

**2011 Jr1 DRAFTING REQUEST**

**Senate Amendment (SA-SB11)**

Received: **02/16/2011**

Received By: **jkuesel**

Wanted: **Today**

Companion to LRB:

For: **Administration**

By/Representing: **Thornton**

May Contact:

Drafter: **jkuesel**

Subject: **State Govt - miscellaneous**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **scott.thornton@wisconsin.gov**

Carbon copy (CC:) to: **david.schmiedicke@doa.state.wi.us**  
**jennifer.kraus@doa.state.wi.us**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

JFC review of state power plant sales

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**Instructions:**

DUPLICATION OF LRBa0525.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkuesel 02/16/2011	kfollett 02/16/2011		_____			
/1			jfrantze 02/16/2011	_____	mbarman 02/16/2011	mbarman 02/16/2011	

FE Sent For:

<END>

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/?	jkuesel 02/16/2011	lrb_editor 1/16 f 2/16	<i>[Signature]</i> 2/16	<i>[Signature]</i> 2/16			

FE Sent For:

<END>

**2011 Jr1 DRAFTING REQUEST**

**Senate Amendment (SA-SB6)**

Received: **02/16/2011**

Wanted: **Today**

For: **Administration**

May Contact:

Subject: **State Govt - miscellaneous**

Received By: **jkuesel**

Companion to LRB:

By/Representing: **Thornton**

Drafter: **jkuesel**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **scott.thornton@wisconsin.gov**

Carbon copy (CC:) to: **david.schmiedicke@doa.state.wi.us**  
**jennifer.kraus@doa.state.wi.us**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

JFC review of state power plant sales

---

**Instructions:**

DUPLICATION OF LRBa0525.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/1	jkuesel 2/16/11						

FE Sent For:

<END>

**2011 Jr1 DRAFTING REQUEST**

**Senate Amendment (SA-SB6)**

Received: 02/16/2011

Wanted: Today

For: Administration

May Contact:

Subject: State Govt - miscellaneous

Received By: jkuesel

Companion to LRB:

By/Representing: Thornton

Drafter: jkuesel

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: scott.thornton@wisconsin.gov

Carbon copy (CC:) to: david.schmiedicke@doa.state.wi.us  
jennifer.kraus@doa.state.wi.us

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Treatment of state power plant sales proceeds

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**Instructions:**

Per attached E mails, 2/15/11 and 2/16/11.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkuesel			==			

FE Sent For:

<END>

**Kuesel, Jeffery**

**From:** Champagne, Rick  
**Sent:** Wednesday, February 16, 2011 7:05 AM  
**To:** Gibson-Glass, Mary; Kreye, Joseph; Dodge, Tamara; Kuesel, Jeffery; Kunkel, Mark; Grant, Peter; Kuczynski, Tracy  
**Cc:** Hanaman, Cathlene  
**Subject:** Items for Budget Adjustment Bill Amendment

Good Morning All:

Can you please prepare these amendments this morning as soon as you can. I have placed attorney initials by each amendment request and later this morning we can talk with DOA about whether these should be done as a super simple or engrossed into a substitute amendment. Please prepare them for DOA for the analysts you have been working with and cc Jenny Kraus and Dave Schmiedicke. Please let Cathlene know when you are done, so we can have this ready for Finance. Thanks.

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**From:** Schmiedicke, David P - DOA [mailto:david.schmiedicke@wisconsin.gov]  
**Sent:** Tuesday, February 15, 2011 9:11 PM  
**To:** Hanaman, Cathlene; Champagne, Rick  
**Cc:** Kraus, Jennifer - DOA; Thornton, Scott - DOA; Steinmetz, Jana D - DOA; Gauger, Michelle C - DOA; Schutt, Eric - GOV; Hayes, Brian - DOA; Hoadley, Frank R - DOA; Murray, Ryan M - GOV  
**Subject:** Items for Budget Adjustment Bill Amendment

Cathlene and Rick:

The following items need to be drafted as one amendment to the budget adjustment bill. This will be taken up by JCF early afternoon on Wednesday.

