State of Wisconsin
2009 - 2010 LEGISLATURE

P3

LRB-1999/P1
ALL:all:all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ANALYSIS EDIT I PUT IN ORDER OF HEADINGS -- THAT'S ALL ENJOY

BACK TO CMH OR TO editors

ARG X
CTS ✓
JK ✓
JTK ✓
MDK ✓
PG ✓
PJK ✓
RAC —

AN ACT ...; **relating to:** state finances and appropriations.

RLR OR TJD ✓
TKK X
RPW ✓

Analysis by the Legislative Reference Bureau
***** ANALYSIS FROM -1942/P1 *****
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Consolidation of economic development zone programs

Under current law, the Department of Commerce (Commerce) may designate a portion of the state as a development zone, a development opportunity zone, an enterprise development zone, an agricultural development zone, an enterprise zone, an airport development zone, or a technology zone. Commerce may also certify persons who agree to undertake certain eligible activities in one of the designated zones. Eligible activities include job creation, environmental remediation, and capital investment. Persons who obtain certification are then eligible for tax benefits.

This bill consolidates the development zones, enterprise development zones, agricultural development zones, technology zones, and airport development zones (five development zone programs) into a program that provides tax benefits to persons who enter into a contract with Commerce to undertake eligible activities anywhere in the state. Eligible activities under the bill include all of the following:

1. Job creation projects that result in the creation and maintenance of jobs paying wages and providing benefits at a level approved by Commerce.

2. Projects that involve a significant investment of capital, as defined by Commerce by rule, by the person in new equipment, machinery, real property, or depreciable personal property.

3. Projects that involve significant investments in the training or reeducation of employees, as defined by Commerce by rule, for the purpose of improving the productivity or competitiveness of the business of the person.

4. Projects that will result in the location or retention of a person's corporate headquarters in Wisconsin or that will result in the retention of employees if the person's corporate headquarters are located in Wisconsin.

Commerce may allocate tax benefits under the consolidated program up to the total amount remaining to be allocated under the five development zone programs on the effective date of this bill. Tax benefits are allocated under the bill only after the person has verified to Commerce that the person has met the performance obligations established under the contract.

The value of tax benefits for which a person is eligible under the new tax credit program depends on the number of jobs created by the person, the amount of the capital investment made by the person, the amount of training or reeducation provided to the employees of a person, or the number of jobs retained by the person having its corporate headquarters located in Wisconsin.

Under the bill, Commerce may award additional tax benefits to a person that conducts eligible activities in an economically distressed area or if the eligible activities benefit members of a targeted group. Commerce is required by the bill to develop a methodology for designating an area as an "economically distressed area." The bill defines "member of a targeted group" as a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets certain eligibility requirements for a Wisconsin Works employment position, a person who is employed in a trial job or in a real work real pay project position, a person who is eligible for child care assistance, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a dislocated worker, as defined under federal law, or a food stamp recipient, if the person has been certified by a designated local agency.

Audit by the Legislative Audit Bureau

The bill requires the Legislative Audit Bureau to prepare a financial and program evaluation audit of the consolidated economic development tax benefit program created by the bill no later than July 1, 2012.

***** ANALYSIS FROM -1888/P1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

This bill provides a total of $2,630,000 in grant moneys from the appropriation that funds the Wisconsin Development Fund to certain organizations in the building trades to provide job training and retraining programs, including training in green building and the installation of alternative energy systems. The following organizations receive grant funds under this bill: 1) the Wisconsin Regional Training Partnership/Building Industry Group Skilled Trades Employment Program; 2) Painters and Allied Trades, District Council 7; 3) Wisconsin State Council of Carpenters; 4) Wisconsin Pipe Trades Association, Local 75; 5) Wisconsin Laborers'

District Council; 6) Wisconsin Operating Engineers; and 7) International Brotherhood of Electrical Workers. As a condition of receiving the grant moneys, each organization must enter into a contract with the Department of Commerce (Commerce) that specifies permissible uses of the grant moneys and that requires the organization to comply with certain reporting and accountability measures established by Commerce. The bill increases the appropriation to the Wisconsin Development Fund for fiscal year 2008-09 by $2,630,000.

***** ANALYSIS FROM -1896/1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

BUSINESS ORGANIZATIONS AND FINANCIAL INSTITUTIONS

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) establishes certain nationwide standards for mortgage loan originators. Under the SAFE Act, a mortgage loan originator is, with specified exceptions, an individual who takes a residential mortgage loan application and offers or negotiates terms of a residential mortgage loan for compensation or gain. If a state does not meet a certain level of compliance with the federal standards established under the SAFE Act, the federal Department of Housing and Urban Development must undertake the licensing and registration of mortgage loan originators operating within that state. One required component under the SAFE Act is that states must license and register mortgage loan originators through the Nationwide Mortgage Licensing System and Registry (NMLSR) developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

This bill makes numerous changes, both substantive and stylistic, in the statutes relating to the regulation of mortgage loan originators, mortgage brokers, and mortgage bankers (mortgage regulatory provisions). Among these changes, "loan originators" under current law are referred to as "mortgage loan originators" under the bill and, under the bill, mortgage loan originators, mortgage brokers, and mortgage bankers are licensed by the division of banking in DFI (division) instead of being registered as under current law. The bill requires the division to participate in NMLSR and authorizes the division to process and maintain mortgage loan originator licenses through, and register mortgage loan originators with, NMLSR.

The bill modifies various definitions applicable to all mortgage regulatory provisions, thereby changing the scope of regulation. The bill slightly modifies the types of loans to which these mortgage regulatory provisions apply by redefining "loan" as "residential mortgage loan." Under the bill, a "residential mortgage loan" is any loan primarily for personal, family, or household use that is secured by a lien or mortgage, or equivalent security interest, on a dwelling or residential real property located in this state. With certain exceptions, a "mortgage loan originator" under the bill is an individual who, for compensation or gain, takes a residential mortgage loan application and offers or negotiates terms of a residential mortgage loan. However, certain persons are exempt from all mortgage regulatory provisions, including a mortgage loan originator who is an employee of a depository institution or its regulated subsidiary and who is registered with NMLSR. A "depository institution" is a federally chartered or state-chartered bank, savings association, or

credit union. The bill essentially maintains the current law definitions of "mortgage banker" and "mortgage broker," but eliminates the exceptions under current law to these definitions and replaces them with new exceptions. Under the bill, a "mortgage banker" is a person who does any of the following: originates residential mortgage loans for itself or for another person; sells residential mortgage loans or interests in residential mortgage loans to another person; or services residential mortgage loans or provides escrow services. Under the bill, a "mortgage broker" is a person who, on behalf of a residential mortgage loan applicant or an investor and for commission or fee, finds a residential mortgage loan, negotiates a residential mortgage loan or loan commitment, or engages in table funding. Among the exceptions under the bill to the definitions of "mortgage banker" and "mortgage broker" are depository institutions and regulated subsidiaries of depository institutions.

The bill includes a number of changes to current law with respect to the regulation of mortgage loan originators, including the following:

1. The bill requires that the division's licensing of mortgage loan originators be processed through NMLSR and that all mortgage loan originator licensees be registered with NMLSR.

2. The bill requires each applicant for a mortgage loan originator license to furnish to NMLSR specified information concerning the applicant's identity, including the applicant's fingerprints, personal history, and authorization for credit and criminal history checks.

3. The bill specifies certain disqualifying factors preventing the issuance of a mortgage loan originator license, including that the applicant has had a mortgage loan originator license revoked or has been convicted of a felony within a specified period. As derived from the SAFE Act, an applicant may be issued a mortgage loan originator license only if the applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently under applicable law.

4. The bill modifies current law requirements related to professional education and testing for mortgage loan originators. The bill modifies education and testing requirements, requires each education course to be reviewed and approved by NMLSR, and requires each test to be developed by NMLSR and administered by a test provider approved by NMLSR.

5. The bill requires each mortgage loan originator to be covered by a surety bond in an amount, as determined by the division, reflecting the dollar amount of residential mortgage loans originated by the mortgage loan originator.

6. The bill requires each mortgage loan originator, after submitting an application for initial issuance or renewal of a license, to provide notice to the division within ten days of the occurrence of certain events, including the following: any material change in information included in the application; the applicant's filing for bankruptcy; the applicant's conviction of a felony or other crime related to dishonesty; or the applicant's receipt of notice of a disciplinary action against the applicant as a mortgage loan originator in another state.

7. The bill requires each mortgage loan originator to submit to NMLSR an annual report of condition.

8. Under the bill, each mortgage loan originator must be issued a unique number or other identifier (unique identifier). The bill requires any person originating a residential mortgage loan to place the person's unique identifier on all residential mortgage loan application forms, solicitations, and advertisements.

9. The bill contains provisions relating to confidentiality of information provided by the division to NMLSR, but allows NMLSR to provide public access to information relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators. The division must regularly report to NMLSR violations and enforcement actions involving mortgage loan originators.

The bill also includes changes to current law relating to the regulation of mortgage bankers and mortgage brokers, including the following:

1. The bill modifies current law requirements relating to surety bonds covering, and net worth of, mortgage bankers and mortgage brokers. The bill requires that mortgage bankers and mortgage brokers maintain surety bonds in the amount of $250,000 or $100,000, respectively, and maintain a minimum net worth of $100,000 or $50,000, respectively.

2. The bill requires mortgage bankers and mortgage brokers to submit to NMLSR annual reports of condition and to submit to the division audits of their operations. The bill also expands record-keeping requirements for mortgage bankers and mortgage brokers and requires them to retain records for a longer period.

3. The bill requires each mortgage banker and mortgage broker, after submitting an application for initial issuance or renewal of a license, to provide notice to the division within ten days of the occurrence of certain events, including the following: any material change in information included in the application; the applicant's filing for bankruptcy or the filing for bankruptcy of an officer or director of a corporate applicant; the applicant's conviction of a felony or other crime related to dishonesty, or such a conviction of an officer or director of a corporate applicant; the applicant's receipt of notice of a disciplinary action against the applicant as a mortgage banker or mortgage broker in another state; the suspension or termination of the applicant's status as an approved seller or servicer by certain mortgage-related-government-sponsored enterprises or government corporations; or any material change in control in the ownership of a corporate applicant or among its officers, directors, members, or partners.

4. The bill prohibits mortgage bankers and mortgage brokers from charging a nonrefundable fee prior to the closing of a residential mortgage loan unless there is a written agreement for the nonrefundable fee and the written agreement meets certain requirements.

5. The bill requires each mortgage banker to adopt and maintain a residential mortgage loan policy relating to subprime mortgage loans and nontraditional mortgage loans. This policy must be consistent with certain guidelines, and the

mortgage banker must implement internal controls reasonably designed to ensure compliance with this policy.

