

Under current law, an individual may not claim an income tax deduction for college tuition expenses if the source of the payment is an amount withdrawn from either a college tuition and expenses program or a college savings account (commonly known as EdVest I and EdVest II) and the claimant has already claimed a deduction that relates to a contribution to an EdVest I or II account.

Under this bill, an individual may not claim an income tax deduction for college tuition expenses if the source of the payment is an amount withdrawn from either an EdVest I or II account and the owner of the account has already claimed a deduction that relates to a contribution to an EdVest I or II account.

Current law provides an individual income tax deduction for 100 percent of the amount paid by a person for a medical care insurance policy that covers the person and his or her family (his or her spouse and dependents) if the person's employer pays nothing toward the person's medical care insurance. There is a similar deduction for 100 percent of such amounts paid for a policy by a self-employed person and for approximately 33 percent of such amounts paid by a person who has no employer and no self-employment income, although the latter percentage increases to 100 percent for taxable years beginning after December 31, 2008.

This bill creates a phased-in individual income tax deduction for a percentage of the amount that is paid by an individual for a policy that covers the individual and his or her family if the individual's employer pays a portion of the cost of the individual's policy. For taxable year 2008, 10 percent of the amount paid for such a policy may be claimed; for taxable year 2009, 25 percent may be claimed; for taxable year 2010, 45 percent may be claimed; and for taxable year 2011 and thereafter, 100 percent may be claimed.

This bill allows a taxpayer to report to DOR, without paying a penalty or facing criminal prosecution, certain transactions that are devised for the principal purpose of evading or avoiding federal or state income or franchise tax and are required to be reported to the Internal Revenue Service under federal law. In order to avoid penalties and prosecution, a taxpayer must file an amended return with DOR for each taxable year beginning before January 1, 2007, in which the taxpayer participated in the transaction, and pay any additional taxes. The amended return must be filed between October 1, 2007, and December 31, 2007. Apart from the grace period provided under the bill, the bill generally requires taxpayers to report all such transactions to DOR, consistent with the reporting requirements under federal law, and pay all penalties, interest, and additional taxes.

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

This bill creates an income and franchise tax credit for health care providers in an amount equal to the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form.

This bill also creates income and franchise tax credits for amounts paid to modernize or expand a dairy manufacturing operation. Dairy manufacturing means



processing milk into dairy products or processing dairy products for sale commercially.

This bill exempts from the income tax and the franchise tax all income of a veterans service organization that is chartered under federal law.

Under current law, generally, a taxpayer may claim a credit against the taxpayer's income and franchise tax liability on certain amounts invested in new businesses under the early stage seed investment tax credit or the angel investment tax credit. This bill increases the total amount of all angel investment credits that may be claimed in each calendar year from \$3,000,000 to \$5,500,000 and the total amount of all early stage seed investment credits that may be claimed in each calendar year from \$3,500,000 to \$6,000,000. The bill also increases the amount of the investment that may be used as the basis of an angel investment credit from \$500,000 to \$2,000,000. In addition, the bill requires that any person claiming an angel investment credit or an early stage seed investment credit keep his or her investment in a certified business for at least three years.

Current law authorizes DOR to enter into agreements with the Internal Revenue Service to offset state tax refunds against federal tax obligations and charge a fee for such setoffs, not to exceed \$25 per transaction. In addition, DOR may enter into agreements with other states to offset state tax refunds against the tax obligations of other states. This bill allows DOR to enter into agreements with federally recognized tribes to offset state tax refunds against tribal obligations and charge a fee for such setoffs, not to exceed \$25 per transaction.

Under current law, a partnership, a limited liability company, a tax-option corporation, an estate, or a trust that is treated as a pass-through entity for federal income tax purposes must withhold income or franchise taxes from the income that the entity may distribute to a nonresident partner, member, shareholder, or beneficiary (nonresident). However, a nonresident's share of income from the pass-through entity that is attributable to this state is not included in determining the amount of the withholding tax if the nonresident is exempt from state income and franchise taxes or if the nonresident has no state income other than his or her share of income from the pass-through entity that is attributable to this state and the amount of that income is less than \$1,000.

Under this bill, income excluded from determining the amount of a pass-through entity's withholding taxes includes income of a nonresident who files an affidavit with DOR agreeing to file a state income or franchise tax return and be subject to the personal jurisdiction of DOR, the Tax Appeals Commission, and the courts of this state for the purpose of determining and collecting state income and franchise taxes.

This bill adopts, for state income and franchise tax purposes, certain changes made to the Internal Revenue Code by Public Law 109-7, which excludes qualified disaster mitigation payments from gross income; Public Law 109-58, the Energy Tax Incentives Act; Public Law 109-59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act; Public Law 109-73, the Katrina Emergency Tax Relief Act; Public Law 109-135, the Gulf Opportunity Zone Act; Public Law 109-151, the Employee Retirement Preservation Act; Public Law 109-222, the Tax Increase

Prevention Act; Public Law 109-227, Heroes Earned Retirement Opportunities Act; and Public Law 109-280, the Pension Protection Act.

Under current law, for claims filed in 2001 and thereafter, the homestead tax credit threshold income is \$8,000; the maximum property taxes, or rent constituting property taxes, that a claimant may use in calculating his or her credit are \$1,450; and the maximum household income is \$24,500. As income increases from \$8,000 to \$24,500, the credit is phased out to zero under the current formula; also, the credit is 80 percent of the property taxes accrued or rent constituting property taxes accrued for household income of \$8,000 or less. Using the formula, the credit that may be claimed ranges from \$10 to \$1,160.

Under this bill, for claims filed in 2009 and thereafter, the maximum household income is indexed for inflation. Also under the bill, as a claimant's income exceeds the threshold income amount, the credit is phased out until the credit equals zero when income exceeds the indexed maximum income.

Federal law provides an individual income tax credit for a portion of qualifying child or dependent care expenses that are paid for the purpose of enabling a taxpayer to be gainfully employed. An eligible claimant must maintain a household for a qualifying individual, which is defined as a dependent under the age of 13, a disabled spouse, or another disabled individual who is a dependent of the taxpayer. The amount that may be claimed under the federal credit is based on the amount of allowable employment-related expenses incurred by the claimant. The maximum amount of such expenses under federal law is \$3,000 for one qualifying individual and \$6,000 for more than one qualifying individual.

In calculating Wisconsin AGI, this bill authorizes an individual who claims the federal credit to subtract from federal AGI a certain amount of the expenses claimed by the individual under the federal credit. The amount that may be subtracted is phased in over four years. For nonresidents and part-year residents of this state, the amount of the subtraction is then prorated based on the ratio of the claimant's Wisconsin earned income to total earned income.

Currently, with regard to the endangered resources and local professional football stadium district income tax checkoffs, the secretary of revenue must highlight that place on the income tax return with an appropriate symbol. Under this bill, the requirement applies only to forms printed by DOR.

Under current law, certain types of income received by an individual, which are deductible under federal law when the individual calculates his or her federal AGI, must be added back to federal AGI when an individual calculates his or her Wisconsin AGI.

In calculating Wisconsin AGI, this bill requires that nonresidents and part-year residents add back to federal AGI a portion of certain items that are deductible under federal law, such as the domestic production activities deduction and attorney fees and court costs involving unlawful discrimination claims.

This bill specifies that amounts received by a nonresident of this state under a covenant not to compete is taxable by this state to the extent that the covenant was based on a Wisconsin-based activity.

**OTHER TAXATION**

Currently, if a taxpayer appeals a DOR tax ruling to the Tax Appeals Commission, the taxpayer may deposit the additional taxes DOR claims is due, plus interest, with the secretary of administration while the appeal is pending, and DOR must authorize the secretary to administer the deposit and issue any refund that is due the taxpayer after the appeal concludes. Currently, similar tax assessment and refund issuance procedures also apply to other taxes including the oil and gas severance tax and the cigarette inventory tax.

Under this bill, such deposits are made, and such refunds are issued, by DOR directly, and DOA no longer administers the deposits or issues any refunds.

This bill imposes an assessment on a motor vehicle fuel supplier at the rate of 2.5 percent of the supplier's gross receipts from the first sale of motor vehicle fuel in this state. The supplier may take no action to increase or influence the selling price of motor vehicle fuel in order to recover the amount of the assessment. For the purpose of determining the amount of the assessment, income derived from the first sale in this state of biodiesel fuel or ethanol blended with gasoline to create gasoline consisting of at least 85 percent ethanol is not included in the supplier's gross receipts. The revenue collected from the assessment is deposited into the transportation fund.

This bill adopts the substantive provisions of the streamlined sales and use tax agreement for purposes of administering and collecting state, county, and stadium district sales and use taxes. The agreement is intended to modernize sales and use tax administration for the states that enter into the agreement and to encourage out-of-state retailers to collect the state, county, and stadium district sales and use taxes voluntarily. Under current federal law, generally, an out-of-state retailer who sells tangible personal property or services to customers in this state is not required to collect the sales tax or use tax imposed on such sales, if the retailer has no physical presence in this state. See *Quill v. North Dakota*, 504 U.S. 298; 112 S.Ct. 1904 (1992).

This bill increases the rate of the excise tax imposed on the sale of cigarettes from 77 cents per pack to \$2.02 per pack. The bill also increases the rate of the excise tax imposed on the sale of tobacco products from 25 percent of the manufacturer's list price to distributors to 65.6 percent of the manufacturer's list price to distributors.

Under current law, generally, the conveyance of real property from one person to another is subject to a real estate transfer fee of 30 cents for each \$100 of the conveyance's value. The register of deeds for the county in which the property is located collects the fee at the time that the conveyance is recorded. The register of deeds retains 20 percent of the fee for the county and submits the remainder to the state.

This bill increases the real estate transfer fee to 60 cents for each \$100 of a conveyance's value and requires the register of deeds to submit 90 percent of the fee to the state. Under the bill, the amount of the real estate transfer fee submitted to the state is deposited into the county aid fund. The state pays a portion of the amount paid to counties for circuit court costs out of the county aid fund. The state also pays from the county aid fund a portion of the amount paid to counties as community youth and family aids (generally referred to as youth aids), which are aids paid to

counties for juvenile delinquency-related services. These costs and aids are currently paid out of the general fund. Beginning in 2008, county aid payments, currently referred to as shared revenue payments, will be paid in part from the county aid fund and in part from the general fund.

This bill creates sales and use tax exemptions for all of the following:

1. Tangible personal property and taxable services that are sold by a home exchange service that is operated by DVA.
2. Machines, equipment, animals, and certain other tangible personal property that are sold to a biotechnology business for use exclusively in research.
3. Machines, equipment, and certain other tangible personal property that are used exclusively in raising animals that are sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for use by any such entity exclusively in research or manufacturing.
4. Catalogs and the envelopes in which the catalogs are mailed.

This bill also modifies the sales and use tax exemption for motion picture film and tape to include radio and television programs. In addition, under the bill, the exemption applies to motion pictures and radio and television programs that are electronically provided to a purchaser.

