

2005 DRAFTING REQUEST

Bill

Received: 03/07/2005

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Steve Wieckert (608) 266-3070

By/Representing: scott

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Other - sales

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us
christopher.sundberg@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins used for livestock

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L Tax
/P1	jkreye 03/07/2005	jdyer 03/07/2005	pgreensl 03/08/2005	_____	mbarman 03/08/2005		S&L Tax
/1	jkreye 03/09/2005	jdyer 03/09/2005	rschluet 03/09/2005	_____	Inorthro 03/09/2005		S&L Tax

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/3	jkreye 03/30/2005	jdyer 03/30/2005	rschluet 03/30/2005	_____	lemery 03/30/2005	lnorthro 06/14/2005	

FE Sent For: 03/09/2005, , 03/24/2005, 04/06/2005.

<END>

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FE Sent For: ⁻¹¹03/09/2005, ⁻¹², 03/24/2005.

"13"
4/6/05
Scott

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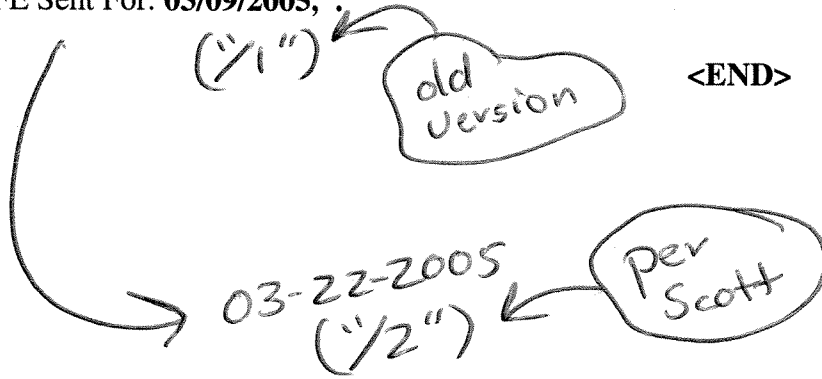
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13 3/30 jld


Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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12/23 ju

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03-09-2005
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Requested
by Scott

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13/9 jld

U.S. [Signature]

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/?	jkreye	3/7 jld	3/11 P8	3/8 P8/M			

FE Sent For:

<END>

Kreye, Joseph

From: Grant, Peter

Sent: Friday, March 04, 2005 1:50 PM

To: Kreye, Joseph

Subject: FW: Memo from Bob Conlin, Legislative

Could you call Scott Becher in Weickert's office about this on Monday? 6-3070

-----Original Message-----

From: Becher, Scott

Sent: Friday, March 04, 2005 12:35 PM

To: Grant, Peter

Subject: FW: Memo from Bob Conlin, Legislative Council

-----Original Message-----

From: Learned, Julie

Sent: Friday, March 04, 2005 12:29 PM

To: Becher, Scott

Subject: Memo from Bob Conlin, Legislative Council



WISCONSIN LEGISLATIVE COUNCIL

*Terry C. Anderson, Director
Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE STEVE WIECKERT
FROM: Robert J. Conlin, Senior Staff Attorney
RE: Proposal Relating to Sales and Use Tax Exemptions
DATE: March 1, 2005

① bill

This memorandum briefly describes a proposal you are considering regarding certain targeted exemptions to the state's sales and use tax. The proposal would contain two exemptions: (1) one for electricity consumed in agricultural biotechnology research and development; and (2) one for vitamins, supplements, and hormones used for livestock. Each exemption is further described below.

Electricity Used for Agricultural Biotechnology

The proposal would include a sales tax exemption for electricity consumed for research or product development related to agricultural biotechnology in this state. For purposes of the proposal, "agricultural biotechnology" would be defined as:

The application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics, and genetic engineering, biological cell fusion techniques, and new bioprocesses, using living organisms or parts of organisms to produce or modify products to improve plants or animals used in agriculture, to develop microorganisms for specific agricultural uses, to identify targets for small molecule pharmaceutical development for agricultural use, or to transform biological systems into useful agricultural processes and products.

[**Comment:** 1. No effective date was provided for this exemption. You may wish to consider an effective date of July 1, 2005, to coincide with the state's fiscal year, or January 1, 2006 to coincide with the calendar year.

2. As an alternative, it was suggested that the above-described exemption would apply to electricity consumed for research or product development related to biotechnology and not just agricultural biotechnology.]

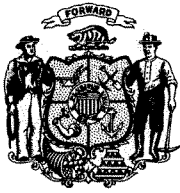
Vitamins, Supplements, and Hormones Used for Livestock

The second exemption in the proposal would exempt from the sales and use tax the gross receipts from sales of and the storage, use, or other consumption of vitamins, supplements, and hormones used on farm livestock.

