their employees with health insurance coverage under the health care coverage plan for

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state employees that is administered by the Group Insurance Board. ~~The commission~~ must report its findings and recommendations no later than December 31, 2004. <sup>and</sup>

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 ~~\*-3210/1.1\*~~ SECTION 1. 16.406 of the statutes is created to read:

2 **16.406 Request to issue certain general obligation debt.** Annually, on or  
3 before September 1, but not after 2005, the department shall prepare an estimate of  
4 the net balances of the general fund for the fiscal year corresponding with the year  
5 in which the department makes an estimate under this section. Copies of the  
6 estimates shall be provided to the cochairpersons of the joint committee on finance  
7 and to the legislative fiscal bureau. If the estimated net general fund balance for the  
8 fiscal year, as certified by the department, is less than the estimated net general fund  
9 balance for that fiscal year as shown in the most recent schedule under s. 20.005 (1),  
10 the secretary of administration may request that the building commission refund the  
11 whole or any part of any unpaid indebtedness used to finance tax-supported or  
12 self-amortizing facilities from moneys appropriated under s. 20.866 (2) (xe).

13 ~~\*-3301/1.1\*~~ SECTION 2. 20.145 (2) (a)<sup>↓</sup> of the statutes is created to read:

14 20.145 (2) (a) *Claims payable by patients compensation fund.* A sum sufficient  
15 for paying any portion of a claim for damages arising out of the rendering of health  
16 care services that the patients compensation fund under s. 655.27<sup>↓</sup> is required to pay  
17 under ch. 655 but that the patients compensation fund is unable to pay because of  
18 insufficient moneys.

19 ~~\*-3292/Pt.1\*~~ SECTION 3. 20.835 (3) (c)<sup>↓</sup> of the statutes is created to read:

1           20.835 (3) (c) *Municipal purpose levy credit*. A sum sufficient to make  
2 payments under s. 79.155.

3           ~~\*-3292/P1.2\*~~ SECTION 4. 20.835 (3) (c) of the statutes, as created by 2003  
4 Wisconsin Act .... (this act), is repealed.

5           ~~\*-3210/1.2\*~~ SECTION 5. 20.866 (2) (xe) of the statutes is amended to read:

6           20.866 (2) (xe) *Building commission; refunding tax-supported and*  
7 *self-amortizing general obligation debt incurred before June 30, 2003 2005*. From  
8 the capital improvement fund, a sum sufficient to refund the whole or any part of any  
9 unpaid indebtedness used to finance tax-supported or self-amortizing facilities.  
10 The state may contract public debt in an amount not to exceed \$75,000,000  
11 \$425,000,000 for this purpose. Such indebtedness shall be construed to include any  
12 premium and interest payable with respect thereto. Debt incurred by this paragraph  
13 shall be incurred before June 30, 2003 2005, but only pursuant to a request by the  
14 secretary of administration under s. 16.406, and shall be repaid under the  
15 appropriations providing for the retirement of public debt incurred for  
16 tax-supported and self-amortizing facilities in proportional amounts to the  
17 purposes for which the debt was refinanced.

18           ~~\*-3292/P1.3\*~~ SECTION 6. 74.09 (3) (b) 6. of the statutes is amended to read:

19           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
20 property for the previous year and the current year, and the percentage change  
21 between those years, and the amount of the credit under s. 79.155 (3) allocable to the  
22 property for the current year.

23           ~~\*-3292/P1.4\*~~ SECTION 7. 74.09 (3) (b) 6. of the statutes, as affected by 2003  
24 Wisconsin Act .... (this act), is repealed and recreated to read:



1           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
2 property for the previous year and the current year, and the percentage change  
3 between those years.

4           ~~3292/P1.5\*~~ SECTION 8. 79.155<sup>↓</sup> of the statutes is created to read:

5           **79.155 Municipal purpose levy credit. (1) DEFINITIONS.** In this section:

6           (a) “Municipal purpose levy” means the amount of total town, village, or city  
7 taxes, excluding total tax increments.

8           (b) “Total tax increments” means total tax increments as defined by rule, and  
9 as adjusted, by the department of revenue, based on the total tax increments  
10 reported on the statement of taxes filed by the taxation district with the department.

11           (c) “Total town, village, or city taxes” means total town, village, or city taxes as  
12 defined by rule, and as adjusted, by the department of revenue, based on the total  
13 town, village, or city taxes reported on the statement of taxes filed by the taxation  
14 district with the department.

15           (2) DISTRIBUTION TO MUNICIPALITIES. On or before March 28, 2005, each  
16 municipality that increases its municipal purpose levy for 2004<sup>↓</sup> by an amount that  
17 is 2 percent<sup>↓</sup> or less of the amount of the municipality’s municipal purpose levy for  
18 2003<sup>↓</sup> shall receive, from the appropriation under ~~s.~~<sup>s.</sup> 20.835 (3) (c)<sup>↓</sup>, an amount  
19 determined as follows:

20           (a) If the municipality’s municipal purpose levy for 2004 is the same amount  
21 as the municipality’s municipal purpose levy for 2003<sup>↓</sup>, an amount equal to the  
22 amount of the taxes levied by the municipality for municipal purposes in 2004<sup>↓</sup>,  
23 multiplied by 25 percent<sup>↓</sup>.