Under current law, generally, a person may not sell cigarettes in this state without a permit issued by DOR. Current law also prohibits a direct marketer from selling cigarettes to consumers in this state unless the direct marketer fulfills certain requirements. Current law defines direct marketing as publishing or making accessible an offer for the sale of cigarettes to consumers in this state, or selling cigarettes, using any means by which the consumer is not physically present on a premise that sells cigarettes.

Under this bill, generally, the same provisions that apply to the direct marketing of cigarettes under current law also apply to the direct marketing of tobacco products. In addition, no person may sell cigarettes or tobacco products to consumers in this state unless the person applies to DOR for a permit.

This bill increases the fee imposed on dry cleaning facilities from 1.8 percent of the gross receipts from the previous three months from dry cleaning apparel and household fabrics to 2.8 percent of such gross receipts.

This bill allows DOR to charge a filing fee for sales tax returns that are submitted to DOR on paper.

## **TRANSPORTATION**

### **HIGHWAYS**

Current law includes provisions applicable to southeast Wisconsin freeway rehabilitation projects, including the Marquette interchange reconstruction project. Under current law, DOT may contract up to \$213,100,000 in public debt for the Marquette interchange reconstruction project. DOT generally may not expend moneys, other than bonding proceeds, for any southeast Wisconsin freeway rehabilitation project that involves adding lanes five miles or more in length to an existing freeway absent enumeration of the project by the legislature. Currently no such projects are enumerated.

This bill enumerates two projects: the Zoo interchange project in Milwaukee County and the I 94 north-south corridor project in southeastern Wisconsin. The bill also increases from \$213,100,000 to \$303,300,000 the general obligation bonding limit and allows proceeds from this bonding also to be used to fund the I 94 north-south corridor project.

Under current law, the Building Commission may issue revenue bonds for major highway projects and transportation administrative facilities in a principal amount that, with certain exclusions, may not exceed \$2,324,377,900. This bill increases the revenue bond limit from \$2,324,377,900 to \$2,708,341,000.

Under current law, debt service on certain public debt for major highway projects and state highway rehabilitation projects is paid from the general fund. This bill pays some or all of this debt service from the transportation fund.

#### **DRIVERS AND MOTOR VEHICLES**

This bill incorporates into state law the requirements contained in the federal REAL ID Act necessary for federal agencies to recognize for an official purpose operator's licenses and identification cards issued by this state. Under the act, an official purpose includes accessing federal facilities, boarding federally regulated commercial aircraft, and any other purpose identified by the federal Department of Homeland Security (DHS).

Under this bill, DOT may not, after May 10, 2008, issue or renew an operator's license or identification card unless the applicant presents, and DOT verifies, all of the following information:

1. An identification document that includes either the applicant's photograph or both the applicant's full legal name and date of birth.
2. Documentation showing the applicant's date of birth.
3. Proof of the applicant's social security number or verification that the applicant is not eligible for a social security number.
4. Documentation showing the applicant's name and address of principal residence.
5. Valid documentary proof that the individual is a citizen or national of the United States or an alien lawfully admitted for permanent or temporary residence in the United States.

In processing the application for an operator's license or identification card, DOT must capture and retain for at least ten years a digital image of each document presented. DOT must verify each document presented in the manner and to the extent required under federal law. DOT must record in the applicant's file or record the date on which verification is completed.

This bill creates a \$10 federal security verification mandate fee that must be paid to DOT for the issuance, renewal, upgrading, or reinstatement of any operator's license, endorsement, instruction permit, or identification card.

For certain noncitizen applicants who present specified forms of status or authorization of legal presence in the United States, the bill requires DOT to issue operator's licenses or identification cards displaying a legend identifying the license as temporary. Such a license or identification card may not be renewed unless the applicant presents valid documentary proof that DHS extended the status by which

the applicant qualified for the license or identification card. Under current law, an operator's license or identification card issued to a noncitizen generally expires on the date the person's legal presence in the United States is no longer authorized. Under the bill, under certain circumstances, a temporary operator's license or identification card issued to a noncitizen expires one year after issuance.

The bill specifies that every operator's license and identification card must include a digital color photograph of the applicant and that an applicant who does not provide a social security number must provide the basis for his or her ineligibility for a social security number.

Under current law, upon request, DOT must provide to the commercial driver license information system and the driver licensing agencies of other states any applicant or driver record information maintained by DOT. This bill specifies that upon request, DOT must provide to any driver licensing agency of another state electronic access to any record or file of an operator's license or identification card applicant, including any photograph, signature, or social security number appearing in such a record or file. Also, DOT may provide to DHFS certain applicant information for the sole purpose of verification by DHFS of birth certificate information.

The bill requires DOT to record in each licensee's operating record, and in each identification card holder's record, the information in all data fields printed on the person's license or card.

The bill requires DOT to implement certain security procedures with regard to the issuance of operator's licenses and identification cards. The bill provides for DOT to perform background investigations on employees or new hires in its Division of Motor Vehicles (DMV). Before allowing a person to access an information system maintained by DMV, DOT must require the person's employer to conduct a background investigation. DOT may use the results of the investigation to deny or restrict access to DMV information.

Under current law, to renew most operator's licenses, DOT must administer an examination of the applicant's eyesight and provide for giving eyesight examinations at examining stations in each county. The applicant generally must appear at the examining station nearest his or her residence. Under this bill, DOT eyesight examinations at examining stations are not required to be provided in each county, and the applicant need not appear at the examining station nearest his or her residence.

The bill extends the valid period for an identification card from four years to eight years.

This bill increases the annual fee for registering an automobile from \$55 to \$75 and increases the annual fee for registering a motor truck or dual purpose motor home that weighs not more than 4,500 pounds from \$48.50 to \$75, for a vehicle that weighs not more than 6,000 pounds from \$61.50 to \$84, and for a vehicle that weighs not more than 8,000 pounds from \$77.50 to \$106.

This bill requires DOT to enter into the national Driver License Agreement (DLA) that establishes standards for the treatment and exchange of driver licensing and conviction information and other data pertinent to the licensing process. The

DLA requires participating states to recognize certain kinds of violations relating mostly to operating motor vehicles and the administrative actions taken in response to those violations, such as suspension or revocation of a person's operating privilege (DLA Code violations). Under the DLA, when a person who is licensed in one state that is a party to the DLA commits a DLA Code violation in another party state, the licensing state takes administrative action in response to the violation, based on information provided by the state in which the violation occurred. Administrative action by a party state is recognized by all other party states. The DLA also generally provides that records concerning a licensed driver are maintained only by the licensing state.

This bill requires DOT to identify by rule the violations and administrative actions under this state's laws that the DLA requires to be recognized as DLA Code violations and that describe the equivalent violations and administrative actions under the laws of other member states that DOT must recognize as DLA Code violations when the offense is not committed in this state.

Current law allows or requires DOT or a court, in a variety of circumstances, to suspend or revoke the operating privilege of any person, whether a resident or nonresident, who commits specified offenses in this state. In addition, in a variety of circumstances, current law allows or requires DOT to suspend or revoke the operating privilege of a resident for committing specified offenses in other jurisdictions and allows or requires DOT or a court to treat convictions in other jurisdictions as prior offenses. DOT may or must suspend or revoke the operating privilege of a nonresident, except with respect to a commercial driver license (CDL), upon receiving notice of a conviction for certain offenses in another jurisdiction.

To correspond to the state's joinder of the DLA, this bill substantially modifies the procedure for DOT's administrative suspensions and revocations of motor vehicle operating privileges. Under the bill, DOT may generally suspend or revoke the operating privilege only of persons who hold an operator's license issued by DOT or who are residents of this state and do not hold an operator's license issued by another jurisdiction (Wisconsin licensees or residents). A nonresident who commits a violation in this state is generally subject to the penalty provided for the violation except that, in lieu of suspension or revocation of the nonresident's operating privilege in this state, notice is provided to the person's state of licensure or residency. However, if the nonresident's state of licensure or residency is not a DLA state, or if the offense is not a DLA code violation, DOT may suspend or revoke the nonresident's operating privilege. The bill also allows certain offenses committed in other jurisdictions that, if committed in this state, would have been violations in this state to be grounds for suspension or revocation by DOT and to be counted as prior violations for purposes of court-ordered suspensions or revocations.

Under the bill, although a nonresident is technically disqualified as a matter of law from operating a commercial motor vehicle (CMV) upon conviction of specified offenses related to a CMV or CDL, the nonresident is not ordered administratively disqualified by DOT, and DOT does not record the disqualification of the nonresident in DOT's driver records unless required to do so by federal law. If DOT receives a record of conviction of a nonresident for an offense not required by federal law to be



recorded in DOT's records, DOT must provide notice of the conviction and disqualification as a matter of law to the person's jurisdiction of licensure or residency. The bill also adds certain convictions in other jurisdictions that may result in disqualification. The bill allows certain offenses committed in other jurisdictions to be grounds for disqualification if they would have been violations in this state had they been committed in this state.

This bill also modifies, to correspond to the state's joinder of the DLA, DOT's procedures for maintaining driver records. Under the bill, in most circumstances, DOT must maintain a driver record only for persons who are Wisconsin licensees or residents. For such persons, DOT must maintain in the driver record any notice received from another jurisdiction of the revocation, suspension, or cancellation of the person's operating privilege in that jurisdiction. Rather than maintain a driver record for nonresidents, DOT must forward any record of conviction (as required under current law) or notice of any administrative action, including suspension or revocation of an operating privilege or disqualification by DOT, or of any test results, out-of-service order, or DOT hearing results related to driving or operating a motor vehicle while under the influence of an intoxicant, to the nonresident's state of licensure or residency.

Upon receiving notice that a Wisconsin licensee or resident has applied for an operator's license or transferred residency to another jurisdiction, DOT must transfer the person's driver record information to the other jurisdiction if the jurisdiction is a member of the DLA or if the jurisdiction accepts responsibility for maintaining the person's driver record. With two exceptions, DOT may not thereafter update the person's driver record unless required by federal law. If a person licensed in another jurisdiction applies for an operator's license in this state, DOT must request that the person's driver record be transferred from the other jurisdiction.

This bill also alters certain requirements related to issuance of an operator's license to a person moving to this state from another state.

This bill eliminates the requirements that DOT establish new designs for vehicle registration plates and reissue registration plates on an established schedule.

Under current law, DOT administers, in a manner provided under federal law, a single-state insurance registration system for for-hire motor carriers allowing interstate carriers to register in, and pay applicable fees to, a single state with regard to proof of motor carrier insurance requirements. Under federal law, the single-state insurance registration system is scheduled to be repealed and replaced by a unified carrier registration system.

This bill authorizes DOT to participate in the new unified carrier registration system and to impose registration fees on all motor carriers, including private motor carriers.

Current law requires DOT to conduct a motor vehicle emission inspection and maintenance program (I/M program) in counties where air quality does not meet certain federal standards. Under the I/M program, most motor vehicles that are subject to emission limitations established by DNR must pass periodic emission

inspections and may not be registered by DOT unless they have passed these inspections. Certain motor vehicles are exempt from emission inspections. DOT is required to contract with third parties to perform vehicle emission inspections under the I/M program.