The bill creates a number of violations, and modifies certain current-law violations, relating to prohibited acts and practices of mortgage bankers, mortgage brokers, mortgage loan originators, and officers and directors of corporate mortgage bankers and mortgage brokers, including the following:

1. The bill modifies and expands current law provisions to prohibit materially false or deceptive statements or representations or knowing omissions of material facts.

2. The bill prohibits the use of documents known to contain erroneous or false information concerning a person's eligibility for a loan.

2 3. The bill prohibits mortgage bankers and mortgage brokers from paying commissions to unassociated or unlicensed mortgage loan originators.

4. The bill prohibits mortgage brokers from entering into agreements under which a person pays the mortgage broker a fee in order for the person to be able to prepay the principal of a residential mortgage loan.

3 5. The bill prohibits mortgage bankers and mortgage brokers from conducting business at an unlicensed office or under any trade name not designated in a license application.

6. The bill prohibits mortgage brokers from failing to do any of the following: use reasonable care, skill, and diligence in performing their duties; act in good faith; make reasonable good faith efforts to secure a mortgage that is in the reasonable interests of the borrower; or ensure that the cost of credit is reasonably appropriate for the borrower.

7. The bill prohibits mortgage brokers from advertising residential mortgage loans unless the advertisement includes the phrase "MORTGAGE BROKER ONLY, NOT A MORTGAGE LENDER."

8. The bill prohibits mortgage brokers from doing any of the following in connection with an advertisement: using a simulated check; comparing loan payments under a residential mortgage loan being offered with loan payments under a hypothetical loan unless certain information is included in the advertisement; using certain representations such as "preapproved" or "prequalified" unless certain disclosures are included in the advertisement; or giving the appearance in a mailed advertisement that the mailing was sent by a governmental agency.

4 9. The bill prohibits the impeding of an investigation or examination or the denial of access to or destruction of books, records, or other information that the division is authorized to obtain.

5 10. The bill prohibits contracts with borrowers that provide in substance that the mortgage banker, mortgage broker, or mortgage loan originator may earn a fee through "best efforts" to obtain a residential mortgage loan even if no loan is actually obtained for the borrower.

6 11. The bill prohibits the solicitation or advertisement of interest rates, points, or other financing terms unless the terms are actually available at the time of the solicitation or advertisement.

12. The bill prohibits assisting, aiding, or abetting any person in unlawfully conducting mortgage-related business without a valid license.

13. The bill prohibits withholding payments or making payments, threats, or promises for the purpose of influencing a person's independent judgment in connection with a residential mortgage loan or withholding payments or making payments, threats, or promises to a property appraiser for the purpose of influencing the appraiser's independent judgment with respect to the value of the property.

14. The bill prohibits requiring a borrower to obtain property insurance coverage in an amount exceeding the replacement cost of improvements on the property.

15. The bill prohibits mortgage bankers that service residential mortgage loans from failing to do any of the following: promptly deliver to the mortgagor a release of the mortgage upon repayment of the outstanding balance of the loan secured by the mortgage; or identify for the borrower, upon request by the borrower, the amount of the outstanding balance of the loan secured by the mortgage within two business days of the request.

The bill increases the penalty for violations from a maximum of $2,000 to a maximum of $25,000. This increase applies both to civil forfeitures imposed by the division as administrative assessments and to criminal fines imposed by a court. The bill does not change any term of incarceration for a violation. The bill expands the number of violations for which these penalties are applicable. Under current law, these penalties apply only to specified violations. Under the bill, these penalties may be applied to any violation of a mortgage regulatory provision or of any rule promulgated by the division under a mortgage regulatory provision. The bill allows the division to order restitution in connection with a violation in the same manner in which the division may impose an administrative assessment for the violation. The bill expands the number of violations for which a civil cause of action may be brought to correspond to the expansion of violations for which penalties are applicable. The bill increases the maximum limit for recovery of certain damages in civil actions from $2,000 to $25,000.

The bill requires the division to promulgate emergency rules for the orderly and efficient transition from the registration system under current law to the licensing system required under the bill.

***** ANALYSIS FROM -1508/3 *****

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, Commerce may award a grant to a technology-based nonprofit organization to provide support for a manufacturing extension center. Grants are funded by an annual GPR appropriation. Currently, Commerce may award up to $1,500,000 in grants each fiscal year.

This bill increases the appropriation for manufacturing extension center grants by $1,500,000 to increase funding for grants to the Wisconsin Manufacturing Extension Partnership, and eliminates the annual grant limit until July 1, 2009.

***** ANALYSIS FROM -1885/P2 *****

COMMERCE AND ECONOMIC DEVELOPMENT

HOUSING

Under current law, the Department of Commerce (Commerce) awards grants and loans to low income persons or families to defray housing costs and to community based organizations to provide housing opportunities to low income persons and families. The grants and loans are funded by general purpose revenue.

This bill directs Commerce to make a one-time grant of not more than $200,000 to the Tenant Resource Center in Madison, from the appropriation that funds the grants and loans described above, to provide foreclosure education and assistance to tenants. The bill increases the appropriation for fiscal year 2008-09 by $200,000.

***** ANALYSIS FROM -1890/1 *****

COURTS AND PROCEDURE

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OTHER COURTS AND PROCEDURE

Under current law, if the owner of real property that is subject to a mortgage defaults in making payments, the mortgagee, which is usually a financial institution, may commence a foreclosure action. If the mortgagee prevails and obtains a foreclosure judgment, the property owner (mortgagor) may redeem the property before a sheriff's sale by paying the amount of the judgment to the clerk of court. If the mortgagor does not redeem the property, it will be sold at a sheriff's sale after six months to one year, depending on the type of property and whether the mortgagor will owe a deficiency, which is the amount by which the judgment exceeds the amount obtained at the sale.

This bill addresses foreclosure reconveyances. A foreclosure reconveyance is defined as a transaction under which the mortgagor transfers title to residential real property in foreclosure to a third party, called a foreclosure purchaser in the bill. The foreclosure purchaser redeems the property and subsequently conveys, or promises to subsequently convey, to the mortgagor (foreclosed homeowner) an interest in the property that allows the foreclosed homeowner to remain in possession of the property, such as an interest in a land contract, a purchase agreement, an option to purchase, or a lease.

Under the bill, if a foreclosure purchaser enters into a foreclosure reconveyance, it must be by a written contract. The bill specifies the information that the contract must contain and requires that duplicate copies of a completed notice of cancellation be attached to the contract. The foreclosed homeowner may cancel the foreclosure reconveyance contract by delivering personally or by certified mail a signed and dated notice of cancellation to the foreclosure purchaser within five business days after the foreclosed homeowner signs the contract. The bill prohibits any waiver of any of the foreclosure reconveyance provisions, except for the five-day right to cancel the contract if the property is to be sold at sheriff's sale within those five days and the foreclosed homeowner waives his or her right to cancel in a handwritten statement.

The bill contains various prohibitions and requirements that apply generally to foreclosure purchasers, including:

1. Prohibiting a foreclosure purchaser from entering into a foreclosure reconveyance unless, among other things, the foreclosure purchaser verifies that the foreclosed homeowner has the ability to pay for the subsequent conveyance of the interest back to the foreclosed homeowner.

2. Requiring a foreclosure purchaser either to ensure that title to the dwelling has been reconveyed to the foreclosed homeowner or to pay to the foreclosed homeowner consideration of at least 82 percent of the fair market value of the property within 150 days of either the eviction from the property of, or the voluntary relinquishment of possession of the property by, the foreclosed homeowner. If the foreclosure purchaser pays the foreclosed homeowner, the foreclosure purchaser must provide a detailed accounting of the basis for the payment amount on a form prescribed by the attorney general, in consultation with the secretary of agriculture, trade and consumer protection.

3. Prohibiting a foreclosure purchaser from entering into repurchase or lease terms, as part of the subsequent conveyance, that are unfair or commercially unreasonable and from engaging in any other unfair conduct.

4. Prohibiting a foreclosure purchaser from acting as an advisor or consultant or in any other manner representing that the foreclosure purchaser is acting on behalf of the foreclosed homeowner.

5. Prohibiting a foreclosure purchaser from making any other statements or engaging in any other conduct that is false, deceptive, or misleading.

6. Prohibiting a foreclosure purchaser from taking certain actions, such as accepting from the foreclosed homeowner any instrument of conveyance of any interest in the residence in foreclosure or transferring any interest in the residence to a third party, before the time for the foreclosed homeowner to cancel the transaction has fully elapsed.

7. Requiring compliance with certain provisions of the federal Truth in Lending Act if a foreclosure purchaser extends credit to, or arranges for credit to be extended to, a foreclosed homeowner.

The bill specifies penalties that apply if a foreclosure purchaser violates any of the provisions, authorizes a court to order punitive damages for a violation, and specifies that a violation shall be considered a fraud and that a foreclosed homeowner may bring an action for damages. The bill also provides that a court must grant a stay in an eviction action if the property was the subject of a foreclosure reconveyance and the defendant was the owner of the property, has continuously occupied the property since it was conveyed to a third party, and has either commenced an action concerning the foreclosure reconveyance or asserts fraud or other deceptive practices in connection with the foreclosure reconveyance. The stay continues for 90 days if the defendant does not commence an action concerning the foreclosure reconveyance within 90 days or until there is a final decision in the action if an action concerning the foreclosure reconveyance already has been commenced or is commenced within 90 days.

The bill also addresses foreclosure consultants. A foreclosure consultant is defined as a person who offers to a foreclosed homeowner to perform for compensation any of various services that will assist the foreclosed homeowner with

the loan default or foreclosure, such as stopping the foreclosure sale, assisting the foreclosed homeowner to obtain a loan, or saving the property from foreclosure. The bill, however, specifies numerous exceptions to the definition of "foreclosure consultant" for persons who provide those services, such as an attorney, real estate broker, or certified public accountant rendering such services in the course of his or her practice; a mortgage banker or broker; and a foreclosure purchaser.

The bill provides that any agreement (contract) between a foreclosure consultant and a foreclosed homeowner for the rendition of services must be in writing, and that a foreclosed homeowner who enters into a contract for services with a foreclosure consultant has the right to cancel the contract without penalty within three days by delivering, personally or by certified mail, a notice of cancellation to the foreclosure consultant. The bill specifies the information that the contract must contain and requires that duplicate copies of a notice of cancellation be attached to the contract.