24           (b) If the municipality increased its municipal purpose levy for 2004<sup>↓</sup> by an  
25 amount that is greater than ~~20~~<sup>0</sup> percent, but not more than 2 percent<sup>↓</sup>, of the amount

1 of the municipality's municipal purpose levy for 2003, an amount equal to the  
2 amount of the taxes levied by the municipality for municipal purposes in 2004,  
3 multiplied by 12.5<sup>√</sup> percent.

4 (3) CREDIT AGAINST TAX LIABILITY. (a) For the property tax assessments as of  
5 January 1, 2004, every property taxpayer in a municipality that is eligible for a  
6 distribution under sub. (2)<sup>√</sup> shall receive a tax credit in an amount determined by  
7 applying the percentage of the amount of the value of the property assessed to the  
8 taxpayer to the amount of the distribution to be made to the municipality under sub.  
9 (2)<sup>√</sup>, except that no taxpayer may receive a credit that is greater than the total amount  
10 of property taxes to be paid on each parcel for which tax is levied for that year by that  
11 taxpayer. The credit under this paragraph shall reduce the property taxes otherwise  
12 payable by the taxpayer.

13 (b) On or before March 1, 2005, each taxation district shall notify the  
14 department of revenue of the total amount of credits allocated under par. (a)<sup>√</sup>.

15 (4) CORRECTIONS. (a) If the department of administration or the department  
16 of revenue determines by June 30, 2005, that there was an overpayment in the  
17 distribution to a municipality under sub. (2)<sup>√</sup>, the overpayment shall be corrected by  
18 reducing the amount of the municipality's subsequent payment under s. 79.035<sup>√</sup>.

19 (b) If the department of administration or the department of revenue  
20 determines by June 30, 2005, that there was an underpayment in the distribution  
21 to a municipality under sub. (2)<sup>√</sup>, the underpayment shall be corrected by increasing  
22 the amount of the municipality's subsequent payment under s. 79.035<sup>√</sup>.

23 (5) APPROPRIATION. The amount that is estimated to be expended from the  
24 appropriation under s. 20.835 (3) (c)<sup>√</sup> is \$350,000,000<sup>√</sup> in the 2004–05 fiscal year<sup>√</sup>.

1       ~~\*-3292/P1.6\*~~ **SECTION 9.** 79.155 of the statutes, as created by 2003 Wisconsin  
2 Act ... (this act), is repealed.

3       ~~\*-3301/1.2\*~~ **SECTION 10.** 655.26 (2)<sup>↓</sup> of the statutes is amended to read:  
4       655.26 (2) By the 15th day of each month, the board of governors shall report  
5 the information specified in sub. (1) to the medical examining board for each claim  
6 paid by the fund or from the appropriation under s. 20.145 (2) (a)<sup>↓</sup> during the previous  
7 month for damages arising out of the rendering of health care services by a health  
8 care provider or an employee of a health care provider.

9       ~~\*-3301/1.3\*~~ **SECTION 11.** 655.27 (3) (am)<sup>↓</sup> of the statutes is amended to read:  
10       655.27 (3) (am) *Assessments for peer review council.* The fund, a mandatory  
11 health care liability risk-sharing plan established under s. 619.04, and a private  
12 health care liability insurer shall be assessed, as appropriate, fees sufficient to cover  
13 the costs of the patients compensation fund peer review council, including costs of  
14 administration, for reviewing claims paid by the fund, or from the appropriation  
15 under s. 20.145 (2) (a)<sup>↓</sup>, by the plan, and by the insurer, respectively, under s. 655.275  
16 (5). The fees shall be set by the commissioner by rule, after approval by the board  
17 of governors, and shall be collected by the commissioner for deposit in the fund. The  
18 costs of the patients compensation fund peer review council shall be funded from the  
19 appropriation under s. 20.145 (2) (um).

20       ~~\*-3301/1.4\*~~ **SECTION 12.** 655.27 (4) (a)<sup>↓</sup> of the statutes is amended to read:  
21       655.27 (4) (a) Moneys shall be withdrawn from the fund, or paid from the  
22 appropriation under s. 20.145 (2) (a)<sup>↓</sup>, by the commissioner only upon vouchers  
23 approved and authorized by the board of governors.

