

RETIREMENT AND GROUP INSURANCE

HEALTH INSURANCE

Restant #
2. ***Stipend in lieu of health insurance***

This bill expands the eligibility of certain state employees to receive a stipend in lieu of health insurance coverage under the group health insurance program. Current law provides that state employees who were eligible for coverage in calendar year 2015 and who did not elect coverage for 2015 are not eligible to receive a stipend in lieu of health care coverage. This bill removes that prohibition if the employee elects to take state health care coverage in any calendar year following calendar year 2015.

*** ANALYSIS FROM -2224/P1 ***

3. ***Employee health clinics***

This bill allows the Group Insurance Board to enter into contracts with entities to provide health and wellness services at health clinics to be located in state facilities to individuals who are covered by a state group health insurance plan.

*** ANALYSIS FROM -2224/P1 ***

4. ***Premium subsidy study***

This bill requires the Group Insurance Board to conduct a study of the feasibility and potential cost savings of including a fixed-dollar employee premium subsidy in the state group health insurance plan. The bill also requires GIB to submit a report of the study to the governor and JCF.

*** ANALYSIS FROM -2224/P1 ***

5. ***Prescription drug pooling study***

This bill requires DETF, in consultation with DOC, DHS, and DVA, to study the options and opportunities for savings to state agencies through prescription drug pooling. The bill also requires DETF to submit a report to the governor and the appropriate standing committees of the legislature.

*** ANALYSIS FROM -2224/P1 ***

WISCONSIN RETIREMENT SYSTEM

1. ***WRS annuities for teachers returning to work***

Under current law, if a Wisconsin Retirement System annuitant, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position with a WRS-participating employer, or provides employee services to a WRS-participating employer in which he or she is expected to work at least two-thirds of what is considered full-time employment by the DETF, the annuity must be suspended and no annuity payment is payable until after the participant again terminates covered employment.

This bill creates an exception to this requirement for an annuitant who retired from employment as a teacher with a school district who is subsequently rehired or provides employee services as a teacher after retirement if: (1) the participating employer is a school district; (2) at least 30 days have elapsed from the date the person left covered employment with a school district; (3) at the time the person initially retires from a school district, the person does not have an agreement with any school

district to return to employment; and (4) the person elects to not become a participating employee at the time the person is rehired as a teacher by a school district or enters into a contract to provide employee services as a teacher after retirement. In other words, the bill allows a teacher annuitant who retired from a school district to return to work as a teacher for a school district that is a participating employer and elect to not become a participating employee for purposes of the Wisconsin Retirement System, and instead continue to receive his or her annuity.

*** ANALYSIS FROM -2224/P1 ***

2. *Private retirement security plan study*

Under current law, DETF administers the Wisconsin Retirement System under which public employees who are covered under the WRS and their employers pay contributions to the WRS and the WRS, from those contributions and the earnings on those contributions, provides retirement annuities to those public employees. This bill directs the secretary of employee trust funds to establish a committee to study the creation of a private retirement security plan to provide retirement benefits for residents of this state who choose to participate in the plan.

*** ANALYSIS FROM -2224/P1 ***

DISABILITY PLANS

1. *Oversight of group disability benefit insurance plans*

Under current law, the Group Insurance Board oversees the group income continuation insurance plan and the group long-term disability insurance (LTDI) plan. This bill transfers oversight of those plans to the Employee Trust Funds Board. The bill provides explicit statutory authority for the ETFB to establish the LTDI plan.

*** ANALYSIS FROM -2224/P1 ***

ADMINISTRATIVE CHANGES

1. *Internal auditor*

This bill requires the ETF Board to appoint an internal auditor in the classified service who reports directly to the board.

*** ANALYSIS FROM -2224/P1 ***

2. *Employee trust funds appropriations*

This bill eliminates certain appropriations to DETF and adjusts the appropriation from which costs for contracting for certain health insurance data collection and analysis may be paid.

*** ANALYSIS FROM -2226/P1 ***

*** ANALYSIS FROM -2226/P1 ***

SAFETY AND PROFESSIONAL SERVICES

1. *Licensure of dental therapists*

Under current law, dentists and dental hygienists are licensed by the Dentistry Examining Board to practice dentistry and dental hygiene, respectively. This bill provides for the licensure of a third type of dental practitioner, dental therapists.

Under the bill, the board must grant a dental therapist license to an individual who satisfies certain criteria, including completion of a dental therapy program and passage of required examinations.

Dental therapists may provide dental therapy services only under the general supervision of a dentist with whom the dental therapist has a collaborative management agreement that addresses various aspects of the dental therapist's practice. Supervision by a dentist requires the dentist's prior knowledge and consent, but does not require the presence of the dentist at the time a task or procedure is being performed or prior examination or diagnosis of a patient by a dentist prior to the provision of dental therapy services by a dental therapist. Dental therapists are, subject to the terms of a collaborative management agreement, limited to providing services, treatments, and procedures that are specified in the bill, as well as additional services, treatments, or procedures specified by the board by rule. Dental therapists must complete 12 hours of continuing education each biennium.

The bill subjects dental therapists to, or covers dental therapists under, various other laws, including the health care records law, the volunteer health care provider program, the health care worker protection law, and the emergency volunteer health care practitioner law. The bill also provides for loan forgiveness for dental therapists under the health care provider loan assistance program.

Finally, the bill requires, effective when the first individual becomes licensed as a dental therapist in this state, that two dental therapists be added to the board.

*** ANALYSIS FROM -2226/P1 ***

✓ 2. *Private on-site wastewater treatment systems*

2017 Wisconsin Act 59, the 2017 biennial budget act, eliminated, effective June 30, 2021, a grant program DSPS administers to provide grants to individuals and businesses that are served by failing private on-site wastewater treatment systems (POWTS). This bill restores the POWTS grant program.

The bill also modifies certain obligations of governmental units responsible for the regulation of POWTS. Under current law, a governmental unit responsible for the regulation of POWTS must 1) adopt and begin administration of a maintenance program established by DSPS for POWTS before October 1, 2019; 2) as part of adopting and administering the maintenance program, conduct and maintain an inventory of all POWTS located in the governmental unit; and 3) complete the initial inventory of POWTS located in the governmental unit before October 1, 2017. Current law also provides that, in order to be eligible for the POWTS grant program, the governmental unit must comply with those deadlines.

The bill extends the deadline for a governmental unit to adopt and begin administration of a maintenance program from October 1, 2019, to October 1, 2024. The bill also eliminates the deadline for completing the initial inventory of POWTS but specifies that the governmental unit is not eligible for POWTS grant funding until the governmental unit completes the initial inventory.

*** ANALYSIS FROM -2226/P1 ***

✓ **3. Repeal chiropractic examination appropriation**

This bill eliminates the appropriation for developing and administering examinations required for obtaining a chiropractic license. The requirement to successfully complete an examination administered by the Chiropractic Examining Board was replaced by 2013 Wisconsin Act 20 with a requirement to successfully complete an examination administered by the National Board of Chiropractic Examiners.

*** ANALYSIS FROM -2188/P4 ***
SHARED REVENUE

Restant #
✓ **4. Increase in county and municipal aid**

This bill increases the amount that each county and municipality annually receives as a county and municipal aid payment. Currently, a county or municipality receives a payment equal to what it received in 2012. The bill increases that amount by 2 percent.