The bill sets out actions by a foreclosure consultant that are violations and for which the bill provides penalties and remedies. Violations include demanding or receiving compensation before every service under the contract has been performed, acquiring an interest, including a security interest, in the real property in foreclosure, inducing a foreclosed homeowner to enter into a contract that does not comply with the requirements set out in the bill, and charging interest of more than 8 percent on any loan made to the foreclosed homeowner. The bill provides that the Department of Agriculture, Trade and Consumer Protection (DATCP) may investigate violations of the requirements under the bill and may commence an action to restrain a violation or to recover a forfeiture for a violation. The Department of Justice is required to furnish legal services to DATCP. The bill also provides that any person suffering pecuniary loss because of a violation of the requirements under the bill may commence an action against the violator. The bill sets out forfeiture and fine amounts for violations. The bill also prohibits any waiver of any of a foreclosed homeowner's rights under the bill and provides that any provision in a contract requiring arbitration of any dispute arising under the provisions is voidable at the option of the foreclosed homeowner.

***** ANALYSIS FROM -1894/1 *****

COURTS AND PROCEDURE

OTHER COURTS AND PROCEDURE

Under current law, if the owner of real property that is subject to a mortgage defaults in making payments, the mortgagee, which is usually a financial institution, may commence a foreclosure action. If the mortgagee (plaintiff) prevails and obtains a foreclosure judgment, the property owner (mortgagor) may redeem the property before a sheriff's sale by paying the amount of the judgment to the clerk of court. If the mortgagor does not redeem the property, it will be sold at a sheriff's sale after the redemption period, which can last from three months to one year, depending on the type of property and whether the mortgagor will owe a deficiency, which is the amount by which the judgment exceeds the amount obtained at the sale.

Also under current law, if property that is subject to a mortgage is leased after the lien of the mortgage attaches, the lease is subject to termination if the interest

of the mortgagor terminates. Thus, the lease of a tenant to property that is subject to a mortgage terminates and the tenant may be evicted, if the landlord loses the property in a foreclosure action.

This bill requires the plaintiff in a foreclosure action against residential rental property to provide the tenants of the property with notice that a foreclosure action has been filed, notice that the plaintiff has been granted judgment, along with notice of the date on which the redemption period ends, and notice of the date and time of the hearing to confirm the sale of the property. A tenant may recover $250 in damages if a notice is not given. In addition, the bill provides that a tenant may retain possession of the rental unit for up to two months after the end of the month in which the sale of the property is confirmed, and may withhold rent in the amount of the security deposit for the last period during which the tenant actually retains possession of the rental unit.

The bill also requires a landlord to notify any prospective tenant in writing that a foreclosure action has been commenced and, if judgment has been entered, the date on which the redemption period ends. Any rental agreement entered into during the pendency of a foreclosure action must include a separate statement, signed by the tenant, that the landlord has provided the required notices, or it is voidable at the option of the tenant.

Under current law, the director of state courts has established a consolidated electronic system that contains information about cases filed in the circuit courts in the state, including both civil cases and criminal cases. This system, known as the Consolidated Court Automation Programs (CCAP), contains a variety of information about the parties to circuit court cases, their attorneys, documents filed with the court, and deadlines, decisions, and outcomes of cases. The information regarding case data contained on the CCAP system is available in the court's Internet Web site called the Wisconsin Circuit Court Access (WCCA). This bill prohibits the placing of any information on a civil action concerning the removal of a tenant from a residential rental property in the WCCA Internet Web site if that removal was the result of a mortgage foreclosure of the residential rental property.

***** ANALYSIS FROM -1878/2 *****

EDUCATION

HIGHER EDUCATION

This bill increases the amount appropriated to the technical college system in the 2008-09 fiscal year for training program grants.

***** ANALYSIS FROM -1152/P8 *****

HEALTH AND HUMAN SERVICES

HOSPITAL ASSESSMENT

Under current law, the state assesses hospitals a total of $1,500,000 each year. The amount each hospital pays is allocated in proportion to the hospital's gross private pay revenues. The hospital assessment revenue is used to support the Medical Assistance (MA) Program, long-term care programs, and community-based mental health services.

This bill increases the amount of the hospital assessment to $275,445,110 for state fiscal year 2008-09. The bill provides that the amount of the assessment in future years shall be established in the biennial budget act. The bill charges the total assessment amount against eligible hospitals in proportion to their gross patient revenues. Under the bill, all hospitals in the state other than critical access hospitals, institutions for mental diseases, and certain psychiatric hospitals that are not a satellite of an acute care hospital from the assessment are eligible hospitals. Under the bill, eligible hospitals must pay the assessment in four quarterly installments, except that in state fiscal year (SFY) 2008-09, the payments must be made in two installments, due at the end of March and June. However, the bill allows DHS to extend the deadline for payment of the assessment for eligible hospitals that are unable to make timely payments.

The bill provides that a specified portion of the assessment revenue shall be used to pay hospitals for services provided under MA and transfers the remaining amount of assessment revenue to the MA trust fund. Under the bill, the portion of the assessment revenue used to pay for hospital services in SFY 2008-09 is equal to the state share of MA times the amount of the total assessment revenue divided by 57.75 percent. Assuming a state share of 41.06 percent, DHS must use $195,840,300 of the assessment revenue to pay hospitals, amounting to payments of $476,961,200, all funds. In SFY 2008-09, the remaining $79,604,800 of the assessment revenue is transferred to the MA trust fund. Of the amount transferred to the MA trust fund, 0.5 percent ($398,000) is appropriated to DHS for the administrative costs associated with the hospital assessment and the other $79,206,800 is appropriated for MA. For SFY 2008-09, the bill also appropriates general purpose revenue in the amount of $750,000 for supplemental payments to certain rural hospitals in counties that border another state. Finally, in SFY 2008-09, the bill reduces the amount of general purpose revenues appropriated for MA by $78,456,800.

Beginning in SFY 2009-10, the portion of the assessment revenues allocated for payment of hospital services under MA is equal to the state share of MA times the amount of the total assessment revenue divided by 61.68 percent. The remainder of the hospital assessment revenue is transferred to the MA trust fund. One-half of one percent of the transferred amount is appropriated to DHS for administrative costs associated with the hospital assessment. Also beginning in SFY 2009-10, the bill requires DHS to pay the University of Wisconsin Hospitals and Clinics $3,000,000 annually from the MA trust fund for the costs of providing uncompensated care.

The bill provides that DHS shall spend the portion of the hospital assessment revenue that is allocated to pay for hospital services under MA on the following: increased reimbursement for eligible hospitals that are reimbursed on a fee-for-service basis; payments to health maintenance organizations (HMOs) that the HMOs must use to increase reimbursement to eligible hospitals; an increase of $2,744,000 in supplemental payments to certain rural hospitals; $8,000,000 in supplemental payments to hospitals that satisfy criteria established by the American College of Surgeons for classification as a Level I adult trauma center; and

supplemental payments to hospitals based on performance, under a methodology developed by DHS.

The bill provides that if the federal government does not pay the federal share under MA for any payment made with hospital assessment revenue, DHS must refund to hospitals the amount of the hospital assessment revenue used to make the payment. DHS must make refunds to hospitals in proportion to the percent of the assessment that the hospitals paid. In addition, DHS must recoup any payments that are made with hospital assessment revenue and for which the federal government does not pay the federal share under MA.

The bill eliminates the hospital assessment, and provisions for expenditure of the assessment revenue, on July 1, 2013.

***** ANALYSIS FROM -1937/1 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

This bill increases the amount of general purpose revenue appropriated for MA for state fiscal year 2008-09 by $50,000,000.

***** ANALYSIS FROM -0680/P2 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, a hospital must be approved by DHS to operate in this state. Upon approval, DHS issues a hospital a certificate of approval. This bill provides that DHS must issue a single hospital certificate of approval for the University of Wisconsin Hospitals and Clinics Authority (UWHCA) that applies to all of UWHCA's inpatient and outpatient facilities that satisfy DHS's requirements for a hospital and for which UWHCA requests approval. The bill also provides that all facilities listed on the hospital certificate of approval for UWHCA are a hospital for purposes of reimbursement under MA.

***** ANALYSIS FROM -2006/1 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Currently, the federal government pays a specified percentage of the allowable costs of Medical Assistance (MA) benefits. The federal MA percentages (FMAPs) for federal fiscal year 2009 were published in the federal register on November 28, 2007, and the FMAPs for federal fiscal year 2010 were published in the federal register on November 26, 2008. Also currently, for certain MA benefits, the provider contributes the entire state share of the cost of providing the benefit and the state disburses to the provider the federal share of the allowable costs of providing the benefit.

This bill provides that regardless of whether the FMAPs for federal fiscal years 2009 or 2010 are increased above the percentages published on November 28, 2007, and November 26, 2008, for those benefits for which the state currently disburses the federal share to the provider, the state shall use FMAPs published on those dates to calculate the federal share for benefits provided between October 1, 2008, and December 31, 2010.

***** ANALYSIS FROM -1902/2 *****

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, $365,197,900 in federal block grant aids is appropriated to DCF in fiscal year 2008-09 for aids to individuals and organizations. Of that amount, $355,352,000 is allocated for child care services for persons participating in the Wisconsin Works (W-2) program. This bill increases that appropriation by $47,175,000 and that allocation by $20,384,400. The bill also increases allocations for fiscal year 2008-09 of federal child care development funds and federal moneys received under the Temporary Assistance for Needy Families block grant program for emergency assistance and child care administration.

Under current law, $121,021,700 in general purpose revenue is appropriated to DCF in fiscal year 2008-09 for administration and benefits payment under the W-2 program and other Temporary Assistance to Needy Families programs. This bill decreases that appropriation by $22,529,000.

***** ANALYSIS FROM -1951/1 *****

STATE GOVERNMENT

STATE BUILDING PROGRAM

Currently, with certain exceptions, the Building Commission is prohibited from authorizing the design, construction, repair, remodeling, or improvement of any state building, structure, or facility, or the acquisition of land for that purpose, for any project costing more than $500,000, regardless of funding source, unless the project is enumerated by law in the Authorized State Building Program. This bill provides that this enumeration requirement does not apply to any proposed project that is funded entirely with federal funds or gifts, grants, or bequests if the project is approved by JCF.

***** ANALYSIS FROM -1638/7 *****

STATE GOVERNMENT

STATE FINANCE

This bill requires the secretary of administration to lapse or transfer to the general fund from the unencumbered balances of appropriations to state agencies, other than appropriations of federal revenues, an amount equal to $125,000,000 before July 1, 2011. Under the bill, state agencies in all branches of government, except for SWIB and DETF, are subject to the lapse and transfer provisions. The bill also eliminates lapses and transfers for the 2009-11 fiscal biennium that were required under 2007 Wisconsin Act 20.

***** ANALYSIS FROM -1857/2 *****

STATE GOVERNMENT

STATE FINANCE

Current statutes contain a rule of proceeding that provides that no bill may be adopted by the legislature if the bill would cause in any fiscal year the amount of moneys designated as "Total Expenditures" in the general fund summary for that fiscal year, less any amounts transferred to the budget stabilization fund in that fiscal year, to exceed the sum of the amount of moneys designated as "Taxes" and

"Departmental Revenues" in the general fund summary for that fiscal year. This bill provides that this requirement does not apply to the 2008-09 fiscal year.

