

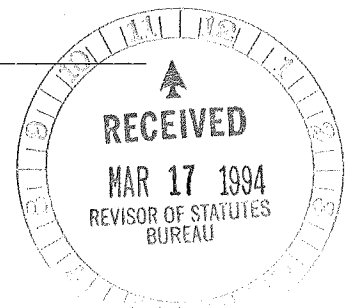
STATE OF WISCONSIN )  
DEPARTMENT OF ADMINISTRATION ) SS.

I, P. Nicholas Hurtgen, Deputy Secretary of the Department of Administration and custodian of the official records, certify that the annexed rule, relating to Interest on Real Estate Trust Accounts, were duly approved and adopted by this Department on 17 March, 1994.

I further certify that this copy has been compared by me with the original on file in this Department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 101 East Wilson Street in the City of Madison this 17th day of March, 1994.

*P. Nicholas Hurtgen*  
P. Nicholas Hurtgen  
Deputy Secretary



ORDER OF THE DEPARTMENT OF ADMINISTRATION

The Wisconsin Department of Administration proposes an order to create Chapter Adm 14, Interest on Real Estate Trust Accounts

**Analysis prepared by the Department of Administration:**

Statutory Authority: 16.004(1), Stats.

Statutes Interpreted: 452.13, Stats.

On August 20, 1993, Governor Thompson signed into law 1993 Wisconsin Act 33 relating to interest on real estate trust accounts. Act 33 ordered that interest on such accounts be remitted annually to the Department of Administration for grants to alleviate homelessness. The Department of Administration, in consultation with the Department of Regulation & Licensing, is instructed to promulgate rules to administer the new program.

**Initial Regulatory Flexibility Analysis:**

Pursuant to s. 227.114, Stats., the rule herein is not expected to negatively impact on small businesses.

**Text of Rule:**

**SECTION 1.** CHAPTER Adm 14 is created to read:

CHAPTER Adm 14

INTEREST ON REAL ESTATE TRUST ACCOUNTS

Adm 14.01 PURPOSE AND AUTHORITY. This chapter is promulgated under the authority of ss. 452.13(5), 16.004(1) and 227.11, Stats.

Adm 14.02 DEFINITIONS. (1) "Account" means an interest-bearing common account as provided in s. 452.13(2), Stats.

(2) "Department" means the department of administration.

(3) "Statement" means the statement required under s. 452.13(2)(e) 2, Stats.

Adm 14.03 GRANTS TO ALLEVIATE HOMELESSNESS. All monies received by the department from interest on accounts shall be used within existing state programs to alleviate homelessness under s. 16.351, Stats.

Adm 14.04 CALCULATION OF INTEREST. A depository institution may calculate interest on the daily or average daily ledger or collected balance in an account for the statement period, provided that the method of calculation used is consistent with the method of interest calculation applied by the institution to individual accounts of the same type, size and duration. This interest may be calculated on an annual, monthly or other periodic basis within a 12 month period ending on December 31.

Adm 14.05 RATE OF INTEREST. The rate of interest paid on an account shall be consistent with the requirements of s. 452.13(2)(a), Stats. The rate of interest reported on the annual statement submitted to the department under s. 452.13(2)(e)2, Stats., shall be the rate applicable to the account on the immediately preceding December 31, or an average rate of interest for the entire reporting period in those cases where there has been a variance in the account interest rate over the course of the reporting period.


Adm 14.06 STATEMENT. Provided that the information required under s. 452.13(2)(e) 2, Stats., is included, a statement may consist of any of the following:

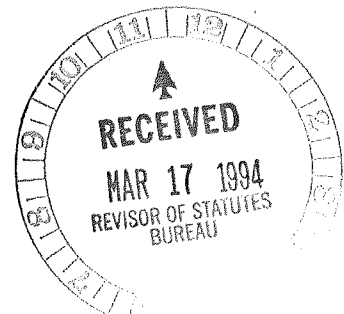
- (1) One report covering the aggregate accounts at a depository institution.
- (2) A separate statement for each account at a depository institution.
- (3) A copy of the monthly or other periodic statement provided by the depository institution to the account holder in connection with the account.

