2007 ASSEMBLY BILL 474

August 2, 2007 – Introduced by Representatives BERCEAU and BENEDICT, cosponsored by Senator RISSER. Referred to Committee on State Affairs.

AN ACT to amend 139.02 (1) and 139.02 (2) (b); and to create 16.964 (6), 20.435 (7) (gm), 20.505 (6) (g), 46.40 (15), 46.48 (31), 51.423 (16) and 139.27 of the statutes; relating to: increasing the tax on fermented malt beverages to fund law enforcement grants and alcohol and drug abuse treatment and prevention programs, granting rule-making authority, and making appropriations.

Analysis by the Legislative Reference Bureau

This bill increases the tax rate for the tax on fermented malt beverages from $2 per barrel to $10 per barrel. In addition, an amount of the taxes collected on fermented malt beverages equal to $2 per barrel will be used by the Office of Justice Assistance in the Department of Administration to provide grants to counties and municipalities to reduce crimes related to alcohol use by employing additional law enforcement officers and obtaining equipment and training, and an amount of the taxes equal to $4 per barrel will be used for community aids related to alcohol and drug abuse treatment services. Finally, an amount of the taxes equal to $2 per barrel will be used for grants for substance abuse treatment and prevention programs.

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

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:
SECTION 1. 16.964 (6) of the statutes is created to read:

16.964 (6) (a) The office shall provide grants from the appropriation under s. 20.505 (6) (g) to counties or municipalities to employ additional law enforcement officers, to obtain equipment and training, and, subject to par. (c), for overtime work if the officers, equipment, training, and overtime assist in reducing crimes related to alcohol use. A county or municipality may receive a grant for a calendar year if the county or municipality applies for the grant before September 1 of the preceding calendar year.

(b) A county or municipality applying to the office for a grant under this subsection shall include a proposed plan of expenditure of the grant moneys. The grant moneys may be used only as described in par. (a).

(c) A county or municipality may, with the approval of the office, use part of the grant for the payment of salary and fringe benefits for overtime provided by law enforcement officers. To be eligible to use part of the grant for overtime costs, the county or municipality shall provide the office with all of the following:

1. The reasons why law enforcement officers need to work overtime.

2. The status of the hiring and training of new law enforcement officers.

3. Documentation that a sufficient amount of the grant will be available, during the period remaining after the payment of overtime costs, to pay the salary and fringe benefits of the same number of law enforcement officers and to obtain the equipment and training that the grant originally planned to pay.

(d) The office shall develop criteria that, notwithstanding s. 227.10 (1), need not be promulgated as rules under ch. 227, for use in determining which counties and municipalities receive the grants under this subsection and how to distribute the grants to those counties and municipalities. The office may not award an annual
grant in excess of $250,000 to any county or municipality. The office shall review any
application and plan submitted under par. (b) to determine if that application and
plan meet the requirements of this subsection. The grant that a county or
municipality receives under this subsection may not supplant existing local
resources.

(e) A county or municipality may receive a grant for 3 consecutive years without
submitting a new application each year. For each year that a county or municipality
receives a grant, the county or municipality shall provide matching funds of at least
10 percent of the amount of the grant.

SECTION 2. 20.435 (7) (gm) of the statutes is created to read:


All moneys received under s. 139.27 (3) for making grants under s. 46.48 (31).

SECTION 3. 20.505 (6) (g) of the statutes is created to read:

20.505 (6) (g) Law enforcement officer supplement grants; fermented malt
beverages tax revenue. All moneys received under s. 139.27 (2) to provide grants for
law enforcement officers and equipment and training under s. 16.964 (6).

SECTION 4. 46.40 (15) of the statutes is created to read:

46.40 (15) The use of all moneys distributed under this section shall comply
with evidence-based practices established by the department.