24       ~~\*-3301/1.5\*~~ **SECTION 13.** 655.27 (5) (e) of the statutes is amended to read:

1           655.27 (5) (e) Claims filed against the fund shall be paid in the order received  
2 within 90 days after filing unless appealed by the fund. If the amounts in the fund  
3 are not sufficient to pay all of the claims, claims received after the funds are  
4 exhausted shall be ~~immediately payable the following year in the order in which they~~  
5 ~~were received~~ paid from the appropriation under s. 20.145 (2) (a).✓

6           \*~~3301/1.6~~\* SECTION 14. 655.275 (5) (a) (intro.)✓ of the statutes is amended to  
7 read:

8           655.275 (5) (a) (intro.) The council shall review, within one year of the date of  
9 first payment on the claim, each claim that is paid by the fund, or from the  
10 appropriation under s. 20.145 (2) (a).✓ by a mandatory health care liability  
11 risk-sharing plan established under s. 619.04, by a private health care liability  
12 insurer, or by a self-insurer for damages arising out of the rendering of medical care  
13 by a health care provider or an employee of the health care provider and shall make  
14 recommendations to all of the following:

15           \*~~3209/1.1~~\* SECTION 15. **Nonstatutory provisions.**

16           (1) COMMISSION ON MUNICIPAL EMPLOYER HEALTH CARE COVERAGE COSTS.

17           (a) In this subsection, “municipal employer” has the meaning given in section  
18 111.70 (1) (j)✓ of the statutes.

19           (b) There is created a special committee to be called the commission on  
20 municipal employer health care coverage costs. The commission shall consist of the  
21 following members:

22           1. The governor or his or her designee.✓

23           2. The secretary of revenue or his or her designee.✓

24           3. The secretary of administration or his or her designee.✓

25           4. One member of the assembly, appointed by the speaker of the assembly.✓

1 5. One member of the senate, appointed by the president of the senate. ✓

2 6. One member who represents labor organizations, as defined in section 111.70  
3 (1) (h) ✓ of the statutes, appointed by the governor. ✓

4 7. One member who represents the public interest, appointed by the governor. ✓

5 (c) The governor shall call the first meeting of the commission and the  
6 commission, at that meeting, shall select a chairperson.

7 (d) The department of administration shall do all of the following:

8 1. Provide all necessary administrative support services to the commission.

9 2. Reimburse members of the commission for their actual and necessary  
10 expenses incurred in carrying out their functions from the appropriation under  
11 section 20.505 (4) (ba) ✓ of the statutes, within the budget of the committee authorized  
12 under section 16.40 (14) ✓ of the statutes.

13 (e) The commission shall study the feasibility of allowing municipal employers  
14 to provide their employees with health insurance coverage under section 40.51 (6) ✓  
15 of the statutes.

16 (f) No later than December 31, 2004, the commission shall report its findings  
17 and recommendations to the governor, and to the legislature in the manner provided  
18 in section 13.172 (2) ✓ of the statutes. Upon submittal of its report, the commission  
19 ceases to exist.

20 *Date of school aid calculation* C + J  
~~\* 3301/1.7\* SECTION 16. Nonstatutory provisions.~~

21 <sup>2</sup> (4) ✓ Notwithstanding section 121.15 (4) (b) ✓ of the statutes, the department of  
22 public instruction shall calculate the total amount of school aid that each school  
23 district will receive in the 2003–04 school year by November 1, 2003.

24 <sup>3</sup> (4) ✓ Notwithstanding section 120.12 (3) and (4) ✓ of the statutes, each school board  
25 of a common or union high school district shall determine the amount necessary to

*Date of levy amount* C + J

1 be levied under section 120.12 (3) and (4) of the statutes for the 2003-04 school year  
2 by November 30, 2003.

3 **\*-3301/1.8\* SECTION 17. Appropriation changes.**

4 (1) PATIENTS COMPENSATION FUND TRANSFER. There is transferred from the  
5 patients compensation fund to the general fund \$100,000,000 in fiscal year 2003-04  
6 and \$100,000,000 in fiscal year 2004-05.

7 (2) GENERAL EQUALIZATION AIDS. In the schedule under section 20.005 (3) of the  
8 statutes for the appropriation to the department of public instruction under section  
9 20.255 (2) (ac) of the statutes, as affected by the acts of 2003, the dollar amount is  
10 increased by \$100,000,000 for fiscal year 2003-04 and the dollar amount is increased  
11 by \$100,000,000 for fiscal year 2004-05 to increase funding for the purpose for which  
12 the appropriation is made.

13 **\*-3292/P1.7\* SECTION 18. Effective date.**

14 (1) The repeal of sections 20.835 (3) (c) and 79.155 of the statutes and the repeal  
15 and recreation of section 74.09 (3) (b) 6. of the statutes take effect on July 1, 2005.

16 (END)

LPS:  
Please  
change  
Component  
to be  
Effective  
dates.

This act takes effect on the day after  
publication, except as follows:



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

August 12, 2003

TO: Senator Jeffrey Plale  
Room 106 South, State Capitol

FROM: Bob Lang, Director

SUBJECT: Property Tax Relief Proposal

At your request, this memorandum summarizes your proposal to increase the property tax relief provided through the property tax/rent and homestead credits and the property tax deferral loan program and to establish a blue ribbon commission to conduct a tax burden study. The following sections describe each element of your proposal.

1. Property Tax/Rent Credit. The property tax/rent credit (PTRC) is a nonrefundable credit against the state's individual income tax. The PTRC is currently equal to 12% of property taxes, or rent constituting property taxes, paid on a principal residence up to a maximum of \$2,500 in property taxes. The maximum credit is \$300. Rent constituting property taxes is defined as 25% of actual rent if payment for heat is not included in rent or 20% of actual rent if payment for heat is included in rent.