This bill exempts from emission inspections vehicles of model year 1967 to model year 1995, vehicles of model year 2007 or later that weigh between 10,001 pounds and 14,000 pounds, and vehicles of model year 2007 or later that are powered by diesel fuel. The bill also allows DOT to authorize or require third-party contractors to install and operate self-service inspection stations, at which the contractor may use different methods for emissions testing and equipment inspection than those used at inspection stations that are not self-service. The bill allows DOT to establish additional methods for emissions inspections.

Current law requires an environmental impact fee of \$9 when a person registers a new motor vehicle or applies for a new certificate of title after transferring a vehicle. The environmental impact fee is credited to the environmental fund, and expires on December 31, 2007. This bill eliminates the expiration date.

Under current law, a person convicted of certain violations relating to operating a vehicle while intoxicated must pay a driver improvement surcharge of \$355 in addition to any applicable forfeiture or fine, assessments, and costs. However, the surcharge does not apply to a person who commits a first violation of operating a vehicle with a prohibited blood alcohol concentration of 0.08 or more but less than 0.1 at the time of the violation.

This bill removes the exemption for first time offenders.

#### TRANSPORTATION AIDS

Under current law, DOT makes general transportation aids payments to a county based on a share-of-costs formula, and to a village, city, or town (municipality) based on the greater of a share-of-costs formula for municipalities or an aid rate per mile, which is \$1,862 for 2006 and \$1,899 for 2007 and thereafter. This bill increases the aid rate per mile to \$1,937 for 2008 and \$1,976 for 2009 and thereafter.

This bill increases the maximum amount of general transportation aids that may be paid to counties from \$93,682,400 in 2007 to \$95,556,000 in 2008 and ~~\$95,467,100~~ in 2009 and thereafter. The bill also increases the maximum amount of aid that may be paid to municipalities from \$294,736,000 in 2007 to \$300,630,700 in 2008 and \$306,643,300 in 2009 and thereafter.

Under current law, DOT provides state aid to local public bodies in urban areas served by mass transit systems to assist with the expenses of operating those systems. This bill increases the total amount of state aid for mass transit systems.

This bill creates a Safe Routes to School Program to promote children walking or riding bicycles to school and to increase the safety and reduce traffic in the vicinity of schools. The program must be consistent with the federal Safe Routes to School Program and incorporate regulations under that federal law.

Under current law, DOT administers a Local Roads Improvement Program, which includes an entitlement component and a nonentitlement component. This

97,467,100

is how it should read

bill increases DOT's allocations for the nonentitlement component. The bill also requires DOT to award a grant of \$60,000 from nonentitlement moneys.

#### **RAIL AND AIR TRANSPORTATION**

Under current law, DOT administers a Rail Passenger Route Development Program to, in part, fund capital costs related to Amtrak service extension routes or other rail service routes between Milwaukee and Madison and between Milwaukee and Green Bay. This bill expands the program to include routes between Chicago and Milwaukee and between Madison and La Crosse. The bill also increases general obligation bonding authority for the program from \$50,000,000 to \$82,000,000.

Under current law, DOT may contract up to \$44,500,000 in public debt for the acquisition and improvement of rail property. This bill increases the limit to \$66,500,000.

#### **OTHER TRANSPORTATION**

Under current law, DOT collects a supplemental vehicle title fee of \$7.50, which is deposited into the transportation fund. An amount equal to the amount of the supplemental fees collected is transferred from the general fund to the environmental fund each year. This bill increases the supplemental vehicle title fee from \$7.50 to \$9.50 and transfers the fees collected from the transportation fund to the environmental fund.

The law governing repair, replacement, and refund under a motor vehicle warranty is known as the "lemon law." This bill creates a four-year statute of limitations for vehicle manufacturers to request a refund of sales tax on vehicles returned to them under the lemon law. The bill also creates a four-year statute of limitations for vehicle lessors or purchasers to request a sales tax refund from DOR when they have obtained from the manufacturer, under the lemon law, a refund of the purchase price but not the sales tax paid on the vehicle. The bill provides that vehicle manufacturers, lessors, and purchasers receive 9 percent interest on the sales tax refunded to them.

Under current law, DOT may contract up to \$40,700,000 in public debt to provide grants for harbor improvements. This bill increases the limit to \$53,400,000.

#### **VETERANS AND MILITARY AFFAIRS**

This bill allows DVA to transfer up to \$7,000,000 during the 2007-09 fiscal biennium from the DVA appropriation for institutional operations to the veterans trust fund if there is money in that appropriation in excess of the amount needed to care for members of the veterans homes.

Under current law, to be eligible for burial at one of the state veteran's cemeteries, a veteran must meet certain conditions, including having been discharged or released from active duty in the U.S. armed forces under honorable conditions. This bill changes the conditions of discharge or release to being discharged under conditions other than dishonorable. An honorable discharge is given to a person who has served without any misconduct. A person may receive a discharge under conditions other than dishonorable if he or she engaged in misconduct that was not serious enough to warrant a dishonorable discharge.

This bill allows DVA to provide an annual payment of \$25,000 for two years to the Center for Veteran Issues to provide outreach services to homeless veterans.

This bill increases the authorized bonding authority of DVA to make mortgage loans from \$2,120,840,000 to \$2,170,840,000.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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

1           **SECTION 1.** 6.47 (1) (ag) of the statutes is amended to read:

2           6.47 (1) (ag) "Domestic abuse victim service provider" means an organization  
3 that is certified by the department of health and family services children and families  
4 as eligible to receive grants under s. ~~46.95~~ 49.165 (2) and whose name is included on  
5 the list provided by the board under s. 7.08 (10).

6           **SECTION 2.** 7.08 (10) of the statutes is amended to read:

7           7.08 (10) DOMESTIC ABUSE AND SEXUAL ASSAULT SERVICE PROVIDERS. Provide to  
8 each municipal clerk, on a continuous basis, the names and addresses of  
9 organizations that are certified under s. ~~46.95~~ 49.165 (4) or 165.93 (4) to provide  
10 services to victims of domestic abuse or sexual assault.

11           **SECTION 3.** 7.33 (4) of the statutes is amended to read:

12           7.33 (4) Except as otherwise provided in this subsection, each local  
13 governmental unit, as defined in s. 16.97 (7), may, and each state agency shall, upon  
14 proper application under sub. (3), permit each of its employees to serve as an election  
15 official under s. 7.30 without loss of fringe benefits or seniority privileges earned for  
16 scheduled working hours during the period specified in sub. (3), without loss of pay

1 for scheduled working hours during the period specified in sub. (3) except as provided  
2 in sub. (5), and without any other penalty. For employees who are included in a  
3 collective bargaining unit for which a representative is recognized or certified under  
4 subch. V or VI of ch. 111, this subsection shall apply unless otherwise provided in a  
5 collective bargaining agreement.

6 **SECTION 4.** 13.101 (6) (a) of the statutes is amended to read:

7 13.101 (6) (a) As an emergency measure necessitated by decreased state  
8 revenues and to prevent the necessity for a state tax on general property, the  
9 committee may reduce any appropriation made to any board, commission,  
10 department, or the University of Wisconsin System, or to any other state agency or  
11 activity, by such amount as it deems feasible, not exceeding 25% of the  
12 appropriations, except appropriations made by ss. 20.255 (2) (ac), (bc), (bh), (cg), and  
13 ~~(er)~~ (vr), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and (6) (af),  
14 (aq), (ar), and (au), 20.435 (6) (a) and (7) (da), and 20.445 (3) (a) and (dz) or for forestry  
15 purposes under s. 20.370 (1), or any other moneys distributed to any county, city,  
16 village, town, or school district. Appropriations of receipts and of a sum sufficient  
17 shall for the purposes of this section be regarded as equivalent to the amounts  
18 expended under such appropriations in the prior fiscal year which ended June 30.  
19 All functions of said state agencies shall be continued in an efficient manner, but  
20 because of the uncertainties of the existing situation no public funds should be  
21 expended or obligations incurred unless there shall be adequate revenues to meet the  
22 expenditures therefor. For such reason the committee may make reductions of such  
23 appropriations as in its judgment will secure sound financial operations of the  
24 administration for said state agencies and at the same time interfere least with their  
25 services and activities.

1           **SECTION 5.** 13.101 (6) (a) of the statutes, as affected by 2007 Wisconsin Act ...

2           (this act), is amended to read:

3           13.101 **(6)** (a) As an emergency measure necessitated by decreased state  
4           revenues and to prevent the necessity for a state tax on general property, the  
5           committee may reduce any appropriation made to any board, commission,  
6           department, or the University of Wisconsin System, or to any other state agency or  
7           activity, by such amount as it deems feasible, not exceeding 25% of the  
8           appropriations, except appropriations made by ss. 20.255 (2) (ac), (bc), (bh), (cg), and  
9           (vr), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and (6) (af),  
10          (aq), (ar), and (au), 20.435 (6) (a) and (7) (da), and ~~20.445 (3)~~ 20.437 (2) (a) and (dz)  
11          or for forestry purposes under s. 20.370 (1), or any other moneys distributed to any  
12          county, city, village, town, or school district. Appropriations of receipts and of a sum  
13          sufficient shall for the purposes of this section be regarded as equivalent to the  
14          amounts expended under such appropriations in the prior fiscal year which ended  
15          June 30. All functions of said state agencies shall be continued in an efficient  
16          manner, but because of the uncertainties of the existing situation no public funds  
17          should be expended or obligations incurred unless there shall be adequate revenues  
18          to meet the expenditures therefor. For such reason the committee may make  
19          reductions of such appropriations as in its judgment will secure sound financial  
20          operations of the administration for said state agencies and at the same time  
21          interfere least with their services and activities.

22                **SECTION 6.** 13.111 (2) of the statutes is amended to read:

23                13.111 **(2)** DUTIES. The joint committee on employment relations shall perform  
24                the functions assigned to it under ~~subch.~~ subchs. V and VI of ch. 111, subch. II of ch.  
25                230 and ss. 16.53 (1) (d) 1., 20.916, 20.917, 20.923 and 40.05 (1) (b).

1           **SECTION 7.** 13.172 (1) of the statutes is amended to read:

2           13.172 (1) In this section, "agency" means an office, department, agency,  
3 institution of higher education, association, society, or other body in state  
4 government created or authorized to be created by the constitution or any law, that  
5 is entitled to expend moneys appropriated by law, including the legislature and the  
6 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in  
7 ch. 231, 233, ~~or 234~~, or 238.

8           **SECTION 8.** 13.48 (13) (a) of the statutes is amended to read:

9           13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
10 facility that is constructed for the benefit of or use of the state, any state agency,  
11 board, commission or department, the University of Wisconsin Hospitals and Clinics  
12 Authority, the Fox River Navigational System Authority, the Healthy Wisconsin  
13 Authority, or any local professional baseball park district created under subch. III  
14 of ch. 229 if the construction is undertaken by the department of administration on  
15 behalf of the district, shall be in compliance with all applicable state laws, rules,  
16 codes and regulations but the construction is not subject to the ordinances or  
17 regulations of the municipality in which the construction takes place except zoning,  
18 including without limitation because of enumeration ordinances or regulations  
19 relating to materials used, permits, supervision of construction or installation,  
20 payment of permit fees, or other restrictions.