*** ANALYSIS FROM -2214/P2 ***
*** ANALYSIS FROM -2214/P2 ***
STATE GOVERNMENT

GENERAL STATE GOVERNMENT

✓ **1. Project labor agreements**

Under current law, the state and local units of government are prohibited from engaging in certain practices in letting bids for state procurement or public works contracts. Among these, as established by 2017 Wisconsin Act 3, the state and local governments may not do any of the following in specifications for bids for the contracts: 1) require that a bidder enter into an agreement with a labor organization; 2) consider, when awarding a contract, whether a bidder has or has not entered into an agreement with a labor organization; or 3) require that a bidder enter into an agreement that requires that the bidder or bidder's employees become or remain members of a labor organization or pay any dues or fees to a labor organization. This bill repeals these limitations related to labor organizations.

*** ANALYSIS FROM -2214/P2 ***

✓ **2. Technology for Educational Achievement program**

This bill makes various changes to the Technology for Educational Achievement program, known as TEACH, which is administered by DOA. The TEACH program offers telecommunications access to school districts, private schools, cooperative educational service agencies, technical college districts, independent charter school authorizers, juvenile correctional facilities, private and tribal colleges, and public library boards at discounted rates and by subsidizing the cost of installing data lines and video links. As part of the TEACH program, DOA awards information technology block grants to rural school districts and public libraries to improve information technology infrastructure. Under current law, the information technology block grant program ends on July 1, 2019. The maximum total amount DOA is allowed to award under the block grant program in the 2018-19 fiscal year is \$7,500,000.

The bill continues the information technology block grant program until June 30, 2021. The bill also specifies that in each of the 2019-20 and 2020-21 fiscal years, the maximum total amount DOA may award under the block grant program is \$3,000,000. The bill also specifies that a school district's eligibility for the block grants is based on its membership in the most recent school year for which finalized data is available, instead of membership in the previous year. For other block grant requirements that refer to municipal population, the bill clarifies that population is determined in the first year of a fiscal biennium. For block grants made to public libraries, the bill makes changes to eligibility requirements pertaining to rural territories and makes certain public library systems and consortia of public libraries eligible for the grants.

The bill also eliminates grants to the following under the TEACH program: (1) school districts, public libraries, and public library systems for training teacher and librarians to use educational technology; and (2) school districts for developing and implementing a technology-enhanced high school curriculum. For the educational telecommunications access program under TEACH, the bill increases the data line speed that applies to a limit on what DOA may charge educational agencies for data lines. The bill also eliminates references to video links under the TEACH program.

*** ANALYSIS FROM -2214/P2 ***

✓ 3. *The office of sustainability and clean energy*

This bill creates the office of sustainability and clean energy in DOA to administer certain energy programs. The office is headed by a director outside the classified service who is appointed by the governor to serve at the governor's pleasure. Under current law, the PSC has established an office of energy innovation to administer various energy-related programs, including utility-funded statewide energy efficiency and renewable resources programs that are commonly referred to as Focus on Energy programs. The bill transfers the administration of those energy-related programs, except for Focus on Energy programs, to the office created in the bill. The bill also transfers to that office certain duties of the PSC regarding state agency energy planning, energy shortage contingency planning, and administering federal energy grants. Also, the bill requires that office to work on initiatives with specified goals regarding clean and renewable energy, innovative sustainability, and diversification of energy resources and imposes duties on the office for advising, supporting, reporting, and assisting state agencies, local governments, and private entities on clean and renewable energy. The bill allows the office to provide technical assistance to governmental units that is similar to technical assistance the PSC is allowed to provide under current law, and the bill requires the office and PSC to consult with each other on that assistance. In addition, the bill requires the office to establish a program for making grants from the environmental fund for clean energy production research.

*** ANALYSIS FROM -2214/P2 ***

✓ 4. *Lease administration efficiencies*

Under current law, DOA has the general responsibility for leasing real property by the state. Under current law, DOA, when entering into or renewing such a lease, must conduct a cost-benefit analysis comparing the proposed lease to the purchase

of the space or another suitable space and must evaluate comparable lease options within a ten-mile radius to ensure that the proposed lease rates do not exceed lease rates on comparable properties or the market rate by more than 5 percent. This bill modifies those requirements so they apply only if DOA is entering into a new lease and exempts various leases from those requirements including leases costing under \$25,000 annually and leases for student housing; public defender office space; towers, hangars, and easements; DWD job centers; DMA recruiting offices; and facilities with a location required by law or designated by necessity or practical purposes.

***** ANALYSIS FROM -2214/P2 *****

✓ **5. *Use of proceeds from the sale or lease of state-owned real property***

Currently, with certain exceptions, DOA or the Building Commission may sell or lease state-owned real property. Any sale by DOA is subject to approval of the Building Commission, and any sale by DOA or the Building Commission is subject to approval by JCF. Current law specifies how the net proceeds of the sale or lease of state-owned real property must be used and, in doing so, establishes several steps DOA or the Building Commission must follow in succession.

First, the net proceeds must be used to retire any public debt that was used to finance the acquisition, construction, or improvement of the property that is sold or leased. This bill authorizes DOA or the Building Commission at this step in the process to deposit some or all of the net proceeds into the capital improvement fund for use as a substitute source of funding for a project enumerated under the authorized state building program that is within the same statutory bond purpose, as defined in the bill, as the property that is sold or leased. At this step in the process, DOA or the Building Commission may not deposit more proceeds in the capital improvement fund than would have been used to retire the debt associated with the property.

Next, current law specifies several required uses of the remaining net proceeds. For example, if the sold or leased property was acquired, constructed, or improved with federal financial assistance, DOA or the Building Commission must pay to the federal government any of the net proceeds required by federal law. Once those required payments are satisfied, any remaining net proceeds must be used to pay principal and interest costs on outstanding public debt issued to finance the acquisition, construction, or improvement of property. The bill again authorizes DOA or the Building Commission at this step to deposit some or all of the net proceeds into the capital improvement fund for use as a substitute source of funding for a project enumerated under the authorized state building program that is within the same statutory bond purpose as the property that is sold or leased.

Finally, if net proceeds remain after the first two steps in the process, current law requires that the net proceeds be used to retire other outstanding public debt. The bill authorizes DOA or the Building Commission at this final step to deposit some or all of the net proceeds into the capital improvement fund for use as a substitute source of funding for any statutory bond purpose.

***** ANALYSIS FROM -2214/P2 *****

✓ **6. *Transfer to the state building trust fund***

This bill transfers \$10,000,000 from the general fund to the state building trust fund. The state building trust fund is a segregated, nonlapsible fund that is used for carrying out the state's building program, especially for advanced planning purposes.

*** ANALYSIS FROM -2214/P2 ***

✓ **7. *Funding for general program operations of the state treasurer***

This bill appropriates funds for the general program operations of the Office of the State Treasurer.

*** ANALYSIS FROM -2214/P2 ***

✓ **8. *Repeal of the homeless employment grant program***

This bill repeals a grant program under which DOA awards grants of up to \$75,000 to a municipality for the purpose of connecting homeless individuals with permanent employment. Under current law, a municipality receiving a grant under the program must itself contribute at least \$50,000 for the purpose of the grant. Current law also requires that, in awarding a grant, DOA must give preference to municipalities that place a priority on using the grant moneys to pay the wages of homeless individuals and that obtain an agreement from a nonprofit organization to provide additional employment and support services to homeless individuals participating in the grant program.