Current statutes contain a rule of proceeding governing legislative action on certain bills. Generally, the rule provides that no bill directly or indirectly affecting general purpose revenues may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total general purpose revenue appropriations for that fiscal year. For fiscal year 2008-09, the amount is $65,000,000. This bill provides that this requirement does not apply to the 2008-09 fiscal year.

***** ANALYSIS FROM -1889/1 *****

STATE GOVERNMENT

STATE FINANCE

The bill makes the following changes to the loan program administered by the Board of Commissioners of Public Lands (BCPL):

1. Provides that any borrower, after January 1 and before September 1 in any year, may prepay one or more installments of a state trust fund loan in advance of the due date and that all interest upon the advance payment terminates. Currently, a borrower may do this only after March 15 and before August 1 in any year.

2. Requires that borrowers repay loans directly to BCPL and not to the secretary of administration.

3. With respect to loans to counties, provides that a county must demonstrate to BCPL that the loan is for the purpose of acquiring or installing energy efficient equipment. Currently, counties must demonstrate to BCPL that the loan is for one of a number of enumerated purposes, or satisfies certain conditions, which do not specifically include the acquisition or installation of energy efficient equipment.

4. Clarifies the conditions under which school districts may receive short-term loans of ten years or less from BCPL without the approval of the electors of the school districts. These conditions are currently specified in chapter 67 of the Wisconsin Statutes, by cross-reference, and this bill recreates these conditions in chapter 24 of the Wisconsin Statutes.

***** ANALYSIS FROM -1940/2 *****

University of Wisconsin

STATE GOVERNMENT

OTHER STATE GOVERNMENT

This bill requires the UW Hospital and Clinics Authority to pay, no later than June 30, 2009, $49,000,000 to the state for deposit into the general fund.

***** ANALYSIS FROM -0377/P10 *****

TAXATION

OTHER TAXATION

This bill adopts the substantive provisions of the Main Street Equity Act for purposes of administering and collecting state, county, and stadium district sales and use taxes. The act is intended to modernize sales and use tax administration for the states that adopt the act 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

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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 also imposes sales and use taxes on specified digital goods and additional digital goods. "Specified digital goods" are digital audio works, digital audiovisual works, and digital books. "Additional digital goods" means video greeting cards sent by electronic mail, finished artwork, periodicals, and video or electronic games. Under the bill, the sale of specified digital goods or additional digital goods that are transferred electronically to the purchaser are exempt from the sales and use taxes, if the sale of the goods in tangible form is exempt from the sales and use taxes.

***** ANALYSIS FROM -1947/P1 *****

TAXATION

INCOME TAXATION

Under current law, a person may claim a credit against the person's income or franchise tax liability that is equal to 10 percent of the amount that the person paid in the taxable year for dairy manufacturing modernization or expansion related to the claimant's dairy manufacturing operation. If the amount of the credit exceeds the amount of the person's tax liability, the person receives a refund. Under current law, dairy cooperatives are, generally, not subject to state income or franchise taxes and, therefore, are not eligible to claim the credit for dairy manufacturing modernization or expansion.

This bill allows the members of a dairy cooperative to claim the credit for the dairy manufacturing modernization or expansion expenses paid by the cooperative. The dairy cooperative determines the amount of the credit that each member may claim, based on the amount of milk each member delivers to the cooperative.

***** ANALYSIS FROM -1948/P1 *****

TAXATION

INCOME TAXATION

Under current law, a person may claim an income and franchise tax credit for 10 percent of the amount that the person paid in the taxable year for dairy manufacturing modernization and expansion related to the person's dairy manufacturing operation. This bill provides an income and franchise tax credit for 10 percent of the amount that a person pays in the taxable year for meat processing modernization or expansion related to the person's meat processing operation.

***** ANALYSIS FROM -1949/P1 *****

TAXATION

INCOME TAXATION

Under current law, a person may claim as credit against the person's income or franchise tax liability, in each of two consecutive taxable years, 12.5 percent of the person's investment in a qualified new business venture, as determined by Commerce. The maximum amount of a person's investment that can be used as the basis for the credit is $2,000,000 and a business may receive no more than $1,000,000 in investments that qualify for the credit.

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the person's investment in a qualified new business venture. The bill allows a person to use more than $2,000,000 in investments as the basis for the credit and to transfer the amount of any unused credit to another taxpayer. Finally, a business may receive up to $4,000,000 in investments that qualify for the credit.

***** ANALYSIS FROM -1992/1 *****

TAXATION

INCOME TAXATION

Under current law, a corporation may claim an income and franchise tax credit in an amount equal to 5 percent of its qualified research expenses, as defined by the Internal Revenue Code, for research conducted in this state. In addition, a corporation may claim an income and franchise tax credit equal to 5 percent of the amount that it paid in the taxable year to construct and equip new facilities or expand existing facilities used in this state for qualified research, as defined by the Internal Revenue Code.

Under this bill, a corporation may also claim an income and franchise tax credit equal to the amount of its qualified research expenses in the taxable year for research conducted in this state that exceeds the amount equal to the average amount of the corporation's qualified research expenses in the previous three taxable years multiplied by 1.25. If the credit claimed by a corporation exceeds the corporation's tax liability, the state will not issue a refund, but the corporation may carry forward any remaining credit to five subsequent taxable years.

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***** ANALYSIS FROM -2008/P1 *****

TRANSPORTATION

OTHER TRANSPORTATION

Under current law, the secretary of transportation must annually submit to JCF a plan for adjusting DOT's appropriations to reflect the most recent estimate of federal funds available to DOT if the most recent estimate of federal funds available is more than 5 percent higher or lower than the amounts shown in DOT's federal funds appropriations. The plan is reviewed by JCF under a passive review process. JCF must meet and approve or modify and approve the plan within 14 days or DOT may implement the plan as proposed. If JCF meets and modifies the plan within 14 days, DOT may implement the plan only as modified.

This bill specifies that these requirements do not apply with respect to the first $300,000,000 of federal economic stimulus funds, intended to be used for transportation purposes, resulting from federal legislation enacted between January 2009 and January 2011 (stimulus funds). The bill also requires DOT to submit to JCF, by a specified date, an allocation plan for expenditure of all stimulus funds in excess of $300,000,000 received or expected to be received by the state. This plan is reviewed by JCF under the same passive review process described above.

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***** ANALYSIS FROM -1899/P3 *****

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) makes and participates in making homeownership mortgage

and issues bonds or notes to fund

loans on behalf of qualified, low-income applicants. A homeownership mortgage loan is defined as a loan to finance the construction, long-term financing, or qualified rehabilitation of a residential structure or dwelling unit that is the principle residence of the applicant. WHEDA may issue bonds or notes to fund homeownership mortgage loans, but homeownership mortgage loans may not be made to finance the acquisition or replacement of an applicant's existing mortgage.

This bill authorizes WHEDA to issue bonds for and to make and participate in the making of loans for the refinancing of qualified subprime loans. A qualified subprime loan is defined as an adjustable rate single-family residential mortgage loan made after December 31, 2001 and before January 1, 2008. The bill directs the secretary of administration to determine the date after which no bonds or notes may be issued by WHEDA to refinance subprime loans.

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

Because this bill directly or substantially affects the development, construction, cost or availability of housing in this state, the Department of Administration, as required by law, will prepare a report to be printed as an appendix to this bill.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

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:

***-1942/P1.1* SECTION 1.** 13.94 (1) (ms) of the statutes is created to read:

13.94 **(1)** (ms) No later than July 1, 2014, prepare a financial and performance evaluation audit of the economic development tax benefit program under ss. 560.701 to 560.706. The legislative audit bureau shall file a copy of the report of the audit under this paragraph with the distributees specified in par. (b).

***-1942/P1.2* SECTION 2.** 13.94 (4) (a) 1. of the statutes is amended to read:

13.94 **(4)** (a) 1. Every state department, board, examining board, affiliated credentialing board, commission, independent agency, council or office in the executive branch of state government; all bodies created by the legislature in the

legislative or judicial branch of state government; any public body corporate and politic created by the legislature including specifically the Fox River Navigational System Authority, the Lower Fox River Remediation Authority, and the Wisconsin Aerospace Authority, a professional baseball park district, a local professional football stadium district, a local cultural arts district and a long-term care district under s. 46.2895; every Wisconsin works agency under subch. III of ch. 49; every provider of medical assistance under subch. IV of ch. 49; technical college district boards~~; development zones designated under s. 560.71~~; every county department under s. 51.42 or 51.437; every nonprofit corporation or cooperative or unincorporated cooperative association to which moneys are specifically appropriated by state law; and every corporation, institution, association or other organization which receives more than 50% of its annual budget from appropriations made by state law, including subgrantee or subcontractor recipients of such funds.

***-1896/1.1* SECTION 3.** 15.09 (6) of the statutes is amended to read:

15.09 **(6)** REIMBURSEMENT FOR EXPENSES. Members of a council shall not be compensated for their services, but, except as otherwise provided in this subsection, members of councils created by statute shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties, such reimbursement in the case of an elective or appointive officer or employee of this state who represents an agency as a member of a council to be paid by the agency which pays his or her salary. Members of the mortgage loan originator council under s. 15.187 (1) may not be reimbursed for their actual and necessary expenses incurred in the performance of their duties. Members of the agricultural education and workforce development council may not be reimbursed for their actual and necessary expenses incurred in the performance of their duties.

***-1896/1.2* SECTION 4.** 15.187 (1) (intro.), (a), (b) and (c) of the statutes are amended to read:

15.187 **(1)** ~~LOAN~~ MORTGAGE LOAN ORIGINATOR ~~REVIEW~~ COUNCIL. (intro.) There is created in the department of financial institutions a mortgage loan originator council. The council shall consist of the following members, appointed by the secretary of financial institutions for 4-year terms:

(a) ~~Three~~ Four persons who are mortgage loan originators ~~registered~~ licensed under s. ~~224.72 (1m)~~ 224.725.

(b) One person who is an agent of a mortgage broker ~~registered~~ licensed under s. 224.72 (1m).

(c) One person who is an agent of a mortgage banker ~~registered~~ licensed under s. 224.72 (1m).

***-1896/1.3* SECTION 5.** 15.187 (1) (d) of the statutes is repealed.

***-1152/P8.1* SECTION 6.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

			2007-08	2008-09
20.435 Health services, department of				
(4) HEALTH SERVICES PLANNING; REG & DELIVERY; HLTH CARE FIN; OTHER SUPPORT PGMS				
(xc) Hospital assessment fund; hospital payments	SEG	A	-0-	275,445,100

***-1888/P1.1* SECTION 7.** 20.143 (1) (c) of the statutes is amended to read:

20.143 **(1)** (c) *Wisconsin development fund; grants, loans, reimbursements, and assistance.* Biennially, the amounts in the schedule for grants and loans under s.