Effective for tax year 2003, the proposal would increase the rate of the PTRC to 16.2% of property taxes, or rent constituting property taxes, paid on a principal residence up to a maximum of \$2,500 in property taxes. This has the effect of increasing credits by 35%. The maximum credit would be \$495. Effective for tax year 2004 and thereafter, the proposal would increase the PTRC rate to 19.6%, which has the effect of increasing credits by 63.3%. The maximum credit would be \$490. Based on a simulation with the 2001 individual income tax sample, it is estimated that the fiscal effect would be to increase the PTRC and reduce individual income tax revenues by \$122.6 million in 2003-04 and \$229.2 million in 2004-05.

2. Homestead Tax Credit. The homestead tax credit program directs property tax relief to low-income homeowners and renters. The amount of the credit received by claimants depends on the interaction of household income and allowable property taxes or rent. For purposes of calculating the credit, household income is adjusted downward by \$250 for each dependent to

account for family size. The homestead credit is refundable; that is, a check from the state is issued if the amount of the credit exceeds income tax liability.

For claimants with income of \$8,000 or less, the credit is equal to 80% of property taxes or rent constituting property taxes to a maximum of \$1,450 in property taxes or rent. The maximum credit is \$1,160. Rent constituting property taxes is 25% of actual rent if payment for heat is not included in rent or 20% of actual rent if payment for heat is included in rent.

The credit is phased out for claimants with income between \$8,000 and \$24,500, at which point the credit equals zero. For claimants with less than \$1,450 in allowable rent or property taxes, the credit is eliminated at lower income levels. The credit formula can be expressed as a mathematical equation for individuals with income between \$8,000 and \$24,500 as shown below:

$$\text{Homestead Credit} = 80\% \times [\text{Property Taxes} - 8.788\% \times (\text{Household Income} - \$8,000)]$$

Under the proposal, for tax year 2004 (2004-05), social security benefits, for certain claimants, and all unemployment compensation benefits for eligible claimants would be excluded from income under the homestead tax credit formula. Specifically, under the proposal, the first \$2,500 in social security benefits for those recipients that receive 50% or more of their income from social security would be excluded from income. The expanded credit amount would then be multiplied by a factor of 1.2 so that each claimant would receive an additional 20% increase in the amounts calculated under the proposed formula. These proposed changes to the homestead tax credit would increase the cost of the tax credit by \$48.1 million, to \$148.8 million, in 2004-05.

The proposal to change the treatment of social security benefits and unemployment compensation under the credit formula would increase the amount of the tax credits for all current claimants with incomes above the \$8,000 threshold who are heavily dependent on social security as a percentage of their income or receive income from unemployment compensation. In addition, tax filers who are currently ineligible for the credit due to the treatment of these types of income may now be below the \$24,500 maximum income level and be eligible for a credit. Further, some tax filers with these types of income, who have their potential credit phased-out at lower income levels, since their property taxes or rent constituting property taxes are less than \$1,450, would now receive a credit.

**3. Property Tax Deferral Loan Program.** Under the property tax deferral loan program administered by WHEDA, low- and moderate-income elderly homeowners may convert home equity into income to pay property taxes. The program, which is funded from WHEDA's surplus fund, provides loans for the payment of property taxes to homeowners who are 65 years of age or older and have total household income of no more than \$20,000. Qualifying homeowners may apply for a loan equal to the amount of property taxes and special assessments levied on the home, for a maximum annual loan amount of \$2,500, with participants being charged an annual interest rate on the amount borrowed. The principal and interest for the tax deferral loans do not have to be



repaid until the ownership of the property transfers or the loan recipient no longer lives in the home. Then, the total loan, with interest, is repaid from the proceeds of the estate or sale of the property.

The proposal would increase the maximum income limit under the property tax deferral loan program from \$20,000 to \$33,500, and would increase the maximum annual loan from \$2,500 to \$3,200. These changes would have no fiscal effect on the state's general fund.

4. **Tax Burden Study** The proposal would require the Governor to appoint a blue ribbon commission to study Wisconsin's state and local tax structure and determine the tax burden, by income category, on Wisconsin taxpayers. The task force would submit its report to the Governor and Legislature by January 1, 2005.

The attachment to this memorandum reports estimated statewide tax levies by type of taxing jurisdiction as well as the impact of the various tax amounts on the median-valued home taxed at the statewide average tax rate. The attachment provides information on taxes for 2002(03) plus estimates of taxes for 2003(04) and 2004(05) under Act 33 (the budget as signed by the Governor), Enrolled SB 44 (the budget as passed by the Legislature), and your proposal. The final section of the attachment shows the impact of the various scenarios after accounting for the property tax/rent credit. Under each scenario, the taxes on a median-valued home are high enough to qualify for the maximum credit, if the owner has sufficient income tax liability. The net tax bill estimate in this section on a median-valued home under your proposal has been decreased by \$405 in 2003(04) and \$490 in 2004(05) to reflect the effect of your proposal to increase the property tax/rent credit in those years.

