Wisconsin Briefs from the Legislative Reference Bureau

Brief 84-1 January 1984

WISCONSIN'S STRATEGY TO SPUR ECONOMIC DEVELOPMENT
A Summary of the October 1983 Special Session of the Wisconsin Legislature

I. INTRODUCTION

In 1978, Wisconsin's economy was hailed as the "star of the snowbelt". By 1983, an accumulation of problems had reached a climax, accentuating concern about the state's ability to hold established industries and attract new ones.

In spite of an effort of many years' duration to reform taxes, Wisconsin's reputation as a high-tax state unfriendly to business persists. Like the rest of the Midwest, the basic industries comprising the major element of Wisconsin's industrial base appeared stagnant, perhaps even in a permanent decline. Attracting high technology industries seems to be an elusive goal. By 1983, conditions had worsened resulting from the recession of the early 1980s.

To combat this situation, Governor Anthony S. Earl called a special session of the 1983 Wisconsin Legislature to take new steps toward encouraging economic development. Executive Order 32 called for a special session to begin on October 18, 1983. The call resulted in the introduction and consideration of 5 Senate bills and 6 Assembly bills. Subsequently, on October 25, Executive Order 36 amended the original call to include a proposal on agricultural promotion and miscellaneous agricultural issues. Thus, the Legislature considered 5 Senate bills and 7 Assembly bills.

The October 1983 Special Session ran concurrently with part of Floorperiod III of the regular session, which began on October 4 and ended on October 28. Of the 12 proposals considered, all of the Assembly bills and 4 of the 5 Senate bills passed both houses of the Legislature and received gubernatorial approval. The one Senate bill which failed to pass pertained to utility holding companies.

Although the special session dealt with several aspects of stimulating economic development, emphasis was placed on assisting small businesses (including regulatory flexibility and financial assistance), agriculture, special assistance for particular industries, and export and foreign investment development.

Prior to the October special session, the 1983 Wisconsin Legislature passed 1983 Wisconsin Act 27 (the executive budget act), which contained the following provisions pertinent to economic development:

(1) Directs the Wisconsin Department of Development to provide $25,000 to match private funding for an independent study of how business views the business climate in Wisconsin and how the level and quality of state and local services contribute to the business climate.

(2) Permits the use of industrial revenue bonds to finance health facilities approved by the Wisconsin Department of Health and Social Services.

Prepared by Clark G. Radatz, Senior Research Analyst.

(3) Establishes a technology development fund, which is administered by the Technology Development Board, attached to the Wisconsin Department of Development.

(4) Provides for a tax credit for qualified research expenses, as defined federally, to individuals and corporations. The tax credit may be an amount up to 5% of such research expenses incurred.

The Legislature also passed 1983 Wisconsin Act 81, which created an export loan program. 1983 WisAct 81 is discussed later in this brief.

II. BUSINESS ASSISTANCE

Development Loans (1983 Wisconsin Act 83)

Administration

1983 Wisconsin Act 83 authorizes the Wisconsin Housing and Economic Development Authority (with the consent of the Wisconsin Department of Development) to issue negotiable bonds and notes to finance authorized economic development activities. The authority may issue no more than $95 million in bonds and notes, beginning on November 17, 1983 and ending on June 30, 1986, except for bonds and notes issued to refund outstanding bonds or notes. The authority is to employ the State Building Commission as its financial consultant to assist in and coordinate the issuance of these bonds and notes. Upon the issuance of the bonds and notes, the authority may loan funds to financial institutions to make economic development loans if the authority determines that a conventional loan is unavailable on reasonably equivalent terms and conditions. Those interested in obtaining an economic development loan may apply to any of the participating financial institutions. Application oversight of this loan activity is to be conducted by the Wisconsin Housing and Economic Development Authority.

Authorized Loan Projects and Conditions

The economic development loans are to be used to finance land, plant or equipment for any of the following economic development projects:

(1) Certain manufacturing activities as defined federally.

(2) Storage or distribution facilities.

(3) National or regional headquarter facilities.

(4) Facilities for research and development activities relating to production of tangible products.