560.275 (2) and subch. V of ch. 560; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the costs specified in s. 560.607; for the loan under 1999 Wisconsin Act 9, section 9110 (4); for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 1999 Wisconsin Act 9, section 9110 (5), 2003 Wisconsin Act 33, section 9109 (1d) and (2q), ~~and~~ 2007 Wisconsin Act 20, section 9108 (4u), (6c), (7c), (7f), (8c), (8i), (9i), and (10q), and 2009 Wisconsin Act .... (this act), section 9110 (2) and (3); and for providing up to $100,000 annually for the continued development of a manufacturing and advanced technology training center in Racine. Of the amounts in the schedule, $50,000 shall be allocated in each of fiscal years 1997-98 and 1998-99 for providing the assistance under s. 560.06 (1).

***-1949/P1.1* SECTION 8.** 20.143 (1) (gm) of the statutes is amended to read:

20.143 **(1)** (gm) *Wisconsin development fund, administration of grants and loans.* All moneys received from origination fees under s. 560.68 (3), and from transfer fees under s. 560.205 (3) (e), for administering the programs under subch. V of ch. 560 and for the costs of underwriting grants and loans awarded under subch. V of ch. 560.

***-1885/P2.1* SECTION 9.** 20.143 (2) (b) of the statutes is amended to read:

20.143 **(2)** (b) *Housing grants and loans; general purpose revenue.* Biennially, the amounts in the schedule for grants and loans under s. 560.9803 and for grants under s. 560.9805 and for the grant under 2009 Wisconsin Act .... (this act), section 9110 (1).

***-1152/P8.2* SECTION 10.** 20.435 (4) (gp) of the statutes is repealed.

***-1152/P8.3* SECTION 11.** 20.435 (4) (jw) of the statutes is amended to read:

20.435 **(4)** (jw) *BadgerCare Plus and hospital assessment administrative costs.* Biennially, the amounts in the schedule to provide a portion of the state share of administrative costs for the BadgerCare Plus Medical Assistance program under s. 49.471. ~~Ten~~ and for administration of the hospital assessment under s. 50.38. All moneys transferred under s. 50.38 (9) and 10 percent of all moneys received from penalty assessments under s. 49.471 (9) (c) shall be credited to this appropriation account.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

***-1152/P8.4* SECTION 12.** 20.435 (4) (w) of the statutes is amended to read:

20.435 **(4)** (w) *Medical Assistance trust fund.* From the Medical Assistance trust fund, biennially, the amounts in the schedule for meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), for refunds under s. 50.38 (6) (a), and for administrative costs associated with augmenting the amount of federal moneys received under 42 CFR 433.51.

***-1152/P8.5* SECTION 13.** 20.435 (4) (xc) of the statutes is created to read:

20.435 **(4)** (xc) *Hospital assessment fund; hospital payments.* From the hospital assessment fund, the amounts in the schedule to reimburse eligible hospitals for services provided under the Medical Assistance Program under subch. IV of ch. 49, make payments to health maintenance organizations under s. 49.45 (59), provide supplemental funds to rural hospitals under s. 49.45 (5m) (am), make supplemental payments to Level I adult trauma centers under s. 49.45 (6y) (ap), make supplemental payments to hospitals based on performance under s. 49.45 (6y) (ar), make refunds under s. 50.38 (6), and make the transfer under s. 50.38 (8).

***-0377/P10.1* *-4294/P1.1* SECTION 14.** 20.566 (1) (ho) of the statutes is created to read:

20.566 **(1)** (ho) *Collections under multistate streamlined sales tax project.* From moneys collected under the multistate streamlined sales tax project as provided under s. 73.03 (28e), a sum sufficient to pay the dues necessary to participate in the governing board of the multistate streamlined sales tax project.

***-1948/P1.1* SECTION 15.** 20.835 (2) (bd) of the statutes is created to read:

20.835 **(2)** (bd) *Meat processing facility investment credit.* A sum sufficient to make the payments under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

***-1947/P1.1* SECTION 16.** 20.835 (2) (bn) of the statutes is amended to read:

20.835 **(2)** (bn) *Dairy manufacturing facility investment credit.* The amounts in the schedule to make the payments under ss. 71.07 (3p) (d) 2., 71.28 (3p) (d) 2., and 71.47 (3p) (d) 2.

***-1947/P1.2* SECTION 17.** 20.835 (2) (bp) of the statutes is created to read:

20.835 **(2)** (bp) *Dairy manufacturing facility investment credit; dairy cooperatives.* A sum sufficient to make the payments under ss. 71.07 (3p) (d) 3., 71.28 (3p) (d) 3., and 71.47 (3p) (d) 3.

***-1951/1.1* SECTION 18.** 20.924 (1) (intro.) of the statutes is amended to read:

20.924 **(1)** (intro.) Except as provided in ~~sub. (3)~~ subs. (3) and (3m), in supervising and authorizing the implementation of the state building program under the appropriation authority of s. 20.867, the building commission:

***-1951/1.2* SECTION 19.** 20.924 (3m) of the statutes is created to read:

20.924 **(3m)** Subsection (1) (a) and (b) does not apply to the design, construction, repair, remodeling, or improvement of any building, structure, or facility, or the acquisition of land for that purpose, if the project is funded entirely

with federal funds or gifts, grants, or bequests, or a combination thereof and the project is approved by the joint committee on finance.

***-1889/1.1* SECTION 20.** 24.61 (4) of the statutes is amended to read:

24.61 **(4)** LOAN LIMITATIONS. Notwithstanding sub. (3), the board may not loan moneys to a county unless the governing body of the county demonstrates to the board's satisfaction that s. 67.045 (1) (a), (b), (c), (d), (e) ~~or~~, (f), (g), or (h) applies.

***-1889/1.2* SECTION 21.** 24.63 (4) of the statutes is amended to read:

24.63 **(4)** REPAYMENT BEFORE DUE DATE PERMITTED. Any borrower after ~~March 15~~ January 1 and prior to ~~August~~ September 1 of any year may repay one or more installments of a state trust fund loan in advance of the due date, and all interest upon such advance payment shall thereupon terminate. The board may charge a borrower who repays one or more installments of a loan a fee to cover any administrative costs incurred by the board in originating and servicing the loan.

***-1889/1.3* SECTION 22.** 24.66 (3) (am) of the statutes is amended to read:

24.66 **(3)** (am) *For short-term loans by common, union high and 1st class city school districts.* Every application for a loan, the required repayment of which is 10 years or less, shall be approved and authorized for a common, union high or 1st class city school district under par. (a) or ~~under the procedure in s. 67.12 (12)~~ (c), to the extent applicable.

***-1889/1.4* SECTION 23.** 24.66 (3) (bm) of the statutes is amended to read:

24.66 **(3)** (bm) *For short-term loans by unified school districts.* Every application for a loan, the required repayment of which is 10 years or less, shall be approved and authorized for a unified school district under par. (b) or ~~under the procedure in s. 67.12 (12)~~ (c), to the extent applicable.

***-1889/1.5* SECTION 24.** 24.66 (3) (c) of the statutes is created to read:

24.66 **(3)** (c) *Alternative short-term loan process for all school districts.* 1. If the procedure in par. (a) or (b) is not used for the approval of a school district loan, the required repayment of which is 10 years or less, the governing body of the school district, before any certificate of indebtedness is issued, shall adopt and record a resolution specifying the purposes and the maximum amount of the certificate of indebtedness issued.

2. Unless the purpose and amount of the borrowing have been approved by the electors under s. 67.05 (6a) or considered approved by the electors under s. 67.05 (7) (d) 3., the purpose is to refund any outstanding obligation, the purpose is to pay unfunded prior service liability contributions under the Wisconsin Retirement System if all of the proceeds of the note will be used for that purpose, or the borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc), (h), or (i), or s. 67.12 (12) (e) 2g., (f), or (h) applies, the school district clerk shall, within 10 days after a governing body of a school district adopts a resolution as described above to issue a certificate of indebtedness, publish notice of such adoption as a class 1 notice, under ch. 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice need not set forth the full contents of the resolution, but shall state the maximum amount proposed to be borrowed, the purpose thereof, that the resolution was adopted under this subsection, and the place where, and the hours during which, the resolution may be inspected. If, within 30 days after publication or posting, a petition conforming to the requirements of s. 8.40 is filed with the school district clerk for a referendum on the resolution signed by at least 7,500 electors of the district or at least 20 percent of the number of district electors voting for governor at the last general election, as determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not be effective unless adopted by a majority of the

district electors voting at the referendum. The referendum shall be called in the manner provided under s. 67.05 (6a), except that the question which appears on the ballot shall be "Shall .... (name of district) borrow the sum of $.... for (state purpose) by issuing its general obligation promissory note (or notes) under section 24.66 (3) of the Wisconsin Statutes?". If a governing body of a school district adopts a resolution to borrow a sum of money under this subsection and a sufficient petition for referendum is not filed within the time permitted, then the power of the governing body of a school district to borrow the sum and expend the sum for the purpose stated shall be deemed approved by the school district electors upon the expiration of the time for filing the petition.

3. If the governing body of a school district adopts a resolution to borrow a sum of money under this subsection, and if subd. 2. does not apply, the governing body of a school district has the power to borrow and spend the sum for the purpose stated without the approval of the electors of the school district.

***-1889/1.6* SECTION 25.** 24.70 (4) of the statutes is amended to read:

24.70 **(4)** PAYMENT TO ~~SECRETARY OF ADMINISTRATION~~ BOARD. The treasurer of each municipality shall transmit to the ~~secretary of administration on his or her~~ board on its order the full amount levied for state trust fund loans within 15 days after March 15. Each cooperative educational service agency shall similarly transmit the annual amount owed on any state trust fund loan made to the agency by that date. ~~The secretary of administration shall notify the board when he or she receives payment.~~ Any payment not made by March 30 is delinquent and is subject to a penalty of one percent per month to be paid to the ~~secretary of administration~~ board with the delinquent payment.

***-1889/1.7* SECTION 26.** 24.71 (4) of the statutes is amended to read:

24.71 **(4)** PAYMENT TO ~~SECRETARY OF ADMINISTRATION~~ BOARD. The school district treasurer shall transmit to the ~~secretary of administration~~ board the full amount levied for state trust fund loans within 15 days after March 15. ~~The secretary of administration shall notify the board when he or she receives payment.~~ Any payment not made by March 30 is delinquent and is subject to a penalty of one percent per month or fraction thereof, to be paid to the ~~secretary of administration~~ board with the delinquent payment.

