Wisconsin Briefs from the Legislative Reference Bureau

Brief 81-6 October 1981

EXECUTIVE PARTIAL VETO OF

1981 ASSEMBLY BILL 66

Executive Budget Bill Passed by the 1981 Wisconsin Legislature

(Chapter 20, Laws of 1981)

Introduction

This bulletin is organized into 4 parts. The *Introduction* contains the history of the enactment into law of the 1981 budget bill (Assembly Bill 66), an overview of the partial vetoes of budget bills and budget review bills beginning with 1973, and an explanation of the new veto review bulletin format. The history for 1981 AB-66 includes the vote on final passage in each house and the page number of the loose-leaf journals in each house referring to the vote ("S.J." stand for Senate Journal; "A.J." stands for Assembly Journal).

Part 1 consists of the veto message by Governor Lee Sherman Dreyfus.

Part 2 consists of the veto referral by Speaker Edward G. Jackamonis.

Part 3 consists of the items of 1981 Assembly Bill 66 vetoed. The items are shown in numeric sequence conforming to the numbering used in the veto referral message.

During the 1981 Legislative Session from January 5, 1981 through July 25, 1981, there were 1,189 bills (511 Senate and 678 Assembly bills) introduced, of which 33 bills were concurred in by both houses. Governor Dreyfus, through September 26, 1981, has taken action on all 33 bills, approving 31 (including the partial veto of 3 bills: SB-10, 22 and AB-66) and vetoing 2 bills (AB-320 and AB-406). As of July 29, the Legislature has sustained the partial veto of Chapter 1, Laws of 1981 (Senate Bill 10), and the veto of 1981 Assembly Bill 320.

Legislative action is pending on: 1) the partial veto of Chapter 20, Laws of 1981 (Assembly Bill 66), 2) the partial veto of Chapter 21, Laws of 1981 (Senate Bill 22), and the complete veto of 1981 Assembly Bill 406.

BUDGET AND BUDGET REVIEW BILLS
1973 Session through 1979 Session

Session	Session Law	Number of Items Partially Vetoed
1973	Ch. 90, L. 1973 (AB-300)	38 items
1974 S.S.	Ch. 333, L. 1973 (April '74 S.S. AB-1)	18 items
1975	Ch. 39, L. 1973 (AB-222)	40 items
	Ch. 224, L. 1975 (SB-755)	30 items
1977	Ch. 29, L. 1977 (SB-77)	62 items
	Ch. 418, L. 1977 (AB-1220)	43 items
1979	Ch. 34, L. 1979 (AB-79)	45 items
	Ch. 221, L. 1979 (AB-1180)	58 items

LEGISLATIVE ACTION ON 1981 ASSEMBLY BILL 66

The Assembly adopted Assembly Substitute Amendment 2 (as amended by Assembly Amendments 22 and 38) to Assembly Bill 66, 50 to 48, A.J. 6/25/81, p. 715, and passed Assembly Bill 66 as amended, 49 to 47 (2 paired), A.J. 6/30/81, p. 727. The Senate, in turn, adopted Senate Amendment 125 (as amended by Senate Amendments 9, 20, 26 and 30) by a vote of 19 to 14, S.J. 7/8/81, p. 672, and Senate Amendment 132 by a voice vote, S.J. 7/81/81, p. 655, and concurred in Assembly Bill 66 as amended, 19 to 14, S.J. 7/8/81, p. 679. The Assembly, then, adopted Assembly Amendment 18 to Senate Amendment 125 to AB-66, 51 to 44, A.J. 7/16/81, p. 871, and concurred in Senate Amendment 125 as amended, 51 to 44, A.J. 7/16/81, p. 873, and Senate Amendment 132, 59 to 36, A.J. 7/16/81, p. 874. The Senate, then concurred in Assembly Amendment 18 to Senate Amendment 125 to AB-66, 18 to 15, S.J. 7/16/81, p. 874. The bill was approved in part and vetoed in part, and the part approved became Chapter 20, Laws of 1981, published in the *Wisconsin State Journal* on 7/30/81.

July 31, 1981, corrections ineffectual. On July 31, 1981, Governor Lee Sherman Dreyfus, at the Secretary of State's Office, "noted on several previously vetoed portions of ch. 20 that said provisions were not vetoed". Subsequently, a supplement to Chapter 20, Laws of 1981, was published in the *Wisconsin State Journal* on August 4, 1981. On August 21, 1981, the Attorney General issued an opinion of this matter stating that "the Governor's attempt to revoke or remove his vetoes on July 31 was ineffectual and his original vetoes remain in effect until and unless the Legislature overrides".

New Veto Review Bulletin Format. This bulletin contains, for each **item**, information in the following sequence:

(1) **Governor's written objections.** The text of the written objections to 1981 Assembly Bill 66 by Governor Lee Sherman Dreyfus has been copied from the ASSEMBLY JOURNAL of August 5, 1981.

(2) **Speaker's referrals.** The text of the referral by Speaker Edward G. Jackamonis of each **item** of the vetoes for legislative study and review has been copied from the ASSEMBLY JOURNAL of September 25, 1981.

(3) **Fiscal Bureau summary.** The text of the summary of each **item** by the Legislative Fiscal Bureau has been copied from that bureau's publication dated September 29, 1981.

(4) **Bill segments cited.** A reproduction of the segments of 1981 Assembly Bill 66, as shown in the published sliplaw of Chapter 20, Laws of 1981, assigned to each **item** as enumerated in the speaker's referrals. The material vetoed is indicated by a distinguishing overlay — like this . Where a single segment is assigned to several **items** as referred by the speaker, the part relevant to a specific **item** is indicated by black lines.

In each case, the text is reproduced from the electronic record previously stored in the legislature's typing system, and was then layout-edited so that the references to each **item** would be easier to find. All roman numerals were replaced with arabic numbers; *e.g.* "Item XIII-C" is shown as **Item 13-C**.

Part 1: Governor's Veto Message

July 29, 1981

To the Honorable, the Assembly:

In my budget message to the legislature, you may remember that I felt this session would make clear whether the special interests and their lobby representatives would determine the course of this state or whether the people's elected representatives would do so.

This budget tells the people that the battle is not yet over and the outcome far from certain. This budget tells the people that their representatives have not yet made a firm resolve to spend only what we have. This budget tells the people that the needs of the tax spenders are clearly more important in Madison than are the needs of the taxpayers.

I have signed Assembly Bill 66, the biennial budget, and deposited it with the Secretary of State. It becomes Chapter 20, Laws of 1981. I did not take this action without a sense of concern for the future. And in doing so, I have exercised my constitutional power to item veto an extraordinary 121 times.

Even with this red lining, the biennial budget process is incomplete. You know full well that you will have to return to this task because you have put off the inevitable. You have made promises to our elderly and needy without the funding to carry out those promises, and you have lacked the courage and strength to require local government to cut back to the same extent as state government. You have now outrun the people's ability to pay for these increases and these promises. You must stop double digit increases in many aspects of government spending, or you are courting state fiscal disaster.

This budget is the product of a political process which excluded the representatives of nearly half of the people of this state, and it shows. Reform your process and involve all those elected by the people and you will find a strength and resolve to do what is necessary.

Can't you see the consequences of a system in which the only real, meaningful input of 54 minority party legislators is through the veto power of the governor? It is wrong to disenfranchise all those voters who sent them here to do this work. Let them into the process; learn to compromise with their proposals, and no future governor will find it necessary to veto to this extent. I was heartened to hear at least some of the majority party leadership express publicly that the process was not good and did need serious change. You will have that opportunity this fall when you return to complete this task. I hope the consequences of this past course are not forgotten by then.

Throughout this process which began last fall, my goal has been to restore balance between competing interests, between rural and urban, between taxpayers and tax spenders, between desirable programs and available resources, between economic incentives for job creation and taxes necessary to fund social services. My vetoes cannot restore that balance, but can at least move back in that direction.

When I presented my revenue bill and budget bill last January, I offered a plan which would responsibly deal with our fiscal problems in this biennium, which would begin to get government spending under control and which would lay the foundation for recovery and preservation of the Wisconsin we inherited.

The majority party rejected my revenue bill proposal both in form and in substance. I strongly believe you must place a dollar ceiling on what government has available to spend based on the taxpayers' ability to pay. This bill attempts to remove the governor's ability to present such a spending ceiling and allow it the special treatment of a budget bill. I have vetoed that provision in order to allow both the governor and the legislature to place spending limits on future budgets. If the legislature persists in saying no to this concept, I predict the people will move toward creating spending limits by a constitutional referendum. Do not push them too far!

Should I be governor in 1983, I will again seek to establish a dollar ceiling on government spending.

Basically there are three areas I have carefully reviewed: tax increases, spending increases, and borrowing increases. These vetoes cut the tax increases voted by the legislature by $44 million; cut spending increases by over $100 million; and cut the borrowing authorization by $117.8 million.

It is absolutely necessary to maintain this control because the economic signs continue to indicate that our economic recovery will be sure and steady, but slow. Economic reports indicate this state will not return to the 1979 level of employment in nondurable goods until late this year; and in durable goods not until 1983 or 1984. That's just to get back to the 1979 level! They won't even make a prediction for the construction industry, so essential to an economic recovery. We must provide the economic base that produces jobs. This will require not doing as much as we would like in a whole range of areas. But if we play politics as usual and avoid the hard decisions, we will find more people in need with fewer working people able to provide the taxes to meet their need. It's basic that those who work, support those who do not work. It's just that simple, and the people who work are beginning to resist the constantly increasing taxation.

Policy in the Budget

One of the criticisms of Wisconsin's budget procedure is that policy items, not fiscally related, are included in the bill — making it more difficult for public involvement and legislative review and amendment. I excluded policy in the 1979 budget and introduced separate legislation. You chose to ignore most of it. This year I included policy, recognizing that at least the Joint Finance Committee holds hearings. However, with great fanfare, all that policy was stripped by the committee. Lo and behold, the democratic caucuses liked the old system and included their own major, complicated and impactive policy questions in the budget. Therefore, I recognize that I must deal with major policy questions now given me through this budget.

Although separate legislation would have been preferable, I have approved tightening up the drunk

driving law because it is an issue of great public concern and because the problem is with us now and can't be delayed. Whether the provisions will be enforced by attorneys, prosecutors and judges is yet to be seen. But we must try to end the slaughter on the highway with whatever tools are available to us. I now call on the courts to help.

I have rejected the proposals relating to condominium conversion and the soil and water program because there is less immediacy, substantial complexity, and no clear consensus on either of them. Both proposals need more complete public and legislative review to ensure we are not creating unintended bad consequences from well intentioned legislation.

Aids and Credits

Nowhere in this budget is excessive spending and disregard for the people's best interest more prevalent than in the legislature's treatment of shared revenue and property tax credits.

At a time when state tax collections are rising modestly, at a time when appropriations for our university system and the truly needy are growing at slower rates than in past and when state government itself is imposing an 8% cut, this legislature has proposed to increase municipal aids by over 12% in 1981, and a staggering 17.4% in 1982. Payments for some communities are scheduled to jump by 30%, 40% and even 50% in one year! Increases for cities averaged almost 20%!

How can you believe this is right to do? And have you not noticed that even with these inordinate increases, the lobbyists and some local government leaders are turning out a barrage of complaints and dire predictions about being forced to raise property taxes? Why is it that the people must cut back their level of spending, but not government? These double digit increases are not right if you insist on sending the money to the tax spenders and not to the taxpayers who provided the state with those dollars.

While you are providing double digit increases to our local government leaders, what have you done with my proposals to return property tax reductions directly to the taxpayer? I am shocked that in these times of inflation with everything going up that you believe it is right to reduce property tax credits paid directly to the taxpayer by 3.3% in 1981 and 4.5% in 1982.

Taxpayers in the state's major cities are particularly hard hit by the reductions. Under the legislative budget, credits to Milwaukee, Madison and Racine taxpayers will all drop about 13%, while monies to those city governments will increase sizeably. Some cities, such as Green Bay and Eau Claire, fare worse. Of course, the tax spenders in those cities do well under the budget presented to me.

Such excesses require drastic action particularly since the political smokescreen hides the truth from the people. I am absolutely convinced that the only way to ensure property tax relief is to provide it directly to the taxpayer. Certainly, the state must also provide aid to local governments as long as the state controls most revenue sources and restricts through exemptions the property tax. However, the system must be balanced, and ours is not. We are the highest in the United States in terms of local aid — and you wish to push even higher?

In order to move toward balance, I have reduced the growth in shared revenues this year to 9.7% by vetoing $13.2 million. I have repeatedly warned local governments not to count this year on all the money they might have received in good times. If they did not heed that warning, they have five months to adjust and will have to use some of their surplus and reserves.

I have increased the direct property tax credits in each year of the biennium by a total of $59 million over what the bill contained. The taxpayer has that coming! Also, he needs it more than the government.

And I have effectively vetoed in its entirety the 1982 shared revenues appropriation. This will permit you to review the appropriate level of funding at the same time you review the impact of federal reductions on the sick, the poor and the elderly this fall. I will offer a fair and equitable proposal on shared revenues before that session, but a double digit increase does not fall within my definition of "fair."

Legislators in the majority ask why we should worry about these tax credit declines as long as shared revenue growth continues. The answer is simple. If you truly wish to provide property tax relief, the only sure way is to give it directly to the taxpayer. Otherwise you will get what we see and hear now, namely double digit increases going to local government, while at the same time they are saying they will be forced to raise local taxes. How long will you participate in allowing this to go on? It is a deception.

Should the tax spenders continue to receive large aid increases year after year at the expense of the taxpayers? Should state aid be funneled through a middleman in hopes that some of it will be used to reduce property taxes; or should property tax relief be guaranteed by providing it directly to the taxpayer? What I am asking is that our tax relief strategy be balanced so that local governments and taxpayers share equitably in a biennial appropriation of about $1.6 billion.

One aspect of the legislature's cut in property tax credits particularly disappointed me. I had proposed that we replace an outdated and complex general property tax relief formula with a simple, 20% credit aimed at reducing school taxes. Legislators have campaigned on school tax relief for years. The Democratic and Republican parties have often advocated it in their state platforms.

Resistance to my school tax credit, however, was strong among some majority legislators. As a result, even with my vetoes, less will be done to directly relieve the school tax burden than I proposed. The elderly, the farmer, the working person does not mind paying property taxes for property-related services, but they do object to the high cost of funding schools through the property tax. The school tax credit responded to these concerns. I am committed to increasing direct school property tax relief

in the future as funds are available, because of my firm belief that public support for our schools will continue to erode if this is not done!

Economic Recovery Package

In my revenue message last January, I proposed that Wisconsin federalize capital gains taxation, provide an exclusion for the first $400 of a couple's interest and dividend income, and completely exempt interspousal transfers from inheritance and gift taxation. I also proposed a self-funded reduction in the retailer's sales tax discount to compensate small businesses burdened by mandated paperwork. In response to likely congressional action, I later added accelerated depreciation to my economic recovery package and offered a series of tax changes to fund the reforms.

The legislature added numerous tax increases to the budget, while stripping away many of the positive tax reductions. One year of the interest exclusion and part of the benefits of capital gains and depreciation changes were among the items removed. Most significantly, for the second time in three years, the legislative majority refused to enact the marital tax reform needed to eliminate the inheritance tax for recent widows or widowers. How many more years will farm and small business men and women, especially women, be held hostage from meaningful inheritance tax reform for individual legislators' pet programs? It is wrong for the state to take inheritance tax on an estate that was built by a husband and wife as a team.

As the budget reached my desk, it contained almost $120 million in 1981-83 tax increases for business, not including excise and gas taxes. The corresponding tax cuts were modest at best — $29.5 million.

Here in Wisconsin and the Midwest, we are haunted by an aging industrial base and face the real danger of following the Northeast into economic decline. Yet this legislature has chosen to increase substantially the tax burden on our state's productive industrial and business sector.

To change this state's economic course and to set the stage for job creation for the rest of the decade, Wisconsin badly needs the capital gains and depreciation relief contained in this budget. And I have approved them. However, the full benefits of these changes will not be realized as long as the budget also contains a plethora of tax increases.

Some of these changes are poorly conceived. Requiring reinvestment of capital gains in Wisconsin sounds good, but is unworkable and confusing. Similarly, restricting deductions for business entertainment may have popular appeal, but the fiscal dividends reaped are badly overstated and would be burdensome for the taxpayer. Both are easily avoided by big business who have computers and highly paid attorneys and accountants on their staffs, but will hit hard those who do not.

Other tax increases in the budget are short-sighted and counterproductive. It makes little sense to reduce capital gains taxes on the one hand and then treat them as a minimum tax preference item on the other. When we are encouraging Wisconsin firms to compete in a worldwide economic environment, it makes little sense to deny the deduction for foreign taxes paid. We should encourage our businesses to aggressively penetrate foreign markets to provide new jobs here at home, and not penalize them when they are successful.

If one realizes that small businesses are at the heart of the job creation process, it is similarly unwise to increase the annual corporate filing fee, making it more difficult to start a new business.

Finally, some of the provisions of the legislature's budget were clearly punitive in nature. Excluding utilities from using accelerated depreciation at the same time that the utility tax credit is being repealed is simply unfair. Besides who would ultimately pay for that? The people!

The excess profits tax on oil companies is in fact dangerous as well as a deception. I share people's resentment of high oil company profits! But this tax proposal is not only of questionable legality, it is easy for the oil companies to avoid.

Every single legislator knows that not one single penny will be added to the revenues of this budget by this proposal because of legal cases already in court in other states and because of the ease with which major oil companies can avoid this tax or circumvent it in Wisconsin. This is a fraud upon serious and concerned citizens who have been led to believe that this item will bring dollars to our treasury. I tell them true and directly again, not one single cent would be added to our revenues to help us with this budget.

But more importantly, I believe the big oil companies would be able to use this tax on our books as justification to sell their product in states where no such tax exists when we again find ourselves faced with a shortage of fuel supplies. That day is inevitably coming again. In fact, one major Middle East crisis could bring this problem to us before this year is out.

I cannot risk jeopardizing the fuel supply of our citizens, our agricultural sector, our tourism sector, and our harsh winter heating needs in order to gain a popular political position. Already Texaco is withdrawing from our north, and Arco from the state. In times of shortage, it is the big oil companies and not the independents who control, manipulate and direct the supplies. Even the 4% "set aside" authority of governors has been removed by the federal government. This tax at this time is not in the best interests of the people of Wisconsin. There will be ample time to look at this kind of tax after the courts have finally spoken and if the federal government assures a distribution requirement that guarantees Wisconsin its fair share of fuel oil and gasoline.

In total, I am recommending about $44 million in vetoes of tax increases. Most of these vetoes are needed to restore balance to a tax package that used capital gains and accelerated depreciation as an excuse to raise additional revenue to fund unrelated spending.

One of these vetoes, restoring current law treatment of the 12% property tax credit, is simply a matter of good faith. We repealed the property tax deduction last session with assurances that the 12% credit would more than compensate for this change. People made home purchasing decisions with the credit figured in. We must not now break our word.

Some of you will criticize this as being unduly partial to business. In fact, I am partial to jobs, as is every citizen who is without one or fears for his or her present one. Even after these changes, the effect of this budget will be to raise business taxes by almost $60 million over the biennium. When you return in fall to complete this task, remember that business and industry has already put in its increase to help this state's tax needs.

Indexing

Cutting capital gains taxes and adopting accelerated depreciation will do much to create future jobs for the working men and women of Wisconsin. But the largest tax cut in this biennium — the tax cut that will leave over $400 million in the pockets of state taxpayers — is a "hidden" tax cut; at last, a hidden tax cut rather than hidden tax increase.

Yet it is the most important tax cut of all. Two years ago, we inflation-proofed our state income tax. By doing so, we stopped the "bracket creep" that had continually robbed lower-middle and middle income taxpayers. We ended the charade that increased taxes even though no legislator voted to do so. Taxation by inflation is out, and taxation by representation is back in.

This change is not popular with the spenders. This spring, some legislators tried to quietly bring back the days of secret, unlegislated tax increases. They failed. No doubt, they will try again in October. For those with such intentions, a warning: this governor will oppose any and all efforts to tamper with income tax indexing. It is the only protection that the working people of Wisconsin have, and it is the only means available to limit government growth. Now let us urge the federal congress to follow Wisconsin's leadership.

Bonding

The bill presented to me authorizes $489.4 million in new borrowing by the state. This includes bonding for pollution abatement, highway construction, student loans, harbors, health education loans, combined sewer in Milwaukee, and the state building program. This is to be added to the $2.8 billion total indebtedness of our state. That has got to begin to worry some of you.

The purpose and public interest of the building projects involved is clear. I previously endorsed most of them. However, the continuing high interest rates and the projections for a very slow economic recovery forces me to review where this state is headed in the next few years. Our decisions in long term borrowing will clearly impact on future generations. Is this the time to continue borrowing and building?

I have decided to veto the authorization for $118 million in bonding projects for the state building program. Without new legislative authorization, only critical projects will be constructed. I think it essential that as we reduce aids to local governments and cut social services programs, and as the people defer major purchase decisions while inflation eats at what dollars they have, government restrain borrowing and building as well.

Because I hold the highway system as an essential element of the economic development triad, and because the license fee increase will pay the freight, I have approved the $67 million in highway construction bonding.

I also am approving the bonding for the Milwaukee combined sewer overflow because I now have agreement from most of the key actors in the area, including Mayor Maier, County Executive O'Donnell, legislators, labor, business and many suburban officials to support a specific new governing set up for the sewer commission which has been a major stumbling block in getting on with the necessary sewer projects. The legislature can change the governance law in October.

I have also approved the related non-point pollution appropriation. If all the state is to assist Milwaukee with its sewer problem, then it is appropriate to attach to it a program which provides assistance with the key pollution problem out-state.

Transportation

The legislature sent me a comprehensive transportation package. It is an essential part of any economic development program and I laud the legislature for facing up to the issue, at least short range. I have approved the gas tax increase, the license fee increase and the bonding authorization for major projects. Again in this session there developed sharp disagreements over two long nagging transportation issues:

First, how much money is needed to sustain the existing transportation system in an era of fuel efficient vehicles and driving conservation, and how it can be financed. Also at issue is whether highway users should be expected to pay for dependent transportation.

Secondly, how should the state financially assist local transportation, especially local roads? Are current levels adequate, is the aid split between urban and rural communities fair? How do general purpose shared revenues and property tax relief figure into the transportation aid picture?

Short-range compromise decisions, but not long-range answers were provided in this budget. These controversial issues will rise again in the 1983-85 budget session, and in each budget thereafter until long-range policy answers are found and adopted.

Therefore, I will shortly appoint two Blue Ribbon Commissions to thoroughly study these issues — one for transportation revenue and the other for local aids.

These commissions will be broadly representative, and will include citizen members, local officials, representatives of transportation associations and users, legislators, and cabinet secretaries. The chairperson of each commission will be a respected public member who possesses no direct financial interest in the relevant issues.

Each commission will thoroughly study the issues, solicit the ideas of the public, chart a long-range policy direction, and make its report by December 1, 1982.

Several provisions in the transportation program have been vetoed. There is a tendency to blur the separation of responsibilities between the legislative and executive which in the long run could increase the cost and reduce the quality of transportation services. I have vetoed the Transportation Projects Commission, the priority designation of major highway projects, and the specific

designation of projects. Let us not return to a system of political and pork barrel determination of road and bridge projects!

Because law enforcement personnel believe so strongly that two license plates assist them in their vital duties, I have vetoed the provision authorizing only one license plate. I expect a study to be completed before the next budget is submitted on the impact on law enforcement in the 19 states which have a one-plate system. With the amount of vehicle theft and the amount of vehicle usage in the committing of a crime, this is not a step to be taken casually and in opposition to law enforcement recommendations.

Medicaid

Despite almost everyone's best efforts, Medicaid continues to drive the social services budget. All sources included, Wisconsin will be spending over one billion dollars this biennium on nursing homes alone. We are now at a point where the tax costs to serve 35,000 nursing home residents averages $15,000 per year and the total budget is one half the budget of the entire University System which serves 145,000 persons. I give you this comparison to alert you to the magnitude and the seriousness of this element in our human services programs. I attempted to cut back on optional services; the legislature restored several. I have vetoed those items reachable, including podiatry and psychotherapy, in an attempt to limit to the truly needy the services they need most. Another veto will expand the number of services requiring a modest co-payment. In the October session, I intend to recommend a Medicaid program which will more closely match my original proposals in those areas not reachable by the item veto, and will take into account federal changes.

This budget does provide an opportunity to try to slow the growth in nursing home and hospital expenses for Medicaid eligible persons. The community options program is endorsed. A moratorium on major new projects which increase the number of beds is included. This should buy us a little time. We must use it to discover a way to control this growth and develop effective alternatives. Hopefully federal changes will permit greater flexibility in providing services and better targetting of this incredible, growing budget expenditure.

Despite the size of vetoes, we must do still more. While this budget calls for funding which implies 8% increases each year of the biennium for nursing home reimbursement, I will not approve increases averaging more than 7% each year. This should produce an $4 - $5 million savings in the biennium. This will not be popular, but it is absolutely necessary. With state agencies not getting increases and with our inability to afford more than this, I see no other choice. You will have an opportunity to review that too in fall.

Corrections

The legislature presented me with a wide-ranging package to deal with the severe overcrowding in our prisons. It authorizes short term relief for maximum security problems through contracting with Minnesota and longer term relief with a new 300 bed medium security prison on state land in Winnebago County. All of which I have accepted. I have carefully reviewed all the other elements and vetoed several which I believe inadequately protect the safety of the people, including shortened parole discharge and the earning of "good time" while on parole.

Both the newly authorized prisons and the Portage prison remain years away. Portage could be pushed much farther down the road than any of us believe as every legal roadblock possible is placed in its way. Unfortunately, real fast track authority which would have speeded construction while meeting the goals of state laws was rejected. A modest version which sets time limits on the environmental impact statement injunction hearings was included for the Oshkosh site. I have item vetoed a provision in order to make it applicable to Portage as well. I have done so because the one key issue in this area which concerns me most is "time." Time is not on our side, and I will do anything I can to gain even a month in the process of providing good, safe, humane and effective prison facilities.

Education

Once again, through this budget, Wisconsin recognizes its responsibility in the education of our youth. On this the governor and the legislature agree. School aids will increase at about the level I recommended, 7.8% in the first year, and 12.5% in the second. My one regret is that the Joint Finance Committee, when it removed policy from the budget, removed the comprehensive look at state mandates on local schools. I say again that these need to be reviewed badly. They create as many problems as they solve in some instances. Setting aside my mechanism for forced review does not make the problem go away.

Two actions will help us meet the responsibility of ensuring students are progressing in their education. The State Superintendent is authorized to develop valid competency tests for grades 3, 7, and 10. There is no mandate on local schools to use them, but they will be available on request. I believe competency testing is essential if students as well as parents and teachers are to know how students are doing, and know in time for corrective action to be taken.

Secondly, the legislature adopted my proposal to deal with youth unemployment and drop-outs. The youth initiatives program will bring together services of educational institutions, all levels of government, private industry, and community based organizations to focus on drop-out prevention and to assist currently unemployed youth in a carefully targetted program of basic skills education. There is absolutely nothing this legislature could do that is more important to the future than to help provide the young with the tools to learn; namely, reading, writing and counting.

Looking Toward October

As I indicated earlier, this budget is not complete until we act in the fall on the issues I have raised by my vetoes and on the federal cuts. We must be ready to deal with shared revenues, with Medicaid and with the myriad of federal block grants. SSI remains my personal highest

priority because those affected are the most defenseless and the most in need.

I repeatedly asked the legislature to deal with the applied receipts problem in community aids to prevent automatic state pickup of reductions in federal aid. It refused, but again the problem doesn't go away. Therefore, in order to ensure that community aids are considered by elected officials in the priority setting environment of the fall session, I have vetoed in full the applied receipts appropriation.