BL/FA/sas  
Attachment

**ATTACHMENT**

**Property Tax Estimates Under Act 33, Enrolled SB 44, and Proposal**

	<u>Preliminary</u> 2002(03)	<u>Act 33 (Governor)</u> 2003(04)	<u>2004(05)</u>	<u>Enrolled SB 44 (Legislature)</u> 2003(04)	<u>2004(05)</u>	<u>Proposal</u> 2003(04)	<u>2004(05)</u>
<b>Tax Levies (In Millions)</b>							
Municipalities	\$1,794.7	\$1,937.3	\$2,053.6	\$1,841.4	\$1,889.3	\$1,937.3	\$2,053.6
Counties	1,490.5	1,597.3	1,701.2	1,529.3	1,569.1	1,597.3	1,701.2
School Districts	3,192.0	3,413.0	3,618.2	3,275.0	3,360.2	3,413.0	3,618.2
Technical College Districts	541.9	579.8	620.4	556.0	570.5	579.8	620.4
Other Non-TID Jurisdictions	150.5	160.4	170.7	160.4	170.7	160.4	170.7
Tax Increment Districts	<u>192.8</u>	<u>205.8</u>	<u>218.5</u>	<u>196.8</u>	<u>201.8</u>	<u>205.8</u>	<u>218.5</u>
Gross Property Tax Levies	\$7,362.4	\$7,893.6	\$8,382.6	\$7,558.9	\$7,761.6	\$7,893.6	\$8,382.6
Change to Prior Year		531.2	489.0	196.5	202.7	531.2	489.0
Change to Act 33				-334.7	-621.0	0.0	0.0
Change to Enrolled SB 44						334.7	621.0
<b>Percent Change to Prior Year</b>							
Municipalities		7.9%	6.0%	2.6%	2.6%	7.9%	6.0%
Counties		7.2	6.5	2.6	2.6	7.2	6.5
School Districts		6.9	6.0	2.6	2.6	6.9	6.0
Technical College Districts		7.0	7.0	2.6	2.6	7.0	7.0
Other Non-TID Jurisdictions		6.6	6.4	6.6	6.4	6.6	6.4
Tax Increment Districts		<u>6.7</u>	<u>6.2</u>	<u>2.1</u>	<u>2.5</u>	<u>6.7</u>	<u>6.2</u>
Gross Property Tax Levies		7.2%	6.2%	2.7%	2.7%	7.2%	6.2%
<b>Tax Bill Estimate</b>							
Median-Valued Home	\$126,473	\$132,796	\$139,436	\$132,796	\$139,436	\$132,796	\$139,436
Net Tax Bill Estimate	\$2,517	\$2,665	\$2,793	\$2,542	\$2,568	\$2,665	\$2,793
Change to Prior Year		148	128	25	26	148	128
Change to Act 33				-123	-225	0	0
Change to Enrolled SB 44						123	225
Percent Change to Prior Year		5.9%	4.8%	1.0%	1.0%	5.9%	4.8%
<b>Tax Bill After PTRC</b>							
Net Tax Bill After PTRC	\$2,217	\$2,365	\$2,493	\$2,242	\$2,268	\$2,260	\$2,303
Change to Prior Year		148	128	25	26	43	43
Change to Act 33				-123	-225	-105	-190
Change to Enrolled SB 44						18	35
Percent Change to Prior Year		6.7%	5.4%	1.1%	1.2%	1.9%	1.9%



State of Wisconsin  
2003 - 2004 LEGISLATURE

FRI  
AM

LRB-3341/2  
RAC/JK/PJK/MJL:all:ps  
MES/RJM stays

2003 BILL

RMR

Insert 1-5

loans issued by the Wisconsin Housing and Economic Development Authority;

1 AN ACT to repeal 20.835 (3) (c) and 79.155; to amend 20.866 (2) (xe), 74.09 (3)  
2 (b) 6., 655.26 (2), 655.27 (3) (am), 655.27 (4) (a), 655.27 (5) (e) and 655.275 (5)  
3 (a) (intro.); to repeal and recreate 74.09 (3) (b) 6.; and to create 16.406,  
4 20.145 (2) (a), 20.835 (3) (c) and 79.155 of the statutes; relating to: property  
5 tax credits based on municipal tax levies; refinancing certain public debt; a  
6 transfer from the patients compensation fund to the general fund; studying the  
7 feasibility of covering local government and school district employees under the  
8 state employee health care coverage program; granting rule-making authority;  
9 and making appropriations.

studying the state's state and local tax structure;

Analysis by the Legislative Reference Bureau

This bill does all of the following:

1. This bill creates, for property tax assessments payable in 2005, a property tax credit for all taxpayers whose property is located in a municipality that increases its municipal purpose levy for 2004 by an amount that is 2 percent or less of the amount of the municipality's municipal purpose levy for 2003. If the municipality's municipal purpose levy for 2004 is the same amount as the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax

**BILL**

credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 25 percent. If the municipality increased its municipal purpose levy for 2004 by an amount that is greater than 0 percent, but not more than 2 percent, of the amount of the municipality's municipal purpose levy for 2003, the municipality will receive an amount to distribute as tax credits that is equal to the taxes levied by the municipality for municipal purposes in 2004, multiplied by 12.5 percent. The estimated amount to be distributed to municipalities in fiscal year 2004-05 is \$350,000,000.