SECTION 5. 46.48 (31) of the statutes is created to read:

46.48 (31) Additional substance abuse treatment and prevention grants. (a)
The department shall distribute grants from the appropriation under s. 20.435 (7)
(gm) to counties, municipalities, school districts, nonprofit organizations, as defined
in s. 103.21 (2), and cooperative educational service agencies to provide alcohol and
drug abuse treatment and prevention programs. A county, municipality, school
district, nonprofit organization, or cooperative educational service agency may receive a grant for a calendar year if the entity applies for the grant before September 1 of the preceding calendar year.

(b) A county, municipality, school district, nonprofit organization, or cooperative educational service agency that applies for a grant under this subsection shall include a proposed plan of expenditure of the grant moneys. The grant moneys may be used only as described in par. (a), except that the county, municipality, school district, nonprofit organization, or cooperative educational service agency that receives the grant shall use a portion of the grant, not to exceed an amount equal to 1 percent of the grant, to pay a 3rd party to evaluate the efficiency of the entity’s plan. The use of all moneys distributed under this subsection shall comply with evidence-based practices established by the department.

(c) The department shall develop criteria, by rule, for use in determining which counties, municipalities, school districts, nonprofit organizations, and cooperative educational service agencies receive the grants under this subsection and how to distribute those grants. The department shall review any application and plan submitted under par. (b) to determine if that application and plan meet the requirements of this subsection. The grant that an entity receives under this subsection may not supplant existing local resources.

(d) A county, municipality, school district, nonprofit organization, or cooperative educational service agency may receive a grant for 3 consecutive years by submitting a new application each year.

**SECTION 6.** 51.423 (16) of the statutes is created to read:

51.423 (16) The use of all moneys distributed under this section shall comply with evidence-based practices established by the department.
SECTION 7. 139.02 (1) of the statutes is amended to read:

139.02 (1) Tax imposed; rate; limitation. An occupational tax is imposed upon the removal for consumption or sale or selling of fermented malt beverages at the rate of $2 per barrel of 31 gallons and at a proportionate rate for any other quantity or fractional parts thereof. Not more than one occupational tax shall be required to be paid on any one container of fermented malt beverages.

SECTION 8. 139.02 (2) (b) of the statutes is amended to read:

139.02 (2) (b) In this section “eligible producer” means any producer of fermented malt beverages, whether or not located in this state, producing less than 300,000 barrels of fermented malt beverages in the calendar year for which credit under par. (a) is claimed. In determining the number of barrels, all brands or labels of a producer shall be combined and all barrels exported out of this state shall be included. All facilities for the production of fermented malt beverages owned or controlled by the same person shall be deemed a single producer.

SECTION 9. 139.27 of the statutes is created to read:

139.27 Revenue distribution. (1) In each fiscal year, beginning in fiscal year 2007–08, an amount of the taxes imposed under s. 139.02 (1) equal to $4 per barrel of 31 gallons shall be credited to the appropriation account under s. 20.435 (7) (b).

(2) In each fiscal year, beginning in fiscal year 2007–08, an amount of the taxes imposed under s. 139.02 (1) equal to $2 per barrel of 31 gallons shall be credited to the appropriation account under s. 20.505 (6) (g).

(3) In each fiscal year, beginning in fiscal year 2007–08, an amount of the taxes imposed under s. 139.02 (1) equal to $2 per barrel of 31 gallons shall be credited to the appropriation account under s. 20.435 (7) (gm).

SECTION 10. Fiscal changes.
(1) Community aids; alcohol abuse treatment. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services under section 20.435 (7) (b) of the statutes, as affected by the acts of 2007, the dollar amount is increased by $18,800,000 for fiscal year 2007–08 and the dollar amount is increased by $18,800,000 for fiscal year 2008–09 for alcohol abuse services under sections 46.40 and 51.423 of the statutes.

Section 11. Effective date.

(1) This act takes effect on July 1, 2007, or on the day after publication of the 2007–09 biennial budget act, whichever is later.