We can make the Fall session as special interest and self-interest dominated as the process has been up to this point, or we can work together for what is in the long term best interest of the state and its people. I will make specific proposals on each of the issues and my administration stands ready to work with legislators of both parties to do the duty we each were elected to perform. However, I insist again that the minority party must be given a reasonable and some proportionate role in the process. I urge majority leadership not to force their minority legislative colleagues to make their input through my veto power.

The fall session is a second chance for the legislature, majority and minority, to regain control of programs, taxation, and spending in the name and best interests of the people. I am still one of those, optimistic enough to believe it is possible for a two party legislature to produce a bill requiring no veto at all because it is responsible and good for the people.

Thank you.

Part 2: Speaker's Referral

September 25, 1981

To The Honorable Assembly:

I am today making the following referrals of those parts of Chapter 20, *Laws of 1981* (Assembly Bill 66, the Biennial Budget Bill), not approved by the Governor. I had hoped to do so much earlier, but for reasons outlined below, this proved impossible.

In the ordinary course of events, a Governor's veto message and the published slip law outlining the specific vetoes can be easily reconciled. In these ordinary cases, the specification of the questions that face the Legislature is a simple, ministerial task. In this case, however, the task is far different due to the enormous number of discrepancies between these two documents. In some cases, the discrepancies are of such a magnitude that serious questions exist as to whether portions of the Governor's veto message are constitutionally adequate. Let me explain.

Article V, Section 10 of the Wisconsin Constitution creates the Governor's partial veto power over appropriation bills. It provides, in part:

> Appropriation bills may be approved in whole or in part by the Governor, and the part approved shall become law and the part objected to shall be returned in the same manner as provided for other bills.... If any bill shall not be returned by the Governor within six days (Sundays excepted) after it shall have been presented to him, the same shall be a law unless the legislature shall, by their adjournment, prevent its return, in which case it shall not be a law.

In *State ex rel. Kleczka and Shabaz v. Conta*, 82 Wis. 2d 679, 264 N.W. 2d 539 (1978), the Wisconsin Supreme Court said that this provision does not require that a copy of the vetoes be returned to the house of origin. However, it did set forth the minimum conditions that the Governor's veto message returned to the house of origin must meet. In particular, the Court held:

> What must be returned and that which is the *sine qua non* for further legislative action is the Governor's recitation of the portions of the bill he has refused to approve and the reasons therefor.

The Court continued by explaining its reason for this requirement. It said:

> What is necessary for the legislature to proceed with a vote to override a veto is a written objection by the Governor addressed to the legislature which may be entered in the legislative journal with sufficient completeness that the legislature knows the nature and scope of the Governor's objections.

Given the fact that the Legislature traditionally considers various item vetoes to a bill separately, casting several separate votes rather than a single vote, it is obviously crucial that the Legislature know without ambiguity exactly what questions are before it.

As Justice Connor T. Hansen noted in his opinion in *Kleczka and Shabaz* (concurring in part, dissenting in part):

> The absence of any formalized or consistent procedure has, in part, made this litigation necessary and is likely to contribute to future litigation .... (W)e are concerned here not only with the integrity of the Legislative process itself, but also with the provisions of the constitution authorizing the exercise of the partial veto power....
>
> The dignity and integrity of the legislative process would be better served, and future litigation avoided, by the establishment of procedures to guarantee at least a minimum of regularity in the return of a partial veto to the originating house.
>
> [T]he extraordinary character and far reaching consequences of the act of veto are some indication of a necessity that it shall be exercised with a regularity and orderliness commensurate with its importance. *Tuttle v. Boston*, 215 Mass. 57, 60, 102 N.E. 350 (1913).

In the case of ch. 20, the Governor's recitation of the portions of the Bill he has refused to approve, as shown in the veto message delivered to the Assembly, is replete with errors. These errors include the "unvetoes," 17 missing vetoes, at least 140 SECTIONS of the Bill purportedly vetoed but not referenced in the message, objections which are irrelevant to the SECTIONS cited, typographical errors in the list of SECTIONS cited in many items and miscellaneous other problems.

The Governor says that he tried to deliver a corrected copy of the message to the Assembly after the delivery of his official message. This attempt, however, was made after the expiration of the constitutionally prescribed six-day period for the return of such messages. Further, the purported corrected version of the message itself contains errors and omissions. In my opinion, therefore, the purported, corrected message is a legal nullity.

There is a substantial body of case law which holds that if a Governor fails to list his objections in his message to the Legislature, his vetoes are ineffective [28 OAG 423 (1939)]; *State ex rel. Link v. Olson*, 286 N.W. 2d 262 (N.D. 1979); *Welden v. Ray*, 229 N.W. 2d 706 (Iowa 1975); *State ex rel. Browning v. Blankenship*, 154 W. Va. 253, 175 S.E. 2d 172 (1970); *Arnett v. Meredith*, 275 Ky. 223, 121 S.W. 2d 36 (1938). Given these cases and the standards set in the *Kleczka and Shabaz* case, there is a significant potential for litigation on the issue of the effectiveness of the Governor's vetoes. Because of the importance of vetoes and the case law governing it, I did not approach the task of reviewing the Governor's veto message lightly.

With the large number of errors and omissions in the Governor's veto message, an elaborate process was necessary to try to determine the Governor's intent. In order to make these referrals, the following process was used to try to determine the scope of the Governor's

objections — that is, which strike-throughs in the Act delivered to the Secretary of State relate to which item in the veto message — in each item of the veto message and to describe it in such a way that the question can be put to the Assembly without ambiguity.

1. First, the message was gone through, item by item, and each SECTION of the Bill purportedly affected by that item was reviewed. On a copy of the slip law, each SECTION was marked with the item number to which it purportedly related.

2. Next, the Bill was gone through, SECTION by SECTION, to identify SECTIONS which had strike-throughs but which had not been referenced in the message.

3. In cases where the vetoed SECTIONS found in Step 2 appeared to relate to one or another item in the message, it was tentatively added to the list of SECTIONS affected by that item. Where no such item could be found, that fact was noted and the advice of the Attorney General was sought.

4. In many cases, the SECTIONS cited as vetoed in the message were found not to have any strike-throughs in the Act delivered to the Secretary of State. The advice of the Attorney General has been sought on the status of these SECTIONS. As an interim measure, I have tentatively referred them while awaiting the Attorney General's advice.

5. In other cases, a SECTION was cited for several items. In some of these cases, the reference was apparently wrong since the SECTION appeared to be wholly unrelated to the objections given for that item in the veto message. In these cases, the irrelevant reference was stricken from the item. In other cases, the strike-throughs in these SECTIONS related to more than one item. Where possible, I tried to unambiguously define what stricken language appeared to relate to each item. In a few cases, however, it was impossible to do so for one or more reasons. I have discussed these problems in more detail below with my referrals of veto items.

The process described here was long and laborious. It involved many judgments on what the Governor meant, rather than simply a ministerial review of what he did. Consequently, there is no guarantee that the corrections made, and assignments of particular SECTIONS to particular veto message items corresponds exactly to the Governor's intent. Hopefully, this process has minimized the number of problems. However, the existence of any such discrepancies demonstrates the problems warned of by Justice Hansen in the *Kleczka and Shabaz* decision when informal and disorderly procedures are used for such important matters.

Finally, it appears in some cases that the Governor lumped together several discrete provisions in a single item that would more appropriately be treated separately. In several of these cases, I have, in order to enhance the Legislature's ability to express its will on such combined provisions, divided the items into separate questions. In doing so, I have attempted to ensure that each division is capable of separate enactment as a complete and workable law. Further, I have attempted to avoid dividing whole SECTIONS of the Bill, except as necessary to ensure compliance with the complete and workable law standard, or to enable the Legislature to act independently on logically separable issues.

In the referrals below "SECTIONS" refer to SECTIONS of the Bill and "sections" to sections of the statutes.

Part 3: Vetoed Items

Subject Area 1. AGRICULTURE

Item 1-A: Barron Animal Health Lab

Governor's written objections.

Section 127s

This provision would require the Department of Agriculture to maintain its one regional animal health laboratory in Barron County. It is an unnecessary restriction on the department's administrative flexibility to address the 8% state operations reductions. The veto does not mean the department will close the laboratory, only that it can set its own priorities within the fiscal guidelines established by the state legislature.

Speaker's referral.

In his veto message, the Governor says that he has vetoed SEC. 127s. However, it appears that the item is actually comprised of SEC. 1271s of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

1-A: *Barron Animal Health Lab* [Chapter 20 Sections: 1271s].

As passed by the Legislature, the 1981-83 biennial budget required the Department of Agriculture, Trade and Consumer Protection to maintain a regional animal health laboratory in Barron County. The Governor's item veto deleted this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1271s. 93.07 (9) of the statutes is created to read:~~ **Vetoed in Part**

~~93.07 (9) ANIMAL HEALTH LABORATORY. To maintain a regional animal health laboratory in Barron county.~~

Subject Area 1. AGRICULTURE

Item 1-B: Brucellosis Indemnities

Governor's written objections.

Section 1273h

My veto of this provision retains American bisons on a list of animals for which the state will make indemnity payments for brucellosis when the animals are condemned by the state to slaughter. The Finance Committee and I already approved "emergency" indemnities of roughly $15,000 GPR for an infected herd of American Bison in early 1980. Bison can become infected with brucellosis, can transmit the disease to other bison and cattle, and can be classified as reactors and condemned to slaughter. It is inequitable to provide indemnity for the slaughter of only selected animals when the reasons are similar. There are less than 2,000 American Bison currently in Wisconsin. The program restricts indemnities to no more than $300 per animal. Thus the cost potential is not overwhelming.

Speaker's referral.

This item is comprised of SEC. 1273h of the Bill.

Referred to the Committee on Agriculture and Nutrition.

Fiscal Bureau summary.

1-B: *Brucellosis Indemnities* [Chapter 20 Sections: 1273h].

As passed by the Legislature, the 1981-83 biennial budget provided that the Department of Agriculture, Trade and Consumer Protection may destroy American bison under the provisions of its Brucellosis Control and Indemnity Program to prevent the spread of the disease to other domestic animals. However, no indemnity payments could be paid for the slaughtered American bison. The Governor's item veto deleted the section which would have prohibited the Department from paying indemnities on slaughtered American bison.

FISCAL CHANGE TO ENROLLED AB 66: Unknown

Cited segments of 1981 AB-66.

~~SECTION 1273h. 95.48 (1) (f) of the statutes is created to read:~~ **Vetoed in Part**

~~95.48 (1) (f) On American bison.~~

Subject Area 1. AGRICULTURE

Item 1-C: Soil and Water Conservation

Governor's written objections.

Section 1271g

This veto restores our current soil and water conservation policies.

Loss of the state's soil resources is a long-term crisis. Wisconsin needs to reinvigorate and upgrade its soil conservation program, but it must do so in a way that accomplishes this purpose. It is responsible to take the time necessary to carefully design, and where necessary redesign, a program to achieve wide public support and a stable, effective future. A great deal of work by some legislators and state agencies has gone into the proposal added to the budget bill. However, the issue is deserving of more thorough legislative consideration and broader public input than has been provided in the budget process. We have the time to do it well, we should take advantage of that opportunity.

Speaker's referral.

In his veto message, the Governor says that he has vetoed only SEC. 1271g of the Bill. It appears that the vetoed language appearing in the following SECTIONS was intended to be included in this item as well: SECS. 27g, 27r, 30c, 30g, 30m, 30p, 30t, 30x, 51g, 51r, 123g, 123n, 123r, 656p, 673t, 987t, 989g, 989r, 994m, 1193m, 1195m, 1196m, 1267m, 1269m, 1401m, 1537m, 1816m, 2003, 2200 (3), 2201 (3) (a), 2201 (3) (b), 2204 (3) (a), 2204 (3) (b) and ss. 20.115 (7) (c), 20.115 (7) (g) and 20.855 (2) as created in SEC. 120sm of the Bill.

The Governor has indicated that his veto of the appropriation in s. 20.855 (2) was inadvertent. To allow this error to be corrected, I have divided this item in the following way:

[See Items 1-C.1 and 1-C.2]

Fiscal Bureau summary.

1-C: *Soil and Water Conservation*

As passed by the Legislature, the 1981-83 biennial budget would eliminate the Board of Soil and Water Conservation Districts (BSWCD), transfer its soil conservation responsibilities to the Department of Agriculture, Trade and Consumer Protection (DATCP) and create an advisory Land Conservation Board, effective July 1, 1982. In addition, the biennial budget would provide funding in 1982-83 through a transfer of $155,800 GPR, $8,500 FED and 6.0 GPR positions from the UW-Extension to DATCP for program operations and the transfer of $464,600 GPR from a miscellaneous appropriation to DATCP for aids to local soil conservation agencies. Further, the biennial budget, as passed by the Legislature, would eliminate local soil and water conservation districts and provide instead for land conservation committees appointed by each county board and accountable to the county board for administration of soil conservation programs. Finally, the biennial budget would create a Soil Erosion Control Program and would require the local land conservation committee to plan for soil erosion control efforts.

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 1. AGRICULTURE

Item 1 C.1 *Board of Soil and Water Conservation District Aids*

Governor's written objections.

[See Item 1-C.]

Speaker's referral.

This item is comprised of s. 20.855 (2) as created in SEC. 120sm of the Bill and the veto of the language "and" and "the repeal of section 20.855 (2) of the statutes by this act" in SEC. 2204 (3) (a).

Referred to the Committee on Rules.

Fiscal Bureau summary.

1. *District Aids* [Chapter 20 Sections: 120sm (s. 20.855 (2)) and 2204 (3) (a)].

The Governor's item vetoes eliminated $464,600 GPR in 1981-82 for aids to local soil and water conservation districts for administering local soil conservation programs.

FISCAL CHANGE TO ENROLLED AB 66: -$464,600 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83	
20.855 MISCELLANEOUS APPROPRIATIONS					
(2) BOARD OF SOIL AND WATER CONSERVATION DISTRICT AIDS					
(a) Soil and water conservation district aids	GPR	A	464,600	0	Vetoed in Part
(m) Soil and water conservation districts--federal funds	PR-F	C	0	0	
(2) PROGRAM TOTALS					
GENERAL PURPOSE REVENUES			464,600	0	
PROGRAM REVENUE			0	0	
TOTAL-ALL SOURCES			464,600	0	

SECTION 2204. **Effective dates.**

(3) AGRICULTURE, TRADE AND CONSUMER PROTECTION. **Vetoed in Part**

(a) *Soil and water conservation.* The treatment of sections 15.07 (1) (b) 8 and (5) (h), 15.131 (4), 15.135 (4), 15.911 (1), 15.915 (1), 20.115 (7) (title), (a), (b), (c) and (m), 33.28 (2), 36.25 (7), 59.47 (2m), 59.972, 59.978 (2) and (3), 60.18 (22), 80.39 (2), 84.02 (3) (a), 84.11 (3), 91.13 (8) (d), 144.251, 236.12 (2) (c) and 893.73 (1) (c) and chapter 92 of the statutes by this act, the repeal of section 20.855 (2) of the statutes by this act and SECTIONS 2200 (3) (a) and 2201 (3) (a) of this act take effect on July 1, 1982.

Subject Area 1. AGRICULTURE

Item 1 C.2 *Soil and Water Conservation Policies*

Governor's written objections.

[See Item 1-C.]

Speaker's referral.

This item is comprised of the balance of the item listed above. [See Item 1-C.]

Referred to the Committee on Agriculture and Nutrition.

Fiscal Bureau summary.

2. *Soil and Water Conservation Policies* [Chapter 20 Sections: 27g, 27r, 30c, 30g, 30m, 30p, 30t, 30x, 51g, 51r, 120sm (s. 20.115 (7) (c) and (g)), 123g, 123n, 123r, 656p, 673t, 987t, 989g, 989r, 994m, 1193m, 1195m, 1196m, 1267m, 1269m, 1271g, 1401m, 1537m, 1816m, 2003 (1) thru (9), 2200 (3) (a), 2201 (3) (a) and (b) and 2204 (3) (b)].

The Governor's item vetoes eliminated most sections of the biennial budget act which relate to modification of soil conservation programs, including: (1) the transfer of state soil conservation activities to DATCP, the creation of a Land Conservation Board and the elimination of the BSWCD; (2) the creation of a state Soil Erosion Control Program; and (3) the modification of the structure of local soil conservation agencies. Further, because the Governor did not veto those sections which provide $155,900 GPR and $8,500 FED to DATCP in 1982-83 for operating costs and $464,600 GPR to DATCP for aids, and because no statutory authority exists in the 1981-83 biennial budget act, as affected by the Governor's vetoes, under which DATCP could expend these monies, further clarification of the purposes for which these funds could be utilized would be necessary.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 27g. 15.07 (1) (b) 6 of the statutes is repealed.~~

~~SECTION 27r. 15.07 (1) (b) 8 of the statutes is created to read:~~ **Vetoed in Part**

~~15.07 (1) (b) 8. Land conservation board.~~

~~SECTION 30c. 15.07 (5) (h) of the statutes is amended to read:~~

~~15.07 (5) (h) Voting members of the land conservation board of soil and water conservation districts, $15 $25 per day.~~ **Vetoed in Part**

~~SECTION 30g. 15.07 (5) (n) of the statutes is repealed.~~

~~SECTION 30m. 15.131 (3) of the statutes is repealed.~~

~~SECTION 30p. 15.131 (4) of the statutes is created to read:~~

~~15.131 (4) LAND CONSERVATION BOARD. The land conservation board shall have the program responsibilities specified for the board under ch. 92.~~

~~SECTION 30t. 15.135 (3) of the statutes is repealed.~~

~~SECTION 30x. 15.135 (4) of the statutes is created to read:~~

~~15.135 (4) LAND CONSERVATION BOARD. (a) *Creation.* There is created a land conservation board which is attached to the department of agriculture, trade and consumer protection under s. 15.03.~~

~~(b) *Members.* The board consists of:~~

~~1. The secretaries of administration and of agriculture, trade and consumer protection or their designees;~~

~~2. Three members of county land conservation committees designated biennially by the county land conservation committees at their annual meeting in even-numbered years, appointed for 2-year terms; and~~

~~3. Two public members appointed for staggered 4-year terms.~~

~~(c) *Advisory members.* The board shall invite the U.S. secretary of agriculture to appoint a representative of the soil conservation service and a representative of the agricultural stabilization and~~

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conservation service to serve as advisory members of the board. In addition, the board shall invite the dean of the college of agricultural and life sciences of the university of Wisconsin-Madison, the secretary of natural resources and the director of the university of Wisconsin extension to serve or appoint a person to serve as an advisory member of the board.

(d) *Vacancies.* If one or more of the county land conservation committee member positions on the board is vacant, the chairperson may call a special meeting of the committees to fill the vacancies, but vacancies may be filled only if a majority of the committees are represented at the special meeting.

SECTION 51g. 15.911 (1) of the statutes is repealed. **Vetoed in Part**

SECTION 51r. 15.915 (1) of the statutes is repealed.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83	
20.115 AGRICULTURE, TRADE & CONSUMER PROTECTION, DEPARTMENT OF				
(7) LAND CONSERVATION				
(c) Erosion control program aids	GPR	A	0	0 **Vetoed in Part**
(g) Soil and water conservation--gifts and grants	PR	C	0	0

SECTION 123g. 20.115 (7) (b) of the statutes is created to read:

20.115 (7) (b) *Soil and water conservation project aids.* The amounts in the schedule for the payment of aids to land conservation committees under s. 92.14. **Vetoed in Part**

SECTION 123n. 20.115 (7) (c) of the statutes is created to read:

20.115 (7) (c) *Erosion control program aids.* The amounts in the schedule for the payment of aids to land conservation committees under s. 92.10.

SECTION 123r. 20.115 (7) (g) of the statutes is created to read:

20.115 (7) (g) *Soil and water conservation — gifts and grants.* All moneys received from gifts, donations, grants, bequests and devises to carry out soil and water conservation activities for the purposes specified.

SECTION 656p. 33.28 (2) (a) of the statutes, as affected by chapter ... (1981 Assembly Bill 244), laws of 1981, is amended to read: **Vetoed in Part**

33.28 (2) (a) One person appointed by the county board who is a ~~supervisor of the county soil and water conservation district~~ member of the county land conservation committee or is nominated by the ~~supervisors of the soil and water conservation district~~ county land conservation committee and appointed by the county board.

SECTION 673t. 36.25 (7) of the statutes is repealed and recreated to read: **Vetoed in Part**

36.25 (7) SOIL AND WATER CONSERVATION. The board is responsible for research and educational programs regarding soil and water conservation. The board shall cooperate with the land conservation board, the department of agriculture, trade and consumer protection and the counties in carrying out its soil and water conservation programs. The board shall prepare annually a written program of activities to be carried out in support of the soil and water conservation programs administered by the land conservation board, the department of agriculture, trade and consumer protection and the counties.

SECTION 987t. 59.47 (2m) of the statutes is amended to read: **Vetoed in Part**

59.47 (2m) Give advice to ~~supervisors of soil and water conservation districts~~ the county land conservation committee and represent ~~them and the district~~ it in all matters, proceedings and actions arising under ch. 92.

SECTION 989g. 59.872 of the statutes is repealed.

SECTION 989r. 59.878 of the statutes is created to read: **Vetoed in Part**

59.878 Land conservation. (1) Each board shall create a land conservation committee by June 1, 1982.

(2) The board may appropriate funds for soil and water conservation and for other purposes relating to land conservation.

(3) The board may adopt ordinances under s. 92.11 regulating land conservation practices to promote soil and water conservation.

SECTION 994m. 60.18 (22) of the statutes is amended to read: **Vetoed in Part**

60.18 (22) ASSISTING SOIL AND WATER CONSERVATION. To raise money to assist in ~~the development of a~~ soil and water conservation ~~district including or~~ benefiting all or a portion of ~~such~~ the town ~~or in promoting the program of such a district~~, and to authorize the town board to expend ~~said~~ money for ~~such~~ these purposes or to pay all or part of ~~said~~ the money to ~~such soil and water conservation district~~ the county land conservation committee to be expended by it for ~~such~~ these purposes.

SECTION 1193m. 80.39 (2) of the statutes is amended to read: **Vetoed in Part**

80.39 (2) NOTICE. Upon such petition the county board or the commissioners appointed by the board shall give notice of the time and place they will meet to decide ~~thereon, which~~ on the petition. The notice shall be published as a class 2 notice, under ch. 985. ~~Such~~ The notice shall also be given to the department of natural resources and to the ~~board of soil and water conservation districts~~ department of agriculture, trade and consumer protection by serving a copy upon the secretary of natural resources and by serving a copy upon the secretary of ~~the board of soil and water conservation districts~~ agriculture, trade and consumer protection either by registered mail or personally. If the board appoints a committee to act, the notice shall state the fact and the notices shall be signed by the commissioners, otherwise by the chairman of the board.

SECTION 1195m. 84.02 (3) (a) of the statutes is amended to read: **Vetoed in Part**

84.02 (3) (a) Changes may be made in the state trunk system by the department, if it deems that the public good is best served by making ~~such~~ the changes. The department, in making ~~such~~ the changes, may lay out new highways by the proceeding under this subsection. Due notice shall be given to the localities concerned of the intention to make changes or discontinuances, and if the change proposes to lay a highway via a new location and the distance along such deviation from the existing location exceeds 2 1/2 miles, then a hearing in or near the region affected by the proposed change shall be held prior to making the change effective. ~~Such~~ The notice shall also be given to the secretary of natural resources and to the secretary of ~~the board of soil and water conservation districts~~ agriculture, trade and consumer protection either by registered mail or personally. Whenever the department decides to thus change more than 2 1/2 miles of the system ~~such~~ the change shall not be effective until the decision of the department has been referred to and approved by the county board of each county in which any part of the proposed change is situated. A copy of the decision shall be filed in the office of the clerk of each county in which a change is made or proposed. Where the distance along the deviation from the existing location exceeds 5 miles the change shall constitute an addition to the state trunk highway system. The preexisting route shall continue to be a state trunk highway unless the county board of each county in which any part of the relocation lies and the department mutually agree to its discontinuance as a state trunk highway. Whenever such county board or boards and the department cannot so agree the department shall report the problem to the next ensuing session of the legislature for determination.

SECTION 1196m. 84.11 (3) of the statutes is amended to read: **Vetoed in Part**

84.11 (3) HEARING. Within 60 days of the receipt of a petition under sub. (2) (a) or on its own motion, the department shall fix a time and place for a hearing and give notice of ~~such~~ the hearing by publication of a class 2 notice, under ch. 985, in the vicinity of the proposed bridge project. Notice shall also be given by registered letter addressed to the clerks of the counties, cities, villages and towns in which any part of the bridge project will be located. ~~Such~~ The notice shall also be given to the secretary of natural resources and to the secretary of ~~the board of soil and water conservation districts~~ agriculture, trade and consumer protection either by registered mail or personally. ~~Such~~ The hearing may be held in any county, city, village or town in which any part of the bridge project will be located.

SECTION 1267m. 91.01 (2) of the statutes is repealed and recreated to read:

91.01 (2) "Board" means the land conservation board.

SECTION 1269m. 91.13 (8) (d) of the statutes is amended to read:

91.13 (8) (d) Farming operations shall be conducted in substantial accordance with ~~an approved soil and water conservation district conservation plan. The county soil and water conservation district supervisors shall ensure that such plans are prepared and followed~~ a soil and water conservation plan approved by the land conservation committee of the county board. The land conservation committee shall ensure that these plans are prepared and followed. Deviation from a plan may be allowed, if, in the judgment of the ~~supervisors~~ land conservation committee, personnel are not available to lay out the suggested practices on the land or if the practices are not economical for the owner to adopt.

SECTION 1271g. Chapter 92 of the statutes is repealed and recreated to read:

CHAPTER 92

SOIL AND WATER CONSERVATION

92.01 Name. This chapter is known as the "soil and water conservation law".

VETOED

92.02 Legislative intent. (1) The legislature finds that the soil resources of this state are being depleted by wind and water erosion and that the waters of this state are being polluted by nonpoint sources of pollution. The legislature further finds that these are statewide problems endangering the health and welfare of the state's citizens, its recreational resources, agricultural productivity and industrial base.

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(2) The legislature declares it to be the policy of this state to halt and reverse the depletion of the state's soil resources and pollution of its waters.

(3) It is the intent of the legislature to implement this policy by enacting this soil and water conservation law to:

(a) Encourage coordinated soil and water use planning;

(b) Provide for cost sharing, technical assistance, educational programs and other programs to protect soil and water resources;

(c) Regulate harmful soil and water uses where necessary; and

(d) Establish goals and standards for preservation of soil and water resources.

92.03 Definitions. In this chapter:

(1) "Agency" means any department, agency, board, commission, committee, council, officer, subdivision or instrumentality, corporate or otherwise, of this state.

(2) "Board" means the land conservation board created under s. 15.135 (4).

(3) "Department" means the department of agriculture, trade and consumer protection.

(4) "Landowner" means any person over 18 years of age and any co-partnership, firm or corporation that holds title to land lying within a district whether or not this land is subject to easement, mortgage, lien, lease or restrictive covenant, except that this term does not include any person who is under guardianship, a person who is incompetent or a person who is mentally ill. A person, partnership, firm or corporation is deemed to hold title to land if the person, partnership, firm or corporation has any of the following:

(a) Title as sole owner.

(b) Title as a joint owner.

(c) Title as owner of an undivided interest.

(d) Title as sole or joint trustee or as sole or joint assignee.

(e) A land contract vendee's interest therein.

(5) "Secretary" means the secretary of the department.

92.04 Land conservation board. (1) POWERS. (a) *Hearings.* The board may hold public hearings in the performance of its functions.

(b) *Delegation.* The board may delegate to its chairperson or to one or more of its members any of its powers or duties.

(2) DUTIES. (a) *Advise secretary and department.* The board shall advise the secretary and department on matters relating to exercise of the department's authority under this chapter.

(b) *Review erosion control plans and aid applications.* The board shall review soil erosion control plans prepared under s. 92.10, review aid applications submitted under s. 92.14 and make recommendations to the department on approval or disapproval of the plans or applications and on allocation of funding among the counties.