1. Wetlands bill technical fix (LRB 11a0520) – attached. (MGG)
2. Job creation tax credit technical fix (LRB 11b0005) – attached (JK)
3. Medicaid study and program changes language – the provisions in the BAB related to this issue should sunset on December 31, 2014. (TJD)
4. Group Insurance Board – AG representative – LRB b0002/1 (RAC)
5. Sale of State Power Plants – tax law fixes (LRB 11-14491) – there are some further minor changes that will be sent on Wednesday morning. ((JTK) (JK?))
6. Sale of State Power Plants – add 14 day passive review by JCF prior to any sale. (JTK)
7. ETF / OSER / DOA Studies of Retirement and Health Insurance Changes – ETF must submit a spending plan for the studies to JCF for 14 day passive review. (RAC)
8. DOJ – unclassified positions (LRBb0007/1) (RAC)
9. City of Milwaukee pension language – instructions sent by Jenny Kraus on Tuesday evening. (RAC)
10. FY11 Medicaid appropriation – LFB will be drafting a provision to increase Medicaid GPR funding by \$35 million to pay for June 2011 payments that would otherwise be paid in July 2011. (TJD)
11. School district employee grievance procedure – instructions sent by Jenny Kraus on Tuesday evening; more details to follow later tonight or tomorrow morning. (PG/TKK)

Let me know which is quicker for you to draft – a substitute or a simple amendment on these items.

Thanks very much for your assistance.

Dave Schmiedicke

**Kuesel, Jeffery**

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**From:** Hoadley, Frank R - DOA [frank.hoadley@wisconsin.gov]  
**Sent:** Wednesday, February 16, 2011 8:24 AM  
**To:** Kuesel, Jeffery  
**Cc:** Schmiedicke, David P - DOA; Thornton, Scott - DOA  
**Subject:** FW: LRB Draft: 11-1449/1 Treatment of state power plant sales proceeds  
Jeff -

Please consider the following email forwarded from Reed Groethe as drafting instructions for LRB Draft 11-1449/1.

Thanks.

Frank R. Hoadley, Capital Finance Director  
266-2305

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**From:** Groethe, Reed [mailto:reed.groethe@foley.com]  
**Sent:** Tuesday, February 15, 2011 6:22 PM  
**To:** Hoadley, Frank R - DOA  
**Cc:** Erdman, David R - DOA  
**Subject:** RE: LRB Draft: 11-1449/1 Treatment of state power plant sales proceeds

**From the Desk of: Reed Groethe**



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[www.foley.com](http://www.foley.com)

Frank:

Here are my suggested changes. I have not put them in legislative format, but I trust they will be adequately clear. Of course, please call if you need any clarification.

First, section 13.488 (1) (m) should be rewritten to cover any payments required to keep the State's obligations tax exempt.

"(m) The duty to determine and make payments to the United States required so as to avoid an adverse affect on any exclusion of interest from gross income for federal income tax purposes on public debt, revenue obligations and operating notes issued pursuant to ch. 18, master lease obligations issued pursuant to s. 16.76, and appropriation obligations issued pursuant to s. 16.527 and to make any payments to advisors that assist in making the determinations. If the proceeds of an obligation are utilized for an activity that is financed from program revenue, the building commission shall make the payments required under this paragraph from that revenue, to the extent it is available."

Second, s. 20.867 (3) (h) makes a sum sufficient appropriation, among other things, "to make full payment of the amounts determined by the building commission under s. 13.488 (1) (m) if the appropriation under [specific sections] is insufficient to make full payment of those amounts ..." I don't think any change is needed, so long as s. 13.488 (1) (m) is changed appropriately.

Third, a specific reference to the newly created s. 16.896 (2) could be added to s. 20.867 (3) (h), which begins, " A sum sufficient ..." Add:

"... to make payments to advisors or the federal internal revenue service determined under s. 16.896 (2) if the net

2/16/2011

proceeds are insufficient to make such payments or there are no net proceeds, .."