[**Comment:** No effective date was provided for this exemption. You may wish to consider an effective date of July 1, 2005, to coincide with the state's fiscal year or January 1, 2006 to coincide with the calendar year.]

If you have questions regarding this memorandum, please contact me at the Legislative Council staff offices.

RJC:jal:tlu



JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 3-7-05

SOON

D-N

Gen

1 AN ACT ...; relating to: sales and use tax exemptions for electricity used in
2 agricultural biotechnology and for vitamins, supplements, and hormones used on livestock.

Analysis by the Legislative Reference Bureau

This bill creates sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins, supplements, and hormones used on farm livestock.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

- 3 SECTION 1. 77.51 (1) of the statutes is renumbered 77.51 (1d).
- 4 SECTION 2. 77.51 (1bm) of the statutes is created to read:
- 5 77.51 (1bm) "Agricultural biotechnology" means the application of
- 6 technologies, including recombinant deoxyribonucleic acid techniques,
- 7 biochemistry, molecular and cellular biology, genetics, and genetic engineering,

SECTION 2

1 biological cell fusion techniques, and new bioprocesses, that use living organisms or
2 parts of organisms to produce or modify products, improve plants or animals used in
3 agriculture, develop microorganisms for specific agricultural uses, identify targets
4 for small molecule pharmaceutical development for agricultural use, or transform
5 biological systems into useful agricultural processes and products.

6 **SECTION 3.** 77.54 (30) (a) 7. of the statutes is created to read:

7 77.54 (30) (a) 7. Electricity consumed in research or product development
8 related to agricultural biotechnology in this state.

9 **SECTION 4.** 77.54 (48) of the statutes is created to read:

10 77.54 (48) The gross receipts from the sale of and the storage, use, or other
11 consumption of vitamins, supplements, and hormones used on farm livestock.

12 **SECTION 5. Effective date.**

13 (1) This act takes effect on July 1, 2005.

14 (END)

d-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2350/P1dn

JK:.....

Jld

Representative Wieckert:

✓ Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

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

LRB-2350/P1dn
JK:jld:pg

March 7, 2005

Representative Wieckert:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Joe:

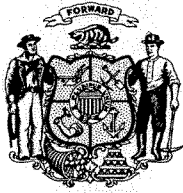
Please re-draft
to a "1/1".

↳ Per Scott
in Wickert's
office.

Thanks,

GMB

03-09-2005



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2350/P1
JK:jld:pg

RMK

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

m 3-9-05
Today

Reger

1 AN ACT *to renumber* 77.51 (1); and *to create* 77.51 (1bm), 77.54 (30) (a) 7. and
2 77.54 (48) of the statutes; **relating to:** sales and use tax exemptions for
3 electricity used in agricultural biotechnology and for vitamins, supplements,
4 and hormones used on livestock.

Analysis by the Legislative Reference Bureau

This bill creates sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins, supplements, and hormones used on farm livestock.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

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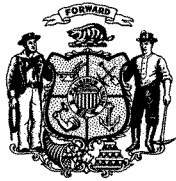
3-2305

not - 266-3070

check the

changes to eq bill 05-2350

- start in 2007



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

March 22, 2005

MEMORANDUM

To: Representative Wieckert

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2005 (unintroduced)** (LRB 05-2350/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 17, 2005

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on LRB 05-2350/1 Creating a Sales and Use Tax Exemption for Electricity Used in Agricultural Biotechnology and for Vitamins Used for Livestock

The Department has the following concerns with LRB 2350:

1. Page 2, line 1. The list of items including "genetics, and genetic engineering" has a typo. The error can be corrected by deleting either the comma or the word "and".
2. Page 2, line 9. "Related to" is very broad, implying that any degree of connection or association with agricultural biotechnology, however minor, would qualify for exemption. If "related to" is replaced with "for", the exemption would not apply to electricity consumed in research or product development that has only a minor connection with agricultural biotechnology.
3. Page 2, line 12. "Supplements" is also very broad. Under the bill, the exemption would include anything added to something else and used on farm livestock (for example, parts for equipment such as cattle chutes, calf stalls, and stanchions may be exempt under the bill, even if the equipment itself does not qualify for any of the farm exemptions). It is suggested that "feed" be added before "supplements" on line 12 to clarify that this is the type of supplement that is intended to be exempt.
4. There may be insufficient time before the July 1, 2005 effective date to notify retailers and other affected persons of the new exemptions. An effective date of the first day of the second month beginning after publication would allow sufficient time to notify retailers of the new law.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at (608) 266-1310 or bkruger@dor.state.wi.us.