(c) *Review annual and long-range plans.* The board shall review annual and long-range land conservation plans developed under s. 92.08 and make recommendations to the department on approval or disapproval of the plans.

VETOED

(d) *Advise the university of Wisconsin system.* The board shall advise the university of Wisconsin system annually on needed research and educational programs relating to soil and water conservation.

(e) *Records.* The board shall keep a full and accurate record of all proceedings before it and all actions taken by it.

(3) RULES REVIEW. (a) *Board review.* The board shall review all rules of the department relating to implementation of this chapter prior to promulgation.

(b) *Submission for review.* Before submitting proposed rules to the legislative council staff under s. 227.029, the department shall submit the proposed rules to the board for comment. The board has 30 days to submit comments on the proposed rules to the department.

(c) *Emergency rules.* If the department promulgates an emergency rule under s. 227.027, it shall provide a copy of the rule to the board prior to publication of the rule in the official state paper.

(d) *Hearing.* The chairperson of the board, or his or her designee from the board, may cochair with the department any public hearing held by the department on proposed rules.

(e) *Dissenting report.* The department shall submit to the board a copy of the report required under s. 227.018 (2) on proposed rules. The board may prepare a dissenting report stating its

recommendations on the proposed rules. The board shall prepare any dissenting report within 10 days from the date of receipt of the department's report. The department shall attach the dissenting report to the department's report, send them to the presiding officer of each house of the legislature and distribute copies under s. 227.018 (2). The department shall cause a statement to appear in the Wisconsin administrative register to the effect that a dissenting report of the board was submitted to the presiding officer of each house of the legislature.

(f) *No rule-making power.* The board has no rule-making authority on matters relating to soil and water conservation.

92.05 Department. (1) CENTRAL AGENCY. The department is the central agency of this state responsible for setting and implementing statewide soil and water conservation policies and administering the state's soil and water conservation programs.

(2) POWERS. (a) *Accept gifts.* The department may accept contributions of money or gifts for soil and water conservation purposes.

(b) *Require reports.* The department may require reports from the counties as needed.

(c) *Contract with university of Wisconsin system.* The department may contract with the university of Wisconsin system for soil and water conservation educational and research services.

(3) DUTIES. (a) *Information.* The department shall keep county land conservation committee members generally informed of activities and experience useful to them.

(b) *Development; coordination.* The department shall assist in developing and coordinating the plans and programs of each county.

(c) *Rules.* The department shall promulgate rules governing implementation of this chapter and distribution of state or federal funds by the department to the counties. The department shall comply with the procedures under s. 92.04 (3) in promulgating these rules.

(d) *Advise university of Wisconsin system.* The department shall advise the university of Wisconsin system annually on developing research and educational programs relating to soil and water conservation.

(e) *Studies.* The department shall undertake studies and investigations and make and issue reports and recommendations with respect to state soil and water conservation program needs, including an annual report of its activities during the preceding year and an inventory of current land use and management practices in the state.

(f) *Nonpoint source water pollution abatement.* The department shall perform the duties specified for the department in the nonpoint source water pollution abatement program under s. 144.25 (5).

(g) *Watershed protection and flood prevention act.* The department has responsibility over programs provided by 16 USC 1001 to 1008 relating to the planning and carrying out of works of improvement for soil and water conservation and other purposes.

(h) *Model ordinances.* The department shall make available model ordinances for counties and municipalities concerning regulation and control of land conservation practices as authorized under s. 92.11.

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(i) *Provide staff.* The department shall provide staff to assist the board in performing its statutory duties.

92.06 Land conservation committees. (1) CREATION. Each county board shall create a land conservation committee. The county board shall appoint at least 2 members of the county agriculture and extension education committee created under s. 59.87 (2) to the land conservation committee. The county board may appoint 2 or more persons who are not county board members to the land conservation committee. Each committee member shall serve for a term of 2 years or until a successor is appointed, whichever is longer. Committee members shall be reimbursed for necessary expenses and shall be paid the same per diem as members of other county board committees. The county board may assign other programs and responsibilities to the committee.

(2) DESIGNATED REPRESENTATIVES. The county board shall designate a representative of each county committee with responsibilities related to natural resource management to serve as an adviser to the land conservation committee. The county board shall designate, at a minimum, representatives from any county zoning or land use, forestry, parks and solid waste committees. In addition, the land conservation committee may invite any state, federal or local agency with whom the county or committee has a memorandum of understanding to designate a representative to advise the land conservation committee.

(3) CHAIRPERSON; OFFICERS. The land conservation committee members shall designate a chairperson and such other officers as necessary, and may delegate any powers or duties to one or more committee members or to staff.

(4) RULES. The committee may adopt rules and regulations.

(5) PUBLIC PARTICIPATION. The committee shall actively solicit public participation in the planning and evaluation of soil and water conservation programs.

(6) BUDGET. The land conservation committee is responsible for the preparation of a budget reflecting the cost of the committee's operations and services. The chairperson of the committee may present the budget to the county board as a request for county funding.

92.07 Land conservation committee; powers. (1) ADVISORY STANDARDS. Each land conservation committee, with the approval of the county board, may develop and adopt advisory standards and specifications for management practices to control erosion, sedimentation and nonpoint source water pollution.

(2) DISTRIBUTE FUNDS. Each land conservation committee, with the approval of the county board, may distribute and allocate federal, state and county funds made available to the district for cost-sharing programs or other incentive programs for improvements and practices relating to soil and water conservation on private or public lands, and within the limits permitted under such programs, to determine the methods of allocating such funds.

(3) REVIEW SUBDIVISION PLATS. Each land conservation committee, with the approval of the county board, may review and object to subdivision plats prepared under ch. 236 with respect to provisions for controlling soil erosion, sedimentation and storm water runoff if authorized by county ordinance.

(4) EDUCATIONAL AND OTHER PROGRAMS. Each land conservation committee, with the approval of the county board, may encourage research and educational, informational and public service programs, advise the university of Wisconsin system on educational needs and assist the university of Wisconsin system and department in implementing educational programs under ss. 36.25 (7), 59.87 and 92.05.

(5) PREVENT AND CONTROL MEASURES AND WORKS OF IMPROVEMENT. Each land conservation committee, with the approval of the county board, may carry out preventive and control measures and works of improvement for flood prevention and for conservation, development, utilization and control of water within the county. These preventive and control measures and works of improvement may include, but are not limited to, changes in the use of land and use of engineering operations such as terraces, terrace outlets, desilting basins, floodwater retarding structures, floodways, dikes and ponds, methods of cultivation and the growing of vegetation. These preventive and control measures and works of improvement may be carried out on lands owned or controlled by this state or any of its agencies, with the cooperation of the agency administering and having jurisdiction of the land, and on any other lands within the county upon obtaining the consent of the landowner or the necessary rights or interests in the land.

(6) ASSISTANCE. Each land conservation committee, with the approval of the county board, may cooperate with, enter into agreements with, or furnish financial, technical, planning or other assistance to any agency, governmental or otherwise, or any landowner within the incorporated or unincorporated parts of the county, in carrying out resource conservation operations and works of improvement for flood prevention or for the conservation, development, utilization and protection of soil and water resources within the county.

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(7) OBTAIN PROPERTY. Each land conservation committee, with the approval of the county board, may obtain options upon and acquire, by purchase, exchange, lease, gift, grant, bequest, devise or any other method, any property or rights or interests in property or in water. A land conservation committee, with the approval of the county board, may acquire by eminent domain proceedings under ch. 32 any property or right or interests in property for watershed protection, flood prevention works of improvement, and fish and wildlife and recreational works of improvement. A land conservation committee, with the approval of the county board, may maintain, administer and improve any properties acquired. A land conservation committee, with the approval of the county board, may receive income from these properties and may expend this income in carrying out the purposes and provisions of this chapter. A land conservation committee, with the approval of the county board, may sell, lease or otherwise dispose of any of the committee's property or interests in property in furtherance of the purposes and the provisions of this chapter.

(8) MACHINERY AVAILABILITY. Each land conservation committee, with the approval of the county board, may make available, on terms it may prescribe, to landowners within the incorporated and unincorporated parts of the county, agricultural and engineering machinery and equipment, fertilizer, seeds and seedlings, and other material or equipment which will assist the landowners in carrying on operations upon their lands for the conservation of soil resources, for the prevention and control of soil erosion, for flood prevention, for the conservation, development and utilization of water, or the prevention of nonpoint source water pollution.

(9) STRUCTURES. Each land conservation committee, with the approval of the county board, may construct, improve, operate and maintain structures as may be necessary or convenient for the performance of any of the operations or activities authorized in this chapter.

(10) ADMINISTRATION OF PROJECTS OR PROGRAMS. Each land conservation committee, with the approval of the county board, may acquire, by purchase, lease or otherwise, and administer, any soil conservation, flood prevention, water management or nonpoint source water pollution abatement project or combinations of these projects, and participate in programs concerned with the conservation of natural resources located within the county undertaken by the United States or any of its agencies, or by this state or any of its agencies. A land conservation committee, with the approval of the county

board, may administer, as agent of the United States or any of its agencies, or of this state or any of its agencies, any soil conservation, flood prevention, water management, water quality improvement, nonpoint source water pollution abatement, erosion control, erosion prevention project or resource conservation program within the county. A land conservation committee, with the approval of the county board, may act as agent for the United States, or any of its agencies, or for this state or any of its agencies, in connection with the acquisition, construction, operation or administration of any resource conservation program within the county. A land conservation committee, with the approval of the county board, may accept donations, gifts and contributions in money, services, materials or otherwise from any source and use or expend such moneys, services, materials or other contributions in carrying on its operations.

(11) CONTRACTS; RULES. Each land conservation committee, with the approval of the county board, may make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(12) CONTRIBUTIONS; AGREEMENTS. As a condition to extending any benefits under this chapter to, or the performance of work upon, any lands not owned or controlled by this state or any of its agencies, a land conservation committee, with the approval of the county board, may require contributions in money, services, materials or otherwise to any operations conferring the benefits, and may require landowners to enter into and perform such agreements or covenants respecting the use of land as will lead to conservation of soil and water resources.

(13) ENTER UPON LANDS. A land conservation committee may enter upon any lands within the county to examine the land and make surveys or plans for soil and water conservation without being liable for trespass in the reasonable performance of these duties. This authorization applies to the land conservation committee members and their agents.

92.08 Land conservation plans. (1) PLANS GENERALLY. Each land conservation committee may develop and amend comprehensive long-range and annual plans for the development, use, conservation and management of soil, water and related resources within the county. The long-range and annual plans shall specify in as much detail as is practicable the acts, procedures, performances and avoidances which are necessary or desirable to carry out the plans. A land conservation committee may invite public participation in the development and evaluation of the plans. A land conservation committee may publish the plans and information and bring them to the attention of landowners within the county.

(2) LONG-RANGE PLANS. Each land conservation committee shall prepare a long-range plan which shall include an inventory of natural resources in the county prepared in cooperation with other agencies, a compilation of current resource needs, projections of future resource requirements, priorities for various resource activities, projected timetables, descriptions of available alternatives and provisions for coordination with other natural resource programs developed by other governmental agencies.

(3) ANNUAL PLANS. Each land conservation committee shall prepare an annual plan which describes the programs, services, facilities, materials, working arrangements and estimated funds needed to carry out the parts of the long-range program that are of the highest priorities.

(4) SUBMISSION OF PLANS AND REPORT. Each land conservation committee shall submit, upon completion, its long-range plan, annual plan and an annual report to the board, department and the county board. The committee shall furnish copies of these documents to appropriate counties, municipalities, regional planning commissions, local units of government and state agencies. The committee shall make these documents available in convenient places for examination by the public.

(5) PLAN REVIEW AND APPROVAL. After review of the long-range and annual plan by the board, the department shall either approve each plan or disapprove it and submit recommended changes to the committee. The department may not approve a plan unless the plan is approved by the county board. The land conservation committee shall review the recommendations and resubmit the plan under sub. (4) until it is approved by the department.

92.09 Land conservation committee staff. The land conservation committee may employ a county soil and water conservation director and other staff, subject to the approval of the county board. The county soil and water conservation director is responsible, under the direction of the committee, for the execution of the powers granted to the land conservation committee.

92.10 Erosion control program. (1) CREATION. There is created a statewide erosion control program. The department, board and land conservation committees jointly shall develop and administer this program.

(2) PURPOSES. The purposes of the erosion control program are to:

(a) Conserve long-term soil productivity and protect the quality of related natural resources;

(b) Provide the necessary administrative framework and financial assistance to meet soil erosion control needs of the state;

(c) Focus program resources in areas of the state with the most severe soil erosion problems; and

(d) Assure adequate program evaluation to develop recommendations for improvements in erosion control programs.

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(3) IMPLEMENTATION; DEPARTMENT DUTIES. (a) *Data.* The department shall develop a systematic method of collecting and organizing statewide data related to soil erosion.

(b) *Plan assistance.* The department shall assist land conservation committees in preparing the soil erosion control plans required under this section.

(c) *Plan review.* The department shall review and approve or disapprove soil erosion control plans submitted by the land conservation committees under this section. The department may require land conservation committees to indicate specific projects to be funded under each plan and the related cost-sharing rates. The department may not allocate any cost-sharing funds to a land conservation committee under this section unless its soil erosion control plan is approved.

(d) *Allocate funds.* The department shall allocate funds appropriated under s. 20.115 (7) (c) to the land conservation committees to cover up to 75% of the cost of implementing conservation practices included in soil erosion control plans. The department shall give priority to those areas in which the most severe soil erosion problems are located.

(e) *Report.* The department shall report biennially to the presiding officer of each house of the legislature and the governor on the progress of this program.

(4) IMPLEMENTATION; BOARD DUTIES. (a) *Plan review.* The board shall review soil erosion control plans submitted by the land conservation committees and make recommendations to the department.

(b) *Solicit comments.* The board shall solicit comments on land conservation committee plans from the agencies identified as advisers to the board under s. 15.135 (4).

(5) IMPLEMENTATION; COMMITTEE DUTIES. (a) *Plan preparation.* Each land conservation committee shall prepare a soil erosion control plan which does all of the following:

1. Specifies maximum acceptable rates of soil erosion.

2. Identifies where soil erosion standards are not being met.

3. Identifies the land use changes or management practices which would bring each area of land into compliance with standards adopted by the land conservation committee.

4. Specifies procedures to be used to assist landowners in controlling soil erosion.

5. Establishes priorities for controlling soil erosion.

(b) *Landowner notification.* Each land conservation committee shall notify landowners of the results of any determinations of soil erosion rates, and provide an opportunity for landowners to present information relating to the accuracy of the determinations during preparation of the plan.

(c) *Hearings.* Each land conservation committee shall hold one or more public hearings on the plan.

(d) *Plan submission.* Each land conservation committee shall submit the plan and any request for state funding of up to 75% of the cost of implementing conservation practices included in the plan to the board and department.

(e) *Plan adoption.* Each land conservation committee shall make the approved plan a part of the committee's long-range plan required under s. 92.08.

(f) *Local implementation.* Each land conservation committee shall administer local implementation of the approved plan. Local implementation includes, but is not limited to:

1. Providing technical assistance to landowners;

2. Selecting practices to be cost-shared; and

3. Assuring application and maintenance of cost-shared practices in accordance with the approved plan.

(6) CONTRACTS WITH LANDOWNERS. No cost-sharing funds may be distributed to a landowner unless he or she, by contract with the land conservation committee, agrees:

(a) To maintain the cost-shared practice for its normal expected life, to replace it with an equally effective soil erosion control practice or to repay the cost-sharing funds to the land conservation committee;

(b) To conduct all land management activities in substantial accordance with the committee's approved plan or to repay the cost-sharing funds to the land conservation committee; and

(c) To repay to the land conservation committee the cost-sharing funds if title to the land on which the cost-shared practice is installed is transferred, unless the subsequent landowner agrees to comply with the requirements of the committee's approved plan.

92.11 Regulation of land conservation practices. (1) PROPOSED ORDINANCES. To promote soil and water conservation or nonpoint source water pollution abatement, a land conservation committee may develop proposed county ordinances for the regulation of land conservation practices.

(2) PRESENTATION; NOTICE; HEARING. Any ordinance proposed by the land conservation committee under this section shall be presented to the county board together with a report on the need for the ordinance and its expected economic and environmental impact. Within 2 weeks of its receipt, the county board shall publish the proposed ordinance as a class 2 notice, under ch. 985, in a newspaper

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having general circulation throughout the county and make the report available for public inspection. The county board shall hold one or more public hearings on the proposed ordinance before taking final action. The county board shall act to approve, disapprove or amend the ordinance. The county board may not enact the ordinance until at least 3 months have passed since submission of the ordinance to the county board by the land conservation committee.

(3) APPLICABILITY; CONTENTS. (a) *Applicability.* An ordinance proposed by the land conservation committee under this section may be applicable throughout the county or to any part of a county, including both incorporated and unincorporated areas.

(b) *Engineering operations.* An ordinance proposed by the land conservation committee under this section may require the implementation of necessary engineering operations, including construction of terraces, terrace outlets, soil saving dams, sediment traps, dikes, ponds, diversions, channels and other necessary structures.

(c) *Specified methods of cultivation.* An ordinance proposed by the land conservation committee under this section may require use of specified methods of cultivation, including conservation tillage, contour cultivating, contour furrowing, lister furrowing, sowing, planting, strip-cropping, seeding, planting of lands with water conserving and erosion preventing plants, trees and grasses, forestation and reforestation.

(d) *Cropping and tillage practices.* An ordinance proposed by the land conservation committee under this section may specify cropping programs and tillage practices to be observed.

(e) *Retirement from cultivation.* An ordinance proposed by the land conservation committee under this section may require the retirement from cultivation of highly erosive areas or of areas on which erosion may not be adequately controlled if cultivated.

(f) *Protection of exposed land.* An ordinance proposed by the land conservation committee under this section may set methods for the protection of lands exposed by construction, land development, grading, filling, clearing, mineral extraction and similar activities. These regulations may limit the size of the area to be exposed and the length of time and season during which it may be exposed and require establishment of waterways, storm drains, debris basins, terraces and other structural and nonstructural methods to control erosion, runoff and sedimentation.

(g) *Other.* An ordinance proposed by the land conservation committee under this section may require other means, measures, operations and programs as may assist conservation of soil resources and prevent or control soil erosion, runoff and sedimentation.

(4) BOARD OF ADJUSTMENT. The county board shall provide for the appointment of a board of adjustment as provided in s. 59.99, in any county which adopts an ordinance under this section. Section 59.99 applies to the granting of special exceptions to the ordinance.

(5) CONSTRUCTION. Any ordinance enacted under this section shall be liberally construed in favor of the county. It shall be construed as setting minimum requirements for the purposes stated and not as a limitation on other powers granted the county board and land conservation committee.

(6) ENFORCEMENT. The county board shall by ordinance prescribe administrative procedures and provide personnel necessary for the enforcement of any ordinance enacted under this section. Any land conservation practices ordinance may be enforced through civil forfeiture or through issuance of an injunction by the circuit court at the suit of the county, land conservation committee or a landowner within the area affected by the ordinance. The court may award reasonable attorney fees to any plaintiff in a successful action for enforcement through injunction.

92.12 Intergovernmental cooperation. Land conservation committees, counties, cities, villages, towns and public agencies with natural resource responsibilities in the same or different counties may cooperate in carrying out the purposes of this chapter. If a problem of soil or water conservation is defined in part by drainage basin boundaries beyond a single county's borders or otherwise transcends these borders, the respective land conservation committees, counties, cities, villages, towns and public agencies with natural resource responsibilities may enter into mutually binding agreements and contracts containing, but not limited to, provisions for mutually enforced and administered regulatory ordinances and cost-sharing distribution arrangements.

92.13 State and local agencies to cooperate. Agencies of the state having jurisdiction over, or charged with the administration of any state-owned lands, and any county or other governmental subdivision of the state having jurisdiction over, or charged with the administration of any county-owned or other publicly owned lands, shall cooperate to the fullest extent with the land conservation committee in carrying out programs under this chapter. The land conservation committee may enter and perform work upon these publicly owned lands. The provisions of land conservation practices ordinances enacted under s. 92.11 are applicable to these publicly owned lands, and shall be in all respects observed by the agencies administering the lands.

92.14 State aids for conservation projects. A land conservation committee may, on or before the date established by the department, submit to the board and department an application for state aid for one or more conservation projects. The application shall set forth the purpose, estimated cost, work to be done and any other data that the department requires. After receiving recommendations of the board on

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the applications, the department shall approve or disapprove each application and allocate the funds appropriated under s. 20.115 (7) (b) to the land conservation committees with approved applications. No allocation may exceed 75% of the cost of the projects proposed in an application. The state aid may be used for personnel and associated costs, for materials and associated costs necessary in the planning, application, repair or maintenance of conservation measures, for equipment and for educational materials. The land conservation committee shall keep the department informed of the status of work on funded projects. **Vetoed in Part**

SECTION 1401m. 144.251 of the statutes is created to read: **Vetoed in Part**

144.251 Watershed projects. The department shall assist and advise the department of agriculture, trade and consumer protection regarding watershed projects under 16 USC 1001 to 1008.

SECTION 1537m. 236.12 (2) (c) of the statutes is created to read: **Vetoed in Part**

236.12 (2) (c) One copy to the land conservation committee of the county board, if the county has adopted an ordinance requiring the subdivision to meet soil erosion, sedimentation or storm water runoff standards. The land conservation committee may object to the plat only if soil erosion, sedimentation or storm water runoff standards are not met. In incorporated areas a county ordinance is applicable only if the city or village does not enact an ordinance with provisions at least as restrictive as the county ordinance.

SECTION 1816m. 893.73 (1) (c) of the statutes is repealed. **Vetoed in Part**

SECTION 2003. **Nonstatutory provisions; agriculture, trade and consumer protection.**

(1) SOIL AND WATER CONSERVATION; REPORT TO THE LEGISLATURE. The department of agriculture, trade and consumer protection shall report to the presiding officer of each house of the legislature and to the governor on or before March 1, 1983, on the amount of state funding required to satisfactorily implement the soil erosion control plans developed under section 92.10 of the statutes, as created by this act. **Vetoed in Part**

(2) SOIL AND WATER CONSERVATION; INITIAL BOARD MEMBERS. Before July 1, 1982:

(a) The soil and water conservation districts shall designate 3 soil and water conservation district supervisors who shall serve as initial members of the land conservation board in place of members of county land conservation committees, with terms expiring on May 1, 1985.

(b) The governor shall nominate 2 public members to serve as initial members of the land conservation board, who shall serve terms expiring on May 1, 1985, and May 1, 1987. The governor shall designate which nominee is to serve what term.

(c) The U.S. secretary of agriculture, the dean of the college of agricultural and life sciences of the university of Wisconsin - Madison, the secretary of the department of natural resources and the director of the cooperative extension of the university of Wisconsin system may appoint persons to serve as initial advisory members of the land conservation board.

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(3) SOIL AND WATER CONSERVATION; RULES. All rules of the board of soil and water conservation districts in effect on July 1, 1982, shall remain in force until modified or rescinded by the department of agriculture, trade and consumer protection under this act.

(4) SOIL AND WATER CONSERVATION; TRANSFER OF APPLICATIONS. On July 1, 1982, all applications and other matters pending before the board of soil and water conservation districts are transferred to the department of agriculture, trade and consumer protection.

(5) SOIL AND WATER CONSERVATION; TRANSFER OF PROPERTY. On July 1, 1982, all records and property of the board of soil and water conservation districts are transferred to the department of agriculture, trade and consumer protection.

(6) SOIL AND WATER CONSERVATION; DISTRICT PROPERTY AND RECORDS TRANSFERS. All records and property of soil and water conservation districts shall be transferred to the land conservation committee in the same county on July 1, 1982. All contractual rights and responsibilities of the districts shall be transferred to the land conservation committee in the same county on July 1, 1982.

(7) FARMLAND PRESERVATION; RULES. All rules of the agricultural lands preservation board in effect on July 1, 1983, shall remain in force until modified or rescinded by the land conservation board, as created by this act.

(8) FARMLAND PRESERVATION; TRANSFER OF APPLICATIONS. On July 1, 1983, all plans, ordinances, applications and other matters pending before the agricultural lands preservation board are transferred to the land conservation board, as created by this act.

(9) FARMLAND PRESERVATION; TRANSFER OF PROPERTY. On July 1, 1983, all records and property of the agricultural lands preservation board are transferred to the land conservation board, as created by this act.

SECTION 2200. **Change in terminology.**

(3) AGRICULTURE, TRADE AND CONSUMER PROTECTION. **Vetoed in Part**

(a) *Soil and water conservation.* 1. Wherever the term "board of soil and water conservation districts" appears in the following sections of the statutes, the term "department of agriculture, trade and consumer protection" is substituted: 80.05 (2) (b), 84.01 (17), 88.22 (3) (intro.) and 144.25 (3) (a), (5) (intro.) and (8) (g) (intro.) and (h) 1.

2. Wherever the term "soil and water conservation district" appears in the following sections of the statutes, the term "county land conservation committee" is substituted: 30.28 (3), 31.39 (3), 32.02 (1), 32.07 (2), 33.14 (2) (b) and (4) (d), 33.16 (4) (d), 60.18 (21), 88.05 (4) (a), 91.13 (2) and 91.35 (1).

3. Wherever the term "a soil and water conservation district" appears in the following section of the statutes, the term "the county land conservation committee" is substituted: 59.07 (60).

4. Wherever the term "board of soil and water conservation districts" appears in the following section of the statutes, the term "land conservation board" is substituted: 15.347 (8) (c).

5. Wherever the term "soil and water conservation districts" appears in the following section of the statutes, the term "county land conservation committees" is substituted: 91.05 (1).

SECTION 2201. **Program responsibility changes.**

(3) AGRICULTURE, TRADE AND CONSUMER PROTECTION.

(a) *Soil and water conservation.* **Vetoed in Part**

A	B	C
Statute Sections	References Deleted	References Inserted
15.131 (intro.)	none	ch. 92 and ss. 36.25 (7), 88.22 (3) and 144.25

(b) *Farmland preservation.*

A	B	C
Statute Sections	References Deleted	References Inserted
15.131 (4), as created by chapter ... (this act), laws of 1981	none	ch. 91

SECTION 2204. **Effective dates.**

(3) AGRICULTURE, TRADE AND CONSUMER PROTECTION. **Vetoed in Part**

(a) *Soil and water conservation.* The treatment of sections 15.07 (1) (b) 8 and (5) (h), 15.131 (4), 15.135 (4), 15.911 (1), 15.915 (1), 20.115 (7) (title), (a), (b), (c) and (m), 32.28 (2), 36.25 (7), 59.47 (2m), 59.872, 59.878 (2) and (3), 60.18 (22), 80.39 (2), 84.02 (3) (a), 84.11 (3), 91.13 (8) (d), 144.251, 236.12 (2) (c) and 893.73 (1) (c) and chapter 92 of the statutes by this act, the repeal of section 20.835 (2) of the statutes by this act and SECTIONS 2200 (3) (a) and 2201 (3) (a) of this act take effect on July 1, 1982. Except SSS

(b) *Farmland preservation.* The treatment of sections 15.07 (1) (b) 6 and (5) (p), 15.131 (3), 15.135 (3) and 91.01 (2) of the statutes by this act and SECTION 2201 (3) (b) of this act take effect on July 1, 1983. **Vetoed in Part**

Subject Area 1. AGRICULTURE

Item 1-D: Soil Plan Compliance Requirement for Farmland Tax Credit

Governor's written objections.

Section 1094n

The bill requires farmers who receive the minimum 10% farmland preservation tax credit to comply with a soil conservation plan. This requirement is not applied to farmers who receive larger credits.

My veto restores the present law under which only persons under long-term contracts are required to comply with soil conservation plans for farmland preservation credits.

While the promotion of improved soil conservation is a critical state objective, it is wrong to expand the soil plan requirement on such a haphazard and discriminatory basis. The soil plan requirement for farmland preservation credit eligibility needs to be evaluated and fully and openly discussed as part of a comprehensive upgrading of our entire state soil conservation program.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 1094n of the Bill. However, it appears that this item also includes the language vetoed in SEC. 1094m and SEC. 2203 (45) (y).