*** ANALYSIS FROM -2214/P2 ***

✓ **9. *Volkswagen settlement grants***

Under current law, moneys received under a settlement that the state received from a legal action involving Volkswagen are held in an appropriation account that limits spending to two purposes: replacement of state fleet vehicles and issuing grants for the replacement of public transit vehicles. Under this bill, the grants may be awarded both for the replacement of public transit vehicles and the installation of electric vehicle charging stations. During the 2019-21 fiscal biennium, DOA must allocate approximately 60 percent of the grants to the replacement of public transit vehicles and approximately 40 percent of the grants to electric vehicle charging stations, except that the secretary of administration may adjust the allocation if necessary.

*** ANALYSIS FROM -2214/P2 ***

✓ **10. *Procurement and risk management services***

This bill authorizes DOA to provide technical assistance and other services relating to procurement and risk management to local governmental units and private organizations. The bill requires DOA to charge fees for its services.

*** ANALYSIS FROM -2214/P2 ***

✓ **11. *Census activities***

This bill creates a general purpose revenue appropriation for DOA for U.S. census activities and preparation.

*** ANALYSIS FROM -2214/P2 ***

✓ **12. Diesel truck idling reduction grants**

This bill eliminates the December 31, 2021, sunset for the diesel truck idling reduction grant program, under which DOA makes grants to cover a portion of a grant recipient's cost to purchase and field test devices that have the effect of reducing the long-duration idling of diesel trucks.

*** ANALYSIS FROM -2214/P2 ***

✓ **13. Document sales appropriation**

This bill moves the provision of document sales services and proceeds from document services from one appropriation in DOA to another appropriation in DOA.

*** ANALYSIS FROM -2214/P2 ***

✓ **14. Risk management**

This bill converts a DOA appropriation for risk management administration from annual to continuing.

✓ LEGISLATURE

*** ANALYSIS FROM -2214/P2 ***

✓ **1. Legislative intervention in certain court proceedings**

Current law, under 2017 Wisconsin Act 369, provides that the legislature may intervene as a matter of right in an action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Act 369 also provides that the legislature must be served with a copy of the proceedings in all such actions, regardless of whether the legislature intervenes. This bill repeals those provisions.

*** ANALYSIS FROM -2214/P2 ***

✓ **2. Retention of legal counsel by the legislature**

Prior to 2017 Wisconsin Act 369, representatives to the assembly and senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and senate policies and practices also allowed legislators and legislative employees to retain outside legal counsel in some instances.

Act 369 provided all of the following:

a. ① With respect to the assembly, that the speaker of the assembly may authorize a representative to the assembly or assembly employee who requires legal representation to obtain outside legal counsel if the acts or allegations underlying the action are arguably within the scope of the representative's or employee's duties; and that the speaker may obtain outside legal counsel in any action in which the assembly is a party or in which the interests of the assembly are affected, as determined by the speaker.

b. ② With respect to the senate, that the senate majority leader may authorize a senator or senate employee who requires legal representation to obtain outside legal counsel if the acts or allegations underlying the action are arguably within the scope of the senator's or employee's duties; and that the majority leader may obtain

outside legal counsel in any action in which the senate is a party or in which the interests of the senate are affected, as determined by the majority leader.

c. 3) That the cochairpersons of the Joint Committee on Legislative Organization may authorize a legislative service agency employee who requires legal representation to obtain outside legal counsel if the acts or allegations underlying the action are arguably within the scope of the employee's duties; and that the cochairpersons may obtain outside legal counsel in any action in which the legislature is a party or in which the interests of the legislature are affected, as determined by the cochairpersons.

This bill eliminates those provisions, restoring previous law with respect to the legislature's retention of legal counsel.

*** ANALYSIS FROM -2214/P2 ***

✓ 3. *Capitol security*

Under Act 369, DOA is required to submit any proposed changes to security at the capitol, including the posting of a firearm restriction, to the JCLO for approval under passive review. This bill eliminates that requirement.

*** ANALYSIS FROM -2214/P2 ***

✓ 4. *Advice and consent of the senate*

Under Act 369, any individual nominated by the governor or another state officer or agency, and with the advice and consent of the senate appointed, to any office or position may not hold the office or position, be nominated again for the office or position, or perform any duties of the office or position during the legislative session biennium if the individual's confirmation for the office or position is rejected by the senate. This bill eliminates that restriction.

✓ ADMINISTRATIVE RULES; GUIDANCE DOCUMENTS

*** ANALYSIS FROM -2214/P2 ***

✓ 1. *Deference to agency interpretations of law*

Prior to 2017 Wisconsin Act 369, the statutes did not prohibit courts from according deference to agency interpretations of law in most circumstances. Under Act 369, a court may not accord deference to agency interpretations of law and an agency may not seek such deference from a court.

This bill restores the state of the law prior to Act 369 concerning deference to agency interpretations of law.

*** ANALYSIS FROM -2214/P2 ***

✓ 2. *Suspension of administrative rules*

Prior to 2017 Wisconsin Act 369, administrative rules that were in effect could be temporarily suspended by the Joint Committee for Review of Administrative Rules. If JCRAR suspended a rule, JCRAR was required to introduce bills in each house of the legislature to make the suspension permanent. If neither bill to support the suspension was ultimately enacted, the rule would remain in effect and JCRAR could not suspend the rule again. Under current law as established in Act 369, JCRAR may suspend a rule multiple times.

This bill restores the prior law limitations on JCRAR's ability to suspend a rule.

*** ANALYSIS FROM -2214/P2 ***

✓ 3. *Agency rule-making authority*

Under 2017 Wisconsin Act 369, a settlement agreement, consent decree, or court order does not confer rule-making authority and cannot be used by an agency as authority to promulgate rules. Additionally, no agency may agree to promulgate a rule as a term in any settlement agreement, consent decree, or stipulated order of a court unless the agency has explicit statutory authority to promulgate the rule at the time the settlement agreement, consent decree, or stipulated order of a court is executed.

This bill repeals those limitations on agency rule-making authority.

*** ANALYSIS FROM -2214/P2 ***

✓ 4. *Guidance documents*

2017 Wisconsin Act 369 established various requirements with respect to the adoption and use of guidance documents, broadly defined, by state agencies, including requirements that agencies must satisfy in order to adopt guidance documents.

Under Act 369, each agency must submit each proposed guidance document to the Legislative Reference Bureau for publication in the Administrative Register and must provide a period for persons to submit written comments to the agency on the proposed guidance document. The agency must retain all written comments submitted during the public comment period and consider those comments in determining whether to adopt the guidance document as originally proposed, modify the proposed guidance document, or take any other action. Act 369 also requires each adopted guidance document, while valid, to remain available on the agency's Internet site and requires the agency to permit continuing public comment on the guidance document. Each guidance document must be signed by the head of the agency below a statement containing certain certifications.

Also, under Act 369, a guidance document does not have the force of law and does not provide authority for implementing or enforcing a standard, requirement, or threshold, including as a term or condition of any license. An agency that proposes to rely on a guidance document to the detriment of a person in any proceeding must afford the person an adequate opportunity to contest the legality or wisdom of a position taken in the guidance document, and an agency may not use a guidance document to foreclose consideration of any issue raised in the guidance document.

This bill eliminates those and related requirements established under Act 369 with respect to agency guidance documents.

*** ANALYSIS FROM -2214/P2 ***

✓ 5. *Informational materials*

Under 2017 Wisconsin Act 369, a state agency must provide a statutory or administrative rule citation for any statement or interpretation of law that the agency provides in its informational materials. This bill repeals that requirement.