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Analysis  
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2.3 Currently, before June 30, 2003, for public debt that is used to finance tax-supported or self-amortizing facilities, the state may contract additional public debt in an amount not to exceed \$75,000,000 to refund the indebtedness. The bill increases that amount to \$425,000,000 and provides that the refinancing of the debt must occur before June 30, 2005.

The bill also provides that this public debt may only be contracted if the secretary of administration makes a specific request to the Building Commission and that the secretary may make this request only if the Department of Administration determines that the estimated net general fund balance for the fiscal year is less than the estimated net general fund balance for that fiscal year as shown in the most recent schedule summary.

2.4 Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the patients compensation fund. Money for the fund comes from annual assessments paid by the health care providers subject to the health care liability insurance requirements. This bill transfers from the patients compensation fund to the general fund \$100,000,000 in fiscal year 2003-04 and \$100,000,000 in fiscal year 2004-05, increases the general school aid appropriation by these amounts, and creates a general purpose revenue sum sufficient appropriation to cover payment of any medical malpractice claim that exceeds the moneys remaining in the patients compensation fund.

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2.5 The bill creates a special committee to be called the Commission on Municipal Employer Health Care Coverage Costs (MEHCC), which consists of the governor or his or her designee; the secretary of revenue or his or her designee; the secretary of administration or his or her designee; one member of the assembly, appointed by the speaker of the assembly; one member of the senate, appointed by the president of the senate; one member who represents labor organizations, appointed by the governor; and one member who represents the public interest, appointed by the governor. Under the bill, MEHCC must study the feasibility of allowing all local government and school district employers to provide their employees with health insurance coverage under the health care coverage plan for state employees that is administered by the Group Insurance Board and must report its findings and recommendations no later than December 31, 2004.

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**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 16.406 of the statutes is created to read:

2           **16.406 Request to issue certain general obligation debt.** Annually, on or  
3 before September 1, but not after 2005, the department shall prepare an estimate of  
4 the net balances of the general fund for the fiscal year corresponding with the year  
5 in which the department makes an estimate under this section. Copies of the  
6 estimates shall be provided to the cochairpersons of the joint committee on finance  
7 and to the legislative fiscal bureau. If the estimated net general fund balance for the  
8 fiscal year, as certified by the department, is less than the estimated net general fund  
9 balance for that fiscal year as shown in the most recent schedule under s. 20.005 (1),  
10 the secretary of administration may request that the building commission refund the  
11 whole or any part of any unpaid indebtedness used to finance tax-supported or  
12 self-amortizing facilities from moneys appropriated under s. 20.866 (2) (xe).

13           **SECTION 2.** 20.145 (2) (a) of the statutes is created to read:

14           **20.145 (2) (a) Claims payable by patients compensation fund.** A sum sufficient  
15 for paying any portion of a claim for damages arising out of the rendering of health  
16 care services that the patients compensation fund under s. 655.27 is required to pay  
17 under ch. 655 but that the patients compensation fund is unable to pay because of  
18 insufficient moneys.

19           **SECTION 3.** 20.835 (3) (c) of the statutes is created to read:

20           **20.835 (3) (c) Municipal purpose levy credit.** A sum sufficient to make  
21 payments under s. 79.155.

**BILL**

1           **SECTION 4.** 20.835 (3) (c) of the statutes, as created by 2003 Wisconsin Act ....  
2 (this act), is repealed.

3           **SECTION 5.** 20.866 (2) (xe) of the statutes is amended to read:

4           20.866 (2) (xe) *Building commission; refunding tax-supported and*  
5 *self-amortizing general obligation debt incurred before June 30, 2003 2005.* From  
6 the capital improvement fund, a sum sufficient to refund the whole or any part of any  
7 unpaid indebtedness used to finance tax-supported or self-amortizing facilities.  
8 The state may contract public debt in an amount not to exceed \$75,000,000  
9 \$425,000,000 for this purpose. Such indebtedness shall be construed to include any  
10 premium and interest payable with respect thereto. Debt incurred by this paragraph  
11 shall be incurred before June 30, 2003 2005, but only pursuant to a request by the  
12 secretary of administration under s. 16.406, and shall be repaid under the  
13 appropriations providing for the retirement of public debt incurred for  
14 tax-supported and self-amortizing facilities in proportional amounts to the  
15 purposes for which the debt was refinanced.

16           **SECTION 6.** 74.09 (3) (b) 6. of the statutes is amended to read:

17           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
18 property for the previous year and the current year, and the percentage change  
19 between those years, and the amount of the credit under s. 79.155 (3) allocable to the  
20 property for the current year.