***-1889/1.8* SECTION 27.** 24.715 (3) of the statutes is amended to read:

24.715 **(3)** PAYMENT TO ~~STATE TREASURER~~ BOARD. The system board shall transmit to the ~~state treasurer~~ board on its own order the full amount levied for state trust fund loans within 15 days after March 15. ~~The state treasurer shall notify the board when he or she receives payment.~~ Any payment not made by March 30 is delinquent and is subject to a penalty of one percent per month or fraction thereof, to be paid to the ~~state treasurer~~ board with the delinquent payment.

***-1889/1.9* SECTION 28.** 24.716 (3) of the statutes is amended to read:

24.716 **(3)** PAYMENT TO ~~SECRETARY OF ADMINISTRATION~~ BOARD. The district board shall transmit to the ~~secretary of administration~~ board on its own order the full amount levied for state trust fund loans within 15 days after March 15. ~~The secretary of administration shall notify the board when he or she receives payment.~~ Any payment not made by March 30 is delinquent and is subject to a penalty of 1 percent per month or fraction thereof, to be paid to the ~~secretary of administration~~ board with the delinquent payment.

***-1152/P8.6* SECTION 29.** 25.77 (11) of the statutes is created to read:

25.77 **(11)** All moneys transferred under s. 50.38 (8).

***-1152/P8.7* SECTION 30.** 25.77 (12) of the statutes is created to read:

25.77 **(12)** All moneys recouped and deposited under s. 50.38 (6) (a) 4.

-1152/P8.8 **SECTION 31.** 25.772 of the statutes is created to read:

25.772 Hospital assessment fund. There is established a separate nonlapsible trust fund designated as the hospital assessment fund, to consist of all moneys received under s. 50.38 (2) from assessments on hospitals and all moneys recouped and deposited under s. 50.38 (6) (a) 3.

-1152/P8.9 ***-0892/11.13*** **SECTION 32.** 46.27 (9) (a) of the statutes is amended to read:

46.27 **(9)** (a) The department may select up to 5 counties that volunteer to participate in a pilot project under which they will receive certain funds allocated for long-term care. The department shall allocate a level of funds to these counties equal to the amount that would otherwise be paid under s. 20.435 (4) (b)~~, (gp),~~ or (w) to nursing homes for providing care because of increased utilization of nursing home services, as estimated by the department. In estimating these levels, the department shall exclude any increased utilization of services provided by state centers for the developmentally disabled. The department shall calculate these amounts on a calendar year basis under sub. (10).

-1152/P8.10 ***-0892/11.14*** **SECTION 33.** 46.27 (10) (a) 1. of the statutes is amended to read:

46.27 **(10)** (a) 1. The department shall determine for each county participating in the pilot project under sub. (9) a funding level of state medical assistance expenditures to be received by the county. This level shall equal the amount that the department determines would otherwise be paid under s. 20.435 (4) (b)~~, (gp),~~ or (w) because of increased utilization of nursing home services, as estimated by the department.

***-1152/P8.11* *-0892/11.15* SECTION 34.** 46.275 (5) (a) of the statutes is amended to read:

46.275 **(5)** (a) Medical Assistance reimbursement for services a county, or the department under sub. (3r), provides under this program is available from the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w). If 2 or more counties jointly contract to provide services under this program and the department approves the contract, Medical Assistance reimbursement is also available for services provided jointly by these counties.

***-1152/P8.12* *-0892/11.16* SECTION 35.** 46.275 (5) (c) of the statutes is amended to read:

46.275 **(5)** (c) The total allocation under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w) to counties and to the department under sub. (3r) for services provided under this section may not exceed the amount approved by the federal department of health and human services. A county may use funds received under this section only to provide services to persons who meet the requirements under sub. (4) and may not use unexpended funds received under this section to serve other developmentally disabled persons residing in the county.

***-1152/P8.13* *-0892/11.19* SECTION 36.** 46.283 (5) of the statutes is amended to read:

46.283 **(5)** FUNDING. From the appropriation accounts under s. 20.435 (4) (b), (bm), ~~(gp),~~ (pa), and (w) and (7) (b), (bd), and (md), the department may contract with organizations that meet standards under sub. (3) for performance of the duties under sub. (4) and shall distribute funds for services provided by resource centers.

***-1152/P8.14* SECTION 37.** 46.284 (5) (a) of the statutes is amended to read:

46.284 **(5)** (a) From the appropriation accounts under s. 20.435 (4) (b), (g), ~~(gp),~~ (im), (o), and (w) and (7) (b), (bd), and (g), the department shall provide funding on a capitated payment basis for the provision of services under this section. Notwithstanding s. 46.036 (3) and (5m), a care management organization that is under contract with the department may expend the funds, consistent with this section, including providing payment, on a capitated basis, to providers of services under the family care benefit.

***-1152/P8.15* *-0892/11.21* SECTION 38.** 46.485 (2g) (intro.) of the statutes is amended to read:

46.485 **(2g)** (intro.) From the appropriation ~~accounts~~ account under s. 20.435 (4) (b) ~~and (gp)~~, the department may in each fiscal year transfer funds to the appropriation under s. 20.435 (7) (kb) for distribution under this section and from the appropriation account under s. 20.435 (7) (mb) the department may not distribute more than $1,330,500 in each fiscal year to applying counties in this state that meet all of the following requirements, as determined by the department:

***-0377/P10.2* *-4294/P1.2* SECTION 39.** 46.513 of the statutes is repealed.

***-1942/P1.3* SECTION 40.** 49.149 (4) of the statutes is repealed.

***-1902/2.1* SECTION 41.** 49.175 (1) (i) of the statutes is amended to read:

49.175 **(1)** (i) *Emergency assistance.* For emergency assistance under s. 49.138, $6,000,000 in ~~each~~ fiscal year 2007-08 and $8,600,000 in fiscal year 2008-09.

***-1902/2.2* SECTION 42.** 49.175 (1) (p) of the statutes is amended to read:

49.175 **(1)** (p) *Direct child care services.* For direct child care services under s. 49.155, $359,201,800 in fiscal year 2007-08 and ~~$355,352,000~~ $375,736,400 in fiscal year 2008-09.

***-1902/2.3* SECTION 43.** 49.175 (1) (q) of the statutes is amended to read:

49.175 **(1)** (q) *Child care state administration.* For administration of child care services under s. 49.155 (1g) (b), $1,765,600 in fiscal year 2007-08 and ~~$1,600,300~~ $2,437,500 in fiscal year 2008-09.

***-1152/P8.16* SECTION 44.** 49.45 (2) (a) 17. of the statutes is repealed.

***-1152/P8.17* SECTION 45.** 49.45 (3) (e) 8. of the statutes is repealed.

***-0680/P2.1* SECTION 46.** 49.45 (3) (e) 10m. of the statutes is created to read:

49.45 **(3)** (e) 10m. All facilities listed in a certificate of approval issued to the University of Wisconsin Hospitals and Clinics Authority under s. 50.35 are a hospital for purposes of reimbursement under this section.

***-1152/P8.18* SECTION 47.** 49.45 (3) (e) 11. of the statutes is created to read:

49.45 **(3)** (e) 11. The department shall use a portion of the moneys collected under s. 50.38 to pay for services provided by eligible hospitals, as defined in s. 50.38 (1), under the Medical Assistance Program under this subchapter, including services reimbursed on a fee-for-service basis and services provided under a managed care system. For state fiscal year 2008-09, total payments under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) for fiscal year 2008-09 divided by 57.75 percent. For each state fiscal year after state fiscal year 2008-09, total payments under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) for the fiscal year divided by 61.68 percent.

***-1152/P8.19* SECTION 48.** 49.45 (5m) (am) of the statutes is amended to read:

49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), ~~and~~ (w) and (xc), the department shall distribute not more than ~~$2,256,000~~ $5,000,000 in each fiscal year, to provide supplemental funds

to rural hospitals that, as determined by the department, have high utilization of inpatient services by patients whose care is provided from governmental sources, ~~and to provide supplemental funds to critical access hospitals,~~ except that the department may not distribute funds to a rural hospital ~~or to a critical access hospital~~ to the extent that the distribution would exceed any limitation under 42 USC 1396b (i) (3).

***-1152/P8.20* SECTION 49.** 49.45 (5m) (am) of the statutes, as affected by 2009 Wisconsin Act .... (this act), is amended to read:

49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (o), (w) and (xc), the department shall distribute not more than ~~$5,000,000~~ $2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals that, as determined by the department, have high utilization of inpatient services by patients whose care is provided from governmental sources, except that the department may not distribute funds to a rural hospital to the extent that the distribution would exceed any limitation under 42 USC 1396b (i) (3).

***-1152/P8.21* *-0892/11.24* SECTION 50.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this subsection made under s. 20.435 (4) (b), ~~(gp),~~ (o), (pa), or (w) shall, except as provided in pars. (bg), (bm), and (br), be determined according to a prospective payment system updated annually by the department. The payment system shall implement standards that are necessary and proper for providing patient care and that meet quality and safety standards established under subch. II of ch. 50 and ch. 150. The payment system shall reflect all of the following:

***-1152/P8.22* *-0892/11.25* SECTION 51.** 49.45 (6v) (b) of the statutes is amended to read:

49.45 **(6v)** (b) The department shall, each year, submit to the joint committee on finance a report for the previous fiscal year, except for the 1997-98 fiscal year, that provides information on the utilization of beds by recipients of medical assistance in facilities and a discussion and detailed projection of the likely balances, expenditures, encumbrances and carry over of currently appropriated amounts in the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ and (o).

***-1152/P8.23* *-0892/11.26* SECTION 52.** 49.45 (6x) (a) of the statutes is amended to read:

49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w), the department shall distribute not more than $4,748,000 in each fiscal year, to provide funds to an essential access city hospital, except that the department may not allocate funds to an essential access city hospital to the extent that the allocation would exceed any limitation under 42 USC 1396b (i) (3).

***-1152/P8.24* *-0892/11.27* SECTION 53.** 49.45 (6y) (a) of the statutes is amended to read:

49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w), the department ~~shall~~ may distribute funding in each fiscal year to provide supplemental payment to hospitals that enter into a contract under s. 49.02 (2) to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3). If no relief block grant is awarded under this chapter or if the allocation of

funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into a contract under s. 49.02 (2).

-1152/P8.25 ***-0892/11.28*** **SECTION 54.** 49.45 (6y) (am) of the statutes is amended to read:

49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), (h), ~~(gp),~~ (o), and (w), the department shall distribute funding in each fiscal year to provide supplemental payments to hospitals that enter into contracts under s. 49.02 (2) with a county having a population of 500,000 or more to provide health care services funded by a relief block grant, as determined by the department, for hospital services that are not in excess of the hospitals' customary charges for the services, as limited under 42 USC 1396b (i) (3).