21           **SECTION 9.** 13.48 (14) (a) of the statutes is amended to read:

22           13.48 (14) (a) In this subsection, "agency" has the meaning given for "state  
23 agency" in s. 20.001 (1), except that during the period prior to July 1, 2007, and the  
24 period beginning on the effective date of this paragraph .... [revisor inserts date], and

1 ending on June 30, 2009, the term does not include the Board of Regents of the  
2 University of Wisconsin System.

3 **SECTION 10.** 13.62 (2) of the statutes is amended to read:

4 13.62 (2) "Agency" means any board, commission, department, office, society,  
5 institution of higher education, council, or committee in the state government, or any  
6 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233,  
7 234, ~~or 237, or 238~~, except that the term does not include a council or committee of  
8 the legislature.

9 **SECTION 11.** 13.63 (1) (am) of the statutes is amended to read:

10 13.63 (1) (am) If an individual who applies for a license under this section does  
11 not have a social security number, the individual, as a condition of obtaining that  
12 license, shall submit a statement made or subscribed under oath or affirmation to the  
13 board that the individual does not have a social security number. The form of the  
14 statement shall be prescribed by the department of ~~workforce development~~ children  
15 and families. A license issued in reliance upon a false statement submitted under  
16 this paragraph is invalid.

17 **SECTION 12.** 13.63 (1) (b) of the statutes is amended to read:

18 13.63 (1) (b) Except as provided under par. (am), the board shall not issue a  
19 license to an applicant who does not provide his or her social security number. The  
20 board shall not issue a license to an applicant or shall revoke any license issued to  
21 a lobbyist if the department of revenue certifies to the board that the applicant or  
22 lobbyist is liable for delinquent taxes under s. 73.0301. The board shall refuse to  
23 issue a license or shall suspend any existing license for failure of an applicant or  
24 licensee to pay court-ordered payments of child or family support, maintenance,  
25 birth expenses, medical expenses or other expenses related to the support of a child



1 or former spouse or failure of an applicant or licensee to comply, after appropriate  
2 notice, with a subpoena or warrant issued by the department of workforce  
3 ~~development~~ children and families or a county child support agency under s. 59.53  
4 (5) and related to paternity or child support proceedings, as provided in a  
5 memorandum of understanding entered into under s. 49.857. No application may  
6 be disapproved by the board except an application for a license by a person who is  
7 ineligible for licensure under this subsection or s. 13.69 (4) or an application by a  
8 lobbyist whose license has been revoked under this subsection or s. 13.69 (7) and only  
9 for the period of such ineligibility or revocation.

10 **SECTION 13.** 13.64 (2) of the statutes is amended to read:

11 13.64 (2) The registration shall expire on December 31 of each even-numbered  
12 year. Except as provided in sub. (2m), the board shall refuse to accept a registration  
13 statement filed by an individual who does not provide his or her social security  
14 number. The board shall refuse to accept a registration statement filed by an  
15 individual or shall suspend any existing registration of an individual for failure of  
16 the individual or registrant to pay court-ordered payments of child or family  
17 support, maintenance, birth expenses, medical expenses or other expenses related  
18 to the support of a child or former spouse or failure of the individual or registrant to  
19 comply, after appropriate notice, with a subpoena or warrant issued by the  
20 department of ~~workforce~~ development children and families or a county child  
21 support agency under s. 59.53 (5) and related to paternity or child support  
22 proceeding, as provided in a memorandum of understanding entered into under s.  
23 49.857. If all lobbying by or on behalf of the principal which is not exempt under s.  
24 13.621 ceases, the board shall terminate the principal's registration and any  
25 authorizations under s. 13.65 as of the day after the principal files a statement of

1 cessation and expense statements under s. 13.68 for the period covering all dates on  
2 which the principal was registered. Refusal to accept a registration statement or  
3 suspension of an existing registration pursuant to a memorandum of understanding  
4 under s. 49.857 is not subject to review under ch. 227.

5 **SECTION 14.** 13.64 (2m) of the statutes is amended to read:

6 13.64 (2m) If an individual who applies for registration under this section does  
7 not have a social security number, the individual, as a condition of obtaining  
8 registration, shall submit a statement made or subscribed under oath or affirmation  
9 to the board that the individual does not have a social security number. The form of  
10 the statement shall be prescribed by the department of ~~workforce development~~  
11 children and families. A registration accepted in reliance upon a false statement  
12 submitted under this subsection is invalid.

13 **SECTION 15.** 13.83 (3) (f) (intro.) of the statutes is amended to read:

14 13.83 (3) (f) (intro.) The special committee shall be assisted by a technical  
15 advisory committee composed of ~~7~~ 8 members representing the following:

16 **SECTION 16.** 13.83 (3) (f) 2m. of the statutes is created to read:

17 13.83 (3) (f) 2m. The department of children and families.

18 **SECTION 17.** 13.83 (4) (a) 9. of the statutes is repealed.

19 **SECTION 18.** 13.94 (4) (a) 1. of the statutes is amended to read:

20 13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
21 credentialing board, commission, independent agency, council or office in the  
22 executive branch of state government; all bodies created by the legislature in the  
23 legislative or judicial branch of state government; any public body corporate and  
24 politic created by the legislature including specifically the Fox River Navigational  
25 System Authority and the Wisconsin Aerospace Authority, a professional baseball

1 park district, a local professional football stadium district, a local cultural arts  
2 district and a family long-term care district under s. 46.2895; every Wisconsin works  
3 agency under subch. III of ch. 49; every provider of medical assistance under subch.  
4 IV of ch. 49; technical college district boards; development zones designated under  
5 s. 560.71; every county department under s. 51.42 or 51.437; every nonprofit  
6 corporation or cooperative or unincorporated cooperative association to which  
7 moneys are specifically appropriated by state law; and every corporation, institution,  
8 association or other organization which receives more than 50% of its annual budget  
9 from appropriations made by state law, including subgrantee or subcontractor  
10 recipients of such funds.

11 **SECTION 19.** 13.94 (4) (b) of the statutes is amended to read:

12 13.94 (4) (b) In performing audits of family long-term care districts under s.  
13 46.2895, Wisconsin works agencies under subch. III of ch. 49, providers of medical  
14 assistance under subch. IV of ch. 49, corporations, institutions, associations, or other  
15 organizations, and their subgrantees or subcontractors, the legislative audit bureau  
16 shall audit only the records and operations of such providers and organizations  
17 which pertain to the receipt, disbursement or other handling of appropriations made  
18 by state law.

19 **SECTION 20.** 13.95 (intro.) of the statutes is amended to read:

20 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
21 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau  
22 shall be strictly nonpartisan and shall at all times observe the confidential nature  
23 of the research requests received by it; however, with the prior approval of the  
24 requester in each instance, the bureau may duplicate the results of its research for  
25 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's

1 designated employees shall at all times, with or without notice, have access to all  
2 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
3 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
4 the Healthy Wisconsin Authority, and the Fox River Navigational System Authority,  
5 and to any books, records, or other documents maintained by such agencies or  
6 authorities and relating to their expenditures, revenues, operations, and structure.

7 **SECTION 21.** 14.18 of the statutes is amended to read:

8 **14.18 Assistance from department of workforce development children**  
9 **and families.** The governor may enter into a cooperative arrangement with the  
10 department of ~~workforce development~~ children and families under which the  
11 department assists the governor in providing temporary assistance for needy  
12 families under 42 USC 601 et. seq.

13 **SECTION 22.** 14.83 of the statutes is amended to read:

14 **14.83 Interstate insurance receivership commission.** There is created an  
15 interstate insurance receivership commission as specified in s. 601.59 (3). The  
16 member of the commission representing this state shall be the commissioner of  
17 insurance or his or her designated representative. The commission member shall  
18 serve without compensation but shall be reimbursed from the appropriation under  
19 s. 20.145 (1) (g) 1. for actual and necessary expenses incurred in the performance of  
20 his or her duties. The commission has the powers and duties granted and imposed  
21 under s. 601.59.

22 **SECTION 23.** 14.90 (3) of the statutes is repealed.

23 **SECTION 24.** 15.01 (2) of the statutes is amended to read:

24 15.01 (2) "Commission" means a 3-member governing body in charge of a  
25 department or independent agency or of a division or other subunit within a

1 department, except for the Wisconsin waterways commission which shall consist of  
2 5 members and the parole earned release review commission which shall consist of  
3 8 members. A Wisconsin group created for participation in a continuing interstate  
4 body, or the interstate body itself, shall be known as a "commission", but is not a  
5 commission for purposes of s. 15.06. The parole earned release review commission  
6 created under s. 15.145 (1) shall be known as a "commission", but is not a commission  
7 for purposes of s. 15.06. ~~The sentencing commission created under s. 15.105 (27)~~  
8 ~~shall be known as a "commission" but is not a commission for purposes of s. 15.06 (1)~~  
9 ~~to (4m), (7), and (9).~~

10 **SECTION 25.** 15.01 (6) of the statutes is amended to read:

11 15.01 (6) "Division," "bureau," "section" and "unit" means the subunits of a  
12 department or an independent agency, whether specifically created by law or created  
13 by the head of the department or the independent agency for the more economic and  
14 efficient administration and operation of the programs assigned to the department  
15 or independent agency. The office of justice assistance in the department of  
16 administration, the office of the Wisconsin Covenant Scholars Program in the  
17 department of administration, and the office of credit unions in the department of  
18 financial institutions have the meaning of "division" under this subsection. The  
19 office of the long-term care ombudsman under the board on aging and long-term  
20 care and the office of educational accountability in the department of public  
21 instruction have the meaning of "bureau" under this subsection.

22 **SECTION 26.** 15.02 (3) (c) 1. of the statutes is amended to read:

23 15.02 (3) (c) 1. The principal subunit of the department is the "division". Each  
24 division shall be headed by an "administrator". The office of justice assistance in the  
25 department of administration, the office of the Wisconsin Covenant Scholars

1 Program in the department of administration, and the office of credit unions in the  
2 department of financial institutions have the meaning of "division" and the executive  
3 staff director of the office of justice assistance in the department of administration,  
4 the director of the office of the Wisconsin Covenant Scholars Program in the  
5 department of administration, and the director of credit unions have the meaning of  
6 "administrator" under this subdivision.

7 **SECTION 27.** 15.04 (4) of the statutes is created to read:

8 15.04 (4) LEGAL SERVICES. If a department or independent agency is authorized  
9 or required to employ or retain an attorney, the department or independent agency  
10 may do so only in the following ways:

11 (a) Employ an attorney in a position authorized under s. 16.505.

12 (b) Contract with the department of administration for legal services under s.  
13 16.004 (15).

14 (c) Allow the department of justice to furnish legal services if the department  
15 of justice is required by law to furnish the services.

16 (d) 1. Allow the division of hearings and appeals created under s. 15.103 (1) to  
17 furnish legal services if the division of hearings and appeals is required or authorized  
18 by law to furnish the services.

19 2. Contract under s. 227.43 (1m) for contested case hearing services with the  
20 division of hearings and appeals if the department or independent agency is not  
21 prohibited by law to do so.