---

**From:** Hoadley, Frank R - DOA [mailto:frank.hoadley@wisconsin.gov]  
**Sent:** Tuesday, February 15, 2011 5:18 PM  
**To:** Groethe, Reed  
**Cc:** Erdman, David R - DOA  
**Subject:** FW: LRB Draft: 11-1449/1 Treatment of state power plant sales proceeds

Reed –

We need your reaction to this ASAP. Please also look at s.13.488 (1)(m) and a GO debt service appropriation – say s.20.395 (6)(af).

FRH



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**From:** Thornton, Scott - DOA  
**Sent:** Tuesday, February 15, 2011 4:56 PM  
**To:** Hoadley, Frank R - DOA  
**Subject:** FW: LRB Draft: 11-1449/1 Treatment of state power plant sales proceeds

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**From:** Frantzen, Jean [mailto:Jean.Frantzen@legis.wisconsin.gov]  
**Sent:** Tuesday, February 15, 2011 2:46 PM  
**To:** Hetzel, Shayna - DOA  
**Cc:** Hanaman, Cathlene - LEGIS; Thornton, Scott - DOA  
**Subject:** LRB Draft: 11-1449/1 Treatment of state power plant sales proceeds

Following is the PDF version of draft 11-1449/1.

The preceding email message may be confidential or protected by the attorney-client privilege. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this message in error, please (i) do not read it, (ii) reply to the sender that you received the message in error, and (iii) erase or destroy the message. Legal advice contained in the preceding message is solely for the benefit of the Foley & Lardner LLP client(s) represented by the Firm in the particular matter that is the subject of this message, and may not be relied upon by any other party.

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State of Wisconsin  
2011 - 2012 LEGISLATURE

January 2011 Special Session

*Wed 2/16-AM*

6.0020/1

LRBa0524/?

JTK...*gf*

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

SENATE AMENDMENT,  
TO SENATE BILL 6

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 4: delete “an appropriation” and substitute “appropriations”.

3 **2.** Page 9, line 21: after that line insert:

4 “SECTION 5m. 13.488 (1) (m) of the statutes is amended to read:

5 13.488 (1) (m) The duty to compute determine and make payments to the

6 United States required under 26 USC 148 (f) so that public debt, revenue obligations

7 and operating notes issued pursuant to ch. 18 will not be treated as arbitrage bonds

8 for the purpose of exclusion from gross income under 26 USC 103 (b) (2) so as to avoid

9 an adverse effect on any exclusion of interest from gross income for federal income

10 tax purposes on public debt, revenue obligations, and operating notes issued

11 pursuant to ch. 18, master lease obligations issued pursuant to s. 16.76, and

12 appropriation obligations issued pursuant to s. 16.527 and to make any payments to



1 advisors that assist in making the determination. If the proceeds of an obligation are  
2 utilized for an activity that is financed from program revenue, the building  
3 commission shall make the payment payments required under this paragraph from  
4 that revenue, to the extent it is available."

History: 1971 c. 125; 1977 c. 29 s. 1650m(4); 1979 c. 32 s. 92(5); 1979 c. 221; 1981 c. 20; 1983 a. 36 s. 96(3), (4); 1987 a. 399; 1989 a. 219; 1999 a. 197.

5 #3. Page 31, line 3: after that line insert:

6 "SECTION 63m?. 20.867 (3) (h) of the statutes is amended to read:

7 20.867 (3) (h) *Principal repayment, interest, and rebates* and tax-related

8 payments. A sum sufficient to guarantee full payment of principal and interest costs  
9 for self-amortizing or partially self-amortizing facilities enumerated under ss.  
10 20.190 (1) (j), 20.245 (1) (j), 20.285 (1) (im), (je), (jq), (kd), (km), and (ko), 20.370 (7)  
11 (eq), 20.485 (1) (go), and 20.867 (3) (kd) if moneys available in those appropriations  
12 are insufficient to make full payment, to make full payment of the amounts  
13 determined by the building commission under s. 13.488 (1) (m) if the appropriation  
14 under s. 20.190 (1) (j), 20.245 (1) (j), 20.285 (1) (im), (je), (jq), (kd), (km), or (ko), 20.485  
15 (1) (g), or 20.867 (3) (kd) is insufficient to make full payment of those amounts, and  
16 to make payments under an agreement or ancillary arrangement entered into under  
17 s. 18.06 (8) (a), and to make payments to the federal internal revenue service or to  
18 advisors determined under s. 16.896 (2) if the net proceeds from a sale under s. 16.896  
19 are insufficient to make such payments or if there are no net proceeds. All amounts  
20 advanced under the authority of this paragraph shall be repaid to the general fund  
21 whenever the balance of the appropriation for which the advance was made is  
22 sufficient to meet any portion of the amount advanced. The department of  
23 administration may take whatever action is deemed necessary including the making  
24 of transfers from program revenue appropriations and corresponding appropriations

- 1 from program receipts in segregated funds and including actions to enforce
- 2 contractual obligations that will result in additional program revenue for the state,
- 3 to ensure recovery of the amounts advanced.”.

**History:** 1971 c. 125; 1973 c. 90 ss. 132 to 140g; 1975 c. 39; 1977 c. 29 ss. 352m to 353m, 1654 (8) (c), 1656 (3); 1977 c. 418; 1979 c. 34 ss. 629 to 631, 677w; 1979 c. 102 s. 4; 1979 c. 176, 177, 221; 1981 c. 1, 20, 93; 1981 c. 314 s. 146; 1981 c. 317; 1983 a. 27; 1983 a. 36 s. 96 (3); 1985 a. 6, 29; 1985 a. 332 s. 253; 1987 a. 27, 399; 1989 a. 31, 46, 219, 359; 1991 a. 32, 39, 269; 1993 a. 16; 1995 a. 27; 1999 a. 9, 167; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28, 361.63m(End)



State of Wisconsin  
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBa0522/1  
JTK:kjf:ph

SENATE AMENDMENT,  
TO SENATE BILL 11

2-4

1 ~~At the locations indicated, amend the bill as follows:~~

2 ~~A.~~ <sup>✓</sup> Page 24, line 11: delete lines 11 to 22 and substitute:

3       “(2) If there is any outstanding public debt, a portion of which was used to  
4 finance the acquisition, construction, or improvement of any plant that is sold, or is  
5 the subject of a contract for operation, under sub. (1), the department shall determine  
6 any actions that may be necessary or appropriate so as not to adversely affect any  
7 exclusion of interest on such public debt from gross income for federal income tax  
8 purposes, including payments to advisors or the federal internal revenue service.  
9 The department shall apply the net proceeds from any sale of a plant to do all of the  
10 following:

11       (a) To make any payments to advisors or the federal internal revenue service  
12 determined by the department to be necessary or appropriate.

- 2 -  
2-4

1 (b) If the plant was acquired, constructed, or improved with federal financial  
2 assistance, to repay the federal government, as required by federal law.

3 (c) To deposit a sufficient amount of the net proceeds from any sale of the plant  
4 in the bond security and redemption fund under s. 18.09 to repay the principal and  
5 pay the interest on such portion of the public debt, and any premium due upon  
6 repayment of such portion of the public debt.

7 (3) Except as provided in s. 51.06, the department shall deposit in the budget  
8 stabilization fund any net proceeds in excess of the amount required to be deposited  
9 or paid under sub. (2).”

10

(END)



State of Wisconsin  
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBb0020/1  
JTK:kjf:jf

SENATE AMENDMENT ,  
TO SENATE BILL 11

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 4: delete “an appropriation” and substitute “appropriations”.