Referred to the Committee on Rules.

Fiscal Bureau summary.

1-D: *Minimum Farmland Tax Credit* [Chapter 20 Sections: 1094m, 1094n and 2203 (45) (y)2.].

As passed by the Legislature, the biennial budget provided a minimum credit equal to 10% of property taxes for owners of farmland located in exclusive agricultural zones who meet certain eligibility requirements of the farmland preservation program and whose farming operations are conducted in accordance with an approved soil and water conservation district conservation plan. The Governor's item veto would delete the 10% minimum credit.

FISCAL CHANGE TO ENROLLED AB 66: -$2,200,000 GPR

Cited segments of 1981 AB-66.

SECTION 1094m. 71.09 (11) (a) 6. a and b and (b) ~~(intro.)~~ 1 and 2 of the statutes are amended to read: **Vetoed in Part**

71.09 (11)

(b) ~~(intro.) The~~ Except as provided in par. (bm), the amount of any claim filed in 1978 and based upon property taxes accrued in 1977, or claims filed in later calendar years based upon property taxes accrued in the preceding calendar year shall be determined as follows: **Vetoed in Part**

~~SECTION 1094n. 71.09 (11) (bm) of the statutes is created to read:~~ **Vetoed in Part**

~~71.09 (11) (bm) If the farmland is subject to a certified ordinance under subch. V of ch. 91 in effect at the close of the year for which the credit is claimed, and farming operations have complied with s. 91.13 (8) (d), the amount of any claim is the greater of 10% of property taxes accrued or the amount determined under par. (b). This paragraph does not prevent a claim under par. (b) if farming operations have not complied with s. 91.13 (8) (d).~~ **Vetoed in Part**

SECTION 2203. **Initial applicability.**

(45) REVENUE. (y)

Vetoed in Part

2. The treatment of sections 71.09 (11) (a) 6. a and b ~~and 71.09 (11) (bm)~~ of the statutes by this act first applies to claims filed for the taxable year 1981.

Subject Area 2. AIDS AND CREDITS

Item 2-A: Aids Package

Governor's written objections.

Sections 1154m through 1154u, 1174, 1180, 1182

This package of vetoes is primarily designed to restore balanced growth in funding of both unrestricted aids and property tax credits. In addition, minor changes have been implemented by veto in order to simplify the distribution of shared revenue.

Shared Revenues — 1981

The funding level for shared revenue is reduced by $13.2 million below the Legislature's appropriation for the 1981-82 fiscal year. The Legislature actually appropriated more than would have been paid to localities under current law which ties shared revenue funding to growth in state tax collections. Shared revenue funding should be allowed to reflect the drop in state tax collections consistent with previously established legislative policy. Even after this veto, unrestricted aids will grow by 9.7%, from $528.3 million to $579.3 million in calendar year 1981. Local officials should recall that they were repeatedly warned last fall and winter that aid estimates were subject to change because of the state's financial condition. That condition has not changed for the better.

Shared Revenues — 1982

The 1982 shared revenue funding level is vetoed to zero. Reasonable growth in shared revenues is justified, but the Legislature must deal with this issue in a responsible manner. The budget bill calls for a 17.4% ($103 million) increase in unrestricted aid next year. This level of funding is greater than would be allowed under current law. Increases for some communities would exceed 20%, 30%, and even 40%. Not only would this worsen problems of accountability in local spending decisions; it is totally out-of-line with funding increases provided for other important state programs. It totally unbalances the division between aids to local governments and direct property tax relief.

School Property Tax Credit

The funding level for the new school-related property tax relief program is vetoed to assure growth in property tax credits for homeowners in the 1981-83 biennium. Under the budget enacted by the Legislature, tax credits for real estate and remaining taxable personal property would fall 4.5% from $243.5 million in 1980-81 to $232.5 million in 1981-82. Some communities, particularly cities, would experience credit declines of more than 10%. Reductions in guaranteed property tax relief of this amount are unacceptable. My veto will ensure growth to $260 million 1981-82 and restore balance to the division of local aids to governments and direct property tax relief. Appropriations in subsequent years will increase by the rate of growth of state tax collections.

Local Purpose Revenue

The definition of local purpose revenue, used to measure local tax effort, is modified to avoid unnecessarily burdensome local and state reporting requirements.

Speaker's referral.

In this item, Governor Dreyfus has lumped together four discrete items. I have divided them in the following way in order to enhance the Legislature's ability to express its will on each issue.

[See Items 2-A.1 to 2-A.6]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 2. AIDS AND CREDITS

Item 2 A.1 *1981 Shared Revenues*

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

This item is comprised of the parts vetoed in the first sentence of s. 79.03 (4) (f) as shown in SEC. 1154u of the Bill. Referred to the Committee on Rules.

Fiscal Bureau summary.

1. 1981 Shared Revenues [Chapter 20 Sections: 1154u].

As passed by the Legislature, the biennial budget provided $538.7 million in 1981 for shared revenue payments. The Governor's item veto would reduce total 1981 shared revenue payments by approximately $13.2 million. The impact on component payments is a reduction of $13.5 million in aidable revenues payments and a $0.3 million increase in minimum guarantee payments.

FISCAL CHANGE TO ENROLLED AB 66: -$13,159,000 GPR

Cited segments of 1981 AB-66.

SECTION 1154u. 79.03 (4) (f) of the statutes is repealed and recreated to read:

Vetoed in Part

79.03 (4) (f) In 1981, the total amounts to be distributed under this subchapter ~~except amounts distributed under s. 79.05~~ shall be $541,700,000. In 1982, the total amount to be distributed under this subchapter shall be ~~$695,400,000~~.

Subject Area 2 : AIDS AND CREDITS

Item 2 A.2 *1982 Shared Revenues*

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

This item is comprised of the parts vetoed in the second sentence of s. 79.03 (4) (f) as shown in SEC. 1154u of the Bill. Although not referenced in the Governor's veto message, it appears that this item should include as well the language vetoed in s. 20.835 (1) as shown in SEC. 120sm.

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. 1982 Shared Revenues [Chapter 20 Sections: 1154u, 120sm (s. 20.835 (1))].

As passed by the Legislature, the biennial budget provided $695.4 million in 1982 for shared revenue payments. The Governor's item vetoes would eliminate the total shared revenue appropriation for 1982.

FISCAL CHANGE TO ENROLLED AB 66: -$695,400,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.835 SHARED REVENUE AND TAX RELIEF				
(1) SHARED REVENUE ACCOUNT AND MINIMUM PAYMENTS				
(d) Shared revenue account	GPR	S	525,547,400	~~695,400,000~~ Vetoed in Part
(1) PROGRAM TOTALS				
GENERAL PURPOSE REVENUES			538,781,600	~~695,475,000~~ Vetoed
TOTAL-ALL SOURCES			538,781,600	~~695,475,000~~ In Part

SECTION 1154u. 79.03 (4) (f) of the statutes is repealed and recreated to read: **Vetoed in Part**

79.03 (4) (f) In 1981, the total amounts to be distributed under this subchapter, ~~except amounts distributed under s. 79.05~~ shall be $541,700,000. In 1982, the total amount to be distributed under this subchapter shall be ~~$695,400,000~~.

Subject Area 2. AIDS AND CREDITS

Item 2 A.3 *School Property Tax Credit*

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

This item is comprised of the part vetoed in SEC. 1182 of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

3. Wisconsin Property Tax Credit [Chapter 20 Sections: 1182].

As passed by the Legislature, the biennial budget provided $232.5 million in 1982 and $260.0 million in 1983 for Wisconsin Property Tax Relief Credits. The Governor's item vetoes increase tax credit funding to $260.0 million in 1982 and to an estimated $290.9 million in 1983, a total increase of $58.4 million for the 1982 and 1983 calendar years. (It should be noted that Item Veto **2-A-5** modifies tax credit payment dates to reduce the biennial fiscal impact of this veto (**2-A-3**). The net impact of these two item vetoes is an increase of $27.5 million in 1981-83 state fiscal year expenditures.)

FISCAL CHANGE TO ENROLLED AB 66: $58,400,000

Cited segments of 1981 AB-66.

SECTION 1182. 79.10 (5) of the statutes is created to read:

Vetoed in Part

79.10 (5) INCREASES. (a) ~~In 1984 and~~ thereafter, the amount distributed under this subchapter from the appropriation under s. 20.835 (2) (a) shall increase over the amount distributed in the previous year under s. 20.835 (2) (a) by an amount equal to the product of the distribution under s. 20.835 (2) (a) in the previous year multiplied by the percent increase in state general fund tax revenue in the fiscal year preceding the distribution under this section but not less than 5% or not more than 12%.

Vetoed in Part

(b) The total amount to be distributed under subs. (2), (6) and (7) shall be ~~$232,512,800~~ in 1982 ~~and~~ $260,000,000 ~~in 1983~~.

Subject Area 2. AIDS AND CREDITS

Item 2 A.4 *Local Purpose Revenues*

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

This item is comprised of the parts vetoed in SECS. 1154m, 1154s and 1154sm.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

4. Local Purpose Revenues [Chapter 20 Sections: 1154m, 1154s and 1154sm].

The aidable revenues component of the shared revenue formula uses "local purpose revenue" as a factor in allocating aid payments. The Governor's vetoes modify the definition of "local purpose revenue" in three ways. First, the calculation of the proxy for private sewer costs is altered. As passed by the Legislature, the biennial budget bill provided that individual septic tank replacement grant payments would reduce a municipality's sewer proxy. The Governor's item veto deletes this reduction to the sewer proxy and also deletes the requirement that the Department of Natural Resources compile the information on the septic tank grant payments. Second, the Governor's item veto deletes from the definition of local purpose revenue all health and social service revenues rather than limiting the exclusion to health and social service revenues that are reimbursed by third parties. Finally, the definition of local purpose revenue is modified by the Governor's veto to include sewer revenues from public utilities and government units located within the municipality.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1154m. 79.03 (3) (b) 4. (intro.), a to c and e of the statutes are amended to read:

79.03 (3) (b) 4. (intro.) "Local purpose revenues" means the sum of the following: local general purpose taxes~~, except occupational taxes and payments in lieu of taxes by enterprises~~; regulation ~~and compliance~~ revenues, except ~~judgments and damages~~ liquor and malt beverage licenses, business and occupational licenses and cable television licenses; revenues for services to private parties by a county's or municipality's general operations or enterprises, except services by hospitals, nursing and rest homes, mass transit systems, urban development and housing agencies, liquor stores, cemeteries, and electric, gas and water utilities~~; interest and rental income;~~ and, except judicial service fees and court costs, register of deeds fees, board paid for prisoners at county jails, fees for mental health, developmental disability and alcohol and drug abuse services provided by ss. 51.42 and 51.437 boards, welfare repayments by individuals, other health and social services fees ~~reimbursed by health insurance or governmental programs such as medical assistance~~, fees from older American projects, revenues from the sale of highway materials and services, snow, ice and weed control revenues, airport revenues, fairs and exhibits, auditoriums, stadiums and celebration revenues, forestry fees, and sewer revenues from private parties outside the municipality~~, from public utilities and from governmental units~~; revenue for sanitation services to private parties collected by sewerage, sanitation or inland lake rehabilitation districts; special assessment revenues, or in the case of enterprises, those special assessment revenues that are transferred to the municipality and county for general operations; tax base equalization aids; and, for municipalities only, a proxy for private sewer service costs. Taxes and revenues of sewerage, sanitation and inland lake rehabilitation districts that are local purpose revenues shall be allocated to municipalities in proportion to the amount of revenue that is derived from within the municipality. In this subdivision: **Vetoed in Part**

SECTION 1154s. 79.03 (3) (b) 4. g of the statutes is created to read: **Vetoed in Part**

79.03 (3) (b) 4. g. "Proxy for private sewer service costs" means the greater of zero or the amount computed by multiplying $25 times the municipality's population in the 2nd year preceding the distribution and then subtracting from that product the greater of 1) the sum of municipal general operation and capital project sewer service expenditures including storm sewer expenditures, through general operations, special assessment funds or enterprises, the municipality's share, based on its proportion of the full value of taxable property in the county, of county taxes levied for a sanitary or sewage district if the municipality is served by the sewer services financed by the county levies, tax levies

of sewage and sanitation districts; sewer service charges directly paid to a neighboring municipality or fiscally independent sewer utility, ~~and individual septic tank replacement grant payments under s. 144.245,~~ or 2) the sum of sewer service charges, municipal general operation and capital project storm sewer expenditures through general operations, special assessment funds or enterprises, the municipality's share, based on its proportion of the full value of taxable property in the county, of county taxes levied for a sanitary or sewage district if the municipality is served by the sewer services financed by the county levies, tax levies of sewage and sanitation districts ~~and individual septic tank replacement grant payments under s. 144.245~~.

~~SECTION 1154sm. 79.03 (3) (e) of the statutes is created to read:~~ **Vetoed in Part**

~~79.03 (3) (e). The department of natural resources shall compile information to determine the distribution by municipalities of individual septic tank replacement grant payments under s. 144.245 for the calendar years 1979, 1980 and 1981 and shall provide this information to the department of revenue by September 15, 1982. For calendar years 1982 and thereafter, the department of natural resources shall compile and provide this information to the department of revenue by August 15 of the following year.~~

Subject Area 2. AIDS AND CREDITS

Item 2 A.5 *Distribution of Aid Payments and Credits*

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

This item is comprised of the part vetoed in SEC. 1174 of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

5. Distribution of Aid Payments and Credits [Chapter 20 Sections: 1174].

As passed by the Legislature, the biennial budget provided that, beginning in 1983, an estimated $45 million in tax credits (the 1983 general school aid component of the new Wisconsin State Property Tax Relief Credit) would be distributed in July. This change provided the state one-time savings of $45 million in 1982-83. In previous years, tax credits have been distributed in either late February or early March. The Governor's veto expands this delay of payments so that $27.5 million of 1982 tax credits are paid in July and $75.9 million of 1983 and following years' tax credits are paid in July. The Governor's vetoes in this area allow the cost of the $58.4 million increase in 1982-83 tax credits caused by the vetoes described in 2-A-3 to be reduced by $30.9 million.

FISCAL CHANGE TO ENROLLED AB 66: -$30,900,000 GPR

Cited segments of 1981 AB-66.

SECTION 1174. 79.10 (title) and (1) of the statutes are amended to read: **Vetoed in Part**

79.10 (title) **Wisconsin state property tax relief.** (1) DISTRIBUTION. On the first Monday in March of each year, commencing in ~~March 1974~~ 1982, the amount appropriated under s. 20.835 (2) (a) shall be distributed by the department of administration to towns, villages and cities ~~in allocable shares~~ as determined under ~~sub.~~ subs. (2), ~~and to taxpayers subject to taxation under ss. 76.13, 76.38 and 76.48, in allocable shares under sub. (1a), all as certified by the department of revenue~~ (6) and (7), except that payments determined under sub. (2) (a) ~~in 1983 and a percentage of payments under sub. (2) (a) in 1984 and thereafter~~ shall be distributed on the 4th Monday in July. The percentage of payments under sub. (2) (a) that is distributed in July in 1984 and thereafter shall equal the quotient of total payments under sub. (2) (a) in 1983 divided by total payments under sub. (2) (a) in the current year.

Subject Area 2. AIDS AND CREDITS

Item 2 A.6 *Non-Vetoed* SECTIONS

Governor's written objections.

[See Item 2-A.]

Speaker's referral.

In his veto message, Governor Dreyfus said he had vetoed SECS. 1154p, 1154r, 1154sg, 1154sh, 1154t and 1180. None of these SECTIONS, however, were in any way vetoed in the copy of the Act furnished to the Secretary of State.

Referred to the Committee on Rules.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

SECTION 1154p. 79.03 (3) (b) 4. d of the statutes is repealed and recreated to read:

79.03 (3) (b) 4. d. "Revenue for sanitation services to private parties" means revenues collected from private parties as refuse collection fees, sewerage service fees and landfill fees.

SECTION 1154r. 79.03 (3) (b) 4. f of the statutes is created to read:

79.03 (3) (b) 4. f. "Tax base equalization aids" means payments received under par. (a) and s. 70.996 (1m) (c), 1977 stats. and 1979 stats., s. 79.03 (3), 1977 stats. and 1979 stats., and s. 79.16 (3), 1977 stats. and 1979 stats.

SECTION 1154sg. 79.03 (3) (b) 7 and 8 of the statutes are created to read:

79.03 (3) (b) 7. "Tax base weight" means one minus the decimal obtained by dividing the full valuation by the standardized valuation, except that "tax base weight" shall be a decimal of at least 0.0.

8. "Sum of local purpose revenues" for those municipalities and counties whose fiscal year ends in the period July 1 to December 31 means the sum of local purpose revenues for the 3 fiscal years ending 2 years prior to the year of distribution. "Sum of local purpose revenues" for municipalities and counties whose fiscal year ends in the period January 1 to June 30 means the sum of local purpose revenues for the 3 fiscal years ending one year prior to the year of distribution.

SECTION 1154sh. 79.03 (3) (c) of the statutes is repealed.

SECTION 1154t. 79.03 (4) (c) of the statutes is amended to read:

79.03 (4) (c) Except as provided in par. (f), beginning in 1979, the amount entered into the shared revenue account for total distributions under this subchapter shall increase over the amount entered for the prior year~~, excluding the amount transferred from the appropriation under s. 20.835 (2) (b) under s. 79.16,~~ by the same rate as the actual rate of annual increase in the amount of general fund tax revenue collected by the state in the fiscal year ending during the calendar year of the distribution under this section, but not more than 12% or less than 5%. ~~The total amount paid to municipalities and counties in 1983 under ss. 70.996 and 79.16 (3) (c) shall be considered as part of the prior year base amount for the purpose of computing the calendar year 1984 distribution under this paragraph.~~

SECTION 1180. 79.10 (3) (c) of the statutes is amended to read:

79.10 (3) (c) The amount of the Wisconsin state property tax ~~credit~~ relief of particular property taxpayers, as determined under par. (b), shall be set forth and separately identified as the "WISCONSIN STATE PROPERTY TAX RELIEF" on the tax bills of such taxpayers issued immediately following the December 1 notification referred to in this subsection and shall serve to reduce the property taxes otherwise payable.

Subject Area 3 : CORRECTIONS

Item 3-A: Reimbursements to Counties

Governor's written objections.

Sections 969rg and 969rs

These sections of the bill would require that counties which were housing individuals awaiting parole revocation hearings be reimbursed by the state at the rate of $30/day for any time period extending longer than 60 days. ($2.6 million biennially). With current fiscal constraints, this does not appear to be the appropriate time to initiate a new reimbursement program. In addition, the most common reason for a parole revocation is the commission of another offense. In such cases, it is not unreasonable to expect the arresting county to assume some of the responsibility as it would were the person not on parole.

Speaker's referral.

This item is comprised of SECS. 969rg and 969rs of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

3-A: *Reimbursements to Counties* [Chapter 20 Sections: 969rg and 969rs].

As passed by the Legislature, the biennial budget provided $1,296,000 GPR in each year of the biennium for reimbursement of $30 per day to counties for each felon in the custody of the Department of Health and Social Services in county jails awaiting probation or parole revocation determinations after 60 days. The Governor's item veto deleted these provisions.

FISCAL CHANGE TO ENROLLED AB 66: -$2,592,000 GPR

Cited segments of 1981 AB-66.

SECTION 969rg. 53.33 of the statutes is renumbered 53.33 (1) and amended to read:

53.33 (1) The maintenance of persons who have been sentenced to the state penal institutions, persons in the custody of the department, except as provided in sub. (2), persons accused of crime and committed for trial, persons committed for the nonpayment of fines and expenses, and persons sentenced to imprisonment therein, while in the county jail, shall be paid out of the county treasury ~~but no~~. No claim shall may be allowed to any sheriff for keeping or boarding any person in the county jail unless ~~he~~ the person was lawfully detained therein.

Vetoed in Part

SECTION 969rs. 53.33 (2) of the statutes is created to read:

53.33 (2) The department is liable for persons in its custody pending disposition of parole and probation revocations following a felony conviction with sentence imposed or withheld and while so detained in any county jail or other county facility for any period of time after the first 60 days in custody. The department shall reimburse any county monthly at a rate of $30 per person per day.

Subject Area 3. CORRECTIONS

Item 3-B: Green Bay Modular Facility

Governor's written objections.

Section 752r

This section would have required the construction of additional housing units within the Green Bay Correctional Institution. The veto allows the department to avoid placing further population pressures on the already overcrowded Green Bay institution. While modular units might be feasible at Green Bay, recreational and other support resources are clearly inadequate to handle the increased population such units would house. Authorization is continued, however, for the construction of additional needed space to alleviate overcrowding, but allows it to be located elsewhere.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 752r of the Bill. However, the Governor has made other vetoes in this SECTION of the Bill; the other vetoes are treated by the Governor as separate items. It appears, therefore, that this item is intended to be comprised of the language vetoed in s. 46.052 (1) (g) as created in SEC. 752r of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

3-B: *Green Bay Modular Facility* [Chapter 20 Sections: 752r (s. 46.052 (1) (g))].

As passed by the Legislature, the biennial budget directed the Department of Health and Social Services to construct medium security modular housing on the grounds of the Green Bay Correctional Institution to accommodate an unspecified number of inmates. A total of $112,700 GPR and 25.5 GPR positions was provided to operate the modular housing assuming completion in April, 1983. The Governor's item veto deleted the requirement that this modular housing be constructed at the Green Bay facility. The Department would instead be required to construct housing at undesignated sites to alleviate overcrowding. Funding and position authorization for the Green Bay modular housing would remain available in Chapter 20 to operate the housing at the undesignated sites.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752r. 46.052 of the statutes is created to read:

46.052 (1) **Vetoed in Part**

(g) Provide the facilities necessary for ~~modular~~ housing ~~placed within institutional walls at the Green Bay correctional institution. The modular housing shall be a medium security facility~~ to alleviate overcrowding.

Subject Area 3. CORRECTIONS

Item 3-C: Mental Health Facilities Conversion

Governor's written objections.

Sections 7c and 752g

This section would prohibit the Building Commission from ever authorizing the utilization of any portion of a mental health facility for correctional purposes. This veto would remove this prohibition. This language could be used as a legal roadblock to completing the compromise corrections package adopted by the legislature. Until that issue is resolved, I believe it best to leave current law in place.

Speaker's referral.

This item is comprised of SEC. 7c and SEC. 752g of the Bill.

Referred to the Committee on Criminal Justice and Public Safety.

Fiscal Bureau summary.

3-C: *Mental Health Facilities Conversion* [Chapter 20 Sections: 7c and 752g].

As passed by the Legislature, the biennial budget included provisions which prohibit the conversion of any part of a mental health institute for use as a medium, medium/maximum or maximum security correctional institution. The Governor's item veto deleted these provisions.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 7c. 13.48 (8) of the statutes is created to read:~~

~~13.48 (8) CONVERSION OF MENTAL HEALTH INSTITUTES PROHIBITED. The commission may not authorize the remodeling, reconstruction, conversion of, or addition to, any part of a mental health institute as defined under s. 51.01 (12) for use as a medium, medium/maximum or maximum security correctional institution.~~ **Vetoed in Part**

~~SECTION 752g. 46.05 (4) of the statutes is created to read:~~ **Vetoed in Part**

~~46.05 (4) The department may not authorize the remodeling, reconstruction, conversion of, or addition to, any part of a mental health institute as defined under s. 51.01 (12) for use as a medium, medium/maximum or maximum security correctional institution under this section.~~

Subject Area 3. CORRECTIONS

Item 3-D: Milwaukee State Office Building

Governor's written objections.

Section 752c

This veto eliminates the requirement that the location of a correction facility in the Milwaukee State Office Building be limited to the top 3 floors of the building. The "top 3 floor" language was originally included when the institution was expected to be a minimum security pre-release facility for an anticipated 150 residents. Since it is now to be a medium security facility for an unspecified number of inmates, space requirements have changed and now include the need for recreational facilities. Vetoing "top 3" will provide flexibility until final plans can be developed.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 752c of the Bill. However, the Governor has made other vetoes in this SECTION of the Bill. The other language vetoed in this SECTION of the Bill is treated by the Governor as a separate item. This item is, therefore, comprised of the part vetoed in s. 46.05 (1n) as created by SEC. 752c of the Bill.

Referred to the Committee on Criminal Justice and Public Safety.

Fiscal Bureau summary.

3-D: *Milwaukee State Office Building* [Chapter 20 Sections: 752c (s. 46.05 (1n))].

As passed by the Legislature, the biennial budget directed the Department of Health and Social Services to convert the top three floors of the state office building in Milwaukee to a medium security correctional institution. The Governor's item veto deletes language which limits the conversion to "the top three floors" of the building.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752c. 46.05 (1m), (1n) and (1p) of the statutes are created to read:

46.05

(1n) In addition to the institutions under sub. (1), the department shall establish a medium security institution which is located at 819 North 6th street at the site which, on the effective date of this subsection (1981), constitutes ~~the top~~ 3 floors of the state office building. **Vetoed in Part**

Subject Area 3. CORRECTIONS

Item 3-E: Minimum Security Language

Governor's written objections.

Section 754m

This veto eliminates the authorization for using only part of existing minimum-security facilities for medium-security inmates. This would allow the department the flexibility to temporarily use all of a minimum-security facility for medium-security inmates, if conditions warrant.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 754m of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

3-E: *Minimum Security Language* [Chapter 20 Sections: 754m].

As passed by the Legislature, the biennial budget allowed the Department, subject to Joint Committee on Finance approval, to partially use minimum security facilities to house medium security prisoners on a temporary basis to relieve medium security overcrowding. The Governor's item veto deleted the partial use restriction to allow the Department to use all of minimum security institutions for medium security prisoners on a temporary basis if the Joint Committee on Finance approves.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 754m. 46.059 of the statutes is created to read:

46.059 Minimum security corrections institutions. The department may, with the approval of the joint committee on finance, increase staffing levels at minimum security institutions sufficiently to allow temporary placement of medium security inmates at existing minimum security institutions as may be necessary to relieve medium security overcrowding. The temporary placement under this section may constitute ~~only~~ a partial use of the institution. **Vetoed in Part**

Subject Area 3. CORRECTIONS

Item 3-F: Oshkosh Site (Technical)

Governor's written objections.

Section 752e

This veto clarifies the siting language included in the bill.

Speaker's referral.

According to the Governor's veto message, he vetoed SEC. 752e of the Bill. However, there is no SEC. 752e. It appears that the Governor meant to include in this item the language vetoed in s. 46.05 (1m) as created in SEC. 752c of the Bill.

Referred to the Committee on Criminal Justice and Public Safety.

Fiscal Bureau summary.

3-F: *Oshkosh Site (Technical)* [Chapter 20 Sections: 752c (s. 46.05 (1m))].

As passed by the Legislature, the biennial budget directed the Department to construct a 300-bed medium security correctional institution on the grounds of the Winnebago Correctional Farm. The Governor's item veto provides a technical change to the language to clarify the exact location of the site.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752c. 46.05 (1m), (1n) and (1p) of the statutes are created to read: **Vetoed in Part**

46.05 (1m) The medium security institution under sub. (1) shall be the Oshkosh correctional institution and shall be located north of Oshkosh at ~~the intersection of~~ STH 41 ~~and STH 45~~, north of CTH "J" and south of Sunnyview road at the site which, on the effective date of this subsection (1981), is the site of the Winnebago correctional farm.

Subject Area 3. CORRECTIONS

Item 3-G: Parole Discharge

Governor's written objections.

