

**2013 DRAFTING REQUEST**

**Bill**

Received: 9/4/2013 Received By: mkunkel  
Wanted: As time permits Same as LRB: -2998 -3064  
For: Paul Farrow (608) 266-9174 By/Representing: Scott Rausch  
May Contact: Drafter: mkunkel  
Subject: Public Util. - misc. Addl. Drafters:  
Extra Copies: EVM

Submit via email: YES  
Requester's email: Sen.Farrow@legis.wisconsin.gov  
Carbon copy (CC) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Exception to limitation of municipal utility release of customer information

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**Instructions:**

See attached

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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	mkunkel 9/4/2013	csicilia 9/4/2013	rschluet 9/4/2013	_____	lparisi 9/4/2013	lparisi 9/11/2013	

FE Sent For:

*None  
Needed*

<END>

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/1	mkunkel 9/4/2013	Legis	9/4/13				
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Handwritten notes: "Legis", "9/4/13", and a circled "8" with "9/4/13" written vertically next to it.

FE Sent For:

<END>

**Kunkel, Mark**

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**From:** Rausch, Scott  
**Sent:** Friday, August 23, 2013 1:08 PM  
**To:** Kunkel, Mark  
**Subject:** Bill Draft Request  
**Attachments:** 201308231300.pdf

*See - 2498*

Mark,

Please see the attached Bill Request Form and accompanying material. Sen. Farrow and Rep. Honadel would like to propose a fix to 2013 Wisconsin Act 25.

Thank you for your attention to this request.

Regards,

Scott Rausch  
Office of Senator Paul Farrow

# Bill Request Form

**Legislative Reference Bureau**  
One East Main Street, Suite 200  
Legal Section 266-3561

*You may use this form or talk directly with the LRB attorney who will draft the bill.*

Date 8/23/13

Legislator, agency, or other person requesting this draft SEN. PAUL FARROW

Person submitting request (name and phone number) SCOTT RAUSCH ; 6-9174

Persons to contact for questions about this draft (names and phone numbers) \_\_\_\_\_

Describe the problem, including any helpful examples. How do you want to solve the problem?

UNINTENDED PROBLEM CAUSED BY  
2013 WISCONSIN ACT 25.

PLEASE SEE ATTACHED MEMO FROM  
HUBBARD, WILSON ; ZELENKOVA, LLC.

Please attach a copy of any correspondence or other material that may help us. If you know of any statute sections that might be affected, list them or provide a marked-up copy.

You may attach a marked-up copy of any LRB draft or provide its number (e.g., 2010 LRB-2345/1 or 2009 AB-67).

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you?  YES  NO

If yes:

Anyone who asks?

YES

NO

Any legislator?

YES

NO

Only the following persons \_\_\_\_\_

Do you consider this request urgent?  YES  NO

Should we give this request priority over any pending request of this legislator, agency, or person?

YES

NO



To: Interested Parties

From: Greg Hubbard and Jason Bauknecht on behalf of Robert W. Baird and Company, Inc.

Subject: 2013 Wisconsin Act 25

We have concerns about the recently approved Wisconsin Act 25 relating to municipal utility customer information. While we appreciate the privacy issues related to customer accounts, we feel that under Federal securities law, Municipal Utilities that enter the public debt market have a duty and obligation to provide information pertaining to largest customer usage and payments. Our specific concern relates to Federal Securities rules, which are geared toward transparency and disclosure. There is a heightened expectation that information as to the source of revenues supporting debt payments be available to potential investors and existing bondholders. The identification of the largest revenue users will aid investors to make an informed decision as to the credit quality of the debt being offered. Additionally, circumstances exist where Municipal Utilities have previously issued debt and are legally committed to provide largest customer usage and payment information annually to public repositories available to investors. Once again, the focus of the Federal Securities rules is to provide access to information that will enable the investing public to make informed decisions when considering the sale or purchase of municipal bonds.

Understanding the desire of the Legislature to meet privacy concerns, we would like to request the Public Service Commission ("Commission") issue a rule or order specific to municipal securities. Working with bond counsel, we would suggest the Commission consider the following wording:

...

**A municipal utility is authorized to release customer information to any lender, purchaser of or investor in or potential purchaser of or investor in municipal securities, or otherwise as the municipal utility determines is necessary to comply with securities disclosure obligations in connection with an issue of municipal securities.**

We are of the belief that the release of a rule or order by the Commission of this nature will meet the immediate needs of municipal utility issuers.



**2013 BILL**

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- 1 **AN ACT to create** 196.137 (2) (am) of the statutes; **relating to:** exceptions to the
- 2 prohibition of release of customer information by a municipal utility.

***Analysis by the Legislative Reference Bureau***

Under current law, a municipal utility is generally prohibited from releasing "customer information," which is defined as any information received from customers which serves to identify customers individually by usage or account status, without the customer's consent. The prohibition, however, has several exceptions. The exceptions are releases of customer information: 1) to certain persons who perform services or functions for municipal utilities, 2) to certain transmission and distribution utilities and operators, 3) to the Public Service Commission (PSC) or persons whom the PSC authorizes by order or rule to receive the customer information, 4) to an owner of a rental dwelling unit to whom the municipal utility provides certain past-due notices, and 5) to any other person otherwise authorized by law to receive the customer information.

This bill creates an additional exception to the prohibition of a municipal utility releasing customer information. In connection with an issue of municipal securities and to the extent the municipal utility determines release is necessary to comply with securities disclosure obligations, the municipal utility may release customer information to a lender or a purchaser, or potential purchaser, of or investor, or potential investor, in municipal securities.

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





**Parisi, Lori**

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**From:** Rausch, Scott  
**Sent:** Wednesday, September 11, 2013 10:47 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -3062/1 Topic: Exception to limitation of municipal utility release of customer information

Please Jacket LRB -3062/1 for the SENATE. Thank you.

Scott Rausch

Chief of Staff

Office of Senator Paul Farrow