(5) Facilities for the production of raw agricultural commodities.

(6) Recreational and tourism facilities serving to attract visitors to Wisconsin.

(7) Facilities for the retail sale of goods or services to consumers for personal, family or household purposes if each such facility is in a tax incremental district or is subject of an urban development action grant and will result in a net economic benefit to Wisconsin. Loans may also be used for activities of a long-term nature, such as research and development performed by firms engaged in federally defined manufacturing activities and by firms engaged in the research and development of manufactured products.

In granting loans, the authority is to give preference to businesses that are more than 50% owned or controlled by women or minorities, have gross annual sales of no more than $5 million or employ no more than 25 people and to new businesses that have less than 50% of their ownership held or controlled by another business and have their business operations in Wisconsin. Eligible projects must be located in Wisconsin and maintain or expand employment in this state. Furthermore, the authority may finance an economic development loan only after considering all of the following:

(1) The extent to which an economic development project will maintain or increase employment in this state.

(2) The extent to which the project will make a significant contribution to this state's economic growth and the well-being of its residents.

(3) Whether such a project will be located in an area of high unemployment or low average income.

(4) The number of financial institutions participating in the program.

(5) The extent to which the activities constituting the project otherwise would not occur.

In addition, the authority may finance an economic development loan only if the following conditions are met and the Department of Development certifies that they are met:

(1) The economic development project will maintain and expand employment in Wisconsin.

(2) Conventional financing is unavailable on reasonably equivalent terms and conditions.

(3) The project is or will be located in Wisconsin.

(4) The business receiving the benefits of the loan proceeds has current gross annual sales of $35 million or less.

(5) The loan will not be used to refinance an existing debt unless it is in conjunction with an expansion of business or job creation.

(6) The financial institutions participating in the loan program are obligated to assume primary risk for any economic development loan. (The act provides that the authority has no moral or legal obligation or liability to any borrower except as expressly provided by written contract).

1983 WisAct 83 also grants the authority the power to require certification from the local unit of government having jurisdiction over the location of an economic development project that it serves a public purpose and conventional financing is unavailable. The Department of Development is required to assist new businesses and small businesses receiving economic development loans in locating sources of venture capital and in obtaining the state and federal licenses and permits necessary for business operations.

Council on Economic Development and Export

1983 Wisconsin Act 83 created a Council on Economic Development and Export in the Department of Development. The 8-member council consists of 2 members each appointed by the governor, secretary of development, secretary of agriculture, trade and consumer protection, and the executive director of the Housing and Economic Development Authority. The council is to make recommendations to the secretary of the Department of Development on the economic development activities of the Wisconsin Housing and Economic Development Authority, including the authority's export loan program. Export loan program review was also established by 1983 WisAct 81.

Export Loans (1983 Wisconsin Act 81)

Administration

1983 Wisconsin Act 81 authorizes the Wisconsin Housing and Economic Development Authority to finance export loans under certain conditions. Beginning November 17, 1983 and ending June 30, 1986, the authority may issue bonds and notes for this activity. The authority may not have outstanding at any time more that $50 million in aggregate principal amount of bonds and notes issued, excluding bonds and notes issued to refund outstanding bonds and notes. Like economic development loans under Wisconsin Act 83, the authority is to employ the State Building Commission as its financial consultant to assist and coordinate the issuance of bonds and notes; and financial institutions and export trading companies are required to assume full responsibility for the repayment of individual loans. (1983 WisAct 81 provides that the authority has no moral or legal obligation or liability to any person except as expressly provided by written contract).

Authorized Loans and Criteria

All financial institutions and export trade companies are eligible to participate in the export loan program. Loans are to finance the sale of producer or consumer goods, commodities, or services

having a majority of their export value produced in Wisconsin. Preference is to be given to exporters having current gross annual sales of $25 million or less. In general, the export loan limit is $5 million or 85% of the export sale amount. However, exporters with annual gross sales above $25 million are limited to a loan not to exceed 4% of the authority's authorized loan appropriation of $50 million (in other words, the cumulative loan limit for large exporters is $2 million). Loans are to be repaid no earlier than 180 days and no later than 5 years.