22 (e) Employ or retain any attorney who is not a state employee, subject to s.  
23 20.930.

24 **SECTION 28.** 15.06 (6) of the statutes is amended to read:

1           **15.06 (6) QUORUM.** A majority of the membership of a commission constitutes  
2           a quorum to do business, except that vacancies shall not prevent a commission from  
3           doing business. This subsection does not apply to the parole earned release review  
4           commission.

5           **SECTION 29.** 15.07 (2) (k) of the statutes is created to read:

6           **15.07 (2) (k)** The secretary of health and family services, or his or her designee,  
7           shall serve as chairperson of the health care quality and patient safety council and  
8           shall appoint chairpersons for subcommittees on patient care, consumer interest and  
9           privacy, public health, and statewide health information exchange and  
10          interoperability.

11          **SECTION 30.** 15.07 (2) (m) of the statutes is created to read:

12          **15.07 (2) (m)** The member appointed under s. 15.345 (6) (a) shall serve as  
13          chairperson of the managed forest land board.

14          **SECTION 31.** 15.103 (1g) of the statutes is created to read:

15          **15.103 (1g) DIVISION OF LEGAL SERVICES.** There is created in the department of  
16          administration a division of legal services. The administrator of the division shall  
17          be appointed by the secretary of administration in the unclassified service.

18          **SECTION 32.** 15.104 of the statutes is created to read:

19          **15.104 Same; offices. (1) OFFICE OF THE WISCONSIN COVENANT SCHOLARS**  
20          **PROGRAM.** There is created an office of the Wisconsin Covenant Scholars Program in  
21          the department of administration. The director of the office shall be appointed by the  
22          secretary of administration.

23          **SECTION 33.** 15.105 (19) of the statutes is renumbered 15.105 (19) (a).

24          **SECTION 34.** 15.105 (19) (b) of the statutes is created to read:

1 15.105 (19) (b) There is created in the office of justice assistance a bureau of  
2 criminal justice research.

3 SECTION 35. 15.105 (27) of the statutes is repealed.

4 SECTION 36. 15.107 (18) of the statutes is created to read:

5 15.107 (18) TRUTH-IN-SENTENCING PHASE II COUNCIL. (a) *Creation*. There is  
6 created in the department of administration a council called the  
7 truth-in-sentencing phase II council that shall consist of the following members:

8 1. The state public defender or his or her designee.  
9 2. One majority party member and one minority party member from each house  
10 of the legislature, appointed as are the members of standing committees in their  
11 respective houses.

12 3. One district attorney appointed by the governor.

13 4. Three individuals, appointed by the governor.

14 5. One representative of crime victims, appointed by the governor.

15 6. One circuit judge, appointed by the supreme court.

16 (b) *Officers*. The governor shall designate annually one of the members of the  
17 council as chairperson. The council may elect officers other than a chairperson from  
18 among its members as its work requires.

19 (c) *Reimbursement and compensation*. Members of the council shall be  
20 reimbursed for their actual and necessary expenses incurred in the performance of  
21 their duties. An officer or employee of the state shall be reimbursed by the agency  
22 that pays the member's salary. Members who are full-time state officers or  
23 employees shall receive no compensation for their services. Other members shall be  
24 paid \$25 per day, in addition to their actual and necessary expenses, for each day on  
25 which they are actually and necessarily engaged in the performance of their duties.



1 (d) *Sunset*. This subsection does not apply after January 31, 2008.

2 **SECTION 37.** 15.145 (1) of the statutes is amended to read:

3 **15.145 (1) PAROLE EARNED RELEASE REVIEW COMMISSION.** There is created in the  
4 department of corrections ~~a parole~~ an earned release review commission consisting  
5 of 8 members. Members shall have knowledge of or experience in corrections or  
6 criminal justice. The members shall include a chairperson who is nominated by the  
7 governor, and with the advice and consent of the senate appointed, for a 2-year term  
8 expiring March 1 of the odd-numbered years, subject to removal under s. 17.07 (3m),  
9 and the remaining members in the classified service appointed by the chairperson.

10 **SECTION 38.** 15.155 (5) of the statutes is amended to read:

11 **15.155 (5) SMALL BUSINESS REGULATORY REVIEW BOARD.** There is created a small  
12 business regulatory review board, attached to the department of commerce under s.  
13 15.03. The board shall consist of a representative of the department of  
14 administration; a representative of the department of agriculture, trade and  
15 consumer protection; a representative of the department of children and families; a  
16 representative of the department of commerce; a representative of the department  
17 of health and family services; a representative of the department of natural  
18 resources; a representative of the department of regulation and licensing; a  
19 representative of the department of revenue; a representative of the department of  
20 workforce development; 6 representatives of small businesses, as defined in s.  
21 227.114 (1), who shall be appointed for 3-year terms; and the chairpersons of one  
22 senate and one assembly committee concerned with small businesses, appointed as  
23 are members of standing committees. The representatives of the departments shall  
24 be selected by the secretary of that department.

**SECTION 39**

1           **SECTION 39.** 15.195 (4) (intro.) of the statutes is renumbered 15.205 (4) (intro.)  
2 and amended to read:

3           **15.205 (4) CHILD ABUSE AND NEGLECT PREVENTION BOARD.** (intro.) There is  
4 created a child abuse and neglect prevention board which is attached to the  
5 department of health and family services children and families under s. 15.03. The  
6 board shall consist of 20 members as follows:

7           **SECTION 40.** 15.195 (4) (a) of the statutes is renumbered 15.205 (4) (a).

8           **SECTION 41.** 15.195 (4) (b) of the statutes is renumbered 15.205 (4) (b).

9           **SECTION 42.** 15.195 (4) (c) of the statutes is renumbered 15.205 (4) (c).

10           **SECTION 43.** 15.195 (4) (d) of the statutes is renumbered 15.205 (4) (d).

11           **SECTION 44.** 15.195 (4) (dg) of the statutes is renumbered 15.205 (4) (dg).

12           **SECTION 45.** 15.195 (4) (dr) of the statutes is renumbered 15.205 (4) (dr) and  
13 amended to read:

14           **15.205 (4) (dr)** The secretary of ~~workforce development~~ children and families  
15 or his or her designee.

16           **SECTION 46.** 15.195 (4) (e) of the statutes is renumbered 15.205 (4) (e).

17           **SECTION 47.** 15.195 (4) (em) of the statutes is renumbered 15.205 (4) (em).

18           **SECTION 48.** 15.195 (4) (f) of the statutes is renumbered 15.205 (4) (f).

19           **SECTION 49.** 15.195 (4) (fm) of the statutes is renumbered 15.205 (4) (fm).

20           **SECTION 50.** 15.195 (4) (g) of the statutes is renumbered 15.205 (4) (g).

21           **SECTION 51.** 15.197 (6) of the statutes is created to read:

22           **15.197 (6) HEALTH CARE QUALITY AND PATIENT SAFETY COUNCIL.** There is created  
23 a health care quality and patient safety council, attached to the department of health  
24 and family services under s. 15.03. The health care quality and patient safety council

1 shall consist of the following members that, except for the members specified in pars.

2 (a) to (c), are appointed by the governor for 2-year terms:

3 (a) The secretary of administration or his or her designee.

4 (b) The secretary of health and family services or his or her designee.

5 (c) The secretary of employee trust funds or his or her designee.

6 (d) An employer who purchases health care for employees.

7 (e) A representative of the Wisconsin Health and Hospital Association.

8 (f) A physician, as defined in s. 448.01 (5).

9 (g) A representative of the health insurance industry.

10 (h) A representative of a major health care provider system.

11 (i) A health care consumer advocate.

12 **SECTION 52.** 15.197 (11n) of the statutes is renumbered 15.107 (7), and 15.107  
13 (7) (ag), as renumbered, is amended to read:

14 15.107 (7) (ag) There is created a council on developmental disabilities,  
15 attached to the department of health and family services administration under s.  
16 15.03.

17 **SECTION 53.** 15.197 (16) of the statutes is renumbered 15.207 (16) and amended  
18 to read:

19 15.207 (16) COUNCIL ON DOMESTIC ABUSE. There is created in the department  
20 of health and family services children and families a council on domestic abuse. The  
21 council shall consist of 13 members appointed for staggered 3-year terms. Of those  
22 13 members, 9 shall be nominated by the governor and appointed with the advice and  
23 consent of the senate, and one each shall be designated by the speaker of the  
24 assembly, the senate majority leader and the minority leader in each house of the  
25 legislature and appointed by the governor. Persons appointed shall have a

1 recognized interest in and knowledge of the problems and treatment of victims of  
2 domestic abuse.

3 **SECTION 54.** 15.197 (24) (a) (intro.) of the statutes is renumbered 15.207 (24)  
4 (a) (intro.) and amended to read:

5 15.207 (24) (a) (intro.) There is created a Milwaukee child welfare partnership  
6 council, attached to the department of ~~health and family services~~ children and  
7 families under s. 15.03. The council shall consist of the following members:

8 **SECTION 55.** 15.197 (24) (a) 1. of the statutes is renumbered 15.207 (24) (a) 1.

9 **SECTION 56.** 15.197 (24) (a) 2. of the statutes is renumbered 15.207 (24) (a) 2.

10 **SECTION 57.** 15.197 (24) (a) 3. of the statutes is renumbered 15.207 (24) (a) 3.

11 **SECTION 58.** 15.197 (24) (a) 4. of the statutes is renumbered 15.207 (24) (a) 4.

12 **SECTION 59.** 15.197 (24) (a) 5. of the statutes is renumbered 15.207 (24) (a) 5.

13 **SECTION 60.** 15.197 (24) (a) 6. of the statutes is renumbered 15.207 (24) (a) 6.

14 **SECTION 61.** 15.197 (24) (a) 7. of the statutes is renumbered 15.207 (24) (a) 7.

15 **SECTION 62.** 15.197 (24) (b) of the statutes is renumbered 15.207 (24) (b).

16 **SECTION 63.** 15.197 (24) (c) of the statutes is renumbered 15.207 (24) (c).

17 **SECTION 64.** 15.197 (24) (d) of the statutes is renumbered 15.207 (24) (d) and  
18 amended to read:

19 15.207 (24) (d) If the department of ~~workforce development~~ children and  
20 families establishes more than one geographical area in Milwaukee County under  
21 s. 49.143 (6), the children's services networks established in Milwaukee County  
22 under s. 49.143 (2) (b), in nominating members under par. (a) 7., shall nominate  
23 residents of different geographical areas established under s. 49.143 (6) and, when  
24 the term of a member appointed under par. (a) 7. ends or if a vacancy occurs in the  
25 membership of the council under par. (a) 7., those children's services networks shall

1 nominate a resident of a different geographical area established under s. 49.143 (6)  
2 from the geographical area of the member who is being replaced according to a  
3 rotating order of succession determined by the children's services networks.

4 **SECTION 65.** 15.20 of the statutes is created to read:

5 **15.20 Department of children and families; creation.** There is created a  
6 department of children and families under the direction and supervision of the  
7 secretary of children and families.