Barman, Mike

From: Barman, Mike
Sent: Tuesday, March 22, 2005 8:48 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 05-2350/1 (unintroduced) (Tech. Memo by DOR - attached - for your review)



Tech_Memo_Wieck
ert.PDF

Memo

To: Senator Representative Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your un-introduced 2005 draft.

LRB Number: LRB -2350

Version: "/ 1 "

"original" FE

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 03 / 21 / 2005

* * * * *

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

- > **If redrafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.
- > **If introduced** ... and the version of the attached fiscal estimate is for a **previous version** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.
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THIS DRAFT WAS INTRODUCED AS: 2005 _____

Barman, Mike

From: Barman, Mike
Sent: Monday, March 21, 2005 2:54 PM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 05-2350/1 (FE by DOR - attached - for your review)



FE_Wieckert.PDF

Fiscal Estimate Narratives

DOR 3/21/2005

LRB Number	05-2350/1	Introduction Number	Estimate Type	Original
Subject				
Sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins used for livestock				

Assumptions Used in Arriving at Fiscal Estimate

The bill exempts from sales and use tax vitamins, supplements, and hormones used on farm livestock. In addition, the bill defines "agricultural biotechnology" and exempts from sales and use tax electricity consumed in research or product development related to agricultural biotechnology.

Data on sales of vitamins, supplements, and hormones used on farm livestock are not available. Data on vitamins, supplements, and hormones used on farm livestock are aggregated with sales of feed, veterinary services and medicines, or miscellaneous expenditures such that a reliable estimate of the decrease in sales taxes under the bill is not feasible.

Similarly, data enabling a reliable estimate of the electricity used in research and development related to agricultural biotechnology are not available.

Administrative costs of the bill are minimal and would be absorbed by the Department.

Long-Range Fiscal Implications

Memo

To: Senator Representative Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your un-introduced 2005 draft.

LRB Number: LRB - 2350

Version: " / 1 "

"corrected"
FE

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Cc: Becher, Scott
Subject: LRB 05-2350/1 (FE by DOR - "corrected" - attached - for your review)



FE_Wieckert.PDF

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DOR 3/22/2005

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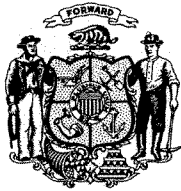
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BILL

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 12 consumption of vitamins, supplements, and hormones used on farm livestock.

13 **SECTION 5. Effective date.**

14 (1) This act takes effect on July 1, 2005. ✓

2007

15 (END)

Barman, Mike

From: Barman, Mike
Sent: Thursday, March 24, 2005 9:43 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: Another requested PDF



05-2350/2

Mike Barman

Mike Barman - Senior Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
1 East Main, Suite 200 Madison, WI 53703

Memo

To: Senator Representative Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your un-introduced 2005 draft.

LRB Number: LRB -2350

Version: "1/2"

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 04/05 / 2005

* * * * *

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

> **If redrafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.

> **If introduced** ... and the version of the attached fiscal estimate is for a **previous version** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

> **If introduced** ... and the version of the attached fiscal estimate is for the **current version** ... please write the draft's introduction number below and give to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2005 _____

Barman, Mike

From: Barman, Mike
Sent: Tuesday, April 05, 2005 10:18 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 05-2350/2 (FE by DOR - attached - for your review)



FE_Wieckert.PDF

Fiscal Estimate Narratives

DOR 4/5/2005

LRB Number	05-2350/2	Introduction Number	Estimate Type	Original
Subject				
Sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins used for livestock				

Assumptions Used in Arriving at Fiscal Estimate

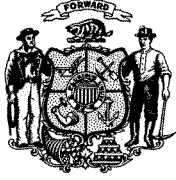
The bill exempts from sales and use tax vitamins, supplements, and hormones used on farm livestock. In addition, the bill defines "agricultural biotechnology" and exempts from sales and use tax electricity consumed in research or product development related to agricultural biotechnology. The bill would take effect on July 1, 2007 (FY08).

Data on sales of vitamins, supplements, and hormones used on farm livestock are not available. Data on vitamins, supplements, and hormones used on farm livestock are aggregated with sales of feed, veterinary services and medicines, or miscellaneous expenditures such that a reliable estimate of the decrease in sales taxes that would begin in FY08 under the bill is not feasible.

Similarly, data enabling a reliable estimate of the electricity used in research and development related to agricultural biotechnology are not available such that a reliable estimate of the decrease in sales taxes that would begin in FY08 under the bill is not feasible.

Administrative costs of the bill are minimal and would be absorbed by the Department. These costs would occur towards the end of the current biennium to prepare for the July 1, 2007 effective date of the exemption under the bill.