21           **SECTION 7.** 74.09 (3) (b) 6. of the statutes, as affected by 2003 Wisconsin Act ....  
22 (this act), is repealed and recreated to read:

23           74.09 (3) (b) 6. The amount of the credit under s. 79.10 (5) allocable to the  
24 property for the previous year and the current year, and the percentage change  
25 between those years.

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**BILL**

1           **SECTION 8.** 79.155 of the statutes is created to read:

2           **79.155 Municipal purpose levy credit.** (1) **DEFINITIONS.** In this section:

3           (a) “Municipal purpose levy” means the amount of total town, village, or city  
4 taxes, excluding total tax increments.

5           (b) “Total tax increments” means total tax increments as defined by rule, and  
6 as adjusted, by the department of revenue, based on the total tax increments  
7 reported on the statement of taxes filed by the taxation district with the department.

8           (c) “Total town, village, or city taxes” means total town, village, or city taxes as  
9 defined by rule, and as adjusted, by the department of revenue, based on the total  
10 town, village, or city taxes reported on the statement of taxes filed by the taxation  
11 district with the department.

12           (2) **DISTRIBUTION TO MUNICIPALITIES.** On or before March 28, 2005, each  
13 municipality that increases its municipal purpose levy for 2004 by an amount that  
14 is 2 percent or less of the amount of the municipality’s municipal purpose levy for  
15 2003 shall receive, from the appropriation under s. 20.835 (3) (c), an amount  
16 determined as follows:

17           (a) If the municipality’s municipal purpose levy for 2004 is the same amount  
18 as the municipality’s municipal purpose levy for 2003, an amount equal to the  
19 amount of the taxes levied by the municipality for municipal purposes in 2004,  
20 multiplied by 25 percent.

21           (b) If the municipality increased its municipal purpose levy for 2004 by an  
22 amount that is greater than 0 percent, but not more than 2 percent, of the amount  
23 of the municipality’s municipal purpose levy for 2003, an amount equal to the  
24 amount of the taxes levied by the municipality for municipal purposes in 2004,  
25 multiplied by 12.5 percent.

**BILL**

1           **(3) CREDIT AGAINST TAX LIABILITY.** (a) For the property tax assessments as of  
2           January 1, 2004, every property taxpayer in a municipality that is eligible for a  
3           distribution under sub. (2) shall receive a tax credit in an amount determined by  
4           applying the percentage of the amount of the value of the property assessed to the  
5           taxpayer to the amount of the distribution to be made to the municipality under sub.  
6           (2), except that no taxpayer may receive a credit that is greater than the total amount  
7           of property taxes to be paid on each parcel for which tax is levied for that year by that  
8           taxpayer. The credit under this paragraph shall reduce the property taxes otherwise  
9           payable by the taxpayer.

10           (b) On or before March 1, 2005, each taxation district shall notify the  
11           department of revenue of the total amount of credits allocated under par. (a).

12           **(4) CORRECTIONS.** (a) If the department of administration or the department  
13           of revenue determines by June 30, 2005, that there was an overpayment in the  
14           distribution to a municipality under sub. (2), the overpayment shall be corrected by  
15           reducing the amount of the municipality's subsequent payment under s. 79.035.

16           (b) If the department of administration or the department of revenue  
17           determines by June 30, 2005, that there was an underpayment in the distribution  
18           to a municipality under sub. (2), the underpayment shall be corrected by increasing  
19           the amount of the municipality's subsequent payment under s. 79.035.

20           **(5) APPROPRIATION.** The amount that is estimated to be expended from the  
21           appropriation under s. 20.835 (3) (c) is \$350,000,000 in the 2004–05 fiscal year.

22           **SECTION 9.** 79.155 of the statutes, as created by 2003 Wisconsin Act ... (this  
23           act), is repealed.

24           **SECTION 10.** 655.26 (2) of the statutes is amended to read:

Insert 6-23 ✓



**BILL**

1           655.26 (2) By the 15th day of each month, the board of governors shall report  
2           the information specified in sub. (1) to the medical examining board for each claim  
3           paid by the fund or from the appropriation under s. 20.145 (2) (a) during the previous  
4           month for damages arising out of the rendering of health care services by a health  
5           care provider or an employee of a health care provider.

6           **SECTION 11.** 655.27 (3) (am) of the statutes is amended to read:

7           655.27 (3) (am) *Assessments for peer review council.* The fund, a mandatory  
8           health care liability risk-sharing plan established under s. 619.04, and a private  
9           health care liability insurer shall be assessed, as appropriate, fees sufficient to cover  
10          the costs of the patients compensation fund peer review council, including costs of  
11          administration, for reviewing claims paid by the fund, or from the appropriation  
12          under s. 20.145 (2) (a), by the plan, and by the insurer, respectively, under s. 655.275  
13          (5). The fees shall be set by the commissioner by rule, after approval by the board  
14          of governors, and shall be collected by the commissioner for deposit in the fund. The  
15          costs of the patients compensation fund peer review council shall be funded from the  
16          appropriation under s. 20.145 (2) (um).