8 **SECTION 66.** 15.205 (title) of the statutes is created to read:

9 **15.205 (title) Same; attached boards.**

10 **SECTION 67.** 15.207 (title) of the statutes is created to read:

11 **15.207 (title) Same; councils.**

12 **SECTION 68.** 15.345 (6) of the statutes is created to read:

13 **15.345 (6) MANAGED FOREST LAND BOARD.** There is created in the department of  
14 natural resources a managed forest land board consisting of the chief state forester  
15 or his or her designee and the following members appointed for 3-year terms:

16 (a) One member appointed from a list of 5 nominees submitted by the Wisconsin  
17 Counties Association.

18 (b) One member appointed from a list of 5 nominees submitted by the Wisconsin  
19 Towns Association.

20 (c) One member appointed from a list of 5 nominees submitted by an association  
21 that represents the interests of counties that have county forests within their  
22 boundaries.

23 (d) One member appointed from a list of 5 nominees submitted by the council  
24 on forestry.

25 **SECTION 69.** 16.002 (2) of the statutes is amended to read:

1 16.002 (2) "Departments" means constitutional offices, departments, and  
2 independent agencies and includes all societies, associations, and other agencies of  
3 state government for which appropriations are made by law, but not including  
4 authorities created in subch. II of ch. 114 or subch. III of ch. 149 and in chs. 231, 232,  
5 233, 234, 235, and 237, and 238.

6 SECTION 70. 16.004 (4) of the statutes is amended to read:

7 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
8 department as the secretary designates may enter into the offices of state agencies  
9 and authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under  
10 chs. 231, 233, 234, and 237, and 238, and may examine their books and accounts and  
11 any other matter that in the secretary's judgment should be examined and may  
12 interrogate the agency's employees publicly or privately relative thereto.

13 SECTION 71. 16.004 (5) of the statutes is amended to read:

14 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
15 authorities created under subch. II of ch. 114 or subch. III of ch. 149 and under chs.  
16 231, 233, 234, and 237, and 238, and their officers and employees, shall cooperate  
17 with the secretary and shall comply with every request of the secretary relating to  
18 his or her functions.

19 SECTION 72. 16.004 (15) of the statutes is created to read:

20 16.004 (15) LEGAL SERVICES. (a) In this subsection, "state agency" means an  
21 office, commission, department, independent agency, or board in the executive  
22 branch of state government, and includes the building commission.

23 (b) The department may provide legal services to state agencies. Annually, the  
24 department shall assess each state agency for the cost of the legal services provided

1 to the state agency. The department shall credit all moneys received from state  
2 agencies under this paragraph to the appropriation account under s. 20.505 (1) (kr).

3 **SECTION 73.** 16.009 (1) (em) 7. of the statutes is created to read:

4 16.009 (1) (em) 7. A residential care apartment complex, as defined in s. 50.01  
5 (1d).

6 **SECTION 74.** 16.009 (2) (p) (intro.) of the statutes is amended to read:

7 16.009 (2) (p) (intro.) Contract **Employ staff within the classified service or**  
8 **contract** with one or more organizations to provide advocacy services to potential or  
9 actual recipients of the family care benefit, as defined in s. 46.2805 (4), or their  
10 families or guardians. The board and contract organizations under this paragraph  
11 shall assist these persons in protecting their rights under all applicable federal  
12 statutes and regulations and state statutes and rules. An organization with which  
13 the board contracts for these services may not be a provider, nor an affiliate of a  
14 provider, of long-term care services, a resource center under s. 46.283 or a care  
15 management organization under s. 46.284. For potential or actual recipients of the  
16 family care benefit, advocacy services required under this paragraph shall include  
17 all of the following:

18 **SECTION 75.** 16.015 of the statutes is created to read:

19 **16.015 Truth-in-sentencing phase II council.** The truth-in-sentencing  
20 phase II council shall submit a report on sentencing guidelines to the legislature and  
21 to the governor by January 1, 2008.

22 **SECTION 76.** 16.045 (1) (a) of the statutes is amended to read:

23 16.045 (1) (a) "Agency" means an office, department, independent agency,  
24 institution of higher education, association, society, or other body in state  
25 government created or authorized to be created by the constitution or any law, that

1 is entitled to expend moneys appropriated by law, including the legislature and the  
2 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
3 ch. 149 or in ch. 231, 232, 233, 234, 235, or 237, or 238.

4 **SECTION 77.** 16.22 (4) of the statutes is created to read:

5 16.22 (4) STATE FUNDING. The department shall annually determine the  
6 amount of funding for administrative support of the board that is required for this  
7 state to qualify for federal financial assistance to be provided to the board. The  
8 department shall apportion that amount equally among the departments of  
9 administration, health and family services, public instruction, and workforce  
10 development and shall assess those entities for the necessary funding. The  
11 department shall credit the moneys received to the appropriation account under s.  
12 20.505 (4) (kb).

13 **SECTION 78.** 16.257 of the statutes is created to read:

14 **16.257 Postsecondary education promotion.** For the purpose of  
15 promoting attendance at nonprofit postsecondary institutions in this state, the  
16 department shall do all of the following:

17 (1) Serve as the state's liaison agency between the higher educational aids  
18 board, the department of public instruction, the University of Wisconsin System, the  
19 technical college system, and other public and private organizations that are  
20 interested in promoting postsecondary education in this state.

21 (2) (a) Contract with The Wisconsin Covenant Foundation, Inc., if the secretary  
22 determines it appropriate, to pay The Wisconsin Covenant Foundation, Inc., an  
23 amount not to exceed the amount appropriated under s. 20.505 (4) (bm), to establish  
24 and implement a campaign to promote attendance at nonprofit postsecondary



1 educational institutions in this state. Funds may be expended to carry out the  
2 contract only as provided in pars. (b) and (c).

3 (b) No funds appropriated under s. 20.505 (4) (bm) may be expended until the  
4 The Wisconsin Covenant Foundation, Inc., submits to the secretary a report setting  
5 forth the amount of private contributions received by The Wisconsin Covenant  
6 Foundation, Inc., since the date on which The Wisconsin Covenant Foundation, Inc.,  
7 last submitted a report under this paragraph. After receiving the report, the  
8 secretary may approve the expenditure of funds up to the amount set forth in the  
9 report. Total funds expended in any fiscal year may not exceed the amounts in the  
10 schedule under s. 20.505 (4) (bm).

11 (c) The Wisconsin Covenant Foundation, Inc., shall expend funds appropriated  
12 under s. 20.505 (4) (bm) in adherence with the uniform travel schedule amounts  
13 approved under s. 20.916 (8). The Wisconsin Covenant Foundation, Inc., may not  
14 expend funds appropriated under s. 20.505 (4) (bm) on entertainment, foreign travel,  
15 payments to persons not providing goods or services to The Wisconsin Covenant  
16 Foundation, Inc., or for other purposes prohibited by contract between The  
17 Wisconsin Covenant Foundation, Inc., and the department.

18 (3) Coordinate the postsecondary education promotional activities of the  
19 department, the persons specified in sub. (1), and The Wisconsin Covenant  
20 Foundation, Inc., and prevent duplication of effort in conducting those activities.

21 (4) From the appropriation account under s. 20.505 (4) (br), distribute not more  
22 than \$250,000 in each fiscal year as grants to school districts for reimbursement of  
23 teachers and administrators for costs incurred in participating in training relating  
24 to character education.

1 (5) On or before July 1, 2009, and every July 1 thereafter, submit to the chief  
2 clerk of each house of the legislature, for distribution to the appropriate standing  
3 committees under s. 13.172 (3), a report on the postsecondary education promotional  
4 activities conducted by The Wisconsin Covenant Foundation, Inc., using funds  
5 provided under s. 20.505 (4) (bm).

6 SECTION 79. 16.27 (3) (c) of the statutes is amended to read:

7 16.27 (3) (c) From the appropriation under s. 20.505 (1) (mb), allocate  
8 \$1,100,000 in each federal fiscal year an amount determined by the secretary for the  
9 department's expenses in administering the funds to provide low-income energy  
10 assistance.

11 SECTION 80. 16.41 (4) of the statutes is amended to read:

12 16.41 (4) In this section, "authority" means a body created under subch. II of  
13 ch. 114 or subch. III of ch. 149 or under ch. 231, 233, 234, ~~or 237,~~ or 238.

14 SECTION 81. 16.417 (1) (a) of the statutes, as affected by 2005 Wisconsin Act 74,  
15 is amended to read:

16 16.417 (1) (a) "Agency" means an office, department, independent agency,  
17 institution of higher education, association, society, or other body in state  
18 government created or authorized to be created by the constitution or any law, that  
19 is entitled to expend moneys appropriated by law, including the legislature and the  
20 courts, but not including an authority or the body created under subch. III of ch. 149  
21 or under ch. 238.

22 SECTION 82. 16.42 (1) (f) of the statutes is repealed.

23 SECTION 83. 16.423 of the statutes is repealed.

24 SECTION 84. 16.46 (5g) of the statutes is repealed.

25 SECTION 85. 16.50 (3) (e) of the statutes is amended to read:

1           16.50 (3) (e) No pay increase may be approved unless it is at the rate or within  
2           the pay ranges prescribed in the compensation plan or as provided in a collective  
3           bargaining agreement under subch. V or VI of ch. 111.

4           **SECTION 86.** 16.52 (7) of the statutes is amended to read:

5           16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
6           that is authorized to maintain a contingent fund under s. 20.920 may establish a  
7           petty cash account from its contingent fund. The procedure for operation and  
8           maintenance of petty cash accounts and the character of expenditures therefrom  
9           shall be prescribed by the secretary. In this subsection, "agency" means an office,  
10          department, independent agency, institution of higher education, association,  
11          society, or other body in state government created or authorized to be created by the  
12          constitution or any law, that is entitled to expend moneys appropriated by law,  
13          including the legislature and the courts, but not including an authority created in  
14          subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, ~~or~~ 237, or 238.

15          **SECTION 87.** 16.527 (4) (e) of the statutes is amended to read:

16          16.527 (4) (e) At the time of, or in anticipation of, contracting for the  
17          appropriation obligations and at any time thereafter so long as the appropriation  
18          obligations are outstanding, the department may enter into agreements and  
19          ancillary arrangements relating to the appropriation obligations, including trust  
20          indentures, liquidity facilities, remarketing or dealer agreements, letter of credit  
21          agreements, insurance policies, guaranty agreements, reimbursement agreements,  
22          indexing agreements, or interest exchange agreements. Any payments made or  
23          received pursuant to any such agreement or ancillary arrangement shall be made  
24          from or deposited as provided in the agreement or ancillary arrangement. The

1 determination of the department included in an interest exchange agreement that  
2 such agreement relates to an appropriation obligation shall be conclusive.

3 SECTION 88. 16.527 (4) (h) of the statutes is created to read:

4 16.527 (4) (h) 1. Subject to subd. 2., the terms and conditions of an interest  
5 exchange agreement under par. (e) shall not be structured so that, as of the trade date  
6 of the agreement, both of the following are reasonably expected to occur:

7 a. The aggregate expected debt service and net exchange payments relating to  
8 the agreement during the fiscal year in which the trade date occurs will be less than  
9 the aggregate expected debt service and net exchange payments relating to the  
10 agreement that would be payable during that fiscal year if the agreement is not  
11 executed.