-1152/P8.26 **SECTION 55.** 49.45 (6y) (ap) of the statutes is created to read:

49.45 **(6y)** (ap) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (o) and (xc), the department shall distribute not more than $8,000,000 in each fiscal year as supplemental payments to hospitals that satisfy the criteria established by the American College of Surgeons for classification as a Level I adult trauma center, except that the department may not make payments that exceed limitations based on customary charges under 42 USC 1396b (i) (3).

-1152/P8.27 **SECTION 56.** 49.45 (6y) (ap) of the statutes, as created by 2009 Wisconsin Act .... (this act), is repealed.

-1152/P8.28 **SECTION 57.** 49.45 (6y) (ar) of the statutes is created to read:

49.45 **(6y)** (ar) Notwithstanding sub (3) (e), the department may, from the appropriation account under s. 20.435 (4) (xc), make supplemental payments to hospitals based on hospital performance, in accordance with a payment methodology

developed by the department, except that the department may not make payments that exceed limitations based on customary charges under 42 USC 1396b (i) (3).

***-1152/P8.29* SECTION 58.** 49.45 (6y) (ar) of the statutes, as created by 2009 Wisconsin Act .... (this act), is repealed.

***-1152/P8.30* SECTION 59.** 49.45 (6y) (at) of the statutes is created to read:

49.45 **(6y)** (at) Notwithstanding sub. (3) (e), from the appropriation account under s. 20.435 (4) (w), the department shall distribute $3,000,000 in each fiscal year to the University of Wisconsin Hospital and Clinics for care that is not otherwise compensated, except that the department may not make payments that exceed limitations based on customary charges under 42 USC 1396b (i) (3).

***-1152/P8.31* SECTION 60.** 49.45 (6y) (at) of the statutes, as created by 2009 Wisconsin Act .... (this act), is repealed.

***-1152/P8.32* SECTION 61.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w), the department may distribute funding in each fiscal year to supplement payment for services to hospitals that enter into indigent care agreements, in accordance with the approved state plan for services under 42 USC 1396a, with relief agencies that administer the medical relief block grant under this chapter, if the department determines that the hospitals serve a disproportionate number of low-income patients with special needs. If no medical relief block grant under this chapter is awarded or if the allocation of funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department may distribute funds to hospitals that have not entered into indigent care

agreements. The department may not distribute funds under this subsection to the extent that the distribution would do any of the following:

***-1152/P8.33* *-0892/11.29* SECTION 62.** 49.45 (8) (b) of the statutes is amended to read:

49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w) for home health services provided by a certified home health agency or independent nurse shall be made at the home health agency's or nurse's usual and customary fee per patient care visit, subject to a maximum allowable fee per patient care visit that is established under par. (c).

***-1152/P8.34* *-0892/11.30* SECTION 63.** 49.45 (24m) (intro.) of the statutes is amended to read:

49.45 **(24m)** (intro.) From the appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w), in order to test the feasibility of instituting a system of reimbursement for providers of home health care and personal care services for medical assistance recipients that is based on competitive bidding, the department shall:

***-1152/P8.35* *-0892/11.31* SECTION 64.** 49.45 (52) of the statutes is amended to read:

49.45 **(52)** PAYMENT ADJUSTMENTS. Beginning on January 1, 2003, the department may, from the appropriation account under s. 20.435 (7) (b), make Medical Assistance payment adjustments to county departments under s. 46.215, 46.22, 46.23, or 51.42, or 51.437 or to local health departments, as defined in s. 250.01 (4), as appropriate, for covered services under s. 49.46 (2) (a) 2. and 4. d. and f. and (b) 6. b., c., f., fm., g., j., k., L., Lm., and m., 9., 12., 12m., 13., 15., and 16. Payment adjustments under this subsection shall include the state share of the payments.

The total of any payment adjustments under this subsection and Medical Assistance payments made from appropriation accounts under s. 20.435 (4) (b), ~~(gp),~~ (o), and (w), may not exceed applicable limitations on payments under 42 USC 1396a (a) (30) (A).

***-1152/P8.36* SECTION 65.** 49.45 (59) of the statutes is created to read:

49.45 **(59)** HEALTH MAINTENANCE ORGANIZATION PAYMENTS TO HOSPITALS. (a) Except as provided under par. (h), the department shall, from the appropriation account under s. 20.435 (4) (xc), pay each health maintenance organization with which it contracts to provide medical assistance a monthly amount that the health maintenance organization shall use to make payments to hospitals under par. (b).

(b) Except as provided under par. (h), health maintenance organizations shall pay all of the moneys they receive under par. (a) to eligible hospitals, as defined in s. 50.38 (1), within 15 days after receiving the moneys. The department shall specify in contracts with health maintenance organizations to provide medical assistance a method that health maintenance organizations shall use to allocate the amounts received under par. (a) among eligible hospitals based on the number of discharges from inpatient stays and the number of outpatient visits for which the health maintenance organization paid such a hospital in the previous month for enrollees who are recipients of medical assistance, except enrollees who receive medical assistance under s. 49.45 (23). Payments under this paragraph shall be in addition to any amount that a health maintenance organization is required by agreement between the health maintenance organization and a hospital to pay the hospital for providing services to the health maintenance organization's enrollees.

(c) Except as provided under par. (h), each health maintenance organization that provides medical assistance shall report to the department each month the

amount it paid each hospital under par. (b) and the percentage of the total payments it made under par. (b) that it paid to each hospital.

(d) Except as provided under par. (h), each health maintenance organization that provides medical assistance shall report monthly to each hospital to which the health maintenance organization makes payments under par. (b) such information regarding the payments that the department specifies in its contract with the health maintenance organization to provide medical assistance.

(e) 1. If the department determines that a health maintenance organization has not complied with a requirement under pars. (b) to (d), the department shall order the health maintenance organization to comply with the requirement within 15 days after the department's determination of noncompliance.

2. The department may terminate a contract with a health maintenance organization to provide medical assistance if the health maintenance organization fails to comply with a requirement under pars. (b) to (d).

3. The department may audit a health maintenance organization to determine whether the health maintenance organization has complied with the requirements under pars. (b) to (d).

(f) The department shall specify in contracts with health maintenance organizations to provide medical assistance the method for adjusting payments under par. (b) to correct a health maintenance organization's inaccurate counting of inpatient discharges or outpatient visits in calculating a monthly payment to a hospital under par. (b).

(g) If a health maintenance organization and hospital do not agree on the amount of a monthly payment that the health maintenance organization is required to pay the hospital under par. (b), either the health maintenance organization or the

hospital, within 6 months after the first day of the month in which the payment is due, may request that the department determine the amount of the payment. The department shall determine the amount of the payment within 60 days after the request for a determination is made. The health maintenance organization or hospital is, upon request, entitled to a contested case hearing under ch. 227 on the department's determination.

(h) Paragraphs (a) to (d) do not apply after June 30, 2013.

***-1152/P8.37* *-0892/11.32* SECTION 66.** 49.472 (6) (a) of the statutes is amended to read:

49.472 **(6)** (a) Notwithstanding sub. (4) (a) 3., from the appropriation account under s. 20.435 (4) (b)~~, (gp),~~ or (w), the department shall, on the part of an individual who is eligible for medical assistance under sub. (3), pay premiums for or purchase individual coverage offered by the individual's employer if the department determines that paying the premiums for or purchasing the coverage will not be more costly than providing medical assistance.

***-1152/P8.38* *-0892/11.33* SECTION 67.** 49.472 (6) (b) of the statutes is amended to read:

49.472 **(6)** (b) If federal financial participation is available, from the appropriation account under s. 20.435 (4) (b)~~, (gp),~~ or (w), the department may pay medicare Part A and Part B premiums for individuals who are eligible for medicare and for medical assistance under sub. (3).

***-1152/P8.39* *-0892/11.34* SECTION 68.** 49.473 (5) of the statutes is amended to read:

49.473 **(5)** The department shall audit and pay, from the appropriation accounts under s. 20.435 (4) (b)~~, (gp),~~ and (o), allowable charges to a provider who is

certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who meets the requirements under sub. (2) for all benefits and services specified under s. 49.46 (2).

***-1896/1.4* SECTION 69.** 49.857 (1) (d) 12. of the statutes is amended to read:

49.857 **(1)** (d) 12. A license or certificate of registration issued under ss. 138.09, 138.12, 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, 224.93 or subch. IV of ch. 551.

***-0680/P2.2* SECTION 70.** 50.35 of the statutes is amended to read:

50.35 Application and approval. Application for approval to maintain a hospital shall be made to the department on forms provided by the department. On receipt of an application, the department shall, except as provided in s. 50.498, issue a certificate of approval if the applicant and hospital facilities meet the requirements established by the department. The department shall issue a single certificate of approval for the University of Wisconsin Hospitals and Clinics Authority that applies to all of the Authority's inpatient and outpatient hospital facilities that meet the requirements established by the department and for which the Authority requests approval. Except as provided in s. 50.498, this approval shall be in effect until, for just cause and in the manner herein prescribed, it is suspended or revoked. The certificate of approval may be issued only for the premises and persons or governmental unit named in the application and is not transferable or assignable. The department shall withhold, suspend or revoke approval for a failure to comply with s. 165.40 (6) (a) 1. or 2., but, except as provided in s. 50.498, otherwise may not withhold, suspend or revoke approval unless for a substantial failure to comply with ss. 50.32 to 50.39 or the rules and standards adopted by the department after giving a reasonable notice, a fair hearing and a reasonable opportunity to comply. Failure

by a hospital to comply with s. 50.36 (3m) shall be considered to be a substantial failure to comply under this section.

***-1152/P8.40* SECTION 71.** 50.38 of the statutes is created to read:

50.38 Hospital assessment. (1) In this section "eligible hospital" means a hospital that is not any of the following:

(a) A critical access hospital.

(b) An institution for mental diseases, as defined in s. 46.011 (1m).

(c) A general psychiatric hospital for which the department has issued a certificate of approval under s. 50.35 that applies only to the psychiatric hospital, and that is not a satellite of an acute care hospital.

(2) Except as provided in sub. (10), for the privilege of doing business in this state, there is imposed on each eligible hospital an assessment each state fiscal year that is equal to a uniform percentage, determined under sub. (3), of the hospital's gross patient revenues, as reported under s. 153.46 (5) and determined by the department. The assessments shall be deposited in the hospital assessment fund.

(3) The department shall establish the percentage under sub. (2) so that the total amount of assessments collected under this section in a state fiscal year is equal to the amount in the schedule under s. 20.005 (3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year.

(4) Except as provided in sub. (5), each eligible hospital shall pay the annual assessment under sub. (2) in 4 equal amounts that are due by September 30, December 31, March 31, and June 30 of each year.

(5) At the discretion of the department, a hospital that is unable timely to make a payment by a date specified under sub. (4) may be allowed to make a delayed payment. A determination by the department that a hospital may not make a

delayed payment under this subsection is final and is not subject to review under ch. 227.