Export loans are to be available if financing by the Export-Import Bank of the United States or similar financing is unavailable to the exporter on reasonably equivalent terms and conditions.

Export Technical Advisory Committee

The act created an 8-member Export Technical Advisory Committee in the Department of Development. The committee is composed of 2 members each appointed by the governor, secretary of development, secretary of agriculture, trade and consumer protection, and the executive director of the Housing and Economic Development Authority. This committee is to make recommendations to the secretary of the Department of Development on the export loan activities of the Wisconsin Housing and Economic Development Authority.

Export and Foreign Investment Development/Foreign Trade Office (1983 Wisconsin Act 86)

1983 Wisconsin Act 86 directs the Wisconsin Department of Development to develop and implement a plan to promote and increase Wisconsin exports and foreign investment in Wisconsin. The plan may include provisions for participating in trade fairs and missions, preparing research on foreign markets for exports from Wisconsin, and establishing foreign trade offices. In developing and implementing the plan, the department shall consult with the Wisconsin Department of Agriculture, Trade and Consumer Protection.

Any plan to establish a foreign trade office must include the feasibility of establishing a system of graduated fees, which the office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

For the 1983-85 biennium, $600,000 has been appropriated to the department to implement this program (1983-84 fiscal year: $200,000; 1984-85 fiscal year: $400,000).

A site for the foreign trade office has been selected. It is to be located in Frankfurt, West Germany and is scheduled to open June 1, 1984.

1983 WisAct 86 became effective on November 17, 1983.

Economic Adjustment (1983 Wisconsin Act 84)

Under Section 109.07 of the Wisconsin Statutes, the so-called "plant closing" law, large employers (those with 100 or more employes) who decide to cease business operations due to a merger, liquidation, disposition or relocation are required to give a minimum of 60-days' advance notice of such action to the Wisconsin Department of Industry, Labor and Human Relations (DILHR). Such employers are also required to supply certain business information to DILHR and a plan for final payment of all terminated employes if required by the department. This section has been in effect since June 10, 1976.

Due to difficulties in enforcement, however, the law apparently has been ineffective. The *Milwaukee Journal* of January 22, 1984, headlining that "Many firms ignore state law on closings", cites J.L. Stelsel, the department [DILHR] official charged with administering the law, that: "No action has been taken against any firm failing to comply with the law".

1983 Wisconsin Act 84 supplements this provision with a more positive approach, an economic adjustment program, which was established in the Wisconsin Department of Development. Under this program, DILHR is directed to notify the department of plant closings. The Department of Development, upon request by a business which is ceasing operation in this state or is laying off staff, is to provide assistance, provide referrals to other persons or arrange and coordinate assistance

from other persons (including federal, state or local governmental units, agencies or programs, other businesses, service organizations, educational institutions and financial institutions) for the following purposes:

(1) To enable continued or renewed operation of the business or avoid or rescind temporary or permanent layoffs.

(2) To retrain employes or former employes of ceased businesses or match their skills with jobs for other employers.

(3) To accomplish the transfer of ownership, control or management of a business which is ceasing operations to employes or former employes, members of the community in which the business is located, or others.

The Department of Development is appropriated $75,000 for the 1983-85 biennium and allotted one additional staff member for the economic adjustment program. The Department of Industry, Labor and Human Relations and the Governor's Employment and Training Office are required to cooperate with the Department of Development on these objectives.

In order to carry out the program, 1983 WisAct 84 established a Council for Economic Adjustment within the Department of Development. A chief executive officer of a municipality, after consultation with an affected business, may create a community response committee. The council and any such committee are to advise and assist the department in administering the economic adjustment program.

The council includes representatives from: business; labor; the University of Wisconsin System; the Vocational, Technical and Adult Education System; the Governor's Employment and Training Office; the Department of Industry, Labor and Human Relations; and the Department of Development. The committee includes representatives from educational and governmental agencies in the affected business locality as well as representatives from the business and its employes or former employes.