✓ PUBLIC UTILITY REGULATION

*** ANALYSIS FROM -2214/P2 ***

✓ **1. Focus on energy spending**

The bill allows the PSC to require investor-owned electric and natural gas public utilities to spend more than 1.2 percent of their annual operating revenues on certain energy efficiency, conservation, and renewable resource programs, which are commonly referred to as Focus on Energy programs. Current law limits the PSC's authority by capping the required spending at 1.2 percent of the revenues on those programs. The bill requires the PSC to submit to JCF a proposal for requiring the spending of a greater percentage on the programs. If the cochairpersons of JCF do not notify the PSC within ten working days after submission of such a proposal that JCF has scheduled a meeting to review the proposal, the PSC may require that the utilities spend the greater percentage. If the cochairpersons of JCF do notify the PSC within ten working days after submission of such a proposal that JCF has scheduled a meeting to review the proposal, and JCF either approves or does not object to the proposal within 90 days of providing the notification to the PSC, the PSC may require that the utilities spend the greater percentage. However, if JCF objects to the proposal within the 90-day period, the PSC may not require that the utilities spend the greater percentage.

*** ANALYSIS FROM -2214/P2 ***

✓ **2. Broadband expansion grants**

The bill makes changes to the broadband expansion program administered by the PSC. Under current law, the PSC makes grants for constructing broadband infrastructure in "underserved" areas, which are defined as areas of the state served by fewer than two broadband service providers. The bill revises the definition of underserved so that it refers instead to an area of the state in which households or businesses lack access to broadband service of at least 25 megabits per second download speed and 3 megabits per second upload speed. Current law also specifies various criteria for the PSC to prioritize grants for certain types of projects. One of the criteria is to prioritize grants for projects that affect "unserved" areas, which are defined, in part, as areas with Internet service that does not exceed minimum speeds based on speeds designated by the Federal Communications Commission. The bill revises the definition of "unserved" so that it refers instead to areas in which households or businesses lack access to broadband service of at least 10 megabits per second download speed and 1 megabit per second upload speed.

*** ANALYSIS FROM -2214/P2 ***

✓ The bill provides additional funding for the broadband expansion grant program by making transfers from moneys received under a federal program for assisting schools and libraries in obtaining telecommunications services and Internet access, which is commonly known as the federal e-rate program. The bill transfers \$6,900,000 in fiscal year 2019-20 and \$17,300,000 in fiscal year 2020-21. The bill also appropriates general purpose revenue for the broadband expansion grant program.

*** ANALYSIS FROM -2214/P2 ***

✓ **3. State broadband goal**

This bill creates a state goal that, no later than January 1, 2025, all businesses and homes in the state have access to high-speed broadband that provides minimum

download speeds of at least 25 megabits per second and minimum upload speeds of at least 3 megabits per second.

*** ANALYSIS FROM -2214/P2 ***

✓ **4. Broadband report**

This bill requires the PSC and DOA to jointly submit a report to the governor and the legislature no later than June 30, 2020, that provides (1) updates on emerging broadband technologies, (2) recommendations for incentives to broadband providers to serve unserved or underserved areas of the state, and (3) proposals for leveraging existing state agency technology, resources, or a combination of technology and resources to serve those areas of the state.

*** ANALYSIS FROM -2214/P2 ***

✓ **5. Carbon-free electricity**

The bill specifies a state goal that all electricity produced within the state is 100 percent carbon-free by January 1, 2050.

*** ANALYSIS FROM -2214/P2 ***

✓ **6. Ratepayer advocate grants**

The bill increases from \$300,000 to \$500,000 the total annual grants PSC is allowed to make to nonprofit corporations that advocate at PSC on behalf of public utility ratepayers.

*** ANALYSIS FROM -2214/P2 ***

✓ **7. High-voltage transmission line fees**

The bill requires the PSC to administer annual impact and onetime environmental impact fees paid under current law by persons granted certificates of public convenience and necessity by the PSC for high-voltage transmission lines. Under current law, DOA administers the fees.

*** ANALYSIS FROM -2204/P1 ***

*** ANALYSIS FROM -2204/P1 ***

TAXATION

INCOME TAXATION

✓ **1. Lowest bracket rate reduction**

This bill modifies the requirement that individual income tax rates for the taxable year ending on December 31, 2019, be decreased in proportion to the increase in sales and use tax collections from October 1, 2018, to September 30, 2019, due to the expansion of the state's authority to collect sales and use taxes from out-of-state retailers, pursuant to the U.S. Supreme Court decision, *South Dakota v. Wayfair, Inc.*, 585 U.S. ___ (2018). The bill uses the increase in sales and use tax revenue to decrease the rate of the lowest tax bracket rather than the rate of all tax brackets.

*** ANALYSIS FROM -2204/P1 ***

✓ **2. Manufacturing and agriculture credit limitation**

Currently, a person may claim a tax credit on the basis of the person's income from manufacturing or agriculture. This bill limits to \$300,000 the amount of income from manufacturing that a person may use as the basis for claiming the credit.

*** ANALYSIS FROM -2204/P1 ***

✓ **3. Increase the earned income tax credit**

Under this bill, for taxable years beginning after 2018, an individual who is eligible to claim the federal earned income tax credit may claim as a credit against Wisconsin taxes due 11 percent of the amount that the claimant may claim under the federal credit if the claimant has one qualifying child with the same residence, 14 percent if the claimant has two such qualifying children, and 34 percent if the claimant has three or more such qualifying children. Currently, the percentage of the federal credit that an individual may claim for Wisconsin purposes is 4 if the claimant has one qualifying child with the same residence, 11 if the claimant has two such qualifying children, and 34 if the claimant has three or more such qualifying children. The credit is refundable, which means that, if the amount of credit due the claimant exceeds his or her tax liability, the difference is refunded to the claimant by check.

*** ANALYSIS FROM -2204/P1 ***

✓ **4. Homestead tax credit changes to indexing provisions and increasing the maximum income**

Under current law, the homestead income tax credit is not allowed to claimants whose household income exceeds \$24,680. Under this bill, that maximum income threshold is increased to \$30,000 for claims filed in 2020 and thereafter.

Under current law, the homestead tax credit formula factors, which are maximum income, maximum property taxes, and income threshold, are not indexed for inflation. This bill amends those provisions and restores the indexing provisions of the former law. Under the bill, the homestead tax credit formula factors would be indexed for inflation for taxable year 2020 and beyond, except that the maximum income will not be indexed for taxable year 2020.

*** ANALYSIS FROM -2204/P1 ***

✓ **5. Repeal of the private school tuition subtraction**

The bill repeals the subtraction for private school tuition expenses that an individual may claim when determining his or her income for income tax purposes.

*** ANALYSIS FROM -2204/P1 ***

✓ **6. Child and dependent care tax credit**

This bill creates a nonrefundable individual income tax credit based on the federal tax credit for expenses for household and dependent care services necessary for gainful employment. Under the bill, an individual who is eligible for and claims the federal tax credit for expenses for household and dependent care services may claim 50 percent of the same amount as a nonrefundable credit on his or her Wisconsin income tax return. Under the bill, the Wisconsin credit may not be claimed by a part-year resident or nonresident of this state.

This bill also sunsets the current law individual income tax subtract modification that allows a taxpayer a deduction for the same expenses for which the credit may be claimed.

Generally, the federal credit is a nonrefundable individual income tax credit that may be claimed by an individual for employment-related expenses for household services and dependent care services for a qualifying individual. Because

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the credit is nonrefundable, it may be claimed only up to the amount of a taxpayer's tax liability. Under federal law, a qualifying individual is someone who has the same principal place of abode as the claimant for more than one-half the year, is the claimant's dependent, and is (1) a child 12 or under; (2) a child 13 or older who is incapable of self-care; or (3) the claimant's spouse who is incapable of self-care.