12 b. The aggregate expected debt service and net exchange payments relating to  
13 the agreement in subsequent fiscal years will be greater than the aggregate expected  
14 debt service and net exchange payments relating to the agreement that would be  
15 payable in those fiscal years if the agreement is not executed.

16 2. Subd. 1. shall not apply if either of the follow occurs:

17 a. The department receives a determination by the independent financial  
18 consulting firm that the terms and conditions of the agreement reflect payments by  
19 the state that represent on-market rates as of the trade date for the particular type  
20 of agreement.

21 b. The department provides written notice to the joint committee on finance of  
22 its intention to enter into an agreement that is reasonably expected to satisfy subd.  
23 1., and the joint committee on finance either approves or disapproves, in writing, the  
24 department's entering into the agreement within 14 days of receiving the written  
25 notice from the commission.

1           3. This paragraph shall not limit the liability of the state under an agreement  
2           if actual contracted net exchange payments in any fiscal year exceed original  
3           expectations.

4           **SECTION 89.** 16.528 (1) (a) of the statutes is amended to read:

5           16.528 (1) (a) "Agency" means an office, department, independent agency,  
6           institution of higher education, association, society, or other body in state  
7           government created or authorized to be created by the constitution or any law, that  
8           is entitled to expend moneys appropriated by law, including the legislature and the  
9           courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
10          ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

11          **SECTION 90.** 16.53 (2) of the statutes is amended to read:

12          16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
13          invoice, the agency shall notify the sender of the invoice within 10 working days after  
14          it receives the invoice of the reason it is improperly completed. In this subsection,  
15          "agency" means an office, department, independent agency, institution of higher  
16          education, association, society, or other body in state government created or  
17          authorized to be created by the constitution or any law, that is entitled to expend  
18          moneys appropriated by law, including the legislature and the courts, but not  
19          including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
20          231, 233, 234, ~~or 237,~~ or 238.

21          **SECTION 91.** 16.53 (10) (a) of the statutes is amended to read:

22          16.53 (10) (a) If an emergency arises which requires the department to draw  
23          vouchers for payments which will be in excess of available moneys in any state fund,  
24          the secretary, after notifying the joint committee on finance under par. (b), may  
25          prorate and establish priority schedules for all payments within each fund, including

1 those payments for which a specific payment date is provided by statute, except as  
2 otherwise provided in this paragraph. The secretary shall draw all vouchers  
3 according to the preference provided in this paragraph. All direct or indirect  
4 payments of principal or interest on state bonds and notes issued under subch. I of  
5 ch. 18 and payments due, if any, under an agreement or ancillary arrangement  
6 entered into under s. 18.06 (8) (a) relating to any public debt contracted under  
7 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of  
8 principal or interest on state notes issued under subch. III of ch. 18 have 2nd priority.  
9 No payment having a 1st or 2nd priority may be prorated or reduced under this  
10 subsection. All state employee payrolls have 3rd priority. The secretary shall draw  
11 all remaining vouchers according to a priority determined by the secretary. The  
12 secretary shall maintain records of all claims prorated under this subsection.

13 **SECTION 92.** 16.54 (9) (a) 1. of the statutes is amended to read:

14 16.54 (9) (a) 1. "Agency" means an office, department, independent agency,  
15 institution of higher education, association, society or other body in state  
16 government created or authorized to be created by the constitution or any law, which  
17 is entitled to expend moneys appropriated by law, including the legislature and the  
18 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
19 ch. 149 or in ch. 231, 233, 234, ~~or 237,~~ or 238.

20 **SECTION 93.** 16.54 (12) (a) of the statutes is amended to read:

21 16.54 (12) (a) The Except as provided under 2007 Wisconsin Act .... (this act),  
22 section 9121 (1m), the department of health and family services may not expend or  
23 encumber any moneys received under s. 20.435 (8) (mm) unless the department of  
24 health and family services submits a plan for the expenditure of the moneys to the

1 department of administration and the department of administration approves the  
2 plan.

3 **SECTION 94.** 16.54 (12) (a) of the statutes, as affected by 2007 Wisconsin Act ....  
4 (this act), is amended to read:

5 ~~16.54 (12) (a) Except as provided under 2007 Wisconsin Act .... (this act),~~  
6 ~~section 9121 (1m), the~~ The department of health and family services may not expend  
7 or encumber any moneys received under s. 20.435 (8) (mm) unless the department  
8 of health and family services submits a plan for the expenditure of the moneys to the  
9 department of administration and the department of administration approves the  
10 plan.

11 **SECTION 95.** 16.54 (12) (b) of the statutes is amended to read:

12 16.54 (12) (b) ~~The~~ Except as provided under 2007 Wisconsin Act .... (this act),  
13 section 9155 (1m), the department of ~~workforce development~~ children and families  
14 may not expend or encumber any moneys received under s. ~~20.445~~ credited to the  
15 appropriation account under s. 20.437 (2) (mm) or (3) (mm) unless the department  
16 of ~~workforce development~~ children and families submits a plan for the expenditure  
17 of the moneys to the department of administration and the department of  
18 administration approves the plan.

19 **SECTION 96.** 16.54 (12) (b) of the statutes, as affected by 2007 Wisconsin Act ....  
20 (this act), is amended to read:

21 16.54 (12) (b) ~~Except as provided under 2007 Wisconsin Act .... (this act),~~  
22 ~~section 9155 (1m), the~~ The department of children and families may not expend or  
23 encumber any moneys credited to the appropriation account under s. 20.437 (2) (mm)  
24 or (3) (mm) unless the department of children and families submits a plan for the

1 expenditure of the moneys to the department of administration and the department  
2 of administration approves the plan.

3 **SECTION 97.** 16.54 (12) (d) of the statutes is amended to read:

4 16.54 (12) (d) At the end of each fiscal year, the department of administration  
5 shall determine the amount of moneys that remain in the appropriation accounts  
6 under ss. 20.435 (8) (mm) and 20.445 (3) (mm) that have not been encumbered or  
7 expended under 2007 Wisconsin Act ... (this act), section 9121 (1m), or approved for  
8 encumbrance or expenditure by the department pursuant to a plan submitted under  
9 par. (a) or (b) and shall require that such moneys be lapsed to the general fund. The  
10 department shall notify the cochairpersons of the joint committee on finance, in  
11 writing, of the department's action under this paragraph.

12 **SECTION 98.** 16.54 (12) (d) of the statutes, as affected by 2007 Wisconsin Act ...  
13 (this act), section 97, is amended to read:

14 16.54 (12) (d) At the end of each fiscal year, the department of administration  
15 shall determine the amount of moneys that remain in the appropriation accounts  
16 under ss. 20.435 (8) (mm) and ~~20.445~~ 20.437 (2) (mm) and (3) (mm) that have not been  
17 encumbered or expended under 2007 Wisconsin Act ... (this act), section ~~9121~~ 9155  
18 (1m), or approved for encumbrance or expenditure by the department pursuant to  
19 a plan submitted under par. (a) or (b) and shall require that such moneys be lapsed  
20 to the general fund. The department shall notify the cochairpersons of the joint  
21 committee on finance, in writing, of the department's action under this paragraph.

22 **SECTION 99.** 16.54 (12) (d) of the statutes, as affected by 2007 Wisconsin Act ...  
23 (this act), section 98, is repealed and recreated to read:

24 16.54 (12) (d) At the end of each fiscal year, the department of administration  
25 shall determine the amount of moneys that remain in the appropriation accounts



1 under ss. 20.435 (8) (mm) and 20.437 (2) (mm) and (3) (mm) that have not been  
2 approved for encumbrance or expenditure by the department pursuant to a plan  
3 submitted under par. (a) or (b) and shall require that such moneys be lapsed to the  
4 general fund. The department shall notify the cochairpersons of the joint committee  
5 on finance, in writing, of the department's action under this paragraph.

6 **SECTION 100.** 16.70 (2) of the statutes is amended to read:

7 16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.  
8 III of ch. 149 or under ch. 231, 232, 233, 234, 235, ~~or 237~~, or 238.

9 **SECTION 101.** 16.705 (3) (c) of the statutes is amended to read:

10 16.705 (3) (c) Do not enter into any contract for contractual services in conflict  
11 with any collective bargaining agreement under subch. V or VI of ch. 111.

12 **SECTION 102.** 16.75 (1) (a) 1. of the statutes, as affected by 2005 Wisconsin Act  
13 141, is amended to read:

14 16.75 (1) (a) 1. All orders awarded or contracts made by the department for all  
15 materials, supplies, equipment, and contractual services to be provided to any  
16 agency, except as otherwise provided in par. (c) and subs. (2), (2g), (2m), (3m), (3t),  
17 (6), (7), (8), (9), (10e), and (10m) and ss. 16.73 (4) (a), 16.751, 16.754, 16.964 (8), 50.05  
18 (7) (f), 153.05 (2m) (a), and 287.15 (7), and 301.265, shall be awarded to the lowest  
19 responsible bidder, taking into consideration life cycle cost estimates under sub.  
20 (1m), when appropriate, the location of the agency, the quantities of the articles to  
21 be supplied, their conformity with the specifications, and the purposes for which they  
22 are required and the date of delivery.

23 **SECTION 103.** 16.75 (6) (bm) of the statutes is amended to read:

24 16.75 (6) (bm) If the secretary determines that it is in the best interest of this  
25 state to do so, he or she may waive any requirement under subs. (1) to (5) and ss.

**SECTION 103**

1 16.705 and 16.72 (2) (e) and (f) and (5) with respect to any contract entered into by  
2 the department of ~~workforce development~~ children and families under s. 49.143, if  
3 the department of ~~workforce development~~ children and families presents the  
4 secretary with a process for the procurement of contracts under s. 49.143 and the  
5 secretary approves the process.

6 **SECTION 104.** 16.765 (1) of the statutes is amended to read:

7 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
8 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
9 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the  
10 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment  
11 Corporation shall include in all contracts executed by them a provision obligating the  
12 contractor not to discriminate against any employee or applicant for employment  
13 because of age, race, religion, color, handicap, sex, physical condition, developmental  
14 disability as defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m),  
15 or national origin and, except with respect to sexual orientation, obligating the  
16 contractor to take affirmative action to ensure equal employment opportunities.

17 **SECTION 105.** 16.765 (2) of the statutes is amended to read:

18 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and  
19 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
20 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the  
21 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment  
22 Corporation shall include the following provision in every contract executed by them:  
23 "In connection with the performance of work under this contract, the contractor  
24 agrees not to discriminate against any employee or applicant for employment  
25 because of age, race, religion, color, handicap, sex, physical condition, developmental

1 disability as defined in s. 51.01 (5), sexual orientation or national origin. This  
2 provision shall include, but not be limited to, the following: employment, upgrading,  
3 demotion or transfer; recruitment or recruitment advertising; layoff or termination;  
4 rates of pay or other forms of compensation; and selection for training, including  
5 apprenticeship. Except with respect to sexual orientation, the contractor further  
6 agrees to take affirmative action to ensure equal employment opportunities. The  
7 contractor agrees to post in conspicuous places, available for employees and  
8 applicants for employment, notices to be provided by the contracting officer setting  
9 forth the provisions of the nondiscrimination clause”.