III. REGULATORY PROCEDURES

Regulatory Flexibility--Small Businesses (1983 Wisconsin Act 90)

Effective January 1, 1984, 1983 Wisconsin Act 90 provides methods to enable state agencies to adopt administrative rules to meet the special needs and problems of small businesses. (Unless otherwise defined by an agency preparing a proposed administrative rule, 1983 WisAct 90 defines a "small business" as an independently owned business that is not dominant in its field and which employs fewer than 25 full-time employes or which has gross annual sales of less than $2.5 million.)

Reducing the Impact of Regulation

In particular, this act provides that when a state agency proposes to adopt an administrative rule that may have an impact on small business, the state agency is to consider each of the following methods for reducing the impact of the rule on small businesses:

(1) The establishment of less stringent compliance or reporting requirements and less stringent schedules or deadlines for compliance or reporting for small businesses.

(2) The consolidation or simplification of compliance or reporting requirements.

(3) The establishment of performance standards for small business to replace design or operational standards required in the rule.

(4) The exemption of small businesses from any or all requirements of the rule.

In considering these methods, the involved state agency is required to adopt any method that appears feasible as a part of the proposed rule if consistent with the statutory objectives which are the basis of the proposed rule making.

Small Business Participation in Rule Making

In addition, the state agency is required to allow small businesses the opportunity to participate in the rule-making process through one or more of the following methods:

(1) The inclusion in any advance notice of the proposed rule of a statement that the rule may have an impact on small businesses.

(2) The direct notification of any small business that may be affected by the proposed rule.

(3) The conducting of a public hearing concerning the impact of the rule on small businesses.

(4) The use of special hearing procedures to reduce the cost or complexity of participation in the rule making by small businesses.

Regulatory Flexibility Analysis

State agencies are also required, when giving notice of proposed rules affecting small business rule making, to prepare a final regulatory flexibility analysis, which is to contain as much information about the following points as the agency can feasibly obtain and analyze with its existing staff and resources:

(1) The agency's reason for including or excluding any of the methods for reducing its impact on small businesses.

(2) A summary of issues raised by small businesses during the rule hearings, any changes in the proposed rules as a result of alternatives suggested by small businesses, and the reasons for rejecting any of the suggested alternatives.

(3) The nature of any reports and the estimated cost of their preparation by small businesses that must comply with the rule.

(4) The nature and estimated cost of other measures and investment that will be required of small businesses in complying with the rule.

(5) The additional cost to the agency which is to administer or enforce the rule, if any.

(6) The impact on public health, safety and welfare of the rule, if any.

Agency Review of All Rules

By January 1, 1989, all state agencies are required to have reviewed the impact of all existing rules on all small businesses.

Permit Information Center (1983 Wisconsin Act 91)

Effective on November 17, 1983, 1983 Wisconsin Act 91 established a Permit Information Center in the Wisconsin Department of Development. This center is to be staffed by 2 full-time employes and is appropriated $119,200 for the 1983-85 biennium.

The purpose of the Permit Information Center is to expedite and provide information on what permits are required for certain businesses, what criteria are applied by agencies in making determinations on permit applications, and how long the process of obtaining a permit will take.

The center is to assist any person requesting such information. Assistance may include both: 1) the arranging of a meeting between the person and the staff of the appropriate regulatory agency to enable the person to obtain the information from the agency; and 2) the obtaining of information and permit applications from the regulatory agency and providing the information and appropriate permit applications to the person. The center is to give priority to new and expanding businesses.

The center is also to provide advocacy services before regulatory agencies on behalf of permit applicants. Services are to include monitoring the application approval process to ensure that permits are granted in the shortest amount of time possible consistent with the substantive requirements established by statute or administrative rule.

To assist requestors, the center is to maintain and publicize the availability of a toll-free telephone line for in-state callers and to distribute informational materials. On January 10, 1984, the Permit

Information Center began its operations. The toll-free telephone number for in-state callers is: 1-800-435-7287 (HELP-BUS), and Mr. Rolf Wegenke is in charge of the center.