The federal credit may be claimed for expenses to enable the claimant to be gainfully employed or actively search for gainful employment. Generally, allowable expenses for a qualifying individual under federal law include costs for in-home care or daycare, nursery school or preschool programs, and before-school and after-school care for school-age children. Depending on the claimant's adjusted gross income, the credit may be worth between 20 percent and 35 percent of the claimant's allowable expenses, up to a maximum annual amount of \$3,000 if there is one qualifying individual and up to \$6,000 if there are two or more qualifying individuals.

*** ANALYSIS FROM -2204/P1 ***

✓ **7. Moving expense deduction**

Under current law, a business may deduct from its income or franchise tax liability all expenses that the business paid to move its operations from one location to another, including expenses paid to relocate outside the state. Under this bill, a business may not deduct expenses paid to move outside the state or outside the United States.

*** ANALYSIS FROM -2204/P1 ***

✓ **8. Research credit**

Current law allows a person to claim a tax credit equal to a percentage of the person's expenses to conduct research in this state. For example, a person may claim 11.5 percent of the amount of the expenses that exceed 50 percent of the person's average research expenses for the previous three years on research involving engines or hybrid-electric vehicles. The credit is partially refundable. If the credit exceeds the amount of the person's tax liability, the person receives a refund in an amount not exceeding 10 percent of the person's claim. Any amount not used to offset the person's tax liability or paid as a refund may be claimed as a credit against the person's tax liability in subsequent years.

This bill increases the amount that a person may receive as a refund. Under the bill, a person may receive a refund in an amount not exceeding 20 percent of the person's claim.

*** ANALYSIS FROM -2204/P1 ***

✓ **9. Historical rehabilitation credit**

Current law authorizes WEDC to certify a person to receive a tax credit equal to 20 percent of the qualified rehabilitation expenses, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state. WEDC may also certify a person to receive a similar credit for the rehabilitation expenses for qualified rehabilitated buildings, as defined under the federal Internal Revenue Code, that are not certified historic structures. Finally, current law prohibits WEDC from certifying persons to claim more than \$3,500,000 in all such credits for all projects undertaken on the same parcel.

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This bill eliminates the credit for qualified rehabilitated buildings and prohibits WEDC from certifying persons to claim more than \$3,500,000 in tax credits for any project involving the rehabilitation of certified historic structures, regardless of the number of parcels on which the project is undertaken.

*** ANALYSIS FROM -2204/P1 ***

✓ **10. Repeal of net operating loss carryback**

This bill repeals the provision under which an individual may carry back a net operating loss to the two prior taxable years in order to reduce the amount of income subject to tax in those years.

*** ANALYSIS FROM -2204/P1 ***

✓ **11. Broadcaster's income apportionment**

Under current law, a broadcaster's gross royalties and other gross receipts received for the use or license of intangible property are apportioned to this state for income and franchise tax purposes only if the commercial domicile of the purchaser or licensee is in this state and the purchaser or licensee has a direct connection or relationship with the broadcaster pursuant to a contract under which the royalties or receipts are derived. This bill eliminates that provision. As a result, a broadcaster's gross royalties and other gross receipts received for the use or license of intangible property are apportioned in the same manner as those of other taxpayers. In general, such royalties and receipts are apportioned to this state if the purchaser or licensee uses the property at a location in this state, is billed for the purchase or license at a location in this state, or has its commercial domicile in this state.

*** ANALYSIS FROM -2204/P1 ***

✓ **12. Addition of low-income housing tax credit to income**

Under this bill, a business that claims the low-income housing credit must include the amount of the credit in income when computing its income or franchise tax liability.

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

*** ANALYSIS FROM -2204/P1 ***

✓ **13. Modification to medical care insurance subtraction**

This bill changes how nonresidents and part-year residents calculate the subtraction for medical care insurance premiums that self-employed individuals may claim for income tax purposes. Under current law, the subtraction is prorated based on the individual's share of income earned from a trade or business that is taxable in Wisconsin. Under the bill, the subtraction is prorated based on the individual's share of total income that is taxable in Wisconsin, not just the earnings from a trade or business. The bill also repeals several provisions that provided a subtraction for medical care insurance premiums but are no longer operable.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

*** ANALYSIS FROM -2204/P1 ***

✓ **14. Family and individual reinvestment income tax credit**

This bill creates a new family and individual reinvestment income tax credit for taxable years beginning in 2019. The credit is nonrefundable and may be claimed only up to the amount of the taxpayer's income tax liability. Under the bill, for a single individual or an individual who files as a head of household whose adjusted gross income is less than \$80,000, for a married couple filing jointly whose combined AGI is less than \$125,000, or for a married individual filing separately whose AGI is less than \$62,500, the credit is equal to 10 percent of the claimant's net tax liability or \$100 (\$50 for married separate filers), whichever is greater. Net tax liability is a claimant's income tax liability after the application of most nonrefundable income tax credits. Under the bill, the credit phases out to zero as a single individual or head of household filer's AGI increases from \$80,000 to \$100,000. A similar phaseout occurs for a married joint filer whose combined AGI increases from \$125,000 to \$150,000 and a married separate filer whose AGI increases from \$62,500 to \$75,000. Also, under the bill, no new claims for the working families tax credit may be filed for a taxable year that begins after December 31, 2018.

*** ANALYSIS FROM -2204/P1 ***

✓ **15. Capital gains exclusion limitation**

Under current law, there is an income tax exclusion for individuals, fiduciaries, members of limited liability companies and partnerships, and shareholders of tax-option corporations for 30 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent, and an exclusion for 60 percent of such gains realized from the sale of farm assets held more than one year and the sale of all farm assets acquired from a decedent.

Under this bill, for individuals, the exclusion of 30 percent of such net long-term capital gains, and all assets acquired from a decedent, does not apply to taxable years beginning after December 31, 2018, if the taxpayer's federal adjusted gross income exceeds specified threshold amounts. These amounts are \$100,000 for a single individual or head of household filer; \$150,000 for a married couple who files jointly; and \$75,000 for a married individual who files separately. The bill also provides that for a taxpayer whose FAGI, before adjustment for net capital gains, is below the specified threshold amounts, such a taxpayer may claim the current law capital gains exclusion for nonfarm assets to the extent that the sum of the taxpayer's noncapital gains adjusted FAGI and the taxpayer's net federal capital gains does not exceed the threshold amount. The bill does not affect the exclusion of the gains realized from the sale of farm assets held more than one year and the sale of farm assets acquired from a decedent.

*** ANALYSIS FROM -2204/P1 ***

✓ **16. WHEFA bonds exemption**

This bill exempts from individual income and corporate income and franchise taxation interest earned on bonds or notes issued by WHEFA, provided that the bond or notes are issued in an amount totaling \$35,000,000 or less, and to the extent that the interest income is not otherwise exempt from taxation.

*** ANALYSIS FROM -2204/P1 ***

✓ 17. *Internal Revenue Code references*

This bill adopts, for state income and franchise tax purposes, changes made to the Internal Revenue Code by the Bipartisan Budget Act and Consolidated Appropriations Act of 2018. The federal act retroactively extended, through the end of 2017, a variety of federal tax benefits for individuals and businesses, including the tuition expense deduction, the exclusion from income for forgiven mortgage debt, and tax incentives for businesses to invest in mine safety equipment or in certain communities. These provisions have always been temporary under federal law, generally expiring every one or two years, and had expired at the end of 2016. The federal act also includes several permanent provisions of limited scope, such as one allowing certain whistleblowers to fully deduct attorney fees.