Sections 969m, 982i, 1826m

I am vetoing the provision which would have eliminated for most persons on parole any state supervision beyond 24 months after their release from prison. This provision does not adequately consider the implications for public safety. It also establishes unnecessarily restrictive procedures to allow for supervision beyond the arbitrary 24-month period. This change would apply to some 1000 parolees immediately and does not allow time for preparation of newly-required court actions to extend the period of supervision over the more dangerous individuals. The Department is willing to modify aftercare supervision duration in some cases, but the current language mandating an across-the-board standard has serious deficiencies. A related provision cuts back the present parole supervision staff and I have no way to restore that unilaterally. It may be necessary to consider at least partial restoration at the earliest opportunity for legislative consideration. In the meantime, the department will do what it can selectively to increase discharges from parole status. [See also Item 3-J.]

Speaker's referral.

The way that this item was vetoed requires that it be combined with **Item 3-J**. Street "Good Time".

According to the Governor's veto message, this item is comprised of SECS. 969m, 982i, and 1826m of the Bill. However, this item was apparently intended to be comprised of the amendment to s. 53.11 (7) (a) as amended in SEC. 969m, the six sentences added to s. 57.06 (3) immediately following the first sentence of the SECTION as amended in SEC. 982i, and SEC. 1826m of the Bill.

According to the Governor's veto message, **Item 3-J** is comprised of SECS. 969m, 982i and 982j. However, **Item 3-J** was apparently intended to be comprised of s. 53.11 (7) (b) as amended in SEC. 969m of the Bill; the following language in SEC. 982i of the Bill "If the person is returned to prison to continue serving his or her sentence, the person shall be given credit for time spent on parole under the original sentence. The credit for time spent on parole shall be for the time period prior to any violation of the conditions of parole which is the basis for revocation of parole.", and SEC. 982j of the Bill.

A SECTION of a bill, which creates or amends a statute has two parts: (1) the introduction which includes the instructions for interpreting what follows (*e.g.*, "Section __ is amended to read"); and (2) text showing the specific changes to be made to a statute. In order to amend a law, both parts are necessary.

As noted earlier, SECS. 969m and 982i are affected by two separate vetoes. In terms of the specific language of the statutes affected by each item, there is no overlap. However, a problem arises because of the way these SECTIONS were vetoed. The Governor vetoed not just the new text added in these SECTIONS, but both entire SECTIONS, including the introduction with the instructions showing how to interpret what follows and the unaffected text of the statute showing where the new text is to be inserted.

A general rule applying to vetoes is that they may be considered only once. They may not be reconsidered. [Assembly Rule 73 (1).] Consequently, if **Items 3-G** and **3-J** were to be taken up separately, the instructions and context would have to be assigned to one of the items, leaving the other without instructions or context, with the result that the latter item could not be overridden if the former item is sustained and result in a complete and workable law. Consequently, the items must be combined.

Combining items is not required in all cases where a given SECTION of the Bill is affected by more than one veto item. A combination is necessary only when the items may not be taken up separately without violating the Assembly Rules or creating the possibility of other than a complete and workable law if all of the separate items are not overridden. For an example of a SECTION which is the object of several vetoes, but where the items may be taken up separately, see SEC. 752r (Items 3-B, 3-H and 3-I).

To sum up, this item is comprised of the language vetoed in SECS. 969m, 982i, 982j and 1826m.

Referred to the Committee on Rules.

Fiscal Bureau summary.

ITEMS **3-G** and **3-J**: *Parole Discharge and Street "Good Time"* [Chapter 20 Sections: 969m, 982i, 982j and 1826m].

As passed by the Legislature, the biennial budget deleted $381,500 GPR and 18.5 GPR positions in each year of the biennium to reflect a limit on parole supervision to 24 consecutive months, unless the Department initiates revocation or extension proceedings during this time. The Governor's item veto deleted the change in parole supervision. The effect of

the veto will be to increase parole and probation costs by $381,500 GPR in each year of the biennium over amounts budgeted in Chapter 20 as passed by the Legislature.

As passed by the Legislature, the biennial budget deleted $43,800 GPR in each year of the biennium to reflect that time spent by an inmate on parole would reduce the inmate's sentence if parole is revoked. The Governor's item veto deleted these parole provisions. The effect of the veto will be to increase parole costs by $43,800 GPR in each year of the biennium as compared to Chapter 20 as passed by the Legislature.

Under the memorandum from the Assembly Speaker, Items **3-G** and **3-J** are to be considered together.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 969m. 53.11 (7) of the statutes is amended to read:

53.11 (7) (a) An inmate or parolee having served the term for which he or she has been sentenced for a crime committed after May 27, 1951, less good time earned under this chapter and not forfeited as provided in this section, shall be released on parole or continued on parole, subject to all provisions of law and department regulations relating to paroled prisoners, until the expiration of the maximum term for which he or she was sentenced without deduction of such good time, or until discharged from parole by the department, whichever is sooner. If the parolee is on parole for 24 consecutive months and parole revocation or extension proceedings have not been initiated against him or her during that time period, the department shall discharge him or her from parole. If the department seeks to extend parole beyond the 24-month period, the department shall petition the sentencing court for a parole extension hearing. The hearing shall be held within 10 days after the petition is filed, unless a delay is requested by the parolee. At the hearing, the department must show that the parole extension is essential for the rehabilitation of the offender and the protection of society. If the department makes the required showing, the court may extend the period of parole, but not beyond the maximum term for which the parolee was sentenced. If the department does not make the required showing, the parole extension shall not be granted. An inmate or parolee shall be given credit for time served prior to sentencing under s. 973.155, including good time under s. 973.155 (4).

(b) Any person on parole under this subsection may be returned to prison as provided in s. 57.06 (3) to serve the remainder of a sentence. The remainder of the sentence is the amount by which the original sentence was reduced by good time, except that the person shall be given credit for time spent on parole under the original sentence. The credit for time spent on parole shall be for the time period prior to any violation of the conditions of parole which is the basis for revocation of parole. The person may earn good time on the balance of the sentence while so in prison, subject to forfeiture thereof for misconduct as provided in this section. Subject to the approval of the department, the person may again be released on parole thereafter under either this section or s. 57.06, whichever is applicable. ~~The remainder of the sentence shall be deemed to be the amount by which the original sentence was reduced by good time.~~

SECTION 982i. 57.06 (3) of the statutes is amended to read: **Vetoed in Part**

57.06 (3) Every paroled prisoner remains in the legal custody of the department unless otherwise provided by the department. If the parolee is on parole for 24 consecutive months and parole revocation or extension proceedings have not been initiated against him or her during that time period, the department shall discharge him or her from parole. If the department seeks to extend parole beyond the 24-month period, the department shall petition the sentencing court for a parole extension hearing. The hearing shall be held within 10 days after the petition is filed, unless a delay is requested by the parolee. At the hearing, the department must show that the parole extension is essential for the rehabilitation of the offender and the protection of society. If the department makes the required showing, the court may extend the period of parole, but not beyond the maximum term for which the parolee was sentenced. If the department does not make the required showing, the parole extension shall not be granted. If the department alleges that any condition or rule of parole has been violated by the prisoner, the department may take physical custody of the prisoner for the investigation of the alleged violation. If the department is satisfied that any condition or rule of parole has been violated it shall afford the prisoner such administrative hearings as are required by law. The final administrative hearing shall be held before hearing examiners who are licensed to practice law in this state. The hearing examiners shall enter an order revoking or not revoking parole which order shall be, upon request by either party, reviewed by the secretary. If the examiner or the secretary upon review finds that the prisoner has violated the rules or conditions of parole, the examiner, or the secretary upon review, may order the prisoner returned to prison to continue serving his or her sentence, or to continue on parole, and in either case, may order that the prisoner forfeit good time as provided in s. 53.11 (2a). If the person is returned to prison to continue serving his or her sentence, the person shall be given credit for time spent on parole under the original sentence. The credit for time spent on parole shall be for the time period prior to any violation of the conditions of parole which is the basis for revocation of parole. If the prisoner claims or appears to be indigent, the department shall refer the prisoner to the authority for indigency determinations specified under s. 977.07 (1).

VETOED

Vetoed in Part

SECTION 982j. 57.072 (2) of the statutes is amended to read:

57.072 (2) ~~The sentence of~~ In addition to sub. (3), a revoked parolee ~~resumes running~~ is eligible for sentence credit on the day a final revocation order is entered by the department, ~~subject to sentence credit for the period of custody in a jail, correctional institution or any other detention facility pending revocation~~ according to the terms of s. 973.155. The parolee does not receive sentence credit for time spent on parole after any violation of the conditions of parole which is the basis for the revocation of parole unless the person is in custody, or specified in s. 973.155.

SECTION 1826m. 975.10 of the statutes is amended to read:

Vetoed in Part

975.10 Parole. Any person committed as provided in this chapter may be paroled if it appears to the satisfaction of the department after recommendation by a special review board, appointed by the department, a majority of whose members shall not be connected with the department, that he or she is capable of making an acceptable adjustment in society. If the parolee is on parole for 24 consecutive months and parole revocation or extension proceedings have not been initiated against him or her during that time period, the department shall discharge him or her from parole. If the department seeks to extend parole beyond the 24-month period, the department shall petition the sentencing court for a parole extension hearing. The hearing shall be held within 10 days after the petition is filed, unless a delay is requested by the parolee. At the hearing, the department must show that the parole extension is essential for the rehabilitation of the offender and the protection of society. If the department makes the required showing, the court may extend the period of parole, but not beyond the maximum term for which the parolee was sentenced. If the department does not make the required showing, the parole extension shall not be granted.

Subject Area 3. CORRECTIONS

Item 3-H: Remodelling Projects Approval

Governor's written objections.

Section 752r

The bill includes language requiring Joint Finance Committee and Building Commission approval of correctional building and remodelling projects and the remodelling of "other" state buildings. The Building Commission already has such authority under its current statutory review powers. However, this is an extension of additional authority to the Joint Finance Committee which was intended to be limited to the authorization of additional correctional facilities. The bill's language does not make this limitation clear and could be interpreted to require Joint Finance Committee approval of the remodelling of other state buildings for any purpose. This veto seeks to anticipate and avoid this potential misinterpretation.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 752r of the Bill. However, this SECTION of the Bill is affected by several other items. This item is apparently comprised of the language vetoed in s. 46.052 (4) as created by SEC. 752r of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

3-H: *Remodelling Projects Approval* [Chapter 20 Sections: 752r (s. 46.052 (4))].

As passed by the Legislature, the biennial budget required Building Commission and Joint Committee on Finance prior approval of any purchase, lease or construction of additional correctional facilities or the remodeling of existing state buildings. The Governor's item veto deleted the requirement that the Building Commission and the Joint Committee on Finance approve the remodeling of existing state buildings.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752r. 46.052 of the statutes is created to read:

46.052

(4) Any purchase, lease or construction of additional correctional facilities ~~or remodeling of existing state buildings~~ is subject to prior approval by the building commission and the joint committee on finance.

Vetoed in Part

Subject Area 3. CORRECTIONS

Item 3-I: Review of Zoning

Governor's written objections.

Section 752r

The bill excludes the specifically enumerated correctional construction projects from local zoning ordinances and regulations with Building Commission approval. My veto eliminates the requirement of Building Commission approval of a deviation. This additional procedure is unnecessary in view of the fact that the Building Commission already is required to review and authorize each project.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 752r of the Bill. However, this SECTION of the Bill is affected by several other items. This item is apparently comprised of the words vetoed in s. 46.052 (2) as created by SEC. 752r of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

3-I: *Review of Zoning* [Chapter 20 Sections: 752r (s. 46.052 (2))].

As passed by the Legislature, the biennial budget directed the Department to expand the correctional camp system and the substance abuse treatment program, to remodel Hughes Hall at Winnebago and the Milwaukee State Office Building and to construct a 300-bed medium security prison at Oshkosh. If approved by the Building Commission, individual projects would be exempt from county and municipal zoning ordinances and regulations. The Governor's item veto eliminates the provision requiring the Building Commission to specifically approve the zoning exemptions.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752r. 46.052 of the statutes is created to read:

46.052

Vetoed in Part

(2) In addition to the exemptions under s. 13.48 (13), construction or establishment of facilities necessary to comply with sub. (1) shall not be subject to the ordinances or regulations relating to zoning, including zoning under ch. 91, of the county and municipality in which the construction or establishment takes place ~~if the deviation from the ordinance or regulation is approved by the building commission~~.

Subject Area 3. CORRECTIONS

Item 3-J: Street "Good Time"

Governor's written objections.

Sections 969m, 982i, 982j

This veto eliminates the automatic crediting of "street time" to shorten the length of sentence for a person whose parole was subsequently revoked. Currently, the decision to forfeit good time credited against the length of sentence for persons revoked is determined through an administrative hearing. For parolees nearing the end of their sentence who commit a serious violation, the inability of the Department to order the forfeiture of good time credits for street time would essentially prevent incarceration of the individual for a length of time commensurate with the violation, i.e., the individual could only be incarcerated for the period of time remaining under supervision. This would undercut the people's sense of security and reduce the surety of sentence I believe essential to crime prevention. [See Item 3-G.]

Speaker's referral.

This item has been combined with **Item 3-G**, Parole Discharge. [See Item 3-G.]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 3. CORRECTIONS

Item 3-K: Substance Abuse Treatment Program

Governor's written objections.

Sections 968r, 968g and 968h

This veto eliminates organizational changes to the Wisconsin Substance Abuse Program. The language in the bill specifies that the Division of Community Services must operate the Substance Abuse Treatment Program and would therefore preclude a departmental decision to allow the Division of Corrections to operate the program where it currently is placed. The appropriation is retained in the Division of Corrections. This veto will allow the Department flexibility in deciding upon program structure and operation.

Speaker's referral.

According to the Governor's veto message, this item deals with SECS. 968r, 968g and 968h. However, neither SECS. 968g nor 968h are in the Bill. It appears that the item is actually comprised of SECS. 968r, 969g and 969h.

Referred to the Committee on Criminal Justice and Public Safety.

Fiscal Bureau summary.

3-K: *Substance Abuse Treatment Program* [Chapter 20 Sections: 968r, 969g and 969h].

As passed by the Legislature, the biennial budget directed the Department of Health and Social Services to expand the Substance Abuse Treatment Program (SATP) to 75 beds and to place this program under the administration of the Division of Community Services. The Governor's item veto deleted the requirement that the Division of Community Services administer the expanded program which will allow the Division of Corrections to continue operating SATP.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 968r. 53.02 (4b) of the statutes is amended to read:

53.02 (4b) WISCONSIN SUBSTANCE ABUSE PROGRAM. For all purposes of discipline and for judicial proceedings, the ~~correctional treatment~~ resource facilities for the ~~treatment~~ care of ~~substance abuse of~~ inmates with substance abuse problems transferred from state prisons and the precincts thereof shall be deemed, as to each resident, to be in the county in which the facility to which the resident is assigned is located, and the courts of that county shall have jurisdiction of all crimes committed within the same. Every activity conducted under the jurisdiction of and by a ~~correctional treatment~~ resource facility wherever located is, as to each resident, a precinct of the facility, and each precinct is a part of the facility.

Vetoed in Part

SECTION 969g. 53.05 (intro.) of the statutes is amended to read:

53.05 Wisconsin substance abuse program. (intro.) A section of the mental health institutes may be designated a ~~correctional treatment~~ resource facility for the ~~treatment~~ care of ~~substance abuse of~~ inmates with substance abuse problems transferred from Wisconsin state prisons. This section shall be administered by the department and shall be known as the Wisconsin substance abuse program. The department shall ensure that the residents at the institution and the residents in the substance abuse program:

SECTION 969h. 53.05 (3) of the statutes is amended to read:

53.05 (3) Transfer to a ~~correctional treatment~~ resource facility for the treatment of substance abuse shall be considered a transfer under s. 53.18 53.055.

Subject Area 3. CORRECTIONS

Item 3-L: WEPA Process

Governor's written objections.

Section 752a

This veto eliminates the exclusion of the medium/maximum security institution in Columbia County from the procedure established in this section relating to correctional institution siting and the required Environmental Impact Statements and case hearings. Also, the veto eliminates the broad reference to the "rules of evidence" to be observed at case hearings. "Rules of evidence" could be construed to mean "courtroom rules" and, if those rules were not observed, it could form the basis of appeal of the administrative hearing decision, lengthening the process even further.

Speaker's referral.

The Governor has included in this item two separate issues: (1) whether rules of evidence are to be observed at expedited environmental impact assessments for correctional institutions and (2) whether the expedited procedure should apply to the construction of the Portage correctional institution. Consequently, I have divided this item in the following way:

[See Items 3-L.1 and 3-L.2]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 3. CORRECTIONS

Item 3 L.1 *Rules of Evidence*

Governor's written objections.

[See Item 3-L.]

Speaker's referral.

This veto is comprised of the words vetoed in s. 46.043 (2) as created in SEC. 752a of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

1. *Rules of Evidence* [Chapter 20 Sections: 752a (s. 46.043 (2))].

As passed by the Legislature, the biennial budget modified the Chapter 227 administrative hearings process concerning the environmental impact assessment or statement for the construction, expansion or establishment of correctional institutions to allow the hearing examiner to observe the rules of evidence, to limit repetitive testimony and to allow consolidation of testimony. Any judicial review concerning the environmental impact assessment or statement would be limited to 30 days after filing of a petition. The Governor's item veto deletes the requirement that the hearing examiner observe the rules of evidence.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752a. 46.043 of the statutes is created to read:

46.043 **Vetoed in Part**

(2) If the department prepares an environmental impact statement, it shall hold a hearing, after proper public notice, within 90 days of completion of the statement. For contested case hearings, the department shall apply s. 227.09 (1). For noncontested case hearings, the department may apply s. 227.09 (1) (a), (c), (e), (g) and (i). At a hearing, the hearing examiner shall observe ~~the rules of evidence, including~~, where necessary and appropriate, the limiting of repetitive testimony and consolidation of testimony. The hearing examiner may require parties to a hearing to specify, in advance and in writing, the issues they wish to have considered at the hearing.

Subject Area 3. CORRECTIONS

Item 3 L.2 *Application to Portage*

Governor's written objections.

[See Item 3-L.]

Speaker's referral.

This item is comprised of the veto of the word "not" in s. 46.043 (5) of SEC. 752a of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Application to Portage* [Chapter 20 Sections: 752a (s. 46.043 (5))].

As passed by the Legislature, the biennial budget provided that a modified hearing process applied to any future construction, expansion or establishment of correctional facilities, excluding the currently-authorized correctional institution at Portage. The Governor's item veto makes the modified hearing process applicable to the Portage facility.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 752a. 46.043 of the statutes is created to read:

46.043

Vetoed in Part

(5) This section does ~~not~~ apply to the construction or establishment of the medium/maximum security institution under s. 46.05 (1).

Subject Area 4. EDUCATION — LOCAL

Item 4-A: English as a Second Language Option Under Bilingual Program

Governor's written objections.

Section 1338m

The bill expands the eligibility for aid under the State Bilingual-Bicultural Education program to English as a Second Language Classes when certified bilingual teachers are unavailable. Current law provides for the reimbursement of 70% of the cost of teacher salaries and special books and equipment for Bilingual Classes. This section would provide the same payment for English as a Second Language Classes in the 1981-82 fiscal year. Because the 1982-83 appropriation is not sufficient, such aid would be prorated. The Legislative Fiscal Bureau estimates reimbursement in 1982-83 at 58.6%. Program expansion, at the expense of existing bilingual programs, is not wise. My veto maintains our current bilingual-bicultural program with no eligibility expansions. English as a Second Language programs are currently aidable through the general aid formula.

Speaker's referral.

This item is comprised of SEC. 1338m of the Bill.

Referred to the Committee on Education.

Fiscal Bureau summary.

4-A: *English as a Second Language Option Under Bilingual Program* [Chapter 20 Sections: 1338m].

As passed by the Legislature, the biennial budget extended Bilingual/Bicultural aid in 1982-83 for Bilingual programs taught by English as a Second Language teachers, if school districts could demonstrate that qualified Bilingual teachers in the appropriate language were not available and all other statutory requirements of the aid program were met. It was anticipated that the 70% aid for this program would be prorated in 1982-83 as a result of this program expansion. The Governor's item veto of aid eligibility for English as a Second Language teachers would reduce projected aid entitlements under the program by an estimated $1,074,300 in 1982-83 and, therefore, would result in a lapse of this amount to the general fund at the end of the current biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$1,074,300 GPR

Cited segments of 1981 AB-66.

SECTION 1338m. 115.97 (5) of the statutes is created to read: **Vetoed in Part**

115.97 (5) (a) Notwithstanding the requirement under subs. (2) to (4) that a program be taught by a bilingual teacher, the program may be taught by teachers who are certified in teaching English as a 2nd language, if appropriate bilingual teachers are unavailable and the state superintendent approves under par. (b).

(b) The state superintendent may approve only if the school board annually demonstrates, to his or her satisfaction, all of the following:

1. A good faith, continuing effort to recruit appropriate bilingual teachers.

2. A lack of available certified bilingual teachers in the language of the limited-English speaking pupils.

3. Compliance with all of the other requirements of this subchapter.

Subject Area 4. EDUCATION — LOCAL

Item 4-B: Mediation/Arbitration

Governor's written objections.

Sections 1322e, 1322f, 1322g

These sections provide that permissive subjects of bargaining, which are included in an existing or recent collective bargaining agreement, are to be considered mandatory subjects of bargaining. I have repeatedly stated that I want the current binding arbitration law to continue in its present form, with a new sunset, unless there is coordinated compromise among the affected parties. Because this change does not meet that requirement, I have vetoed it. I have retained the new sunset date.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1322e, 1322f and 1322g.

Referred to the Committee on Government Operations.

Fiscal Bureau summary.

4-B: *Mediation/Arbitration* [Chapter 20 Sections: 1322e, 1322f and 1322g].

As passed by the Legislature, the biennial budget extended until July 1, 1987 the sunset date for the mediation-arbitration labor dispute settlement procedure and expanded the scope of those collective bargaining provisions considered to be mandatory subjects of bargaining. In this regard, the Legislature specified that if a provision concerning a permissive subject of bargaining is included in an existing or most recent collective bargaining agreement of a municipal employer covering municipal employes in a collective bargaining unit, the subject of retaining or eliminating the identical language of that provision shall be considered to be a mandatory subject of bargaining between the municipal employer and the representative of that collective bargaining unit. The Governor's item veto deleted the expanded definition of those provisions considered to be mandatory subjects of bargaining while retaining the extended sunset date for the mediation arbitration law.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1322e. 111.70 (1) (d) and (4) (c) 4 of the statutes are amended to read:

111.70 (1) (d) "Collective bargaining" means the performance of the mutual obligation of a municipal employer, through its officers and agents, and the representatives of its municipal employes, to meet and confer at reasonable times, in good faith, with respect to wages, hours and conditions of employment, and subjects treated as mandatory subjects of bargaining under sub. (4) (cm) 2s, with the intention of reaching an agreement, or to resolve questions arising under such an agreement. The duty to bargain, however, does not compel either party to agree to a proposal or require the making of a concession. Collective bargaining includes the reduction of any agreement reached to a written and signed document. The municipal employer shall not be required to bargain on subjects reserved to management and direction of the governmental unit except insofar as the manner of exercise of such functions affects the wages, hours and conditions of employment of the municipal employes. In creating this subchapter the legislature recognizes that the public employer must exercise its powers and responsibilities to act for the government and good order of the municipality, its commercial benefit and the health, safety and welfare of the public to assure orderly operations and functions within its jurisdiction, subject to those rights secured to public employes by the constitutions of this state and of the United States and by this subchapter. **Vetoed in Part**

SECTION 1322f. 111.70 (4) (cm) 2s of the statutes is created to read: **Vetoed in Part**

111.70 (4) (cm) 2s. "Mandatory subjects of bargaining." If a provision concerning a permissive subject of bargaining is included in an existing or most recent collective bargaining agreement of a municipal employer covering municipal employes in a collective bargaining unit, the subject of retaining or eliminating the identical language of that provision shall be considered to be a mandatory subject of bargaining between the municipal employer and the representative of that collective bargaining unit.

SECTION 1322g. 111.70 (4) (cm) 6 (intro.) of the statutes is amended to read:

111.70 (4) (cm) 6. "Mediation-arbitration." (intro.) If a dispute has not been settled after a reasonable period of negotiation and after mediation by the commission under subd. 3 and other settlement procedures, if any, established by the parties have been exhausted, and the parties are deadlocked with respect to any dispute between them over ~~wages, hours and conditions of employment~~ a mandatory subject of bargaining to be included in a new collective bargaining agreement, either party, or the parties jointly, may petition the commission, in writing, to initiate mediation-arbitration, as provided in this section. **Vetoed in Part**

Subject Area 4. EDUCATION — LOCAL

Item 4-C: Minimum Competency Testing

Governor's written objections.

Section 1329

This section requires the Department of Public Instruction (DPI) to develop a computerized bank of items to test competencies in reading, writing and math skills for grades 3, 7 and 10. It also requires DPI to make the tests available to local school districts and pay the costs of machine scoring them. This partial veto deletes the requirement that local districts pay for test scoring. Since there is no comprehensive testing program established by this section, the state and local financial responsibility for competency testing can be decided as part of a broader policy decision in the future.

Speaker's referral.

According to the Governor, he vetoed SEC. 1329 of the Bill. However, there is no SEC. 1329 in the Bill. It appears that the language vetoed in SEC. 1329r of the Bill is what is meant in this item.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

4-C: *Minimum Competency Testing* [Chapter 20 Sections: 1329r].

As passed by the Legislature, the biennial budget initiated the development by the Department of Public Instruction of a computerized item bank of test questions in reading, writing and mathematics for grades 3, 7 and 10. The Department would make the tests available at school district request and would pay for the cost of machine-scoring. The Legislature provided $180,000 GPR in 1981-82 and $257,600 GPR in 1982-83 and 7.0 GPR positions for this development. The Governor's item veto deleted language directing DPI to make tests available to school districts and to machine-score the tests.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1329r. 115.28 (10) (b) of the statutes is created to read: **Vetoed in Part**

115.28 (10) (b) By July 1, 1983, develop a computerized bank of test items which may be used to evaluate pupil competency in minimum reading, writing and mathematics skills. By July 1, 1983, the state superintendent shall develop, from the item bank, objective-referenced basic skills tests for grades 3, 7 and 10. To the extent possible, the test items shall be free of bias. ~~Upon request of a school board, the department shall make the tests available and pay the cost of machine-scoring them.~~

Subject Area 4. EDUCATION — LOCAL

Item 4-D: Private School Students — Notification of Transportation

Governor's written objections.

Section 1378

The bill changed the date from June 1st to August 1st by which public schools must notify parents of private school students of their intentions about transporting private school children in the next school year. The veto restores the date to June 1. Parents should have as much notification as possible to make whatever preparations necessary to ensure their children have transportation to school. It is unlikely school districts cannot have a sense for this by June.

Speaker's referral.

This item is comprised of SEC. 1378 of the Bill.

Referred to the Committee on Education.

Fiscal Bureau summary.

4-D: *Private School Students — Notification of Transportation* [Chapter 20 Sections: 1378].

As passed by the Legislature, the biennial budget modified the provision on parent contracts for transportation of private school pupils so that school districts issue notification of the district's transportation or reimbursement intention at least 30 days prior to commencement of the public school term, rather than current law's school "year". This change was implemented so that districts could notify on August 1, rather than the current law interpretation of June 1. The Governor's item veto would maintain current law and school districts would then notify parents or guardians at least 30 days prior to the school year, or by June 1.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1378. 121.55 (4) of the statutes is amended to read:~~ **Vetoed in Part**

~~121.55 (4) A school board which intends to offer a contract under sub. (3) shall notify the parent or guardian of the private school pupil of its intention at least 30 days before the commencement of the school year term of the public school district.~~

Subject Area 4. EDUCATION — LOCAL

Item 4-E: School Aid Secondary Guarantee

Governor's written objections.

Sections 1369e, 2042 (6), 2045 (7)

These sections provide $4 million in additional school aid to Milwaukee and some other school districts by manipulation of the secondary guarantee in the school aids formula. They also distribute revenues from an oil profits tax, which I have vetoed, in a similar manner. I have vetoed these sections.

The projected new revenues to cover this increase in spending just will not be there. In addition this is an unnecessary complication to the school aid formula and has the potential for redistributing general school aid from low-spending to high-spending districts.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1369e, 2042 (6) and 2045 (7). The first and last of these SECTIONS deal with the excess oil profits tax created in the Bill, but vetoed by the Governor. SECTION 2042 deals with the increase in the secondary guaranteed valuation for the 1981-82 school year. Because the distribution of the excess oil profits tax receipts is a meaningless proposition unless the veto of that tax is overridden, vetoes of SECS. 1369e and 2045 (7) must be considered along with the tax veto. Consequently, I have divided this item. Only SEC. 2042 (6) of the Bill is referred here. SECTIONS 1369e and 2045 (7) will be combined with the oil company tax veto. [**Item 13-L** in the Governor's veto message.]

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

4-E: *School Aid Secondary Guarantee* [Chapter 20 Sections: 2042 (6)].

As passed by the Legislature, the biennial budget modified the calculation of the general school aid formula, in 1981-82, to establish a secondary guaranteed valuation at 110% of the statewide equalized valuation per member for all school districts which are below the average equalized valuation per member. The Legislature increased the general aid appropriation by $4 million to fund increased aid entitlements under this provision. The Governor's item veto eliminated this transitional modification to the secondary guaranteed valuation in 1981-82. General aid secondary guarantee modifications for 1982-83 involve distribution of excess profits tax receipts (see Item **13-L**). The veto of the secondary guarantee changes in 1981-82 would result in a reduction in aid entitlements by an estimated $4 million GPR, which would lapse to the general fund at the end of that year.

FISCAL CHANGE TO ENROLLED AB 66: -$4,000,000 GPR

Cited segments of 1981 AB-66.

SECTION 2042. **Nonstatutory provisions; public instruction.**

Vetoed in Part

~~(6) INCREASE IN SECONDARY GUARANTEED VALUATION. For the 1981-82 school year only, the secondary guaranteed valuation used to calculate state aid under section 121.08 of the statutes shall be 110% of the statewide average equalized valuation per member for school districts that have equalized valuations per member not greater than the statewide average equalized valuation per member.~~

Subject Area 4. EDUCATION — LOCAL

Item 4-F: School Taxation of Public Lands

Governor's written objections.

Sections 1050, 1051, 1052, 1054, 2201 (20) (b), 2204 (45) (b)

Several types of publicly owned land, rather than being tax exempt, are taxable for school purposes only. These lands are largely owned by the University of Wisconsin System (i.e. agricultural farms and married student housing), and Health and Social Services (i.e. prison farms). My original budget proposed that the tax on public lands for school purposes be repealed and that schools be reimbursed for the tax base loss through the general school aids formula. This proposal would have compensated schools for tax losses. However, an unintended consequence of this change, due to the way the school aid formula operates, is a one year delay in the reimbursement. To avoid this financial hardship for some school districts my veto restores the ability of school districts to tax public lands.

I will support this change when the issue of the one year lag is addressed.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1050, 1051, 1052, 1054, 2201 (20) (b) and 2204 (45) (b). Referred to the Committee on Rules.

Fiscal Bureau summary.

4-F: *School Taxation of Public Lands* [Chapter 20 Sections: 1050, 1051, 1052, 1054, 2201 (20) (b) and 2204 (45) (b)].

As passed by the Legislature, the biennial budget eliminated payment of school taxes on tax-exempt land, which would include land and property owned by the state or by any county, and all agricultural lands owned by or held by the Board of Regents of the University or by the state. The general aid formula would compensate most school districts for lost revenue. The University's budget was reduced by $430,000 in 1981-83 to reflect the elimination of this payment procedure. The Governor's item veto restores current law payment of taxes on tax-exempt land. There was no restoration of the University's funding.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1050. 70.114 of the statutes is repealed.~~
~~SECTION 1051. 70.116 of the statutes is repealed.~~
~~SECTION 1052. 70.117 of the statutes is repealed.~~ **Vetoed in Part**

~~SECTION 1054. 70.175 of the statutes is repealed.~~ **Vetoed in Part**

SECTION 2201. **Program responsibility changes.**

(20) HEALTH AND SOCIAL SERVICES.

~~(b) *School taxes.*~~ **Vetoed in Part**

A	B	C
Statute Sections	References Deleted	References Inserted
15.191 (intro.)	70.117	none

SECTION 2204. **Effective dates.**

(45) REVENUE.

~~(b) *School taxes.* The treatment of sections 70.114, 70.116, 70.117 and 70.175 of the statutes and SECTION 2201 (20) (b) of this act by this act takes effect on January 1, 1982.~~ **Vetoed in Part**

Subject Area 4. EDUCATION — LOCAL

Item 4-G: Short-Term Borrowing

Governor's written objections.

Sections 1030, 1021, 1032

This veto restores current law on temporary borrowing by school boards. The proposed change would have created serious cash flow problems for some counties and school districts. I trust local school boards to establish responsible borrowing practices. If they do not, the officials are accountable to the voters.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1030, 1021 and 1032 of the Bill. However, there is no SEC. 1021. It appears that this reference should be to SEC. 1031.

Referred to the Committee on Education.

Fiscal Bureau summary.

4-G: *Short-Term Borrowing* [Chapter 20 Sections: 1030, 1031 and 1032].

As passed by the Legislature, the biennial budget modified school district authority to borrow on a temporary basis by clarifying that such borrowing could only be for current operations and could not exceed one-half the receipts from the general fund, rather than receipts for all operation and maintenance of the school district as under current law. The Governor's item veto deleted these modifications to short-term borrowing.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1030. 67.12 (8) of the statutes is amended to read:

67.12 (8) TEMPORARY BORROWING BY SCHOOL BOARD. (a) The school board of any school district ~~operating under the district system or unified school district plan~~ may on its own motion, made and properly recorded at a lawful board meeting, borrow money in such sums as are needed to meet the immediate expenses of ~~maintaining~~ operating the ~~public instruction in each~~ schools of the school district during the current school year.

(b) No ~~such~~ loan or loans ~~except loans made by town boards to school districts shall~~ under this subsection ~~may~~ be made to extend beyond November 1 of the following year nor to an amount exceeding ~~one-half of the~~ estimated receipts ~~for~~ of the ~~operation and maintenance~~ general fund of the school ~~district for the current~~ school year in which the loan is made, as certified by the state superintendent of public instruction and the ~~local~~ school district clerk. Such borrowing may be done any time after the tax ~~for operation and maintenance~~ the general fund of the school district for the current school year has been voted to be collected on the next tax roll and such estimated receipts have been so certified.

(c) ~~All such~~ loans under this subsection shall be evidenced by lawfully authorized and drawn school board orders, each order, when paid, to be receipted and returned to the school district treasurer ~~of the board~~.

SECTION 1031. 67.12 (8a) (title) of the statutes is repealed.

SECTION 1032. 67.12 (8a) of the statutes is renumbered 67.12 (8) (d) and amended to read:

67.12 (8) (d) Whenever a school district shall ~~have become~~ becomes entitled to state aids, tuition revenues, or taxes levied, the district may pledge or assign all or portions of these revenues due but not yet paid as security for the repayment of loans required for ~~operating purposes~~ the general fund. Short term indebtedness secured by such assignment shall be construed as a paid or satisfied debt in reporting or computing the outstanding debt of the school district.

VETOED

Vetoed in Part

Subject Area 4. EDUCATION — LOCAL

Item 4-H: Special Adjustment Aid

Governor's written objections.

Section 1370g, 1370p

I originally recommended the elimination of special adjustment aid not fully understanding the severe impact this would have on some school districts. The bill passed by the legislature restored some of the aids to three school districts in Milwaukee County. There is no policy justification for providing special adjustment aid for Milwaukee County only. Other veto alternatives which would help all affected school districts required substantially more money than was available in the appropriation. I am convinced there is a need for some form of special adjustment aids. Therefore, I will propose legislation in the fall to cushion the impact of huge declines in school aid from one year to the next which will apply to school districts statewide.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1370g and 1370p of the Bill. However, it appears that it should also include the language vetoed in s. 20.255 (1) (fs) as shown in SEC. 120sm.

Referred to the Committee on Rules.

Fiscal Bureau summary.

4-H: *Special Adjustment Aid* [Chapter 20 Sections: 120sm (s. 20.255 (1) (fs), 1370g and 1370p].

As passed by the Legislature, the biennial budget established special adjustment aid for school districts in Milwaukee County experiencing greater-than-average increases in equalized valuation or a greater than 30% decline in general aid from one year to the next. School districts meeting these criteria would receive one-half the loss in aid. The Governor's item veto would delete these modifications and revert to current law where all school districts meeting special adjustment aid criteria would be eligible for that aid. The Governor's veto eliminated $380,000 GPR in 1981-83 which would have funded entitlements for certain school districts in Milwaukee County.

FISCAL CHANGE TO ENROLLED AB: -$380,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.255 PUBLIC INSTRUCTION, DEPARTMENT OF				
(1) EQUAL EDUCATIONAL OPPORTUNITIES				
(fs) Special adjustment aids	GPR	A	~~80,000~~	~~100,000~~ Vetoed in Part

~~SECTION 1370g. 121.10 (1) and (2) (intro.) of the statutes are amended to read:~~

~~121.10 (1) If a school district located in a county having a population of 500,000 or more would receive less general aid under s. 121.08 for the current school year than it received as state aid in the previous school year, its general aid for the current school year shall be increased by an amount equal to 50% of the difference between state aid received in the previous school year and the amount computed under s. 121.08 for the current school year.~~ **Vetoed in Part**

~~(2) (intro.) To be eligible to receive aid under sub. (1) a school district shall meet the following criteria under pars. (a), (b) and (c) or the criterion under par. (d):~~

~~SECTION 1370p. 121.10 (2) (d) of the statutes is created to read:~~

~~121.10 (2) (d) Its percentage decrease from the state aid received in the previous school year and the amount computed under s. 121.08 for the current school year is greater than 30%.~~

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5-A: HEAL Program

Governor's written objections.

Section 1848m

This veto continues the authority to use federal special allowance revenues for the Wisconsin Health Education Assistance Loan (WHEAL) program if borrowing for loans is found fiscally inappropriate by the Building Commission. This action will ensure that WHEAL loans are available for the first semester of the 1981-82 academic year. It is my intent that cash financing of WHEAL loans be used for the first semester only. I concur with the legislative decision to provide a stable funding source for WHEAL by authorizing revenue bond financing. However, bonds cannot be issued in time to make loans available for the first semester. Therefore, interim cash financing must be provided in order to maintain continuity in the program. It is also my intent that the loans financed with cash be purchased with revenue bond financing when it becomes available. My veto will meet the legislative directive to provide $3.3 million for revenue bond financing of WHEAL and up to $4.9 million to offset general purpose revenue (GPR) expenditures for the Wisconsin Higher Education Grant (WHEG) program.

Speaker's referral.

This item is comprised of SEC. 1848m of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

5-A: *HEAL Program* [Chapter 20 Sections: 1848m].

As passed by the Legislature, the 1981-83 budget repealed a 1980 session law which permitted the Higher Educational Aids Board (HEAB) to use federal special allowance revenues for state direct loan financing and Health Education Assistance Loans (HEAL) if bonding for the latter program was deemed fiscally inappropriate by the Building Commission. The bill also created a nonstatutory provision which permits HEAB to allocate up to $3,263,000 to assist in the financing of a HEAL revenue bond program. The Governor's item veto deletes repeal of the 1980 session law thereby enabling HEAB to use special allowance revenues to fund HEAL loans directly or apart from a revenue bond mechanism. As stated in the Governor's item veto message, the intent of this veto is to provide for the direct cash financing of HEAL loans for the first semester of 1981-82 since bonds can not be released in time for the beginning of this school period. The Governor has not vetoed the nonstatutory section of the budget bill setting aside $3.3 million for financing a HEAL revenue bond as bond proceeds would be used to fund loans during the remaining semesters of the biennium. The Governor also states his intent that HEAL loans funded directly from special allowances revenues be purchased under the subsequent revenue bond issue. Such a purchase would reduce the total amount of special allowance revenues used for the HEAL program and is intended to be consistent with the budget provisions limiting total use of special allowance funds for HEAL to $3,263,000.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1848m. Laws of 1979, chapter 221, section 2022 (2) is repealed.~~ **Vetoed in Part**

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5-B: Public Broadcasting Study

Governor's written objections.

Section 2201 (1) (c)

The budget bill requires the University of Wisconsin, Department of Administration, and the Educational Communications Board to study future state needs in telecommunications and report to me and the Legislature by December 1, 1981. Due to the expanded scope of the study and the potential programmatic and fiscal implications involved, the December 1, 1981, submission date is unrealistic and therefore vetoed. I have directed that the report be submitted by June 30, 1982.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 2201 (1) (c). However, no part of SEC. 2201 (1) (c) was vetoed in the Act delivered to the Secretary of State. This item is apparently intended to be comprised of the language vetoed in SEC. 2011 (1) (c).

Referred to the Committee on Education.

Fiscal Bureau summary.

5-B: *Public Broadcasting Study* [Chapter 20 Sections: 2011 (1) (c)].

As passed by the Legislature, the biennial budget provided for a joint Educational Communications Board/University of Wisconsin System/Department of Administration review of state policy in the areas of telecommunications and public broadcasting to be reported to the Legislature and the Governor by December 1, 1981. The Governor's item veto deletes the reporting date with a new date of June 30, 1982 suggested in the Governor's veto message.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2011. **Nonstatutory provisions; educational communications board.**

(1) PUBLIC BROADCASTING STUDIES.

(c) The educational communications board, the board of regents of the university of Wisconsin system and the department of administration shall jointly review state policy concerning telecommunications, media programming, agency missions in the telecommunications field, coordination between agencies utilizing telecommunications in the areas of equipment purchases and operations, and future state needs in the area of telecommunications. The results of the review shall be reported to the governor and the legislature ~~by December 1, 1981~~. Every state agency shall provide whatever assistance is required for the conduct of the study. **Vetoed in Part**

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5-C: Stonefield

Governor's written objections.

Section 2023 (1)

This veto deletes the requirement that Stonefield Village historical site be closed by January 1, 1982. The Historical Society has been provided $100,000 more than my original request to maintain Pendarvis. With this additional funding it should be able to adjust programming at all sites in order to continue the operation of Stonefield.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2023 (1).

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

5-C: *Stonefield* [Chapter 20 Sections: 2023 (1)]

As passed by the Legislature, the 1981-83 budget mandated that the Historical Society close the Stonefield Village historic site on or before January 1, 1982, and the Society's budget was reduced by $161,200 GPR and $167,600 PR with 4.0 GPR positions to reflect savings derived from this action. Under the Governor's item veto the Legislative directive to close Stonefield Village is deleted from the budget act. The Governor's veto message states that the Society should be able to continue to operate Stonefield Village given the additional funding provided in the budget for support of the Pendarvis site. However, a provision of the budget act repealing the existing statutory mandate to operate Stonefield Village was not deleted, and it would appear that the Society would have discretion to close the Stonefield site if it so chose.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2023. **Nonstatutory provisions; historical society.**

~~(1) CLOSING OF STONEFIELD VILLAGE. The historical society shall close the Stonefield Village historic site on or before January 1, 1982.~~ **Vetoed in Part**

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5-D: Veterans Study Grants

Governor's written objections.

Sections 733s, 2204

These sections raise the eligibility level for veterans part-time study grants from 7 to 8 credits per semester, trimester or quarter. The proposal makes the credit change retroactive to January 1, 1980. The expansion of the credits eligible is a good step to encourage greater educational opportunity for veterans. However, the retroactivity to January 1, 1980 has an unknown fiscal impact, is of questionable public policy and is arbitrary. I have vetoed the retroactivity provision.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 733s and 2204 of the Bill. However, in the copy of the Bill deposited with the Secretary of State, nothing in SEC. 733s was vetoed by the Governor. Further, there were a great many partial vetoes in SEC. 2204 of the Bill. Since only one vetoed portion of SEC. 2204 relates to veterans study grants and because no language was lined out in SEC. 733s, it appears that this item is comprised only of the language vetoed in SEC. 2204 (55) (a). Consequently, I have divided the veto in the following way:

[See Items 5-D.1 and 5-D.2]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5 D.1 *Veterans Study Grants*

Governor's written objections.

[See Item 5-D.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2204 (55) (a).

Referred to the Committee on Rules.

Fiscal Bureau summary.

5-D: *Veterans Study Grants* [Chapter 20 Sections: 2204 (55) (a)].

As passed by the Legislature, the biennial budget modified the part-time study grants program so that part-time study by a graduate student is defined as enrollment in up to eight credits of course work, rather than seven credits, and provided $800 SEG of funding in each fiscal year as a result of this modification. In addition, the Legislature made the modification retroactive to January 1, 1980. The Governor's item veto deleted the provision which makes the modification retroactive to January 1, 1980.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2204. **Effective dates.**

(55) VETERANS AFFAIRS. **Vetoed in Part**

(a) *Increase in educational benefits for part-time graduate students.* The treatment of section 45.196 of the statutes by this act takes effect retroactively to January 1, 1980.

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5 D.2 *Non-Vetoed* SECTION

Governor's written objections.

[See Item 5-D.]

Speaker's referral.

This item is comprised of SEC. 733s of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

SECTION 733s. 45.396 of the statutes is amended to read:

45.396 Correspondence courses and part-time classroom study. Any veteran upon the completion of any correspondence courses or part-time classroom study from the university of Wisconsin system, from any other institution of higher education located in this state which is accredited by the north central association of colleges and secondary schools or from any vocational, technical and adult educational school receiving aids from the board of vocational, technical and adult education or from any public or private high school, taken upon authorization of the department of veterans affairs, may be reimbursed in whole or in part for the cost of such courses, including necessary textbooks, by the department upon presentation to the department of a certificate from the school indicating that the veteran has completed the courses and stating the cost of such courses and necessary textbooks. Benefits granted under this section shall be paid out of the appropriation under s. 20.485 (2) (vm). Enrolled part-time classroom study or direct correspondence courses from a qualified educational institution may be authorized and the veteran reimbursed in whole or in part by the department when such courses are related to one's occupational, professional or educational objectives, and to the extent that payment or reimbursement is not available from any other sources, or, in cases where reimbursement is not specifically for fees and textbooks, to the extent that such reimbursement is insufficient to cover all educational costs. Such reimbursement may not exceed the cost of tuition, fees and textbooks. Part-time study during a regular college semester, trimester or quarter shall be defined as enrollment by a graduate student in courses for which no more than ~~7~~ 8 semester or the equivalent trimester or quarter credits will be given upon satisfactory completion, or enrollment by an undergraduate student in courses for which no more than 11 semester or the equivalent trimester or quarter credits will be given upon satisfactory completion. Part-time study during a summer semester or session shall be defined as study considered to be part-time by the educational institution being attended. Any veteran or eligible dependent who has obtained a master's degree or its equivalent shall not be eligible for grants under this section. Any veteran or eligible dependent who has obtained at least a baccalaureate degree or its equivalent but not a master's degree or its equivalent shall not be eligible for grants offered under this section if he or she has remaining federal veterans administration education benefits. However, any veteran or eligible dependent who has obtained at least a baccalaureate degree or its equivalent and who has remaining federal veterans administration education benefits or who has obtained a master's degree or its equivalent may be reimbursed in whole or in part for the cost of courses in which such person was enrolled before July 31, 1975, where applications for the reimbursement of the cost of such courses were received by the department before July 31, 1975, and, in the case of enrolled part-time classroom study courses, where such courses were satisfactorily completed on or before August 31, 1975. For the purpose of this section any student who has received a baccalaureate degree shall be deemed to be a graduate student whether he or she is taking graduate or undergraduate courses.

Subject Area 5. EDUCATION — MISCELLANEOUS

Item 5-E: Youth Initiative Review

Governor's written objections.

Section 1274gra

This section requires that Youth Initiative proposals approved by the statutory review committee be submitted to the standing committee dealing with education in each house of the legislature for review and general recommendations. Review by these two bodies would lengthen the grant review process and potentially politicize the grants. As a matter of policy, this administration will assure that interested legislators are kept fully apprised of Youth Initiatives proposals.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1274gra of the Bill.

Referred to the Committee on Education.

Fiscal Bureau summary.

5-E: *Youth Initiative Review* [Chapter 20 Sections: 1274gra].

As passed by the Legislature, the biennial budget provided $1.2 million in 1981-82 and $1.8 million in 1982-83 for grants for standardized assessment and basic educational skills programs for youth who have dropped out of school. These grants would be distributed to state and local community organizations by a grant review committee. Statutory language also defined legislative review and an audit of that portion of the program funded by the state. The Governor's item veto eliminated legislative review of the grant proposals by the Legislature's standing committees on education.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1274gra. 101.227 of the statutes is created to read:

101.227

~~(3) Any request for proposal funded under s. 20.445 (5) (a) which is approved by the review committee shall be submitted to the standing committee dealing with education in each house of the legislature, as determined by the presiding officer thereof, for review and general recommendations by that standing committee.~~ **Vetoed in Part**

Subject Area 6. ENERGY

Item 6-A: Accelerated Depreciation Rate Recovery

Governor's written objections.

Section 1505qn

I have vetoed provisions in this bill which would have impinged on the traditional rate setting authority of the PSC by requiring the mandatory pass through of the benefits of accelerated depreciation. I believe the resolution of this issue will more likely be in the long term interests of the public if it is addressed and decided after public hearing and testimony before the Wisconsin Public Service Commission.

Speaker's referral.

This item is comprised of SEC. 1505qn of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-A: *Accelerated Depreciation Rate Recovery* [Chapter 20 Sections: 1505qn].

As passed by the Legislature, the budget provided that no public utility other than a telephone company may recover state income accelerated depreciation deductions in the rates set by the Commission. The Governor's item veto deleted this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1505qn. 196.03 (6) of the statutes is created to read:~~ **Vetoed in Part**

~~196.03 (6) *No public utility except a public utility furnishing telephone service may recover in rates set by the commission from any customer any Wisconsin tax on its income which the public utility does not actually pay due to a deduction from its gross income under s. 71.04 (15).*~~

Subject Area 6. ENERGY

Item 6-B: Dwelling Code

Governor's written objections.

Section 1291, 1295

This provision exempts municipalities of 2,500 or less from the enforcement and inspection requirements of the one and two family dwelling code, except for energy conservation. The provision requires DILHR to certify building plans of a dwelling to insure that they comply with energy conservation measures of the code. It also requires DILHR to perform random inspections for 10% of the new dwellings certified to enforce the energy provisions. The energy conservation provisions of the code are vetoed because they undercut the intent of the exemption for municipalities of 2,500 or less and create problems in administering the code.

I am convinced that the principle of exemption applies or it does not. We should not make exceptions, no matter how worthy. The energy efficiency requirements will continue to apply as do provisions of the uniform code. The necessity for inspection in this area is no greater than it is for other areas of the code. To insure consistency, I have vetoed the enforcement and inspection requirements for energy conservation.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1291 and 1295 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-B: *Dwelling Code* [Chapter 20 Sections: 1291 and 1295].

As passed by the Legislature, the biennial budget provided that municipalities under 2,500 would be exempted from the inspection and enforcement requirements of the one- and two-family dwelling code and the manufactured building code. Under current law, municipalities under 2,500 are exempt from the inspection requirements of the one- and two-family dwelling code. In addition, the biennial budget established the requirement that any building not inspected under the dwelling code would have to comply with the energy portions of the code. Further, the biennial budget provisions also specified that before commencement of construction of any dwelling not inspected under the uniform dwelling code, documentation would have to be filed with the Department of Industry, Labor and Human Relations (DILHR) certifying that the dwelling complies with the energy conservation standards. Under this provision, DILHR would be required to inspect a random sample of not less than 10% of the dwellings on which such documentation is filed. A total of 5.0 PR positions and $350,000 PR was provided in 1981-83 in order to perform the random inspections. The Governor's item veto deleted the requirement that documentation of compliance with the energy portion of the code be filed with DILHR and that DILHR inspect a random sample of not less than 10% of the dwellings on which such documentation is filed. The Governor's item veto did not delete the funding and positions associated with this provision, since the funding is included in a larger appropriation. However, the PR funding for the positions is included in an annual appropriation and, therefore, it is anticipated to lapse at the end of each fiscal year.

FISCAL CHANGE TO ENROLLED AB 66: -$350,000 PR

Cited segments of 1981 AB-66.

SECTION 1291. 101.651 of the statutes is created to read:

101.651

(6) Any dwelling not inspected under s. 101.65 shall comply with the rules adopted under s. 101.63 (1) which take into account the conservation of energy in construction and maintenance of dwellings and the costs of specific code provisions to home buyers in relationship to the benefits derived from the provisions. ~~The department shall require that the plans for any such dwelling, prior to any construction of the dwelling, be certified as complying with the rules. The certification shall be on a form prescribed by the department and shall be filed with the department under oath. The department shall conduct a random inspection of at least 10% of all dwellings certified under this paragraph.~~ **Vetoed in Part**

SECTION 1295. 101.761 of the statutes is created to read:

101.761

(6) Any dwelling not inspected under s. 101.76 shall comply with the rules adopted under s. 101.73 (1) which take into account the conservation of energy in construction and maintenance of dwellings and the costs of specific code provisions to home buyers in relationship to the benefits derived from the provisions. ~~The department shall require that the plans for any such dwelling, prior to any construction of the dwelling, be certified as complying with the rules. The certification shall be on a form prescribed by the department and shall be filed with the department under oath. The department shall conduct a random inspection of at least 10% of all dwellings certified under this paragraph.~~ **Vetoed in Part**

Subject Area 6. ENERGY

Item 6-C: Insulation Testing Laboratory

Governor's written objections.

Sections 120sm, 120sp, 1274g and 1274gr

This provision would have allocated one position and about $100,000 in order to establish an insulation testing laboratory in the Department of Agriculture, Trade and Consumer Protection. I have vetoed this proposal because the Department already has authority through s. 100.21 to protect the public from false energy savings and safety claims. The Department might review laboratory facilities in the University System to determine if needs could be met in a cooperative way.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 120sm, 120sp, 1274g and 1274gr. However, SEC. 120sm is affected by several items. It appears that this item should include, from this SECTION, only s. 20.115 (1) (cm).

Consequently, this item is comprised of s. 20.115 (1) (cm) as shown in SEC. 120sm of the Bill and SECS. 120sp, 1274g and 1274gr.

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-C: *Insulation Testing Laboratory* [Chapter 20 Sections: 120sm (s. 20.115 (1) (cm)), 120sp, 1274g, 1274gm and 1274gr].

As passed by the Legislature, the 1981-83 biennial budget provided $21,800 GPR in each fiscal year for 1.0 GPR position in the Department of Agriculture, Trade and Consumer Protection to establish an energy efficiency testing laboratory. In addition, $58,500 GPR in 1981-82 is provided for the purchase of insulation testing equipment and minor building alterations. The Department would develop testing and inspection capabilities to verify energy-saving claims of products sold in Wisconsin and adopt rules regulating home insulation trade practices. The Governor's item veto deleted these provisions from the bill.

That portion of this item related to the Governor's veto of the creation of s. 100.215 of the statutes by Section 1274gm of Chapter 20, requiring the establishment of rules regulating home insulation trade practices, is to be dealt with under Item :17--A.

FISCAL CHANGE TO ENROLLED AB 66: -$102,100 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83
20.115 AGRICULTURE, TRADE & CONSUMER PROTECTION, DEPARTMENT OF			
(1) FOOD AND TRADE REGULATION			
~~(cm) Energy efficiency testing~~	~~GPR~~	~~A~~ ~~80,300~~	~~21,800~~ Vetoed in Part

~~SECTION 120sp. 20.115 (1) (cm) of the statutes is created to read:~~

~~20.115 (1) (cm) *Energy efficiency testing.* The amounts in the schedule to fund a laboratory and personnel for testing products under ss. 100.21 and 100.42.~~ **Vetoed in Part**

~~SECTION 1274g. 100.21 (5) of the statutes is created to read:~~

~~100.21 (5) PRODUCT TESTING. (a) From the appropriation under s. 20.115 (1) (cm), the department shall establish an energy efficiency testing laboratory.~~

~~(b) As the department determines necessary to protect the public health and safety, the department shall test insulation offered for sale in this state to determine its "R" value, safety and flammability. The~~ department shall test other products, including consumer products as defined in s. 100.42 (1) (c), to determine compliance with this section and ss. 100.18, 100.20 and 100.42. The department may contract with any person to test any product, subject to departmental supervision.

~~(c) The department may test the energy efficiency of products available for sale elsewhere and may charge a reasonable fee to finance the testing.~~

VETOED

SECTION 1274gr. 100.42 (6) of the statutes is created to read:

100.42 (6) TESTING PRODUCTS. The department may test consumer products in the laboratory created under s. 100.21 (5) to ensure compliance with this section.

Subject Area 6. ENERGY

Item 6-D: Public Intervenor Financing

Governor's written objections.

Sections 507r, 2043 (2)

The budget contained language requiring the PSC to ensure adequate representation of significant interests in every commission proceeding. In addition, the Commission was authorized to bill utilities to reimburse costs of intervenors. I have vetoed these provisions because I do not support placing an inestimatable burden on the general ratepayer in order to subsidize the involvement of any interest group in PSC proceedings. Interests representing significant viewpoints to Commission proceedings all have the alternative of seeking voluntary contributions in support of their involvement. The evidence does not support the contention that placing this burden onto the general ratepayer is necessary to ensure a complete record for Commission consideration. In addition this requirement opens another avenue of challenge to PSC decisions, lengthens the time it takes to reach finality in a rate case.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 507r and 2043 (2). However, there is no SEC. 507r. It appears that this item is actually comprised of SECS. 1507r and 2043 (2).

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-D: *Public Intervenor Financing* [Chapter 20 Sections: 1507r and 2043 (2)].

As passed by the Legislature, the budget provided that: (1) the Public Service Commission may reimburse from utility assessments reasonable attorney fees, expert witness fees and other reasonable costs incurred by certain public intervenors; (2) the amounts reimbursed may not exceed 25% of the total utility expenditures for such fees and costs; (3) the Public Service Commission shall maintain an account of such utility expenditures; (4) the Public Service Commission shall determine whether a reimbursement shall be made prior to the intervenor's incurring of any costs of fees; (5) administrative rules shall be promulgated within nine months of the effective date of the 1981-83 budget to implement these provisions; and (6) a court may not enjoin or stay any utility rate proceeding during the time in which the administrative rules are subject to legislative review. The Governor's item veto deleted these provisions.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1507r. 196.265 of the statutes is created to read: **Vetoed in Part**

196.265 Intervenor reimbursements. (1) This section does not apply to any cooperative association. The commission shall ensure that a fair balance of significant interests shall receive adequate representation in every commission proceeding. From assessments collected under s. 196.85, the commission, by rule, may provide for direct reimbursement of reasonable attorney fees, expert witness fees and other reasonable costs incurred by any party who:

(a) Contributes to a fair determination of significant issues;

(b) Represents an interest not otherwise represented in the proceeding; or

(c) Could not participate effectively without reimbursement under this section.

VETOED

(2) The total amount of reimbursements under this section per fiscal year may not exceed 25% of the total utility expenditures for attorney fees, expert witness fees and other reasonable utility costs related to utility participation in commission proceedings and charged to ratepayers during the preceding fiscal year. The commission shall maintain an account of the utility expenditures.

(3) Prior to the time a party would be required to incur costs and fees eligible for reimbursement by the commission under this section, the commission shall determine whether to make the reimbursement. If the commission determines to make the reimbursement, it shall enter into a contract with the party. The contract may include a schedule of performance and reimbursement. Any cost which is eligible for reimbursement under this section and which is already incurred by any party may be reimbursed in whole or in part by the commission at any time upon a determination that the subject of the cost was material or helpful to the commission in its deliberations.

(4) Any review under ch. 227 of a determination under this section may not delay a commission proceeding. A court may not issue any injunction or stay against the proceeding based on the review.

SECTION 2043. **Nonstatutory provisions; public service commission.**

(2) INTERVENOR REIMBURSEMENTS. The public service commission shall promulgate rules under section 196.265 of the statutes, as created by this act, no later than the first day of the 9th month after the effective date of this act. **Vetoed in Part**

Subject Area 6. ENERGY

Item 6-E: Renewable Energy Rebates

Governor's written objections.

Section 1282gm

I have vetoed provisions in the budget which would have increased the percentage of rebates for renewable energy systems in 1984-85. While I am strongly supportive of the need to expand the use of solar and wind energy, I do not believe we should take action now which would increase program expenditures by as much as $1.5 million in 1984-85. Increases in this program should be considered only in conjunction with available revenues and other program priorities during the next biennial budget process. Until these relative priorities become more clear, we should not move to alter current law.

Speaker's referral.

According to the Governor's message, this item is comprised of SEC. 1282gm. However, it appears that it also is comprised of the vetoes to SECS. 1282gp, 1282gr and 1282gw.

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-E: *Renewable Energy Rebates* [Chapter 20 Sections: 1282gm, 1282gp, 1282gr and 1282gw].

As passed by the Legislature, the biennial budget bill increased the percentage refund for renewable energy systems for 1984 and 1985 to 18% from 12% for systems installed in residences constructed before April 20, 1977, and to 12% from 8% for systems installed in residences after that date. This provision has no effect in this biennium. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1282gm. 101.57 (1m) (a) 2 of the statutes is amended to read:~~
~~101.57 (1m) (a) 2. For 1982 and 1983 to 1985, 18%.~~
~~SECTION 1282gp. 101.57 (1m) (a) 3 of the statutes is repealed.~~ **Vetoed in Part**
~~SECTION 1282gr. 101.57 (1m) (b) 2 of the statutes is amended to read:~~
~~101.57 (1m) (b) 2. For 1982 and 1983 to 1985, 12%.~~
~~SECTION 1282gw. 101.57 (1m) (b) 3 of the statutes is repealed.~~

Subject Area 6. ENERGY

Item 6-F: Three Mile Island Cost Pickup

Governor's written objections.

Section 1505qm

The budget bill attempts to limit any utility in Wisconsin from recovering funds from their ratepayers which would be used to financially assist the General Public Utilities Corporation. The possibility of such a financial arrangement could occur only under two circumstances: 1) an Act of Congress requiring such an arrangement among utilities, or 2) an independent arrangement among utilities, including one or more in Wisconsin, which would require PSC approval.

It is very unlikely Congress will act in the near future on proposals related to the financial liability for the clean-up at Three Mile Island and there is no proposal pending before the PSC. Therefore, there is no immediate possibility that Wisconsin ratepayers will be called upon to assist in financing this work. My veto will allow the legislature more time to consider the effects the proposed action could have in restricting the legitimate ends of inter-utility cooperation. Further, the insertion of specific legislative action into the rate setting and regulation of utilities, traditionally the responsibility of the PSC, should first undergo public hearing and scrutiny.

Speaker's referral.

This item is comprised of SEC. 1505qm.

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-F: *Three Mile Island Cost Pickup* [Chapter 20 Sections: 1505qm].

As passed by the Legislature, the budget specified that no expenditure associated with a direct or indirect subsidy to the General Public Utilities Corporation, which owns the Three Mile Island generating facility, may be recovered in the rates set by the Commission. The Governor's item veto deleted this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1505qm. 196.03 (5) of the statutes is created to read:~~ **Vetoed in Part**

~~196.03 (5) No electric utility, as defined in s. 196.491 (1) (d), may recover in rates set by the commission from any customer any expenditure for the purpose of subsidizing, directly or indirectly, the general public utilities corporation.~~

Subject Area 6. ENERGY

Item 6-G: Utility Weatherization Service

Governor's written objections.

Section 1507m

The bill would have codified requirements on utilities to provide a series of weatherization services. Clearly, a vigorous energy conservation effort is critical to the future economic well-being of the state and its citizens. However, the budget provisions do little beyond codifying existing or pending weatherization orders of the PSC and the Federal Residential Conservation Service. I have been assured by the PSC that when the Residential and Conservation Service plan is finalized, all those portions of the plan which contain requirements for utilities will be codified through a PSC Administrative Rule. Therefore, changes in the scope of the federal program will not necessarily affect PSC orders. I have vetoed this provision because placing these requirements in statutes now will do little to further the goal of energy conservation and will reduce flexibility to improve or alter the program in the future.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the veto of SEC. 1507m of the Bill. It appears, however, that it also includes the language vetoed in SECS. 97m, 1510m, 1510r, 1622b, 2001 (7) and 2043 (1).

Referred to the Committee on Rules.

Fiscal Bureau summary.

6-G: *Utility Weatherization Service* [Chapter 20 Sections: 97m, 1507m, 1510m, 1510r, 1622b, 2001 (7) and 2043 (1)].

As passed by the Legislature, the budget established a residential weatherization program similar to the federal Residential Conservation Service. Further, the budget established a weatherization loan service through May 31, 1985, for utility customers wishing to install certain energy conservation features on their homes.

These provisions: (1) required Class A gas and electric utilities to establish a residential weatherization program to encourage and facilitate energy conservation measures in older one- to four-unit residential buildings; (2) required the utility to offer to its customers: (a) energy audits; (b) a list of persons who sell, install and finance energy conservation measures and a list of average prices of the measures; (c) program management services by the utility to arrange installation inspections; (3) required such utilities to establish and administer a customer loan service in association of energy conservation measures; (4) established a maximum loan amount of $5,000 and set a 7-year maximum repayment schedule; (5) permitted fuel oil suppliers to offer the program; (6) permitted the Citizens Utility Board to publicize the program; and (7) required annual reports by participating utilities to the Legislature on the nature and degree of customer participation in the program. Further, the budget provided 1.0 PR project position and $20,500 PR in 1981-82 to the Public Service Commission for the development of administrative rules associated with this program. In addition, the Department of Administration was provided 0.25 GPR project position and $5,000 GPR in 1981-82 to perform functions arising from this program.

The Governor's item veto deleted most of these provisions; however, two minor provisions relating to loan repayment schedule limitations and restrictions on loan security interests were retained. The effect of the Governor's veto is to leave the GPR amount for the Department of Administration (DOA) in the appropriation where it will lapse to the general fund at the end of the 1981-82 fiscal year if not allotted by DOA for other purposes. Assuming that the PR amount for the Public Service Commission is not allotted in 1981-82 by DOA for other purposes, it would result in an expenditure reduction for the agency in the biennium. As a result, both appropriation amounts are identified as cost reductions resulting from the veto.

FISCAL CHANGE TO ENROLLED AB 66: -$5,000 GPR and -$20,500 PR

Cited segments of 1981 AB-66.

~~SECTION 97m. 16.95 (13) of the statutes is created to read:~~ **Vetoed in Part**

~~16.95 (13) (a) By rule, establish material and installation standards for persons who sell or install program measures under s. 196.177. The standards shall include, without limitation because of enumeration:~~

1. A requirement that every program measure, except caulking and weatherstripping, have at a minimum a one-year manufacturer's repair or replacement warranty and a one-year installation labor warranty.

Vetoed in Part

2. A requirement that any program measure violating installation standards established under this paragraph be corrected by the installer without cost to the person buying the measure.

(b) The department shall establish by rule standards and procedures for placement on, removal from and restoration to a list of persons who agree to comply with the standards established under par. (a) and shall compile and maintain the list.

(c) Compile and maintain a list of persons who agree to finance the purchase and installation costs of program measures under s. 196.177.

SECTION 1507m. 196.177 of the statutes is created to read:

196.177 Residential weatherization service. (1) DEFINITIONS. In this section:

(a) "Dwelling unit" means a structure or that part of a structure which is heated and which is used or intended to be used as a home or residence by one person or by 2 or more persons maintaining a common household, to the exclusion of all others.

(b) "Eligible customer" means a person who owns or occupies a residential building and who is billed by a utility for natural gas or electricity used in the building.

(c) "Energy conservation measure" means any measure specified by the commission by rule under sub. (7) (a) 3.

(d) "Program audit" means an energy audit in which an estimate of heating fuel costs and savings are based on an on-site inspection of the residential building of an eligible customer by an individual who conducts a program audit and who meets standards established by the commission under sub. (7) (a) 2.

(e) "Program measure" means an energy conservation measure or a renewable energy resource system.

(f) "Renewable energy resource system" means a renewable energy resource system, as defined under s. 101.57 (8) (a), or specified by the commission under sub. (7) (a) 3 installed for use in a residential building.

(g) "Residential building" means any building which contains up to 4 dwelling units.

(h) "Utility" means any class A public utility, as defined by the commission by rule under sub. (7) (a) 5.

(2) RESIDENTIAL WEATHERIZATION SERVICE ESTABLISHED. Every utility shall establish and administer a program to encourage and facilitate the installation of program measures in residential buildings. Under the program a utility shall provide to an eligible customer, at the customer's request, the following services, without limitation because of enumeration:

VETOED

(a) A program audit.

(b) The list of persons who sell, install or finance program measures, compiled and maintained by the department of administration under s. 16.95 (13).

(c) A list of prices for installation of program measures and a list of cost guidelines for the purchase and installation of each program measure, such lists to be compiled and maintained by the utility.

(cm) Arrangement for financing, supply and installation of any program measure upon the written request of an eligible customer.

(d) Postinstallation inspection of installed program measures.

(3) WEATHERIZATION LOAN SERVICE. (a) Every utility shall establish and administer a customer loan service for the purchase or installation of one or more program measures. Under the loan service a utility shall provide to any eligible customer, at the eligible customer's request, a list of lenders who finance program measures as provided under sub. (2) (b). The utility shall include with the list the prevailing interest rate at which each lender finances program measures. An eligible customer may apply for a loan under this subsection from a lender on the list if the eligible customer owns the residential building in which will be installed a program measure proposed for financing under the loan. At the customer's request, the utility which provides fuel for space heating to the customer shall assist the customer in the completion of the application for the loan and shall submit the application to the lender selected by the customer. If the customer does not receive fuel for space heating from a utility, at the customer's request the utility which provides electricity to the customer shall assist the customer in the completion of the loan and submit the application to the lender selected by the customer. The utility shall service any loan for which the utility submits an application under this paragraph.

(b) A loan transacted under this subsection may not be for a sum of less than $500 per residential building nor more than $5,000 per dwelling unit.

(c) Notwithstanding s. 422.403, a lender shall schedule payments to repay in full a loan transacted under this subsection over a period of time designated by the customer, but not exceeding 84 months.

(d) Notwithstanding s. 422.402 (1), with respect to a loan transacted under this subsection, a lender and customer may agree to payments which are not substantially equal to other payments if all of the following requirements are met:

1. All of the payments in every 12-month period are substantially equal.

1m. The amount of each scheduled payment in the first year of the repayment schedule is no less than the average monthly energy costs estimated to be saved by installation of the program measure financed by the loan.

2. The notice required under s. 422.402 (2) (a) is set forth immediately below the customer's signature in 12-point boldface type or its equivalent as prescribed under s. 422.402 (2) (a).

3. The lender discloses the effects of the repayment period chosen by the customer upon the total cost of a loan to the customer.

(f) A utility servicing a loan transacted under this subsection shall bill a customer granted a loan for the periodic repayment of the loan along with the customer's periodic payment for utility service unless the customer objects.

(g) A utility servicing a loan transacted under this subsection shall supply to any customer upon the customer's request a postinstallation inspection of a program measure installed and financed under this subsection. The utility shall notify every customer for whom the utility services a loan that the customer is entitled to the inspection.

(i) The commission shall report annually to the appropriate standing committee of the legislature on the rate of eligible customers applying for and receiving loans transacted under this subsection, the average amount of the loan, the types of program measures financed by the loans, the cost of servicing the loans and the effectiveness of the loan service as an incentive for the installation of program measures.

VETOED

(j) No new loan may be transacted under this subsection after May 31, 1985.

(4) INFORMATION AND FORMS SUPPLIED. Every utility shall provide to any eligible customer who requests any service offered under sub. (2) or (3) information about and all necessary application forms for:

(a) All services offered by the utility under this section.

(b) All incentive programs available to persons installing program measures.

(5) HOME HEATING SUPPLIER PARTICIPATION. In this subsection, "home heating supplier" means a person who sells or supplies home heating fuel, including but not limited to No. 2 heating oil, kerosene, butane and propane, to an eligible customer for consumption in a residential building. A home heating supplier may establish and administer a residential weatherization service under sub. (2) or a weatherization loan service under sub. (3).

(6) ALLOCATION OF UTILITY COSTS. The commission may treat any amount expended by a utility for the following as an operating expense of providing service if such expenditure is found to be prudent:

(a) Administration of the program audits and postinstallation inspections required under this section.

(b) Administration of the costs of the loan service under sub. (3).

(7) COMMISSION RULES. (a) The commission, by rule, shall:

1. Direct utilities to develop and administer a vigorous and aggressive outreach program to encourage appropriate customer use of the loan service under sub. (3), including but not limited to promotional campaigns.

2. Establish qualification standards for individuals conducting program audits.

3. Specify renewable energy resource systems, in addition to the systems specified under s. 101.57 (8) (a), and energy conservation measures eligible for financing under sub. (3). The commission may not specify any program measure under this subdivision unless the commission determines that the measure will produce present value benefits in terms of saved energy costs in an amount not less than the total present value cost of installing the measure within 10 years after installing the measure.

5. Define a class A utility.

(b) The commission may adopt any other rule necessary to effect the requirements and purposes of this section.

SECTION 1510m. 199.05 (2) (dm) of the statutes is created to read: **Vetoed in Part.**

199.05 (2) (dm) To conduct a statewide advertising campaign designed to encourage residential utility consumers to conserve heating fuel. The campaign may include, without limitation because of enumeration, information on the availability of loans for the purchase or installation of energy conservation measures and renewable energy resource systems under s. 196.177 (3).

SECTION 1510r. 221.04 (1) (j) 3 of the statutes is created to read: **Vetoed in Part**

221.04 (1) (j) 3. The limitations of subd. 1 do not apply to loans made under s. 196.177 (3).

SECTION 1622b. 422.402 (1) of the statutes is amended to read: **Vetoed in Part**

422.402 (1) With respect to a consumer credit transaction other than a transaction which is a) pursuant to an open end credit plan, b) not precomputed and on which the annual percentage rate disclosed under subch. III is less than 16.5% for a consumer credit sale in which the seller retains a security interest in real estate which is the subject of the sale or any consumer loan, either of which is entered into on or after April 6, 1980, and prior to November 1, 1981, or 12% for any other consumer credit transaction or, c) a transaction primarily for an agricultural purpose or d) a transaction under s. 196.177 (3), no merchant shall enter into an agreement which requires a schedule of payments under which any one payment is not equal or substantially equal to all other payments, or under which the intervals between any consecutive payments differ substantially except as permitted in sub. (2) or (3).

SECTION 2001. **Nonstatutory provisions; administration.**

(7) WEATHERIZATION. The department shall submit the rules required under section 16.95 (13) (a) of the statutes, as created by this act, in final draft form under section 227.018 (2) of the statutes no later than 180 days after the effective date of this act. **Vetoed in Part**

SECTION 2043. **Nonstatutory provisions; public service commission.** **Vetoed in Part**

(1) WEATHERIZATION FINANCING. The public service commission shall submit the rules required under section 196.177 of the statutes, as created by this act, in final draft form under section 227.018 (2) of the statutes no later than 180 days after the effective date of this act. **Vetoed in Part**

Subject Area 6. ENERGY

Item 6-H: Weatherization Fund

Governor's written objections.

Section 20.435 (4) (V)

The bill would have created a supplemental segregated low and moderate income weatherization fund with revenues from the oil companies tax. Since I have vetoed the proposed funding source, I am compelled to eliminate this supplemental appropriation as well. This action does not affect the continuation of the existing low income weatherization program. In addition, there are several other weatherization programs currently in place which should first be scrutinized before establishing yet another.

Speaker's referral.

According to the Governor's veto message, this item is comprised of s. 20.435 (4) (v).

It appears, however, that this veto refers to both SEC. 348m of the Bill and to the language vetoed in SEC. 120sm creating s. 20.435 (4) (v). As with **Item 4-E**, the distribution of the excess oil profits tax receipts is a meaningless proposition unless the veto of the tax is overridden. Consequently, this item will be combined with **Item 13-L**.

Fiscal Bureau summary.

6-H: *Weatherization Fund* [Chapter 20 Sections: 120sm (s. 20.435 (4) (v)) and 348m].

As passed by the Legislature, the biennial budget provided that beginning in 1982-83, 20% of the amounts collected from the excess profits tax on integrated oil companies be placed in a segregated fund for the low income weatherization program administered by the Department of Health and Social Services. The Governor's item veto deleted the provision. Under the memorandum from the Assembly Speaker, this item will be considered under Item **13-L**.

FISCAL CHANGE TO ENROLLED AB : None

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 7. GENERAL GOVERNMENT

Item 7-A: Bonding

Governor's written objections.

Sections 549s, 549t, 552p, 554s, 555w, 555y, 2006e

I have vetoed the noncritical projects included in the state building program. While these projects would have been built should interest rates drop to an acceptable level, new legislative authority will now be necessary. Excluded from the veto are bonding for essential corrections facilities and certain maintenance projects. This veto will result in the delay of a number of important buildings, especially for the University System. However, I am convinced that it is necessary for the state to put a hold on its borrowing in difficult economic times as a message to the people that we are serious about getting government growth under control.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 549s, 549t, 552p, 554s, 555w, 555y and 2006e. However, there is no SEC. 2006e. It appears, further, that the language vetoed in the following SECTIONS should have been included in this item as well: SECS. 2006 (1) (a), 2006 (1) (c), 2006 (1) (d), 2006 (1) (e), 2006 (1) (f), 2006 (1) (g), 2006 (1) (i), 2006 (1) (j), 2006 (1) (k), 2006 (5), 2006 (8) (a), 2006 (8) (d), 2006 (13), 2006 (14), 2006 (15) and the language vetoed in SEC. 120sm relating to s. 20.866 (2) (s), (t), (tr), (u), (zg) and (zj). Since this veto item contains a wide ranging collection of several separate building decisions, I have divided this item. The division is primarily by function and is as follows.

[See Items 7-A.1 to 7-A.9]

Fiscal Bureau summary.

7-A: *Bonding*

As passed by the Legislature, the biennial budget authorized $179,638,700 BR ($161,309,400 BR of GPR supported borrowing, $1,828,000 BR of GPR-ORAP supported borrowing, $13,001,300 BR of SEG supported borrowing and $3,500,000 BR of PR supported borrowing) of bonding authorization for the 1981-83 State Building Program. The Governor's item vetoes of building program project enumerations totaling $117,852,700 BR, as well as a $6,125,000 BR unspecified funding reduction, reduced this funding authorization by $111,727,700 BR ($93,950,400 BR of GPR supported borrowing, $1,828,000 BR of GPR-ORAP supported borrowing, $12,449,3010 BR of SEG supported borrowing and $3,500,000 BR of PR supported borrowing). However, the Governor's item vetoes of public debt appropriations reduced bonding authority by only $75,738,700 BR, resulting in $35,989,000 BR of residual bonding authority (bonding authorization in excess of the amounts needed to carry out the purposes for which such bonding authority is provided) which would remain available for future utilization. In addition, the Governor's item veto deleted the debt service appropriation of $40,000 SEG in 1982-83 provided for the bonding authorization attributable to the construction of the Department of Natural Resources pheasant propagation facility. Further, as a result of the Governor's item veto of other 1981-83 Building Program projects, the sum sufficient debt service appropriation amounts contained in Enrolled AB 66 now overstate the estimated debt service payments which would be required in the 1981-83 biennium and therefore would lapse an estimated $3,964,300 GPR, $99,400 GPR-ORAP and $598,700 PR in 1982-83. A summary of the sections vetoed by the Governor follows.

FISCAL CHANGE TO ENROLLED AB 66: -$75,738,700 BR, -$3,964,300 GPR, -$99,400 GPR-ORAP, -$598,700 PR and -$40,000 SEG

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.1 *University Building Program*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 549s, 549t, 2006 (1) (i), and the appropriation in SEC. 120sm, creating s. 20.866 (2) (s) and (t).

Referred to the Committee on Rules.

Fiscal Bureau summary.

1. *University Building Program* [Chapter 20 Sections: 120sm (s. 20.866 (2) (s) and (t)), 549s, 549t, 2006 (1) (i) and 2006 (13)].

These sections represent the project enumerations and public debt appropriations for the 1981-83 Building Program relating to the University of Wisconsin which were vetoed by the Governor. The vetoed project enumerations totalled $65,309,200 BR of funding. However, these projects were subject to a $3,550,000 BR funding reduction summarized in Item 7-A-6. As a result, the net funding reduction due to these vetoed sections is $61,759,200 BR which corresponds to the actual amount of vetoed public debt appropriation reductions related to this category. The estimated reduction in debt service payments attributable to the reduction in the project enumeration amounts would be $2,437,700 GPR and $140,000 PR in the 1981-83 biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$61,759,200 BR, -$2,437,700 GPR and -$140,000 PR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.866 PUBLIC DEBT				
(2) CAPITAL IMPROVEMENT AUTHORIZATIONS				
(s) University of Wisconsin; academic facilities	BR	C	~~58,259,200~~	0 Vetoed in Part
(t) University of Wisconsin; self-amortizing facilities	BR	C	~~3,500,000~~	0

~~SECTION 549s. 20.866 (2) (s) of the statutes is amended to read:~~ **Vetoed in Part**

~~20.866 (2) (s) *University of Wisconsin; academic facilities.* As a continuing appropriation from the capital improvement fund, the amounts in the schedule for the board of regents of the university of Wisconsin system to acquire, construct, develop, enlarge or improve university academic educational facilities and facilities to support such facilities. The state may contract public debt in an amount not to exceed $354,929,300 $413,188,500 for this purpose.~~

~~SECTION 549t. 20.866 (2) (t) of the statutes is amended to read:~~

~~20.866 (2) (t) *University of Wisconsin; self-amortizing facilities.* As a continuing appropriation from the capital improvement fund, the amounts in the schedule for the board of regents of the university of Wisconsin system to acquire, construct, develop, enlarge or improve university self-amortizing educational facilities. The state may contract public debt in an amount not to exceed $180,892,100 $184,392,100 for this purpose.~~

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(i) University of Wisconsin system
Projects financed by building trust funds:

System minor projects	$ 2,783,700
Total building trust funds	$ 2,783,700

~~Projects financed by general fund supported borrowing:~~

~~Eau Claire -- Physical education center addition $ 4,697,000~~

	Nursing building addition	1,652,800
LaCrosse --	Outdoor physical education/recreation development and Mitchell hall addition	2,520,000
Madison --	Birge hall remodeling phase 2	1,150,000
	King hall remodeling	2,200,000
	1410 Johnson Drive remodeling	2,008,000
	Biochemistry building addition	6,740,000
	Pharmacy building remodeling	1,193,000
	Goodnight hall remodeling	1,302,800
	Home Economics building remodeling	1,018,000
	Hydraulics building remodeling	836,000
	Swine teaching and research facility	1,500,000
	Electrical distribution system	600,000
	Chilled water line extension	680,000
	Stovall hall refrigeration system	408,000
	Nielsen stadium roof replacement (total project all funding sources $542,700)	358,200
Milwaukee --	Downer buildings remodeling phase 3	5,564,000
	Enderis hall remodeling	2,966,000
Oshkosh --	Albee hall remodeling and addition	1,660,000
Platteville --	Dairy housing/arena facility	561,000
River Falls --	Physical education facilities remodeling and expansion	3,317,800
Stevens Point --	Learning resources center remodeling and addition	7,936,000
	Physical education building remodeling and addition	3,724,800
Stout --	Vocational rehabilitation remodeling	2,068,000
	Physical education building remodeling and addition	4,211,000
Superior --	Erlanson hall remodeling	809,800
Whitewater --	Planetarium facility	494,000
Total general fund supported borrowing		$ 61,809,200
Projects financed by program revenue supported borrowing:		
LaCrosse --	Cartwright center remodeling (total project all funding sources $5,275,000)	$ 2,000,800
Stout --	Student center remodeling and addition (total project all funding sources $2,600,000)	1,500,000
Total program revenue supported borrowing		$ 3,500,000
Projects funded by program revenues:		
Eau Claire --	Davies center remodeling and addition	$ 1,411,800
LaCrosse --	Cartwright center remodeling (total project all funding sources $5,275,000) Vetoed in Part	3,275,000
Madison --	Camp Randall sports center floor resurfacing	425,000
	Nielsen stadium roof replacement (total project all funding sources $542,700) Vetoed in Part	184,500
	Starks farm storage facility	272,000
Stout --	Student center remodeling and addition (total project all funding sources $2,600,000) Vetoed in Part	1,100,000
Total program revenues		$ 6,668,300
Projects financed by gifts, grants or other agency receipts:		
Milwaukee --	Solar demonstration facility	$ 2,000,000
Total gifts, grants and other agency receipts		$ 2,000,000

VETOED

Subject Area 7 : GENERAL GOVERNMENT

Item 7 A.2 *Environmental Protection*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the veto of funds for the Southern Center Wastewater Treatment Plant Renovation in SEC. 2006 (1) (c), the language vetoed in SECS. 2006 (1) (j) and 2006 (8) (a), relating to air quality compliance and SEC. 2006 (8) (d).