The center may not charge fees for any of its services, and any assistance rendered by the center is strictly advisory and informational.

Furthermore, the center is to maintain records on operational results, issue an annual report, and recommend to the Wisconsin Legislature permit simplification procedures.

IV. ASSISTANCE FOR PARTICULAR INDUSTRIES

Health Care Equipment Exemption From Certificate of Need (1983 Wisconsin Act 85)

1983 Wisconsin Act 85 authorizes the Wisconsin Department of Health and Social Services to grant an exemption from its "certificate of need" health care approval process for innovative medical technology devices and equipment. In particular, an exemption may be approved for: 1) the research, development and evaluation of innovative medical technology; 2) the development of the clinical applications of this technology; or 3) the research, development and evaluation of a major enhancement to existing medical technology.

In granting an exemption, the Department of Health and Social Services may not grant more than 2 exemptions for any particular type of innovative medical technology or for any particular major enhancement to existing medical technology.

Prior to granting an exemption, the department must receive an application for an exemption from a person intending to undertake a capital expenditure in excess of $600,000 or intending to undertake a substantial change in a health service.

Before an applicant may apply for an exemption, the following must occur:

(1) Preliminary animal studies or preliminary clinical investigations must show that the project has a reasonable probability of advancing clinical diagnosis or therapy.

(2) In the development and evaluation of the clinical applications, scientifically sound studies to determine clinical efficacy, safety, cost-effectiveness and appropriate utilization levels in a clinical setting are to be undertaken by the applicant.

(3) The clinical trials, evaluation or research are to be conducted according to scientifically sound protocols subject to peer review.

(4) The innovative medical technology to conduct necessary research, development and evaluation is being installed.

It is indicated in the drafting instructions for Act 85 that the use of this exemption, would, for example, allow the General Electric Company to install newly developed nuclear magnetic resonance equipment at the University of Wisconsin Hospitals and elsewhere.

1983 WisAct 85 is effective from November 17, 1983 through December 31, 1985.

Securities Regulation (1983 Wisconsin Act 87)

1983 Wisconsin Act 87 changes the conditions under which an offer or sale of securities by an issuer is exempt from registration. The exemption is located under Section 551.23 (10) of the Wisconsin Statutes.

Prior to 1983 WisAct 87, 1983 Wisconsin Act 27 (the executive budget act) repealed and recreated Section 551.23 (10) of the statutes. According to the Wisconsin Legislative Fiscal Bureau's summary of the 1983-85 Budget Act, the purpose of this repeal and recreation is:

> "Repeal current statutory provision which allows any securities offering by a Wisconsin-based corporation, partnership or association involving no more than 15 investors (excluding institutional investors) to be exempt from the state's registration requirements. Instead, provide that any offering involving no more than 35 investors (excluding institutional investors and 'accredited investors' as defined under federal

regulations) would be exempt from registration. In addition, to qualify for this exemption, the following conditions would have to be met: (a) no commission or other renumeration for soliciting the offering could be paid to anyone except a licensed broker-dealer or securities agent; (b) full written disclosure of the terms and conditions of the offering must be provided to each purchaser before the sale and the disclosures would be regulated under rules adopted by the Commissioner of Securities based on regulations promulgated by the federal Securities and Exchange Commission; (c) the amount purchased by an individual would be limited to 20% of the individual's net worth; (d) the use of general public solicitation or advertising would be prohibited; and (e) the issuer must file with the Commissioner of Securities within 15 days after the first sale a copy of the sales report required under federal securities law."

Subsequently, 1983 WisAct 87, again repealed and recreated this exemption provision back to the pre-1983 WisAct 27 situation. The act reinstated the registration exemption which was repealed by 1983 WisAct 27 that "had been used for decades by small Wisconsin corporations, partnerships and businesses, and was available on an 'automatic' basis without the need for any filing with or clearance by the Office of the Commissioner of Securities if the requirements for its use were met".

In addition, 1983 WisAct 87 creates an exemption from registration for certain offers or sales exempt under federal law if the offer or sale meets statutory conditions, and provides that licensing of an agent for an issuer of securities is effective 10 days after application is filed or such earlier time as the securities commissioner permits.