*** ANALYSIS FROM -2204/P1 ***

✓ PROPERTY TAXATION

✓ 1. *Dark property and leased property tax assessments*

This bill requires that real property be assessed for property tax purposes at its highest and best use and provides that real property includes any leases, rights, and privileges pertaining to the property, including assets that are inextricably intertwined with it. The bill also requires that an assessor determine the value of leased property by considering the lease provisions and actual rent if the provisions and rent are the result of an arm's-length transaction. In so doing, the bill reverses a 2008 decision by the Wisconsin Supreme Court that held a property tax assessment of leased retail property using the income approach must be based on market rent, which is what a person would pay based on similar rentals, rather than the actual rent. See, *Walgreen Company v. City of Madison*, 2008 WI 80, 752 N.W.2d 689 (2008). The bill also requires an assessor, when determining the value of property using generally accepted appraisal methods, to consider property as comparable to the property being assessed if the properties have the same or similar highest and best use or share certain characteristics, such as age, condition, and location. Under the bill, a property is not comparable to the property being assessed if the property is dark property or if the seller has placed restrictions on its highest and best use or that prohibit competition, and the property being assessed is not dark property or subject to similar restrictions. The bill defines "dark property" as property that is vacant or unoccupied beyond the normal period for property in the same real estate market segment.

*** ANALYSIS FROM -2204/P1 ***

✓ 2. *School aid reduction information*

This bill requires that a person's property tax bill include information from the school district where the property is located regarding the amount of any gross reduction in state aid to the district as a result of pupils enrolled in the statewide choice program, the Racine Parental Choice Program, or the Milwaukee Parental Choice Program or as a result of making payments to private schools under the Special Needs Scholarship Program.

*** ANALYSIS FROM -2204/P1 ***

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 Property
 taxation

GENERAL TAXATION**1. Motor vehicle fuel tax increase**

This bill increases the current motor vehicle fuel tax rate from 30.9 cents per gallon to 38.9 cents per gallon beginning on October 1, 2019. The rate has remained unchanged since 2006 when it was increased from 29.9 cents to 30.9 cents.

*** ANALYSIS FROM -2204/P1 ***

2. Motor vehicle fuel tax annual adjustment

Prior to 2007, DOR annually adjusted the motor vehicle fuel tax rate to incorporate the percentage change in the consumer price index. This bill restores the annual adjustment of the motor vehicle fuel tax rate based on the change in the consumer price index beginning with the rate that takes effect on April 1, 2020. Under current law, and under the bill, DOR publishes the rate by April 1 of each year.

*** ANALYSIS FROM -2204/P1 ***

3. Excise tax on vapor products

The bill imposes the tobacco products tax on vapor products at the rate of 71 percent of the manufacturer's list price. Under the bill, "vapor product" is defined as any noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that can be used to produce vapor from a solution or other substance, regardless of whether the product contains nicotine. A "vapor product" includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, as well as any container of a solution or other substance that is intended to be used with these items. Under the bill, any product regulated by the federal Food and Drug Administration as a drug or device is exempt from the tax.

*** ANALYSIS FROM -2204/P1 ***

4. Excise tax on little cigars

This bill taxes little cigars at the same rate as the excise tax imposed on cigarettes. Under current law, all cigars are taxed at the rate of 71 percent of the manufacturer's established list price, limited to 50 cents per cigar. Under the bill, little cigars weighing no more than three pounds per thousand are taxed at the rate of 126 mills per little cigar and all other little cigars are taxed at the rate of 252 mills per little cigar. The bill defines "little cigar" to mean a cigar that has an integrated cellulose acetate filter and is wrapped in any substance containing tobacco.

*** ANALYSIS FROM -2204/P1 ***

5. Collection of sales tax by marketplace providers

This bill requires that marketplace providers collect and remit sales and use tax on sales facilitated on behalf of marketplace sellers. For purposes of the bill, a "marketplace provider" is a person who contracts with a seller to facilitate the sale of the seller's products through a physical or electronic marketplace operated by the person and who engages in certain activities with respect to the seller's products, such as providing services for payment processing, order taking, or fulfillment and storage. Additionally, the person must engage, directly or through an affiliated person, in activities related to the marketplace's operation, such as transmitting the offer or acceptance between the marketplace seller and a buyer, providing a virtual

currency used to purchase products from the marketplace seller, or developing software for the marketplace. The bill defines "marketplace seller" to mean a seller who sells products through a physical or electronic marketplace operated by a marketplace provider, regardless of whether the seller is required to be registered with DOR.

*** ANALYSIS FROM -2204/P1 ***

✓ **6. *Repeal of sales tax exemption for farm-raised deer***

The bill repeals the sales and use tax exemption that applies to the sale of farm-raised deer to a person operating a hunting preserve or game farm in this state.

*** ANALYSIS FROM -2204/P1 ***

✓ **7. *Repeal of sales tax exemption for game birds and clay pigeons***

This bill repeals the sales and use tax exemption that applies to the sale of live game birds and clay pigeons to qualifying bird hunting preserves and shooting facilities.

*** ANALYSIS FROM -2204/P1 ***

✓ **8. *Modifications to state debt collection programs***

This bill modifies the programs under which DOR is authorized to collect debt owed to state agencies, municipalities, and counties by offsetting tax refunds and other state payments due the debtor. The bill consolidates provisions under which a state agency, municipality, or county refers a debt to DOR for collection and includes the State of Wisconsin in the definition of "state agency" for purposes of the debt collection programs. Under the bill, any legal action contesting the validity of a debt must be brought against the unit of government that referred the debt. The bill repeals the requirement that DOR provide quarterly status updates to a state agency, municipality, or county regarding the debt collection. Under the bill, DOR may provide, upon request, information to a state agency, municipality, or county about each debt's status and may provide weekly reports of the amounts collected and payments disbursed. The bill replaces the current requirement that DOR charge debtors for administration expenses with a requirement that debtors pay a collection fee, and repeals the requirement that DOR annually review its prior year's administrative costs and adjust the charges accordingly.

*** ANALYSIS FROM -2204/P1 ***

✓ **9. *Offsetting lottery payments for debt owed to state***

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due to the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

*** ANALYSIS FROM -2204/P1 ***

✓ **10. *Real estate transfer fee exemption***

Current law provides an exemption to the real estate transfer fee for a conveyance by a subsidiary corporation to its parent for no consideration. This bill clarifies that both the subsidiary and the parent must be a corporation. The bill also modifies the real estate transfer fee exemption for a conveyance made solely in order

to provide or release security for a debt or obligation so that the exemption does not apply if the debt or obligation was incurred as the result of a conveyance.

*** ANALYSIS FROM -2205/P1 ***

*** ANALYSIS FROM -2205/P1 ***

TRANSPORTATION

HIGHWAYS

Restat #

11. *Transportation projects*

Under current law, for certain highway projects for which DOT spends federal money, federal money must make up at least 70 percent of the funding for those projects. DOT is required to notify political subdivisions receiving aid for local projects whether the aid includes federal moneys and how those moneys must be spent. For certain projects that receive no federal money, DOT may not require political subdivisions to comply with any portion of DOT's facilities development manual other than design standards. Any local project funded with state funds under the surface transportation program or the local bridge program must be let through competitive bidding and by contract to the lowest responsible bidder. The bill repeals all of these requirements.