3 **2.** Page 9, line 21: after that line insert:

4 “SECTION 5m. 13.488 (1) (m) of the statutes is amended to read:

5 13.488 (1) (m) The duty to ~~compute~~ determine and make payments to the  
6 United States required ~~under 26 USC 148 (f) so that public debt, revenue obligations~~  
7 ~~and operating notes issued pursuant to ch. 18 will not be treated as arbitrage bonds~~  
8 ~~for the purpose of exclusion from gross income under 26 USC 103 (b) (2) so as to avoid~~  
9 an adverse effect on any exclusion of interest from gross income for federal income  
10 tax purposes on public debt, revenue obligations, and operating notes issued  
11 pursuant to ch. 18, master lease obligations issued pursuant to s. 16.76, and  
12 appropriation obligations issued pursuant to s. 16.527 and to make any payments to  
13 advisors that assist in making the determination. If the proceeds of an obligation are

1 utilized for an activity that is financed from program revenue, the building  
2 commission shall make the ~~payment~~ payments required under this paragraph from  
3 that revenue, to the extent it is available.”.

4 **3.** Page 24, line 11: delete lines 11 to 22 and substitute:

5 “(2) If there is any outstanding public debt, a portion of which was used to  
6 finance the acquisition, construction, or improvement of any plant that is sold, or is  
7 the subject of a contract for operation, under sub. (1), the department shall determine  
8 any actions that may be necessary or appropriate so as not to adversely affect any  
9 exclusion of interest on such public debt from gross income for federal income tax  
10 purposes, including payments to advisors or the federal internal revenue service.  
11 The department shall apply the net proceeds from any sale of a plant to do all of the  
12 following:

13 (a) To make any payments to advisors or the federal internal revenue service  
14 determined by the department to be necessary or appropriate.

15 (b) If the plant was acquired, constructed, or improved with federal financial  
16 assistance, to repay the federal government, as required by federal law.

17 (c) To deposit a sufficient amount of the net proceeds from any sale of the plant  
18 in the bond security and redemption fund under s. 18.09 to repay the principal and  
19 pay the interest on such portion of the public debt, and any premium due upon  
20 repayment of such portion of the public debt.

21 (3) Except as provided in s. 51.06, the department shall deposit in the budget  
22 stabilization fund any net proceeds in excess of the amount required to be deposited  
23 or paid under sub. (2).”.

24 **4.** Page 31, line 3: after that line insert:

1           **“SECTION 63m.** 20.867 (3) (h) of the statutes is amended to read:

2           20.867 (3) (h) *Principal repayment, interest, ~~and rebates~~, and tax-related*  
3           *payments.* A sum sufficient to guarantee full payment of principal and interest costs  
4           for self-amortizing or partially self-amortizing facilities enumerated under ss.  
5           20.190 (1) (j), 20.245 (1) (j), 20.285 (1) (im), (je), (jq), (kd), (km), and (ko), 20.370 (7)  
6           (eq), 20.485 (1) (go), and 20.867 (3) (kd) if moneys available in those appropriations  
7           are insufficient to make full payment, to make full payment of the amounts  
8           determined by the building commission under s. 13.488 (1) (m) if the appropriation  
9           under s. 20.190 (1) (j), 20.245 (1) (j), 20.285 (1) (im), (je), (jq), (kd), (km), or (ko), 20.485  
10          (1) (g), or 20.867 (3) (kd) is insufficient to make full payment of those amounts, ~~and~~  
11          to make payments under an agreement or ancillary arrangement entered into under  
12          s. 18.06 (8) (a), and to make payments to the federal internal revenue service or to  
13          advisors determined under s. 16.896 (2) if the net proceeds from a sale under s. 16.896  
14          are insufficient to make such payments or if there are no net proceeds. All amounts  
15          advanced under the authority of this paragraph shall be repaid to the general fund  
16          whenever the balance of the appropriation for which the advance was made is  
17          sufficient to meet any portion of the amount advanced. The department of  
18          administration may take whatever action is deemed necessary including the making  
19          of transfers from program revenue appropriations and corresponding appropriations  
20          from program receipts in segregated funds and including actions to enforce  
21          contractual obligations that will result in additional program revenue for the state,  
22          to ensure recovery of the amounts advanced.”.

23    (END)