10 **SECTION 106.** 16.765 (4) of the statutes is amended to read:

11 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and  
12 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
13 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the  
14 Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment  
15 Corporation shall take appropriate action to revise the standard government  
16 contract forms under this section.

17 **SECTION 107.** 16.765 (5) of the statutes is amended to read:

18 16.765 (5) The head of each contracting agency and the boards of directors of  
19 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
20 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
21 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, and the  
22 Bradley Center Sports and Entertainment Corporation shall be primarily  
23 responsible for obtaining compliance by any contractor with the nondiscrimination  
24 and affirmative action provisions prescribed by this section, according to procedures  
25 recommended by the department. The department shall make recommendations to

1 the contracting agencies and the boards of directors of the University of Wisconsin  
2 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
3 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
4 the Healthy Wisconsin Authority, and the Bradley Center Sports and Entertainment  
5 Corporation for improving and making more effective the nondiscrimination and  
6 affirmative action provisions of contracts. The department shall promulgate such  
7 rules as may be necessary for the performance of its functions under this section.

8 **SECTION 108.** 16.765 (6) of the statutes is amended to read:

9 16.765 (6) The department may receive complaints of alleged violations of the  
10 nondiscrimination provisions of such contracts. The department shall investigate  
11 and determine whether a violation of this section has occurred. The department may  
12 delegate this authority to the contracting agency, the University of Wisconsin  
13 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
14 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
15 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment  
16 Corporation for processing in accordance with the department's procedures.

17 **SECTION 109.** 16.765 (7) (intro.) of the statutes is amended to read:

18 16.765 (7) (intro.) When a violation of this section has been determined by the  
19 department, the contracting agency, the University of Wisconsin Hospitals and  
20 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
21 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the  
22 Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment  
23 Corporation, the contracting agency, the University of Wisconsin Hospitals and  
24 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
25 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the

1 Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment  
2 Corporation shall:

3 **SECTION 110.** 16.765 (7) (d) of the statutes is amended to read:

4 16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
5 further violations of this section and to report its corrective action to the contracting  
6 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
7 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
8 Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority, or the  
9 Bradley Center Sports and Entertainment Corporation.

10 **SECTION 111.** 16.765 (8) of the statutes is amended to read:

11 16.765 (8) If further violations of this section are committed during the term  
12 of the contract, the contracting agency, the Fox River Navigational System Authority,  
13 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
14 Authority, the Healthy Wisconsin Authority, or the Bradley Center Sports and  
15 Entertainment Corporation may permit the violating party to complete the contract,  
16 after complying with this section, but thereafter the contracting agency, the Fox  
17 River Navigational System Authority, the Wisconsin Aerospace Authority, the  
18 Health Insurance Risk-Sharing Plan Authority, the Healthy Wisconsin Authority,  
19 or the Bradley Center Sports and Entertainment Corporation shall request the  
20 department to place the name of the party on the ineligible list for state contracts,  
21 or the contracting agency, the Fox River Navigational System Authority, the  
22 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
23 the Healthy Wisconsin Authority, or the Bradley Center Sports and Entertainment  
24 Corporation may terminate the contract without liability for the uncompleted

1 portion or any materials or services purchased or paid for by the contracting party  
2 for use in completing the contract.

3 **SECTION 112.** 16.771 of the statutes is created to read:

4 **16.771 False claims.** Whoever knowingly presents or causes to be presented  
5 a false claim for payment under any contract or order for materials, supplies,  
6 equipment, or contractual services to be provided to an agency shall forfeit not less  
7 than \$5,000 nor more than \$10,000, plus 3 times the amount of the damages that  
8 were sustained by the state or would have been sustained by the state, whichever is  
9 greater, as a result of the false claim. The attorney general may bring an action on  
10 behalf of the state to recover any forfeiture incurred under this section.

11 **SECTION 113.** 16.848 (2) (gc), (gg), (gn), (gr), (gt) and (gw) of the statutes are  
12 created to read:

13 16.848 (2) (gc) Subsection (1) does not apply to property that is subject to sale  
14 by the department of military affairs under s. 21.19 (3) or 21.42 (3).

15 (gg) Subsection (1) does not apply to property that is conveyed by the  
16 department of corrections under s. 301.25.

17 (gn) Subsection (1) does not apply to property that is subject to sale by the state  
18 under 20.909 (2).

19 (gr) Subsection (1) does not apply to land that is sold or traded by the Kickapoo  
20 reserve management board under s. 41.41 (7).

21 (gt) Subsection (1) does not apply to property that is donated by the department  
22 of transportation under s. 84.09 (5r).

23 (gw) Subsection (1) does not apply to the sale of property by the department of  
24 health and family services under s. 51.06 (6).

25 **SECTION 114.** 16.848 (4) of the statutes is amended to read:

1           16.848 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding  
2   public debt used to finance the acquisition, construction, or improvement of any  
3   property that is sold under sub. (1), the department shall deposit a sufficient amount  
4   of the net proceeds from the sale of the property in the bond security and redemption  
5   fund under s. 18.09 to repay the principal and pay the interest on the debt, and any  
6   premium due upon refunding any of the debt. If the property was acquired,  
7   constructed, or improved with federal financial assistance, the department shall pay  
8   to the federal government any of the net proceeds required by federal law. If the  
9   property was acquired by gift or grant or acquired with gift or grant funds, the  
10   department shall adhere to any restriction governing use of the proceeds. Except as  
11   required under ~~sub. (5m)~~ and ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there  
12   is no such debt outstanding, there are no moneys payable to the federal government,  
13   and there is no restriction governing use of the proceeds, and if the net proceeds  
14   exceed the amount required to be deposited, paid, or used for another purpose under  
15   this subsection, the department shall deposit the net proceeds or remaining net  
16   proceeds in the general fund.

17           **SECTION 115.** 16.85 (2) of the statutes is amended to read:

18           16.85 (2) To furnish engineering, architectural, project management, and other  
19   building construction services whenever requisitions therefor are presented to the  
20   department by any agency. The department may deposit moneys received from the  
21   provision of these services in the account under s. 20.505 (1) (kc) or in the general  
22   fund as general purpose revenue — earned. In this subsection, “agency” means an  
23   office, department, independent agency, institution of higher education, association,  
24   society, or other body in state government created or authorized to be created by the  
25   constitution or any law, which is entitled to expend moneys appropriated by law,

1 including the legislature and the courts, but not including an authority created in  
2 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 233, 234, ~~or 237~~, or 238.

3 **SECTION 116.** 16.865 (8) of the statutes is amended to read:

4 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
5 proportionate share of the estimated costs attributable to programs administered by  
6 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
7 may charge premiums to agencies to finance costs under this subsection and pay the  
8 costs from the appropriation on an actual basis. The department shall deposit all  
9 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
10 Costs assessed under this subsection may include judgments, investigative and  
11 adjustment fees, data processing and staff support costs, program administration  
12 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
13 subsection, "agency" means an office, department, independent agency, institution  
14 of higher education, association, society, or other body in state government created  
15 or authorized to be created by the constitution or any law, that is entitled to expend  
16 moneys appropriated by law, including the legislature and the courts, but not  
17 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
18 231, 232, 233, 234, 235, ~~or 237~~, or 238.

19 **SECTION 117.** 16.871 of the statutes is created to read:

20 **16.871 False claims. (1)** In this section:

21 (a) "Agency" has the meaning given in s. 16.70 (1e).

22 (b) "Construction work" has the meaning given in s. 16.87 (1) (a).

23 (c) "Limited trades work" has the meaning given in s. 16.70 (7).

24 **(2)** Whoever knowingly presents or causes to be presented a false claim under  
25 any contract for construction work or limited trades work, or for engineering or



1 architectural services, to be provided to any agency shall forfeit not less than \$5,000  
2 nor more than \$10,000, plus 3 times the amount of the damages that were sustained  
3 by the state or would have been sustained by the state, whichever is greater, as a  
4 result of the false claim. The attorney general may bring an action on behalf of the  
5 state to recover any forfeiture incurred under this subsection.

6 **SECTION 118.** 16.957 (3) (a) of the statutes is amended to read:

7 16.957 (3) (a) The department shall, on the basis of competitive bids, contract  
8 with community action agencies described in s. 46.30 49.265 (2) (a) 1., nonstock,  
9 nonprofit corporations organized under ch. 181, or local units of government to  
10 provide services under the programs established under sub. (2) (a).

11 **SECTION 119.** 16.964 (1) (f) of the statutes is repealed.

12 **SECTION 120.** 16.964 (3) of the statutes is amended to read:

13 16.964 (3) The governor shall appoint an executive director under s. 15.105 (19)  
14 (a) outside of the classified service.

15 **SECTION 121.** 16.964 (5m) of the statutes is created to read:

16 16.964 (5m) The office shall provide grants from the appropriation under s.  
17 20.505 (6) (f) to 1st class cities to employ additional uniformed law enforcement  
18 officers. For each year that a city receives a grant, the city shall provide matching  
19 funds of at least 25 percent of the amount of the grant. The office may provide grants  
20 under this section in addition to any grant that it provides under sub. (5).

21 **SECTION 122.** 16.964 (10) of the statutes is repealed.

22 **SECTION 123.** 16.964 (12) (c) 10. of the statutes is amended to read:

23 16.964 (12) (c) 10. The program is developed with input from, and implemented  
24 in collaboration with, one or more circuit court judges, the district attorney, the state  
25 public defender, local law enforcement officials, county agencies responsible for

1 providing social services, including services relating to alcohol and other drug  
2 addiction, child welfare, mental health, and the Wisconsin Works program, the  
3 departments of corrections, children and families, and health and family services,  
4 private social services agencies, and substance abuse treatment providers.

5 **SECTION 124.** 16.964 (12) (e) 1. of the statutes is amended to read:

6 16.964 (12) (e) 1. A county that receives a grant under this subsection shall  
7 create an oversight committee to advise the county in administering and evaluating  
8 its program. Each committee shall consist of a circuit court judge, the district  
9 attorney or his or her designee, the state public defender or his or her designee, a local  
10 law enforcement official, a representative of the county, a representative of each  
11 other county agency responsible for providing social services, including services  
12 relating to child welfare, mental health, and the Wisconsin Works program,  
13 representatives of the departments of corrections, children and families, and health  
14 and family services, a representative from private social services agencies, a  
15 representative of substance abuse treatment providers, and other members to be  
16 determined by the county.

17 **SECTION 125.** 16.964 (13) of the statutes is created to read:

18 16.964 (13) (a) The bureau of criminal justice research shall do all of the  
19 following:

20 1. Serve as a clearinghouse of justice system data and information and conduct  
21 justice system research and data analysis under this section.

22 8. Not later than the first day of the 12th month beginning after the effective  
23 date of this subdivision .... [revisor inserts date], and biennially thereafter, prepare  
24 a report containing statewide statistics on standard sentences for each felony offense  
25 and how the standard sentences of each circuit court compare to the statistics on the