*** ANALYSIS FROM -2205/P1 ***

✓ **12. *Bridge bonding authorizations***

Current law authorizes the state to contract up to \$245,000,000 in public debt in the form of general obligation bonds to fund major interstate bridge projects. A "major interstate bridge project" is defined to mean "a project involving the construction or reconstruction of a bridge on the state trunk highway system, including approaches, that crosses a river forming a boundary of the state and for which this state's estimated cost share is at least \$100,000,000." This bill increases the general obligation bonding authorization for major interstate bridge projects to \$272,000,000.

Under current law, the state may contract up to \$216,800,000 for DOT to fund high-cost state highway bridge projects. This bill reduces this general obligation bonding limit to \$206,800,000.

*** ANALYSIS FROM -2205/P1 ***

✓ **13. *Interstate bridge design funding***

Under current law, this state's share of costs for any major interstate bridge project, including preliminary design work for the project, may be funded only from specified appropriations. This bill eliminates the reference to preliminary design work being a part of a major interstate bridge project that may be funded only from specified appropriations.

*** ANALYSIS FROM -2205/P1 ***

✓ **14. *Increased bonding authorization for Zoo interchange***

Under current law, a southeast Wisconsin freeway megaproject is "any project on a southeast Wisconsin freeway having a total cost of more than \$500 million," as adjusted annually for inflation by DOT. DOT may not provide funding for construction of these projects without legislative approval. Currently, the legislature has approved only the I 94 north-south corridor project and the Zoo

interchange project. Among the available funding sources for these projects are proceeds from general obligation bonds.

This bill authorizes the state to contract an additional \$65,000,000 in public debt in the form of general obligation bonds to fund the Zoo interchange project.

*** ANALYSIS FROM -2205/P1 ***

✓ **15. Transportation revenue bonds**

Under current law, the Building Commission may issue revenue bonds for major highway projects and transportation administrative facilities in a principal amount that may not exceed \$4,055,372,900. This bill increases the revenue bond limit to \$4,197,627,500.

*** ANALYSIS FROM -2205/P1 ***

✓ **16. Enumeration of I 43 project**

Current law requires that a major highway project receive the approval of the Transportation Projects Commission (TPC) and the legislature before the project may be constructed. This bill adds a project on I 43 between Silver Spring Drive in the city of Glendale and STH 60 in the city of Grafton in Milwaukee and Ozaukee counties, which has been approved by TPC, to the current list of statutorily enumerated projects approved for construction.

*** ANALYSIS FROM -2205/P1 ***

✓ **17. Sunset of intelligent transportation systems appropriations**

Under current law, state, federal, and local appropriations authorize DOT expenditures for the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation systems. Under current law, no moneys from these appropriations may be encumbered after June 30, 2021. This bill removes from each appropriation the prohibition on encumbering moneys after June 30, 2021.

*** ANALYSIS FROM -2205/P1 ***

DRIVERS AND MOTOR VEHICLES

✓ **1. Exemption from probationary license requirement for persons enlisted in the U.S. armed forces**

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Under current law, a probationary license is, with certain exceptions, issued to all applicants who qualify for an original driver's license and remains in effect for two years from the date of the licensee's next birthday. Currently, the following persons are exempt from this requirement:

- a. ①. Certain persons who have been licensed by another jurisdiction.
- b. ②. Persons who are issued a commercial driver license.
- c. ③. Persons entitled to a regular license under a foreign license reciprocity agreement.

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Those who are exempt from the probationary license requirement are instead issued a regular license that remains in effect for eight years after the date of issuance.

Under this bill, a person who provides DOT with proof that the person is enlisted in the U.S. armed forces is also exempt from the probationary license requirement.

*** ANALYSIS FROM -2205/P1 ***

2. *Vehicle title fee*

Under current law, motor vehicles must be titled, and DOT issues a certificate of title to the new owner of a vehicle after ownership of the vehicle is transferred. The new owner pays a \$62 title fee and a \$7.50 supplemental title fee. This bill increases the title fee to \$72.

*** ANALYSIS FROM -2205/P1 ***

3. *Registration fees based on gross weight*

Under current law, the registration fee for certain vehicles is based on the vehicle's gross weight and ranges from \$75 for a vehicle weighing up to 4,500 pounds to \$2,560 for a vehicle weighing up to 80,000 pounds. This bill increases registration fees based on gross vehicle weight by approximately 27 percent.

*** ANALYSIS FROM -2205/P1 ***

4. *Hybrid electric vehicle definition*

Under current law, in addition to an annual registration fee, DOT adds a surcharge of \$75 for a motor truck or automobile that is a hybrid electric vehicle. Current law defines a hybrid electric vehicle to mean "a vehicle that is capable of using gasoline, diesel fuel, or alternative fuel to propel the vehicle but that is propelled to a significant extent by an electric motor that draws electricity from a battery that has a capacity of not less than 4 kilowatt hours and may be capable of being recharged from an external source of electricity." This bill replaces the current definition of hybrid electric vehicle and defines the term to mean "a vehicle that is capable of using both electricity and gasoline, diesel fuel, or alternative fuel to propel the vehicle."

*** ANALYSIS FROM -2205/P1 ***

5. *Salvage vehicle inspectors*

Under current law, a repaired salvage vehicle may not be registered or be issued a new certificate of title until an inspector authorized by DOT examines the vehicle to verify the title, source and ownership of parts, and compliance with safety equipment requirements. Current rules promulgated by DOT require that a person be a Wisconsin law enforcement officer or a full-time employee of DOT's division of state patrol and complete specified training to be qualified to conduct salvage inspections. This bill prohibits DOT from requiring that a salvage inspector be employed by the department or by a law enforcement agency.

*** ANALYSIS FROM -2205/P1 ***

TRANSPORTATION AIDS

1. *General transportation aids*

Under current law, DOT makes general transportation aid payments to counties based on a share-of-costs formula and to municipalities based on the greater of a share-of-costs formula or an aid rate per mile. Under the bill, for calendar year 2020 and thereafter, the aid rate per mile is increased from \$2,389 to \$2,628. For calendar year 2020 and thereafter, this bill increases the maximum amount of aid that may be paid to counties under the program from \$111,093,800 to \$122,203,200 and increases the maximum amount of aid that may be paid to municipalities under the program from \$348,639,300 to \$383,503,200.

***** ANALYSIS FROM -2205/P1 *******2. Mass transit aids amounts**

Under current law, DOT provides state aid payments to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. There are five classes of mass transit systems, and the total amount of state aid payments to four of these classes is limited to a specified amount in each calendar year. The fifth class consists of certain commuter or light rail systems, and no state aid amounts are specified for this class.

This bill increases the total amount of state aid payments to the four classes of mass transit systems for which state aid amounts are specified, as follows:

a. ① For mass transit systems having annual operating expenses of \$80,000,000 or more, the bill maintains the current limit of \$64,193,900 in calendar year 2019 and increases the limit to \$70,613,300 in calendar year 2020 and thereafter.

b. ② For mass transit systems having annual operating expenses of over \$20,000,000 but less than \$80,000,000, the bill maintains the current limit of \$16,868,000 in calendar year 2019 and increases the limit to \$18,554,800 in calendar year 2020 and thereafter.

c. ③ For mass transit systems serving urban areas having a population of at least 50,000 but having annual operating expenses of no more than \$20,000,000, the bill maintains the current limit of \$24,486,700 in calendar year 2019 and increases the limit to \$26,935,400 in calendar year 2020 and thereafter.

d. ④ For mass transit systems serving urban areas having a population of less than 50,000, the bill maintains the current limit of \$5,188,900 in calendar year 2019 and increases the limit to \$5,707,800 in calendar year 2020 and thereafter.