(6) (a) 1. If the federal government does not provide federal financial participation under the federal Medicaid program for amounts collected under this section that are used to make payments under s. 49.45 (3) (e) 11. or (6y) (at), that are transferred under sub. (8) and used to make payments from the Medical Assistance trust fund, or that are transferred under sub. (9) and expended under under s. 20.435 (4) (jw), the department shall, from the fund from which the payment or expenditure was made, refund hospitals the amount for which the federal government does not provide federal financial participation.

2. If the department makes a refund under subd. 1. as result of failure to obtain federal financial participation under the federal Medicaid program for a payment under s. 49.45 (3) (e) 11. or (6y) (at) or a payment from the Medical Assistance trust fund, the department shall recoup the part of the payment for which the federal government does not provide federal financial participation.

3. Moneys recouped under subd. 2. for payments made from the hospital assessment fund shall be deposited in the hospital assessment fund.

4. Moneys recouped under subd. 2. for payments made from the Medical Assistance trust fund shall be deposited in the Medical Assistance trust fund.

(b) On June 30 of each state fiscal year, the department shall, from the appropriation account under s. 20.435 (4) (xc), refund to hospitals the difference between the amount in the schedule under s. 20.005 (3) for that appropriation and the amount expended or encumbered from that appropriation in the fiscal year.

(c) The department shall allocate any refund under this subsection to hospitals in proportion to the percentage of the total assessments collected under sub. (2) that each hospital paid.

(7) By January 1 of each year the department shall report to the joint committee on finance all of the following information for the state fiscal year ending the previous June 30:

(a) The amount each eligible hospital paid under sub. (2).

(b) The amounts the department paid each health maintenance organization under s. 49.45 (59) (a).

(c) The total amounts that each eligible hospital received from health maintenance organizations under s. 49.45 (59) (b).

(d) The total amount of payment increases the department made, in connection with implementation of the hospital assessment under sub. (2), for inpatient and outpatient hospital services that are reimbursed on a fee-for-service basis.

(e) The total amount of payments that the department made to each hospital under the Medical Assistance Program under subch. IV of ch. 49.

(f) The portion of capitated payments that the department made to each health maintenance organization under the Medical Assistance Program under subch. IV of ch. 49 from appropriation accounts of general purpose revenues that is for inpatient and outpatient hospital services.

(g) The results of any audits conducted by the department under s. 49.45 (59) (e) 3. and any actions taken by the department as a result of the audits.

(8) Except as provided in sub. (10), in each state fiscal year, the secretary of administration shall transfer from the hospital assessment fund to the Medical Assistance trust fund an amount equal to the amount in the schedule under s. 20.005

(3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year minus the state share of payments to hospitals under s. 49.45 (3) (e) 11., and minus any refunds paid to hospitals from the hospital assessment fund under sub. (6) (a) in that fiscal year.

(9) Except as provided in sub. (10), on June 30 of each state fiscal year, the secretary of administration shall transfer from the Medical Assistance trust fund to the appropriation account under s. 20.435 (4) (jw), an amount equal to 0.5 percent of the amount transferred under sub. (8).

(10) Assessments may not be collected under sub. (2) after June 30, 2013, and transfers may not be made under subs. (8) and (9) after June 30, 2013.

***-1152/P8.41* SECTION 72.** 50.389 of the statutes is renumbered 50.377.

***-0377/P10.3* *-4294/P1.3* SECTION 73.** 66.0615 (1m) (f) 2. of the statutes is amended to read:

66.0615 **(1m)** (f) 2. Sections 77.51 (12m), (14) ~~(c), (f) and (j) and~~, (14g), (15a), and (15b), 77.52 (3), (4), ~~(6) and~~ (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to ~~(14)~~ (15), and 77.62, as they apply to the taxes under subch. III of ch. 77, apply to the tax described under subd. 1.

***-1889/1.10* SECTION 74.** 67.045 (1) (h) of the statutes is created to read:

67.045 **(1)** (h) The debt is issued for the purpose of acquiring or installing energy efficient equipment.

***-0377/P10.4* *-4294/P1.4* SECTION 75.** 70.111 (23) of the statutes is amended to read:

70.111 **(23)** VENDING MACHINES. All machines that automatically dispense ~~soda water beverages, as defined in s. 97.29 (1) (i), and items included as a food or beverage under s. 77.54 (20) (a) and (b)~~ food and food ingredient, as defined in s. 77.51 (3t),

upon the deposit in the machines of specified coins or currency, or insertion of a credit card, in payment for the ~~soda water beverages, food or beverages~~ food and food ingredient, as defined in s. 77.51 (3t).

***-1948/P1.2* SECTION 76.** 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 **(6)** (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

***-1942/P1.5* SECTION 77.** 71.07 (2dy) of the statutes is created to read:

71.07 **(2dy)** ECONOMIC DEVELOPMENT TAX CREDIT. (a) *Definition.* In this subsection, "claimant" means a person who files a claim under this subsection and is certified under s. 560.701 (2) and authorized to claim tax benefits under s. 560.703.

(b) *Filing claims.* Subject to the limitations under this subsection and ss. 560.701 to 560.706, for taxable years beginning after December 31, 2008, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount of the tax, the amount authorized for the claimant under s. 560.703.

(c) *Limitations.* 1. No credit may be allowed under this subsection unless the claimant includes with the claimant's return a copy of the claimant's certification under s. 560.701 (2) and a copy of the claimant's notice of eligibility to receive tax benefits under s. 560.703 (3).

2. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their authorization to claim tax benefits under s. 560.703.

A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* 1. Except as provided in subd. 2., s. 71.28 (4) (e) and (f), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

2. If a claimant's certification is revoked under s. 560.705, or if a claimant becomes ineligible for tax benefits under s. 560.702, the claimant may not claim credits under this subsection for the taxable year that includes the day on which the certification is revoked; the taxable year that includes the day on which the claimant becomes ineligible for tax benefits; or succeeding taxable years and the claimant may not carry over unused credits from previous years to offset the tax imposed under s. 71.02 or 71.08 for the taxable year that includes the day on which certification is revoked; the taxable year that includes the day on which the claimant becomes ineligible for tax benefits; or succeeding taxable years.

3. Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

***-1947/P1.3* SECTION 78.** 71.07 (3p) (a) 1m. of the statutes is created to read:

71.07 **(3p)** (a) 1m. "Dairy cooperative" means a business organized under ch. 185 or 193 for the purpose of obtaining or processing milk.

***-1947/P1.4* SECTION 79.** 71.07 (3p) (a) 3. (intro.) of the statutes is amended to read:

71.07 **(3p)** (a) 3. (intro.) "Dairy manufacturing modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, for dairy manufacturing, including the following, if used exclusively for dairy manufacturing and if acquired and placed in service in this state during taxable years that begin after December 31, 2006, and before January 1, 2015, or, in the case of dairy cooperatives, if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2017:

***-1947/P1.5* SECTION 80.** 71.07 (3p) (b) of the statutes is amended to read:

71.07 **(3p)** (b) *Filing claims.* Subject to the limitations provided in this subsection and s. 560.207, except as provided in par. (c) 5., for taxable years beginning after December 31, 2006, and before January 1, 2015, a claimant may claim as a credit against the taxes imposed under s. 71.02 or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for dairy manufacturing modernization or expansion related to the claimant's dairy manufacturing operation.

***-1947/P1.6* SECTION 81.** 71.07 (3p) (c) 2m. b. of the statutes is amended to read:

71.07 **(3p)** (c) 2m. b. The maximum amount of the credits that may be claimed by all claimants, other than members of dairy cooperatives, under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2008-09, and in each fiscal year thereafter, is $700,000, as allocated under s. 560.207.

***-1947/P1.7* SECTION 82.** 71.07 (3p) (c) 2m. bm. of the statutes is created to read:

71.07 **(3p)** (c) 2m. bm. The maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.28 (3p) and 71.47

(3p) in fiscal year 2009-10 is $600,000, as allocated under s. 560.207, and the maximum amount of the credits that may be claimed by members of dairy cooperatives under this subsection and ss. 71.28 (3p) and 71.47 (3p) in fiscal year 2010-11, and in each fiscal year thereafter, is $700,000, as allocated under s. 560.207.

***-1947/P1.8* SECTION 83.** 71.07 (3p) (c) 3. of the statutes is amended to read:

71.07 **(3p)** (c) 3. Partnerships, limited liability companies, ~~and~~ tax-option corporations, and dairy cooperatives may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that the entity may compute shall not exceed $200,000 for each of the entity's dairy manufacturing facilities. A partnership, limited liability company, ~~or~~ tax-option corporation, or dairy cooperative shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the dairy cooperative.

***-1947/P1.9* SECTION 84.** 71.07 (3p) (c) 5. of the statutes is created to read:

71.07 **(3p)** (c) 5. A claimant who is a member of a dairy cooperative may claim the credit, based on amounts described under par. (b) that are paid by the dairy cooperative, for taxable years beginning after December 31, 2008, and before January 1, 2017.

***-1947/P1.10* SECTION 85.** 71.07 (3p) (c) 6. of the statutes is created to read:

71.07 **(3p)** (c) 6. No credit may be allowed under this subsection unless the claimant submits with the claimant's return a copy of the claimant's credit certification and allocation under s. 560.207.

***-1947/P1.11* SECTION 86.** 71.07 (3p) (d) 2. of the statutes is amended to read:

71.07 **(3p)** (d) 2. ~~If~~ Except as provided in subd. 3., if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08 ~~or no tax is due under s. 71.02 or 71.08~~, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bn).

***-1947/P1.12* SECTION 87.** 71.07 (3p) (d) 3. of the statutes is created to read:

71.07 **(3p)** (d) 3. With regard to claims that are based on amounts described under par. (b) that are paid by a dairy cooperative, if the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bp).

***-1948/P1.3* SECTION 88.** 71.07 (3r) of the statutes is created to read:

71.07 **(3r)** MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Meat processing" means processing livestock into meat products or processing meat products for sale commercially.

3. "Meat processing modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, for meat

processing, including the following, if used exclusively for meat processing and if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2017:

a. Building construction, including livestock handling, product intake, storage, and warehouse facilities.

b. Building additions.

c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, and waste facilities.

d. Livestock intake and storage equipment.

e. Processing and manufacturing equipment, including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves.

f. Packaging and handling equipment, including sealing, bagging, boxing, labeling, conveying, and product movement equipment.

g. Warehouse equipment, including storage and curing racks.

h. Waste treatment and waste management equipment, including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products.

i. Computer software and hardware used for managing the claimant's meat processing operation, including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls.

4. "Used exclusively" means used to the exclusion of all other uses except for use not exceeding 5 percent of total use.