

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2922/P3dn
PJK:lmk:rs

January 4, 2006

The new, revised instructions that resulted in LRB-2922/P1 did not mention the tiers, that is why that concept did not make it into the draft. To bring back the "tier" concept and its relationship to premiums, I included in this version of the draft much of the language that I had been working on for LRB-0950/P2 (which you did not receive) when we received those new, revised instructions.

This version of the draft does not include the further requirement for eligibility related to being subject to income tax requirements. Apparently, being subject to income tax requirements does not depend on residing in the state for any particular length of the year. Also, how would such a requirement affect children and very low-income persons? We need to discuss this with Marc Shovers.

This version of the draft does not include the repeal of HIRSP or various other changes that will have to be made to the statutes to make the rest of the statutes consistent with the concept in this draft, such as changes to the state's health plan. All of those changes will be made once the basic concept is finalized.

You requested that the corporation be authorized to borrow money and that the borrowing be tax-exempt. The corporation may borrow money without being authorized to. See s. 181.0302 (7). Why would the corporation be taxed on money that it borrows?

The draft also contains embedded NOTES for you to review.

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