Adm 14.07 WAIVER. An account holder may waive their right to a statement under s. 452.13(2)(e) 2, Stats.

This rule shall take effect as provided in s. 227.22(2) (intro.), Stats.

Dated: 17 March 1994

  
\_\_\_\_\_  
P. Nicholas Hurtgen  
Deputy Secretary





# State of Wisconsin ■ Joint Committee for Review of Administrative Rules

Senate Co-Chairperson  
Senator Tim Weeden  
37 South, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
(608) 266-2253

Assembly Co-Chairperson  
State Representative Lary Swoboda  
11 North, State Capitol  
P.O. Box 8953  
Madison, WI 53708-8953  
(608) 266-5350

March 31, 1994

James Klauser, Secretary  
Department of Administration  
Box 7864  
Madison, WI 53707-7864

Dear Secretary Klauser:

The Joint Committee for the Review of Administrative Rules met in Executive Session on March 30, 1994 and adopted the following motion:

"That the JCRAR extend the emergency rule of the Department of Administration creating chapter ADM 14, relating to interest on real estate trust accounts, for a period of 60 days from April 5, 1994 through June 3, 1994."

This motion was adopted by a vote of 6 ayes, 1 no, and with three members absent.

Pursuant to s. 227.24(2)(c), Stats., we are notifying the Secretary of State and the Revisor of Statutes of the Committee's action through copies of this letter.

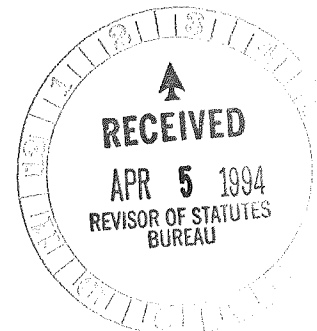
Sincerely,

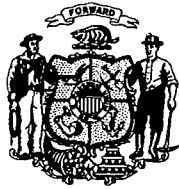
TIM WEEDEN  
Senate Co-chair

LARY J. SWOBODA  
Assembly Co-chair

TW:LJS:dlr

cc: Secretary of State LaFollette  
Revisor of Statutes Munson





TOMMY G. THOMPSON  
GOVERNOR  
JAMES R. KLAUSER  
SECRETARY

February 22, 1994

Senator Gary F. Drzewiecki, Chair  
Committee on State Government  
Operations and Corrections  
Wisconsin State Senate  
34 South, State Capitol  
Madison, WI 53702

Representative Virgil Roberts, Chair  
Committee on Financial Institutions  
Wisconsin State Assembly  
119 North, State Capitol  
Madison, WI 53702

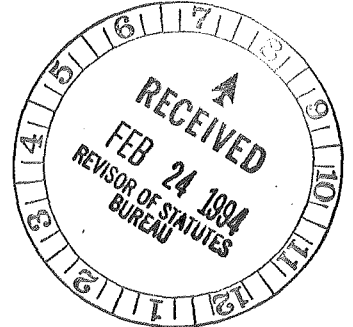
Dear Senator Drzewiecki and Representative Roberts:

RE: Clearinghouse Rule 93-200

On January 18, 1994, the Department of Administration submitted Chapter Adm 14, Wis. Admin. Code, relating to Interest on Real Estate Trust Accounts, in final draft form to the presiding officers of the Assembly and Senate. The proposed rule was subsequently referred to the Senate Committee on State Government Operations and Corrections on January 25, 1994, and the Assembly Committee on Financial Institutions on January 26, 1994.

At the request of Representative Roberts, Chair of the Assembly Committee on Financial Institutions, Legislative Council Staff Attorney Joyce Kiel reviewed the proposed rule and expressed concern over the clarity of s. Adm 14.05. In Ms. Kiel's judgment, it was insufficiently clear as to whether this section of the proposed rule pertained to the rate of interest paid under the new law or to the rate of interest to be reported on the annual statement submitted to the Department of Administration.