***** ANALYSIS FROM -2205/P1 *******3. Local Roads Improvement Program discretionary grant amounts**

Under current law, DOT administers the Local Roads Improvement Program (LRIP) to assist political subdivisions in improving seriously deteriorating local roads by reimbursing political subdivisions for certain improvements. LRIP includes an entitlement component and a discretionary component. Under the entitlement component, DOT distributes an appropriated amount to political subdivisions according to statutorily prescribed allocation percentages. Under the discretionary component, DOT allocates funds in fiscal year 2017-18 and each fiscal year thereafter as follows: \$5,393,400 to fund eligible county trunk highway improvements, \$5,923,600 to fund eligible town road improvements, and \$3,850,400 to fund eligible municipal street improvements.

This bill increases DOT's allocations for the discretionary component of LRIP for fiscal year 2019-20 as follows: \$5,569,400 to fund eligible county trunk highway improvements, \$6,033,600 to fund eligible town road improvements, and \$3,867,000 to fund eligible municipal street improvements. The bill increases the allocations for fiscal year 2020-21 and each fiscal year thereafter as follows: \$5,688,400 to fund eligible county trunk highway improvements, \$6,162,400 to fund eligible town road improvements, and \$3,950,300 to fund eligible municipal street improvements.

***** ANALYSIS FROM -2205/P1 *****

✓ **4. Transit capital assistance grants**

This bill requires DOT to establish a transit capital assistance grant program, under which DOT awards grants to eligible applicants for the replacement of public transit vehicles.

*** ANALYSIS FROM -2205/P1 ***

✓ **RAIL AND AIR TRANSPORTATION**

✓ **1. Increase bonding for passenger rail capital projects**

Under current law, DOT administers a rail passenger route development program under which DOT may fund the following:

- a. ① Capital costs related to certain Amtrak service extension routes or certain other rail service routes.
- b. ② Railroad track or rail passenger station improvements related to an Amtrak service extension route, or the establishment of commuter rail service, between the city of Milwaukee and Waukesha County.
- c. ③ Rail passenger station improvements related to an existing rail passenger service.

Current law provides \$79,000,000 in general obligation bonding authority for the program but does not provide for other sources of program funding. However, not more than \$10,000,000 of the bonding proceeds may be used for the purposes described in items ② and ③, above; no proceeds may be used without JCF approval; and no proceeds may be used for the purposes described in items ① and ②, above, unless DOT provides to JCF certain information.

This bill increases the general obligation bonding authority for the program from \$79,000,000 to \$124,000,000 but does not modify any of these other program funding limitations.

*** ANALYSIS FROM -2205/P1 ***

✓ **2. Freight rail preservation bonding**

Under current law, the state may contract up to \$250,300,000 in public debt for DOT to acquire railroad property and to provide grants and loans for railroad property acquisition and improvement. This bill increases the authorized general obligation bonding limit for these purposes to \$280,300,000.

*** ANALYSIS FROM -2205/P1 ***

✓ **GENERAL TRANSPORTATION**

✓ **1. Eliminate general fund transfer to transportation fund**

Under current law, the secretary of administration must annually transfer from the general fund to the transportation fund 0.25 percent of estimated general fund tax revenues for the fiscal year or \$35,127,000, whichever amount is greater. This bill repeals this requirement.

*** ANALYSIS FROM -2205/P1 ***

✓ **2. Next Generation 911 and WISCOM**

Under current law, DMA is required to contract for the creation, operation, and maintenance of an emergency services network capable of meeting certain standards known collectively as Next Generation 911. DMA is also required to develop and

operate a statewide public safety interoperable communication system, commonly referred to as WISCOM. To assist DMA in developing the ability of public safety agencies to communicate with each other, there is an interoperability council with a 911 subcommittee attached to DMA. This bill transfers the requirements relating to Next Generation 911 and WISCOM from DMA to DOT and attaches the interoperability council and 911 subcommittee to DOT. The bill also requires DOT to issue a request for proposals for a statewide public safety interoperable communications system to be deployed on existing tower sites and authorizes DOT to spend up to \$500,000 for professional consulting services related to the request for proposals.

*** ANALYSIS FROM -2205/P1 ***

✓ **3. Harbor assistance program bonding**

Under current law, the state may contract up to \$120,000,000 in public debt for DOT to provide grants for harbor improvements. This bill increases the authorized general obligation bonding limit to \$159,000,000 for this purpose.

*** ANALYSIS FROM -2205/P1 ***

✓ **4. Harbor assistance grants priority**

Under current law, DOT administers the harbor assistance program under which eligible applicants may be awarded a grant to partially reimburse the applicant for expenses incurred in making certain harbor improvements. Under this bill, during the 2019-21 fiscal biennium, DOT must prioritize making grant awards under the harbor assistance program to municipalities in which a shipbuilder in the state is conducting operations.

*** ANALYSIS FROM -2220/P1 ***

*** ANALYSIS FROM -2220/P1 ***

VETERANS

Restant #
✓ **5. Veterans outreach and recovery program**

2017 Wisconsin Act 295 created a requirement that DVA administer a pilot program that expires on June 30, 2019, to provide outreach, mental health services, and support to certain individuals who are serving or who have served in the armed forces, who reside in Wisconsin, and who may have a mental health condition or substance use disorder. This bill continues the program on an ongoing basis.

*** ANALYSIS FROM -2220/P1 ***

✓ **6. Continuing appropriations**

This bill changes the appropriations for the veterans home exchange program and the veterans cemetery operations from sum certain annual appropriations to continuing appropriations. An annual sum certain appropriation is expendable only for the fiscal year for which the appropriation is made and only up to the dollar amount shown in the schedule for that fiscal year. A continuing appropriation is expendable until fully depleted, and the moneys held therein do not lapse. Therefore, the effect of this change is to allow the moneys in the appropriations to continue to be spent until depleted.

*** ANALYSIS FROM -2220/P1 ***

✓ **7. General fund supplement to veterans trust fund**

This bill changes the appropriation for the general fund supplement to the veterans trust fund from a sum certain annual appropriation to a sum sufficient appropriation. An annual sum certain appropriation is expendable only for the fiscal year for which the appropriation is made and only up to the dollar amount shown in the schedule for that fiscal year; whereas, a sum sufficient appropriation is expendable up to the amount that is necessary to accomplish the purpose specified. The effect of this change is to allow the secretary of administration to determine the amounts of money that may be expended for veterans programs by transferring moneys from the general fund to the veterans trust fund.

*** ANALYSIS FROM -2220/P1 ***

✓ **8. Elimination of the veterans housing loan program**

This bill eliminates the veterans housing loan program. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

*** ANALYSIS FROM -2220/P1 ***

✓ **9. Veterans Memorial Cemetery**

This bill rennumbers the appropriation for the Central Wisconsin Veterans Memorial Cemetery to be appropriately grouped with the other appropriations for the bureau of cemeteries.

*** ANALYSIS FROM -2220/P1 ***

✓ **10. Institutional appropriations**

This bill repeals one of the appropriations that funds a program that provides grants to counties and tribes for the improvement of veterans services.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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.

This proposal may contain a health insurance mandate requiring a social and financial impact report under s. 601.423, stats.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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: