



Informational
Memorandum from the Legislative
 Reference Bureau



Informational Memorandum 04-1

June 30, 2004

WISCONSIN LAWS TAKING EFFECT JULY 1, 2004

Laws enacted by the Wisconsin Legislature generally take effect within a week or two from the time the governor signs the new law. Unlike some states, there are relatively few laws which are specifically designated to take effect at the beginning of the calendar year (January 1) or the fiscal year (July 1).

Laws may take effect on January 1 or July 1 for practical reasons or by coincidence. For example, tax law changes are usually effective on January 1 because it is the beginning of the tax year. If the legislature decides some delay is necessary before the new law takes effect, it may set the effective date some number of months in the future. A law published in September with an effective date of the first day of the fourth month commencing after publication happens to take effect on January 1. Had the law passed a few weeks earlier, the date would have been December 1.

Section 991.11, Wisconsin Statutes, provides that every act, and every portion of an act enacted by the legislature over the governor's partial veto, which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication. The date of publication is designated by the secretary of state, and may not be more than 10 working days after the date of enactment. The date of enactment is the day that a bill passed by the legislature is either signed by the governor or the day it is considered enacted without the governor's signature if he fails to sign it in the period of six working days after having officially received the enrolled bill from the legislature.

-
- **Small Business Regulatory Review.** 2003 Wisconsin Act 145. The act creates a Small Business Regulatory Review Board to examine administrative rules proposed by state agencies that may have a significant economic impact on small businesses. The board will ask state agencies to comply with statutory requirements and may suggest changes in proposed rules. The board may review the rules and guidelines of any state agency to determine if they place an unnecessary burden on the ability of small business to conduct their affairs. The law allows a small business to seek in circuit court an injunction to prevent the imposition of a penalty if the business acted or failed to act due to the failure by the regulatory agency to respond to a question in a reasonable time or if the business acted in response to inaccurate advice given by an agency. The law also requires regulatory agencies to promulgate rules disclosing the discretion that the agency will follow in the enforcement of rules and guidelines against a small business, including the reduction or waiver of penalties for voluntary disclosure, by a small business, of actual or potential violations. Agencies must designate a small business regulatory coordinator and consider methods for reducing the impact on such businesses of proposed rules modifications.
 - **"Main Street Crime" Act.** 2003 Wisconsin Act 138. The act addresses various areas of law, primarily civil law, that relate directly or indirectly to crimes which merchants, in particular, may be susceptible. Among the issues covered are limits on gar-

nishment of earnings, activities of collection agencies, recovery of costs in civil court proceedings, worthless checks, civil liability for retail theft, and joint and several liability of parents for civil damages resulting from retail theft by a child.

- **Municipal Cable TV, Telecommunications, and Broadband Services.** 2003 Wisconsin Act 278. The act establishes rules applicable to municipalities that offer cable television, telecommunications, or Internet access services. Before a municipality may authorize the construction, ownership, or operation of any of these services by the municipality, it must conduct a cost-benefit analysis, make the analysis available for public inspection, and hold a hearing on the proposed ordinance or resolution to authorize the services. A municipality that owns and operates a cable TV service may not require anyone who does not subscribe to the service to pay any costs of the service. With regard to municipal telecommunications services, a municipal utility must set rates that reflect the same costs that a private competitor's rates would reflect. Exempted from the law are the two municipalities (Oconto Falls and Reedsburg) that were providing cable TV service on March 1, 2004.
- **Venture Capital Tax Credits.** 2003 Wisconsin Act 255. The act creates two types of investment credits designed to increase new business activity in Wisconsin. The "early stage seed investment credit" may be claimed under the individual and corporate income and franchise taxes and may equal 25% of the claimant's initial investment paid to a fund manager that invests in an investment certified as eligible by the Department of Commerce (DOC). The "angel investment credit" is a credit under the individual income tax for 12.5% of the claimant's qualified angel investment. An "angel investment" is defined as the purchase of an equity interest or any other expenditure made by an individual (or network of individuals) who reviews new businesses or proposed new businesses for potential investment of the individual's money. Act 255 also creates a technology commercialization grant and loan program, administered by the DOC, with five categories: (1) early stage planning grants and loans, (2) matching grants and loans, (3) bridge grants and loans, (4) venture capital grants and loans, and (5) entrepreneurial and technology transfer center grants.
- **School Observance Day for "The Great Hunger" in Ireland.** 2003 Wisconsin Act 305. School boards must provide for the appropriate observance in schools of certain dates as special observance days. Act 305 adds March 17 to the list of these days for "The Great Hunger" in Ireland from 1845 to 1850.
- **Criminal Background Investigations by the Department of Regulation and Licensing.** 2003 Wisconsin Act 151. The Wisconsin Department of Regulation and Licensing (DRL), conducts criminal history background checks on many applicants for professional credentials. In conducting these investigations, DRL obtains criminal histories from other states from the Federal Bureau of Investigation (FBI) via the Wisconsin Department of Justice (DOJ). In response to FBI advice given in 2002 that state law needed be revised so as to be consistent with federal policy and regulations, Act 151 changes the law in order to allow the FBI to continue processing these criminal background requests. Among the provisions of the law, an applicant for certain credentials, such as a private detective license, is required to be photographed and submit two complete sets of fingerprint cards to allow the FBI to verify the person's identity in order to obtain records of criminal arrests and convictions.

BUDGET ACT – 2003 Wisconsin Act 33

- **Transfer State Treasurer's Cash Management Functions to DOA.** The act transfers all of the statutory cash management duties and responsibilities of the Office of the State Treasurer to the Department of Administration's Division of Executive Budget and Finance, except the responsibility to sign or place a facsimile signature on checks or drafts to draw money from the state treasury. Among the duties or responsibilities transferred: responsibility to receive and have charge of all monies paid into the state treasury and any other monies received by state agencies and to pay out these monies as directed by law, to place temporarily unneeded balances in any state fund with the Investment Board for temporary investment in the state investment fund, and to keep records of all monies received and disbursed from each state fund and the weekly balances in each fund.