The Department of Administration concurs with Ms. Kiel's opinion and pursuant to s. 227.19(4)(b) 3 and 4, Stats., offers the following germane modification to Clearinghouse Rule 93-200:

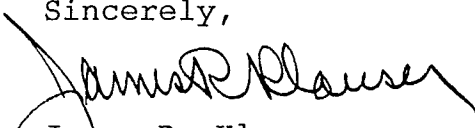


Senator Gary F. Drzewiecki  
Representative Virgil Roberts  
February 22, 1994  
Page 2

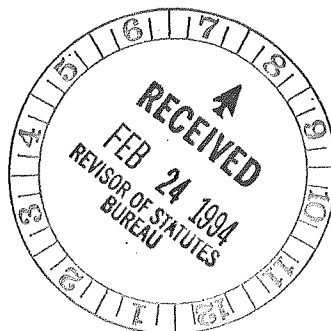
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Enclosed are copies of the modified proposed rule. Since the modification was made within the last ten days of the committee's review period, the review period for both committees is extended for 10 working days. It is the Department's understanding that the review period for the for the Senate Committee on Government Operations and Corrections will now expire on March 10, 1994 and the review period for the Assembly Committee on Financial Institutions will expire March 11, 1994.

Sincerely,

  
James R. Klauser  
Secretary

cc: Revisor of Statutes  
Joint Committee for Review of Administrative Rules



PROPOSED ORDER OF THE DEPARTMENT OF ADMINISTRATION

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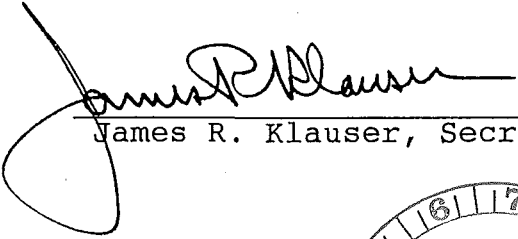
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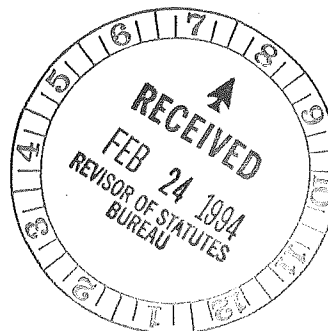
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Dated: 22 Feb 94

  
James R. Klauser, Secretary





Subject  
Interest on Real Estate Trust Accounts (IRETA)

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb  
Within Agency's Budget  Yes  No

- Increase Existing Appropriation  Increase Existing Revenues
- Decrease Existing Appropriation  Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs  
 Permissive  Mandatory
- 2.  Decrease Costs  
 Permissive  Mandatory

- 3.  Increase Revenues  
 Permissive  Mandatory
- 4.  Decrease Revenues  
 Permissive  Mandatory

5. Types of Local Governmental Units Affected:
- Towns  Villages  Cities
  - Counties  Others Indian Tribes
  - School Districts  VTAE Districts

Fund Sources Affected

- GPR  FED  PRO  PRS  SEG  SEG-S

Affected Ch. 20 Appropriations  
20.505 (7)(h)

Assumptions Used in Arriving at Fiscal Estimate

SEE ATTACHED

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)  
DOA/DOH Steve Bass 608-267-2712

Authorized Signature/Telephone No.

*Steve Bass* 7-2712

Date:  
10/29/93

Subject

Interest on Real Estate Trust Accounts (IRETA)

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized Fiscal Impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		( FTE)	(- FTE)
State Operations - Other Costs		11,250	-
Local Assistance		443,250	-
Aids to Individuals or Organizations		295,500	-
TOTAL State Costs by Category		\$ 750,000	\$ -
B. State Costs by Source of Funds			
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
III. State Revenues- Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS		750,000	-
SEG/SEG-S			-
TOTAL State Revenues		\$ 750,000	\$ -

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 11,250	\$ 738,750
NET CHANGE IN REVENUES	\$ 11,250	\$ 738,750

Agency Representative: \_\_\_\_\_ Authority Signature: \_\_\_\_\_ Date: 10/20/07