The purpose of the act has been described as making it easier for small businesses to raise capital and reducing delays in registering small offerings.

Personal Property Tax Exemption--Logging Equipment (1983 Wisconsin Act 88)

Effective January 1, 1984, 1983 Wisconsin Act 88 creates an exemption from the personal property tax for all logging equipment used to cut trees, to transport trees in logging areas or to clear land of trees for the commercial use of forest products. The logging equipment exemption joins several other property tax exemptions, which include: crops; farm poultry, farm animals and fur-bearing animals under 4 months of age and hides and pelts of all farm and fur-bearing animals in the possession of the grower; natural cheese; milkhouse equipment; feed and feed supplements; merchants' stock-in-trade and manufacturers' materials and furnished goods.

Corporate Income and Franchise Tax Liability--Printing Industry (1983 Wisconsin Act 89)

1983 Wisconsin Act 89 exempts an out-of-state corporation from Wisconsin's income or franchise tax if the corporation's only activities in Wisconsin are any of the following:

(1) The storage and delivery of the out-of-state corporation's tangible personal property in Wisconsin for the purpose of fabricating, processing, manufacturing or printing the out-of-state corporation's tangible personal property by a Wisconsin business or manufacturer (for example, paper used in printing).

(2) The storage in Wisconsin and delivery outside of Wisconsin of the out-of-state corporation's tangible personal property that has been fabricated, processed, manufactured or printed by a Wisconsin business or manufacturer (for example, books or other publications).

(3) If the out-of-state corporation is a publisher, the purchase from a Wisconsin printer of a printing service or printed material and the storage of the printed material in Wisconsin.

1983 WisAct 89 first applies to taxable year 1983.

The Legislative Council is requested to study the state's jurisdiction to tax foreign corporations as it relates to out-of-state publishers, concerning job creation and general tax policy.

Agricultural Promotion and Miscellany (1983 Wisconsin Act 92)

1983 Wisconsin Act 92 is a multi-faceted act encompassing several aspects of agricultural economics, including promotional and financial matters.

Agricultural Promotion

The act allows or requires the following actions:

(1) Permits signs on farm buildings to promote a Wisconsin agricultural product unless prohibited by federal law.

(2) Requires the Wisconsin Department of Transportation to erect 100 signs near highways and in waysides that display a slogan and/or logo (developed by the Wisconsin Department of Agriculture, Trade and Consumer Protection) promoting Wisconsin agricultural products. Although these signs are to be located in prominent, visible areas, no sign may be placed in violation of federal law.

(3) Requires the Wisconsin Department of Agriculture, Trade and Consumer Protection to permit the use of the phrase, "Something Special from Wisconsin", on all products and commodities produced or manufactured in Wisconsin that meet departmental standards.

(4) Requires each tourist information center operated by the Wisconsin Department of Development, excluding the center located in Madison, to distribute free Wisconsin cheese annually between the second to the last Monday in May and the first Monday in September. The cheese distributed is to be in packages of one ounce or less. Cheese is donated to the department for this program.

Miscellaneous Agricultural Finance

The act provides for the following:

(1) *Repeal of foreclosure of real estate mortgages by advertisement.* The act repealed the statutory provisions that provided for the foreclosure of real estate mortgages by advertisement under certain conditions. This repeal applies both to the foreclosures of mortgages entered into, refinanced, renewed, extended or modified before November 17, 1983 if the foreclosure sale has not taken place and to mortgages entered into, refinanced, renewed, extended or modified on or after November 17, 1983. Eliminating foreclosure by advertisement leaves foreclosure by court procedure as the method to be used in foreclosure of real estate mortgages.

(2) *Garnishment Actions.* The Wisconsin Statutes provide a procedure for a plaintiff who is owed money or property by a defendant to recover this money or property from a third party (the garnishee) who owes money or other property to the defendant. A defendant whose earnings are the subject of a garnishment action must be paid a subsistence allowance of at least 75% of his or her disposable earnings (the amount of earnings remaining after deductions) before any amount is paid to the plaintiff.

