



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

October 19, 2011

MEMORANDUM

To: Senator Schultz

From: Marc E. Shovers, Managing Attorney, (608) 266-0129

From: Robin N. Kite, Senior Legislative Attorney, (608) 266-7291

From: Eric V. Mueller, Legislative Attorney, (608) 261-7032

Subject: Technical Memorandum to **2011 SB 238** (LRB-0826/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

October 19, 2011

TO: Robin N. Kite
Marc E. Shovers
Eric V. Mueller
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on 2011 SB 238 Regarding Authorizing the Board of Commissioners of Public Lands to Make Revenue Obligation Trust Fund Loans to Certain Municipalities, Authorizing the Board of Commissioners to Make Certain Investments, Application Requirements for Certain State Fund Loans, Persons Authorized to Execute Certificates of Indebtedness, and Collection Procedures for Outstanding State Trust Fund Loans

The Department of Revenue has the following concerns regarding the bill:

As used on Page 6, Lines 15 and 16, and on Page 8, Line 8, the phrase "shared revenue" refers to the following payments made under Subchapter I of Chapter 79: utility shared revenue payments, expenditure restraint payments, and county and municipal aid payments. Computer aid payments, made under sec. 79.095, are not deemed "shared revenue" as that term is defined under sec. 79.02. If the phrase "shared revenue" is eliminated, then all payments under Subchapter I would be included. This could increase the number of localities potentially able to borrow from the Board of Commissioners of Public Lands.

The author of the bill may also consider the need for the limitation regarding "80 percent of the shared revenue payments" in the same locations as noted above. Under current law, and under the law as revised by Section 26 of the bill, the Secretary of Administration has the power to collect amounts due to the Board of Commissioners of Public Land "from any state payments due". This provision allows any state aid, not just shared revenue, to be tapped in case of nonpayment of loan amounts due.

If you have any questions on this technical memorandum, please contact Daniel Huegel at 266-5705.

cc: Senator Dale W. Schultz d