Long-Range Fiscal Implications



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

LRB
File copy

April 5, 2005

MEMORANDUM

To: Representative Wieckert

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2005 (unintroduced)** (LRB 05-2350/2)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 30, 2005

TO: Joseph Kreye
Legislative Reference Bureau

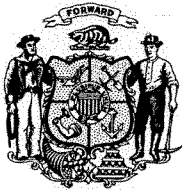
FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on LRB 05-2350/2 Creating a Sales and Use Tax Exemption for Electricity Used in Agricultural Biotechnology and for Vitamins Used for Livestock

The Department has the following concerns with LRB 2350/2:

1. Page 2, line 1. The list of items has a typographical error. The phrase "genetics, and genetic engineering" can be corrected by deleting either the comma or the word "and".
2. Page 2, line 9. "Related to" is very broad, implying that any degree of connection or association with agricultural biotechnology, however minor, would qualify for exemption. If "related to" is replaced with "for", the exemption would not apply to electricity consumed in research or product development that has only a minor connection with agricultural biotechnology.
3. Page 2, line 12. "Supplements" is also very broad. Under the bill, the exemption would include anything added to something else and used on farm livestock (for example, parts for equipment such as cattle chutes, calf stalls, and stanchions may be exempt under the bill, even if the equipment itself does not qualify for any of the farm exemptions). It is suggested that "feed" be added before "supplements" on line 12 to clarify that this is the type of supplement that is intended to be exempt.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at (608) 266-1310 or bkruger@dor.state.wi.us.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-2350/2
JK:jld:pg

RMR

2005 BILL

in 3-30-05

D-N

Troley

Regen

1 AN ACT to renumber 77.51 (1); and to create 77.51 (1bm), 77.54 (30) (a) 7. and
2 77.54 (48) of the statutes; relating to: sales and use tax exemptions for
3 electricity used in agricultural biotechnology and for vitamins, supplements,
4 and hormones used on livestock. ^{feed} _{feed}

Analysis by the Legislative Reference Bureau

This bill creates sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins, supplements, and hormones used on farm livestock.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

5 SECTION 1. 77.51 (1) of the statutes is renumbered 77.51 (1d).

6 SECTION 2. 77.51 (1bm) of the statutes is created to read:

7 77.51 (1bm) "Agricultural biotechnology" means the application of
8 technologies, including recombinant deoxyribonucleic acid techniques,

BILL

1 biochemistry, molecular and cellular biology, genetics, and genetic engineering, ✓
 2 biological cell fusion techniques, and new bioprocesses, that use living organisms or
 3 parts of organisms to produce or modify products, improve plants or animals used in
 4 agriculture, develop microorganisms for specific agricultural uses, identify targets
 5 for small molecule pharmaceutical development for agricultural use, or transform
 6 biological systems into useful agricultural processes and products.

7 **SECTION 3.** 77.54 (30) (a) 7. of the statutes is created to read:

8 77.54 (30) (a) 7. Electricity consumed in research or product development
 9 related to agricultural biotechnology in this state. ✓

10 **SECTION 4.** 77.54 (48) of the statutes is created to read:

11 77.54 (48) The gross receipts from the sale of and the storage, use, or other
 12 consumption of vitamins, ^{feed} supplements, and hormones used on farm livestock. ✓

13 **SECTION 5. Effective date.**

14 (1) This act takes effect on July 1, 2007.

15 (END)

d-note
↓

2350/3dy

JK: jld

Representative Wieckert:

This draft makes the changes recommended
by DOR in its technical memorandum dated
March 22, 2005.

JK

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

LRB-2350/3dn
JK:jld:rs

March 30, 2005

Representative Wieckert:

This draft makes the changes recommended by DOR in its technical memorandum dated March 22, 2005.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Northrop, Lori

From: Krieser, Steve
Sent: Tuesday, June 14, 2005 4:22 PM
To: LRB.Legal
Cc: Becher, Scott
Subject: Bill Jacketing

Importance: High

Can you jacket LRB 2607, 2350, and 2547 for introduction in the Assembly, please? Thanks!

Steven Krieser
Office of State Representative Steve Wieckert
(608) 266-3070

Memo

To: Senator Representative

Wieckert

(The Draft's Requester)

Per your request: ... the attached fiscal estimate was prepared for your unIntroduced 2005 draft.

LRB Number: LRB -2350

Version: "/ 3 "

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 04 / 19 / 2005

* * * * *

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

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THIS DRAFT WAS INTRODUCED AS: 2005 AB 547

Barman, Mike

From: Barman, Mike
Sent: Tuesday, April 19, 2005 8:47 AM
To: Rep.Wieckert
Cc: Becher, Scott
Subject: LRB 05-2350/3 (FE by DOR - attached - for your review)



FE_Wieckert.PDF