1983 WisAct 92 creates a similar subsistence allowance regarding garnishment payments for the sale of agricultural products. Under this act, a garnishee who is indebted to a defendant for payment from the sale of any crops, livestock, dairy products or another product grown or produced by the defendant is required to pay a prescribed amount to the defendant. Because garnishment action is initiated by the plaintiff against the defendant, the portion paid to the defendant is equal to 60% of the defendant's income, but not more than $500 for each 30-day period prior to the service of the garnishee complaint if the defendant does not have dependents. If there are dependents, the portion exempt is equal to 75% of the defendant's income but not more than $500 plus an additional $50 for each dependent.

The act further provides that the garnishment restriction does not apply to: (1) a court order for support, (2) a court of bankruptcy, (3) a court order under voluntary proceedings by wage earners for amortization of debts, and (4) any debt due for any state or federal tax.

These garnishment action changes apply to garnishment actions in which the garnishee complaint is filed on or after November 17, 1983.

Emergency Dairy, Farm and Business Assistance Act

The act also established a nonstatutory provision to be known as the "Emergency Dairy, Farm and Business Assistance Act". Under this act, the Wisconsin Attorney General is directed to intervene in or commence any action or furnish any legal services necessary to dissolve the consent order entered into between the Federal Trade Commission and the American Dairy Association that requires the American Dairy Association to refrain from advertising milk as 96% fat free.

A further provision states that for the purposes of computing income tax liability, milk assessments under Title 7, Section 1446 (d) (3) of the United States Code are allowable as a business expense deduction in the taxable year when they are paid or are accruable if the amount deducted is included in gross income; and refunds are included as income in the year received or accruable. Title 7, Section 1446 (d) (3) of the United States Code pertains to the 50 cents per hundredweight assessment on the sale of all commercially marketed milk.

Home Loan Program (1983 Wisconsin Act 82)

1983 Wisconsin Act 82 increases the bonding authority of the Wisconsin Housing and Economic Development Authority (renamed from the Wisconsin Housing Finance Authority by 1983 WisAct 83) for existing home loan programs from $150 million to $185 million for calendar year 1983. For years 1984, 1985 and 1986, the Wisconsin Housing and Economic Development Authority (WHEDA) is authorized $190 million per year in bonding authority for existing home loan programs.

WHEDA may issue bonds or notes for homeownership mortgage loans only if the interest on the bonds or notes is exempt from federal income taxation.

The executive director of WHEDA is to encourage participation in the homeownership mortgage loan program by women and minorities. The Wisconsin Department of Development, in consulation with WHEDA, is also required to prepare and submit a report concerning the enactment of any federal legislation affecting the "Mortgage Subsidy Bond Tax Act of 1980" to the appropriate standing committees of the Legislature within 60 days after such enactment.

1983 WisAct 82 became effective on November 17, 1983.

V. LEGISLATIVE ACTION ON THE GOVERNOR'S OCTOBER SPECIAL SESSION AGENDA

October 1983 Special Session Senate Bills 1 through 5 were introduced by the Senate Committee on Senate Organization, and October 1983 Special Session Assembly Bills 1 through 7 were introduced by the Assembly Committee on Rules, by request of Governor Anthony S. Earl. With the exception of Assembly Bill 7, all these proposals were introduced on October 18. Assembly Bill 7 was introduced on October 25. Following is the procedural bill history for each proposal.

Senate Bills

Senate Bill 1 (1983 Wisconsin Act 82).

The Senate adopted Senate Amendments 4, 5, 6 and 9 to October Special Session Senate Bill 1 on October 26 by voice votes and passed the bill as amended by a vote of 28 to 4. The Assembly concurred in O83SB-1 by a vote of 82 to 16.

Senate Bill 2 (1983 Wisconsin Act 84)

The Senate passed October Special Session Senate Bill 2 (as amended by Senate Amendment 1) on October 27 by a vote of 28 to 3. The Assembly concurred in O83SB-2 on October 28 by a vote of 90 to 8.

Senate Bill 3 (1983 Wisconsin Act 85)

The Senate passed October Special Session Senate Bill 3 (as amended by Senate Amendment 1) on October 21 by a voice vote. The Assembly concurred in O83SB-3 on October 27 by a vote of 97 to 0.

Senate Bill 4 (1983 Wisconsin Act 86)

The Senate passed October Special Session Senate Bill 4 (as amended by Senate Amendment 1) on October 21 by a vote of 29 to 2. The Assembly adopted Assembly Amendments 2, 6 and 9 and concurred in O83SB-4 as amended by a vote of 89 to 8. The Senate concurred in Assembly Amendments 2, 6 and 9 on October 27 by voice votes.

Senate Bill 5 (failed in Senate)

October Special Session Senate Bill 5 failed to pass. The Senate laid the proposal on the table on October 25 by a vote of 17 to 16. On October 26, a motion to take the proposal off the table failed by a vote of 17 to 15.

Assembly Bills

Assembly Bill 1 (1983 Wisconsin Act 87)

The Assembly passed October Special Session Assembly Bill 1 (as amended by Assembly Amendment 1) on October 25 by a vote of 95 to 0. The Senate concurred in O83AB-1 on October 27 by a voice vote.

Assembly Bill 2 (1983 Wisconsin Act 88)

The Assembly passed October Special Session Assembly Bill 2 on October 25 by a voice vote. The Senate concurred in O83AB-2 on October 27 by a vote of 23 to 8.

Assembly Bill 3 (1983 Wisconsin Act 89)

The Assembly passed October Special Session Assembly Bill 3 (as amended by part 2 of Assembly Amendment 4) on October 27 by a vote of 85 to 13. The Senate concurred in O83AB-3 on October 28 by a vote of 25 to 8.

Assembly Bill 4 (1983 Wisconsin Act 90)

The Assembly passed October Special Session Assembly Bill 4 on October 25 by a vote of 65 to 29. The Senate adopted Senate Amendments 1 and 5 by voice votes and concurred in O83AB-4 as amended on October 27 by a vote of 29 to 2. The Assembly concurred in Senate Amendments 1 and 5 on October 28 by voice votes.

Assembly Bill 5 (1983 Wisconsin Act 91 with partial veto)

The Assembly adopted Assembly Amendments 1-6, 9,10,13,14 and 18 by voice votes and Assembly Amendment 17 by a vote of 79 to 17 to October Special Session Assembly Bill 5 and passed the bill as amended on October 26 by a vote of 98 to 0. The Senate adopted Senate Amendment 2 by a voice vote and concurred in O83AB-5 as amended on October 28 by a vote of 28 to 4. The Assembly concurred in Senate Amendment 2 by a voice vote on October 28.

Assembly Bill 6 (1983 Wisconsin Act 83 with partial veto)

The Assembly adopted Assembly Amendments 1 (1 to 1),2,3 (1 to 3), part 1 of 5, 8, 9, 15 (1 to 15), 16, 18 (1 to 18), 23 (1 to 23), 25 and 26 by voice votes and Assembly Amendment 4 (1 to 4) by a vote of 85 to 13 to October Special Session Assembly Bill 6 and passed the bill as amended on October 26 by a vote of 76 to 22. The Senate adopted Senate Amendments 1,2,3, (1 to 3) and 7 by voice votes and concurred in O83AB-6 as amended on October 28 by a vote of 24 to 8. The Assembly concurred in Senate Amendments 1,2,3 and 7 by voice votes on October 28.

Assembly Bill 7 (1983 Wisconsin Act 92 with partial veto)

The Assembly adopted Assembly Amendments 1,5,8,9,15,16,17 (1 to 17),19,20 and 21 to October Special Session Assembly Bill 7 by voice votes and passed the bill as amended on October 27 by a vote of 96 to 2. The Senate adopted Senate Amendments 6, 7 and 8 by voice votes and concurred in

O83AB-7 as amended on October 28 by a vote of 28 to 5. The Assembly concurred in Senate Amendments 6,7 and 8 by voice votes on October 28.