17          **SECTION 12.** 655.27 (4) (a) of the statutes is amended to read:

18          655.27 (4) (a) Moneys shall be withdrawn from the fund, or paid from the  
19          appropriation under s. 20.145 (2) (a), by the commissioner only upon vouchers  
20          approved and authorized by the board of governors.

21          **SECTION 13.** 655.27 (5) (e) of the statutes is amended to read:

22          655.27 (5) (e) Claims filed against the fund shall be paid in the order received  
23          within 90 days after filing unless appealed by the fund. If the amounts in the fund  
24          are not sufficient to pay all of the claims, claims received after the funds are

**BILL**

1 exhausted shall be ~~immediately payable the following year in the order in which they~~  
2 ~~were received~~ paid from the appropriation under s. 20.145 (2) (a).

3 **SECTION 14.** 655.275 (5) (a) (intro.) of the statutes is amended to read:

4 655.275 (5) (a) (intro.) The council shall review, within one year of the date of  
5 first payment on the claim, each claim that is paid by the fund, or from the  
6 appropriation under s. 20.145 (2) (a), by a mandatory health care liability  
7 risk-sharing plan established under s. 619.04, by a private health care liability  
8 insurer, or by a self-insurer for damages arising out of the rendering of medical care  
9 by a health care provider or an employee of the health care provider and shall make  
10 recommendations to all of the following:

11 **SECTION 15. Nonstatutory provisions.**

12 (1) COMMISSION ON MUNICIPAL EMPLOYER HEALTH CARE COVERAGE COSTS.

13 (a) In this subsection, “municipal employer” has the meaning given in section  
14 111.70 (1) (j) of the statutes.

15 (b) There is created a special committee to be called the commission on  
16 municipal employer health care coverage costs. The commission shall consist of the  
17 following members:

18 1. The governor or his or her designee.

19 2. The secretary of revenue or his or her designee.

20 3. The secretary of administration or his or her designee.

21 4. One member of the assembly, appointed by the speaker of the assembly.

22 5. One member of the senate, appointed by the president of the senate.

23 6. One member who represents labor organizations, as defined in section 111.70

24 (1) (h) of the statutes, appointed by the governor.

25 7. One member who represents the public interest, appointed by the governor.

**BILL**

1 (c) The governor shall call the first meeting of the commission and the  
2 commission, at that meeting, shall select a chairperson.

3 (d) The department of administration shall do all of the following:

4 1. Provide all necessary administrative support services to the commission.

5 2. Reimburse members of the commission for their actual and necessary  
6 expenses incurred in carrying out their functions from the appropriation under  
7 section 20.505 (4) (ba) of the statutes, within the budget of the committee authorized  
8 under section 16.40 (14) of the statutes.

9 (e) The commission shall study the feasibility of allowing municipal employers  
10 to provide their employees with health insurance coverage under section 40.51 (6)  
11 of the statutes.

12 (f) No later than December 31, 2004, the commission shall report its findings  
13 and recommendations to the governor, and to the legislature in the manner provided  
14 in section 13.172 (2) of the statutes. Upon submittal of its report, the commission  
15 ceases to exist.

16 (2) DATE OF SCHOOL AID CALCULATION. Notwithstanding section 121.15 (4) (b) of  
17 the statutes, the department of public instruction shall calculate the total amount  
18 of school aid that each school district will receive in the 2003–04 school year by  
19 November 1, 2003.

20 (3) DATE OF LEVY AMOUNT. Notwithstanding section 120.12 (3) and (4) of the  
21 statutes, each school board of a common or union high school district shall determine  
22 the amount necessary to be levied under section 120.12 (3) and (4) of the statutes for  
23 the 2003–04 school year by November 30, 2003.

24 **SECTION 16. Appropriation changes.**

Insert 9-23 ✓

*[Handwritten signature and scribbles]*

**BILL**

1 (1) PATIENTS COMPENSATION FUND TRANSFER. There is transferred from the  
2 patients compensation fund to the general fund \$100,000,000 in fiscal year 2003-04  
3 and \$100,000,000 in fiscal year 2004-05.

4 (2) GENERAL EQUALIZATION AIDS. In the schedule under section 20.005 (3) of the  
5 statutes for the appropriation to the department of public instruction under section  
6 20.255 (2) (ac) of the statutes, as affected by the acts of 2003, the dollar amount is  
7 increased by \$100,000,000 for fiscal year 2003-04 and the dollar amount is increased  
8 by \$100,000,000 for fiscal year 2004-05 to increase funding for the purpose for which  
9 the appropriation is made.

10 **SECTION 17. Effective dates.** This act takes effect on the day after publication,  
11 except as follows:

12 (1) The repeal of sections 20.835 (3) (c) and 79.155 of the statutes and the repeal  
13 and recreation of section 74.09 (3) (b) 6. of the statutes take effect on July 1, 2005.

14 (END)

Insert  
10-14 ✓

INS 10-9A  
INS 10-9B