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Environmental Protection* [Chapter 20 Sections: 2006 (1) (c), 2006 (1) (j) and 2006 (8) (a) and (d)].

These vetoed sections involve the deletion of enumeration for two projects from the 1981-83 Building Program, including: (a) the Southern Center Wastewater Treatment Plant Renovation Project under Health and Social Services ($279,000 BR — section 2006 (1) (c)); and (b) the Air Quality Compliance Project ($21,500,000 BR — sections 2006 (1) (j), 2006 (8) (a) and 2006 (8) (d)). In neither case were the public debt appropriations related to these projects vetoed. The estimated reduction in debt service attributable to the reduction in the project enumeration amounts would be $828,300 GPR.

FISCAL CHANGE TO ENROLLED AB 66: -$828,300 GPR

Cited segments of 1981 AB-66.

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(c) Department of health and social services	
Projects financed by building trust funds:	
Minor projects	$ 1,137,400
Total building trust funds	$ 1,137,400
Projects financed by general fund supported borrowing:	
~~Northern center laundry remodeling~~	~~$ 1,875,000~~ Vetoed in Part
~~Southern center wastewater treatment plant renovation~~	~~279,000~~ Vetoed in Part
Waupun primary electrical system renovation	750,000
~~Waupun health services remodeling~~	~~1,170,000~~
~~Ethan Allen health services remodeling~~	~~323,000~~
~~Kettle Moraine increase perimeter security~~	~~2,892,700~~ Vetoed in Part
~~Fox Lake segregation unit expansion~~	~~294,800~~
~~Fox Lake outdoor lighting~~	~~486,000~~
~~Green Bay video monitoring improvements~~	~~306,000~~
~~Ethan Allen electrical system voltage increase~~	~~1,057,000~~
Correctional institution under section 46.05 (1n) of the statutes	2,700,000
Hughes hall conversion	5,000,000
Correctional institution under section 46.05 (1m) of the statutes	28,000,000
Total general fund supported borrowing	$ 44,932,700
Projects financed by existing general fund supported borrowing:	
Correctional facilities expansion	$ 316,000
Winnebago institute gym replacement	540,000
Total existing general fund supported borrowing	$ 856,000
(j) Funding available to all agencies	
Projects financed by building trust funds:	
Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 5,655,200
Advance planning	1,840,000
Total building trust funds	$ 7,495,200
Projects financed by general fund supported borrowing:	
Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 13,653,000

Energy conservation	15,000,000
~~Air quality compliance~~	~~21,900,000~~ Vetoed in Part
~~Telephone system acquisition~~	~~2,880,000~~
Handicapped access improvements	1,000,000
Advanced land acquisition	1,000,000 Vetoed in Part
Total general fund supported borrowing	~~$ 54,153,000~~

Vetoed in Part

(8) (a) The financing authority enumerated under subsection (1) (j) for minimum maintenance and health and safety, advance planning, energy conservation, ~~air quality compliance, telephone system acquisition,~~ handicapped access improvements and advanced land acquisition may be allocated by the state building commission to any state agency for the purposes specified as determined by the state building commission and shall constitute enumeration for such projects exceeding $250,000 in cost.

~~(d) Air quality compliance funds under subsection (1) (j) may be allocated by the state building commission for those projects needed to meet more stringent air quality standards which may be imposed on state power plants.~~ **Vetoed in Part**

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.3 *Recreation*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 552p, 555w and 2006 (1) (d), the language vetoed in SEC. 2006 (1) (f), relating to Park Development and the Pheasant Propagation Facility and the language vetoed in SEC. 120sm, relating to s. 20.866 (2) (tr) and (zg).

Referred to the Committee on Rules.

Fiscal Bureau summary.

3. *Natural Resources and Historical Society* [Chapter 20 Sections: 120sm (s. 20.370 (1) (kr), s. 20.866 (2) (tr) and (zg), 552p, 555w, 2006 (1) (d) and 2006 (1) (f)].

These vetoed sections involve recreation, resource management and administrative projects associated with the Department of Natural Resources and the State Historical Society, including: (a) deletion of the Museum Exhibit Construction Project enumeration and related public debt appropriation funding [$988,000 BR — 120sm (s. 20.866 (2) (zg)), 555w and 2006 (1) (d)]; (b) deletion of the Pheasant Propagation Facility Project enumeration and related estimated debt service amount [$1,006,300 BR and $40,000 SEG — 120sm (s. 20.370 (1) (kr)) and 2006 (1) (f)]; (c) deletion of Minor Projects enumeration and related public debt appropriation funding for the Department of Natural Resources [$1,365,500 BR — 120sm (s. 20.866 (2) (tr)) and 2006 (1) (f)]; and (d) reduction of public debt appropriation funding and the total enumeration amount for the Kinnickinnic Park Development Project [$462,500 BR — 120sm (s. 20.866 (2) (tr)) and 2006 (1) (f)]. While the amount of project enumerations vetoed by these sections is $3,822,300 BR, the actual amount of public debt appropriation reductions related to this category is $2,816,000 BR. The estimated reduction in debt service payments attributable to the reductions in the project enumeration amounts would be $42,500 GPR, $99,400 GPR-ORAP and $40,000 SEG in the 1981-83 biennium.

That portion of this item related to the Governor's veto of the estimated debt service appropriation amount attributable to the Pheasant Propagation Facility Project, as identified by Section 120sm [s. 20.370 (1) (kr)], is to be dealt with under Item :17--B.

FISCAL CHANGE TO ENROLLED AB 66: -$2,816,000 BR, -$42,500 GPR, -$99,400 GPR-ORAP and -$40,000 SEG

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83	
20.866 PUBLIC DEBT					
(2) CAPITAL IMPROVEMENT AUTHORIZATIONS					
~~(tr) Natural resources, recreation development~~	~~BR~~	~~C~~	~~1,828,000~~		Vetoed in Part
(zg) Historical society, museum facility	BR	C	~~988,000~~	0	Vetoed in Part

~~SECTION 552p. 20.866 (2) (tr) of the statutes is created to read:~~ Vetoed in Part

~~20.866 (2) (tr) *Natural resources, recreation development.* As a continuing appropriation from the capital improvement fund, the amounts in the schedule for the department of natural resources to construct, develop, enlarge or improve state recreation facilities. The state may contract public debt in an amount not to exceed $1,828,000 for this purpose.~~

~~SECTION 555w. 20.866 (2) (zg) of the statutes is amended to read:~~

~~20.866 (2) (zg) *Historical society, museum facility.* As a continuing appropriation, from the capital improvement fund, the amounts in the schedule for the historical society to acquire and remodel a museum facility. The state may contract public debt in an amount not to exceed ~~$1,000,000~~ $1,988,000 for this purpose.~~ Vetoed in Part

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**
(1)

(d) Historical society		
Projects financed by building trust funds:		
Minor projects	$	318,000
Total building trust funds	$	318,000
Projects financed by general fund supported borrowing:		Vetoed in Part
Museum exhibit construction	$	988,000
Total general fund supported borrowing	$	988,000
(f) Department of natural resources		
Projects financed by building trust funds:		
Minor projects	$	46,000
Total building trust funds	$	46,000
Projects financed by outdoor resources action program (ORAP) formula funds:		
Minor projects	$	124,300
Total ORAP formula funds	$	124,300
Projects financed by general fund supported borrowing:		Vetoed in Part
Wisconsin Rapids area headquarters (total project all funding sources $550,000)	$	220,000
Spooner district headquarters (total project all funding sources $625,000)		187,500
Total general fund supported borrowing	$	407,500
Projects financed by outdoor resources action program (ORAP) supported borrowing:		
Kinnickinnic park development (total project all funding sources $925,000)	$	462,500
Minor projects		1,365,500
Total ORAP supported borrowing	$	1,828,000
Projects financed by segregated fund supported borrowing:		
Pheasant propagation facility	$	1,006,300
Wisconsin Rapids area headquarters (total project all funding sources $550,000)		330,000
Spooner district headquarters (total project all funding sources $625,000)		437,500
Total segregated funds supported borrowing	$	1,773,800
Projects financed by segregated funds:		
Griffith nursery stock building	$	450,000
Minor projects		1,668,800
Total segregated funds	$	2,118,800
Projects financed by gifts, grants and other agency receipts:		
Kinnickinnic park development (total project all funding sources $925,000) Vetoed in Part	$	462,500
Minor projects		710,800
Total gifts, grants and other agency receipts	$	1,173,300

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.4 *Military Affairs*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 555y, 2006 (1) (e) and in SEC. 120sm, relating to s. 20.866 (2) (zj).

Referred to the Committee on Rules.

Fiscal Bureau summary.

4. *Military Affairs* [Chapter 20 Sections: 120sm (s. 20.866 (2) (zj), 555y and 2006 (1) (e)].

These vetoed sections delete the total enumeration amount of the Armory Replacement Project and the related public debt appropriation funding of $488,000 BR which was included as part of the 1981-83 Building Program. The estimated reduction in debt service payments attributable to the vetoed public debt appropriation would be $21,000 GPR in the 1981-83 biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$488,000 BR and -$21,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.866 PUBLIC DEBT				
(2) CAPITAL IMPROVEMENT AUTHORIZATIONS				
(zj) Military affairs, armories and military facilities	BR	C	~~488,000~~	0 Vetoed in Part

~~SECTION 555y. 20.866 (2) (zj) of the statutes is amended to read:~~

~~20.866 (2) (zj) *Military affairs, armories and military facilities.* As a continuing appropriation from the capital improvement fund, the amounts in the schedule for the department of military affairs to acquire, construct, develop, enlarge, or improve armories and other military facilities. The state may contract public debt in an amount not to exceed $2,006,000 $2,496,000 for this purpose.~~ Vetoed in Part

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(e) Department of military affairs		
Projects financed by building trust funds:		
Minor projects		$ 643,600
Total building trust funds		$ 643,600
Projects financed by existing building trust funds:		
Direct support logistical system facility (total project all funding sources $307,800)		$ 39,400
Total existing building trust funds		$ 39,400
~~Projects financed by general fund supported borrowing:~~		Vetoed in Part
~~Armory replacement (total project all funding sources $1,900,000)~~		~~$ 488,000~~
~~Total general fund supported borrowing~~		~~$ 488,000~~
Projects financed by gifts, grants and other agency receipts:		
Armory replacement (total project all funding sources ~~$1,900,000~~)	Vetoed in Part	$ 1,412,000
Direct support logistical system facility (total project all funding sources $307,800)		268,400
Minor projects		586,600
Total gifts, grants and other agency receipts		$ 2,267,000

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.5 *Corrections*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of SEC. 2006 (1) (c) except for the Southern Center Wastewater Treatment Plant Renovation. Referred to the Committee on Rules.

Fiscal Bureau summary.

5. *Health and Social Services* [Chapter 20 Sections: 2006 (1) (c)].

This vetoed section deletes eight enumerated projects from the 1981-83 Building Program, including: (a) Northern Center Laundry Remodeling Project ($1,875,000 BR); (b) Waupun Health Services Remodeling Project ($1,170,000 BR); (c) Ethan Allen Health Services Remodeling Project ($323,000 BR); (d) Kettle Morraine Increase Perimeter Security Project ($2,692,700 BR); (e) Fox Lake Segregation Unit Expansion Project ($294,000 BR); (f) Fox Lake Outdoor Lighting Project ($486,000 BR); (g) Green Bay Video Monitoring Improvements Project ($306,000 BR); and (h) Ethan Allen Electrical System Voltage Increase Project ($1,057,000 BR). The public debt appropriation related to these projects, however, was not vetoed. The estimated reduction in debt service attributable to the reduction in the project enumeration amounts would be $342,600 GPR.

FISCAL CHANGE TO ENROLLED AB 66: -$342,600 GPR

Cited segments of 1981 AB-66.

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(c) Department of health and social services	
Projects financed by building trust funds:	
Minor projects	$ 1,137,400
Total building trust funds	$ 1,137,400
Projects financed by general fund supported borrowing:	
~~Northern center laundry remodeling~~	~~$ 1,875,000~~ Vetoed in Part
~~Southern center wastewater treatment plant renovation~~	~~270,000~~ Vetoed in Part
Waupun primary electrical system renovation	750,000
~~Waupun health services remodeling~~	~~1,170,000~~
~~Ethan Allen health services remodeling~~	~~323,000~~
~~Kettle Moraine increase perimeter security~~	~~2,692,700~~ Vetoed
~~Fox Lake segregation unit expansion~~	~~294,000~~ in Part
~~Fox Lake outdoor lighting~~	~~486,000~~
~~Green Bay video monitoring improvements~~	~~306,000~~
~~Ethan Allen electrical system voltage increase~~	~~1,057,000~~
Correctional institution under section 46.05 (1n) of the statutes	2,700,000
Hughes hall conversion	5,000,000
Correctional institution under section 46.05 (1m) of the statutes	28,000,000
Total general fund supported borrowing	$ 44,932,700
Projects financed by existing general fund supported borrowing:	
Correctional facilities expansion	$ 316,000
Winnebago institute gym replacement	540,000
Total existing general fund supported borrowing	$ 856,000

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.6 *Building Program Reductions*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of SECS. 2006 (13), 2006 (14) and 2006 (15).

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

6. *Building Program Reductions* [Chapter 20 Sections: 2006 (13), 2006 (14) and 2006 (15)].

These vetoed sections delete provisions which would have reduced project enumerations for the 1981-83 Building Program by $3,550,000 BR for University of Wisconsin projects, $1,625,000 BR for statewide projects and $950,000 BR for all other state agencies. The effect of the veto of the reduction of the University of Wisconsin project enumerations has been incorporated in Item 7-A-1. The effect of the vetoes of the remaining reductions would be to increase project enumerations by $1,625,000 BR and $950,000 BR in the related areas. However, the vetoed sections do not affect any public debt appropriation amounts.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(13) The total general fund supported borrowing authorized under subsection (1) (i) for the university of Wisconsin system is reduced by $3,550,000 from the totals specified under subsection (1) (i). The building commission may authorize any project specified under subsection (1) (i) but may not authorize any combination of general fund supported borrowing projects authorized under subsection (1) (i) which exceed the total general fund supported borrowing authorized under subsection (1) (i) less $3,550,000.

Vetoed in Part

(14) The total general fund supported borrowing authorized under subsection (1) (j) for all agency projects is reduced by $ 1,625,000 from the totals specified under subsection (1) (j). The building commission may authorize any project specified under subsection (1) (j) but may not authorize any combination of general fund supported borrowing projects authorized under subsection (1) (j) which exceed the total general fund supported borrowing authorized under subsection (1) (j) less $1,625,000.

(15) The total general fund supported borrowing authorized under subsection (1) (a) and (c) to (f) for the department of administration, department of health and social services, historical society, department of military affairs and the department of natural resources is reduced by $950,000 from the totals specified under subsection (1) (a) and (c) to (f). The building commission may authorize any project specified under subsection (1) (a) and (c) to (f) but may not authorize any combination of general fund supported borrowing projects authorized under subsection (1) (a) and (c) to (f) which exceed the total general fund supported borrowing authorized under subsection (1) (a) and (c) to (f) less $950,000.

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.7 *State Offices and Related Facilities*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 554s, 2006 (1) (a), 2006 (1) (f) other than the language on the Park Development and the Pheasant Propagation Facility, SECS. 2006 (1) (g) and 2006 (5), and the language vetoed in SEC. 120sm, relating to s. 20.866 (2) (u).

Referred to the Committee on Rules.

Fiscal Bureau summary.

7. *State Offices and Related Facilities* [(Chapter 20 Sections: 120sm (s. 20.866 (2) (u)), 554s, 2006 (1) (a), 2006 (1) (f), 2006 (1) (g) and 2006 (5)].

These sections include vetoes of the project enumerations and the public debt appropriation amount for the Department of Transportation Building Program projects [$10,675,500 BR — sections 120sm (s. 20.866 (2) (u)) 554s and 2006 (1) (g)]. In addition, these sections include the vetoes of the project enumerations for two Department of Administration state office facilities ($4,400,000 BR — section 2006 (1) (a)) and for two Department of Natural Resources headquarters projects ($1,175,000 BR — section 2006 (1) (f)). The actual amount of vetoed public debt appropriations due to these sections is $10,675,500 BR. The estimated reduction in debt service payments attributable to the reduction in the project enumeration amounts would be $206,200 GPR and $458,700 PR in the 1981-83 biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$10,675,500 BR, -$206,200 GPR and -$458,700 PR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83
20.866 PUBLIC DEBT			
(2) CAPITAL IMPROVEMENT AUTHORIZATIONS			
(u) Transportation; administrative facilities	BR C	~~10,675,500~~	0 Vetoed in Part

~~SECTION 554s. 20.866 (2) (u) of the statutes is amended to read:~~ Vetoed in Part

~~20.866 (2) (u) *Transportation; administrative facilities.* As a continuing appropriation from the capital improvement fund, the amounts in the schedule for the department of transportation to acquire, construct, develop, enlarge or improve transportation administrative office or equipment storage and maintenance facilities. The state may contract public debt in an amount not to exceed $8,890,400 $19,565,900 for this purpose.~~

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

For the 1981-83 fiscal biennium, the state building program shall be as follows:

(a) Department of administration -- state office facilities	
Projects financed by building trust funds:	
Minor projects	$ 276,000
Total building trust funds	$ 276,000
~~Projects financed by general fund supported borrowing:~~	Vetoed in Part
~~Crime lab relocation (department of justice)~~	~~$ 2,500,000~~
~~Kenosha state office building~~	~~1,900,000~~
~~Total general fund supported borrowing~~	~~$ 4,400,000~~
Projects financed by existing general fund supported borrowing:	
Wilson Street office building air conditioning	$ 443,000
Total existing general fund supported borrowing	$ 443,000
Projects financed by program revenues:	
Minor projects	$ 150,000
Total program revenue	$ 150,000

(f) Department of natural resources

Projects financed by building trust funds:	
Minor projects	$ 46,000
Total building trust funds	$ 46,000
Projects financed by outdoor resources action program (ORAP) formula funds:	
Minor projects	$ 124,300
Total ORAP formula funds	$ 124,300
Projects financed by general fund supported borrowing:	Vetoed in Part
Wisconsin Rapids area headquarters (total project all funding sources $560,000)	$ 220,000
Spooner district headquarters (total project all funding sources $625,000)	187,500
Total general fund supported borrowing	$ 407,500
Projects financed by outdoor resources action program (ORAP) supported borrowing:	
Kinnickinnic park development (total project all funding sources $925,000)	$ 462,500
Minor projects	1,365,500
Total ORAP supported borrowing	$ 1,828,000
Projects financed by segregated fund supported borrowing:	
Pheasant propagation facility	$ 1,095,300
Wisconsin Rapids area headquarters (total project all funding sources $550,000)	330,000
Spooner district headquarters (total project all funding sources $625,000)	437,500
Total segregated funds supported borrowing	$ 1,773,800
Projects financed by segregated funds:	
Griffith nursery stock building	$ 450,000
Minor projects	1,668,800
Total segregated funds	$ 2,118,800
Projects financed by gifts, grants and other agency receipts:	
Kinnickinnic park development (total project all funding sources $925,000) Vetoed in Part	$ 462,500
Minor projects	710,800
Total gifts, grants and other agency receipts	$ 1,173,300

(g) Department of transportation

Projects financed by segregated fund supported borrowing:	Vetoed in Part
Truax sign shop purchase	$ 2,430,000
Truax material lab and driver testing station purchase	1,457,000
District 1 office building	2,469,500
State patrol training academy	3,779,000
Rhinelander district office purchase	550,000
Total segregated fund supported borrowing	$ 10,675,500
Projects financed by segregated funds:	
Minor projects	$ 50,400
Total segregated funds	$ 50,400

(5) Of the funding enumerated in subsection (1) (a) for the purchase and remodeling of the Kenosha state office building, up to $800,000 may be used for the purchase of the Kenosha police building from the city of Kenosha. As part of this purchase, the state building commission shall convey the Reed Act building to the city of Kenosha. Vetoed in Part

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.8 *Telephone System Acquisition*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is comprised of the language in SECS. 2006 (1) (j) and 2006 (8) (a), relating to telephone system acquisition.

Referred to the Committee on Government Operations.

Fiscal Bureau summary.

8. *Telephone System Aquisition* [Chapter 20 Sections: 2006 (1) (j) and 2006 (8) (a)].

These vetoed sections delete the project enumeration for the Telephone System Acquisition Project ($2,000,000 BR). There is no actual reduction in the public debt appropriation amount. The estimated reduction in debt service payments attributable to the reduction in the project enumeration amount would be $86,000 GPR in the 1981-83 biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$86,000 GPR

Cited segments of 1981 AB-66.

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(j) Funding available to all agencies

Projects financed by building trust funds:	
Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 5,655,200
Advance planning	1,840,000
Total building trust funds	$ 7,495,200
Projects financed by general fund supported borrowing:	
Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 13,653,000
Energy conservation	15,000,000
~~Air quality compliance~~	~~21,500,000~~ Vetoed
~~Telephone system acquisition~~	~~2,000,000~~ Vetoed in Part
Handicapped access improvements	1,000,000
Advanced land acquisition	1,000,000 Vetoed
Total general fund supported borrowing	~~$ 60,153,000~~ Vetoed in Part

Vetoed in Part

(8) (a) The financing authority enumerated under subsection (1) (j) for minimum maintenance and health and safety, advance planning, energy conservation, ~~air quality compliance, telephone system acquisition,~~ handicapped access improvements and advanced land acquisition may be allocated by the state building commission to any state agency for the purposes specified as determined by the state building commission and shall constitute enumeration for such projects exceeding $250,000 in cost.

Subject Area 7. GENERAL GOVERNMENT

Item 7 A.9 *Summary*

Governor's written objections.

[See Item 7-A.]

Speaker's referral.

This item is informational in nature and has no legal effect. It is comprised of the bottommost-vetoed number in SEC. 2006 (1) (j) and SEC. 2006 (1) (k).

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

9. *Summary* [Chapter 20 Sections: 2006 (1) (k)].

This veto deleted a section which summarized the funding provided for the 1981-83 Building Program.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2006. **Nonstatutory provisions; building commission; authorized state building program.**

(1)

(j)	Funding available to all agencies	
	Projects financed by building trust funds:	
	Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 5,655,200
	Advance planning	1,840,000
	Total building trust funds	$ 7,495,200
	Projects financed by general fund supported borrowing:	
	Minimum maintenance and health and safety (total program all funding sources $19,308,200)	$ 13,653,000
	Energy conservation	15,000,000
	~~Air quality compliance~~	~~21,500,000~~ Vetoed
	~~Telephone system acquisition~~	~~2,000,000~~ in Part
	Handicapped access improvements	1,000,000
	Advanced land acquisition	1,000,000
	Total general fund supported borrowing	~~$ 54,153,000~~
(k)	Summary	Vetoed
	Total building trust funds:	$ 12,925,300 in Part
	Total existing building trust funds:	~~39,400~~
	Total general fund supported borrowing:	~~167,178,400~~
	Total outdoor resources action program supported borrowing:	~~1,828,000~~
	Total existing general fund supported borrowing:	~~1,299,800~~
	Total segregated fund supported borrowing:	~~12,443,300~~
	Total program revenue supported borrowing:	~~3,500,000~~
	Total outdoor resources action programs funds:	~~124,300~~
	Total segregated funds:	~~2,169,200~~
	Total program revenue funds:	~~6,818,900~~
	Total gifts, grants and other agency receipts:	~~5,565,300~~
	Total funding, all sources	~~$213,896,500~~

Subject Area 7. GENERAL GOVERNMENT

Item 7-B: Condominium Conversions

Governor's written objections.

Sections 1765n, 1765o, 1765p, 1765q, 1765r, 1765s, 1765t

These sections place restrictions on the private sector conversion of existing rental housing to condominiums. I have vetoed them because they are very complex, make substantial changes in a law revised only a few years ago, and could have a major impact not only on landlord-tenant relations, but on urban planning and the reinvigoration of our central cities. This measure attempts to deal with a real problem - callous displacement of our elderly. But we must be certain we do not arbitrarily change the rules in such a way to make matters worse. Too rigid a standard could in fact restrict rental opportunities for the elderly in any building even contemplated for conservation. I urge the legislature to review this problem in all its implications and ramifications, and with full public hearings.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1765n, 1765o, 1765p, 1765q, 1765r, 1765s and 1765t.

Referred to the Committee on Rules.

Fiscal Bureau summary.

7-B: *Condominium Conversions* [Chapter 20 Sections: 1765n, 1765o, 1765p, 1765q, 1765r, 1765s and 1765t].

As passed by the Legislature, the biennial budget required the owner of a building to be converted to condominiums to give 120 days' to 2 years' prior written notice to tenants of the building. (The previous statutory requirement was 120 days' prior written notice.) In addition, the period of time during which the tenant has the exclusive right to purchase was changed from 60 days to 90 days. Low income elderly or handicapped tenants who had lived in the building at least 2 years prior to receiving notice of the conversion were to be allowed to remain on the premises as tenants as follows: (1) for one year, if the tenant had occupied the premises 2-4 years; (2) for 18 months, if the tenant had occupied the premises 4-6 years; and (3) for 2 years, if the tenant had occupied the premises at least 6 years. In addition, the budget required the building owner to pay the relocation expenses of low income elderly and handicapped persons who had been tenants for at least 2 years and who decided to vacate the premises rather than purchase or remain for the term specified above. The payment was to be $750 if the tenant lived alone or $500 in other cases. The biennial budget also authorized any city, county or town to adopt ordinances that provided greater protections to tenants than those included in the budget.

The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1765n. 703.08 (1) of the statutes is amended to read:

703.08 (1) (a) Residential real property may not be converted to a condominium unless the owner of the residential real property gives not less than 120 days' nor more than 2 years' prior written notice of the conversion to each of the tenants of the building or buildings scheduled for conversion.

(b) A tenant has the exclusive option to purchase the unit for a period of ~~60~~ 90 days following the date of delivery of the notice. The option may be assigned to a sublessee occupying the unit when the notice is given and may be waived only in writing.

SECTION 1765o. 703.08 (1) (c) and (3) to (5) of the statutes are created to read:

703.08 (1) (c) A copy of the notice required by this section shall be given to a tenant who enters into a lease after notice is given under par. (a). The option under par. (b) extends only to tenants receiving notice under par. (a).

(3) The notice required by this section shall contain the following:

(a) A description of all improvements proposed to be made to the property and a proposed completion date for the improvements.

(b) A description of each optional improvement which may be obtained at the purchaser's request and its cost.

(c) A copy of the proposed floor plan of the unit showing the location of other units and common elements.

(d) The purchase prices of all the units.

(e) A copy of a report, prepared by a person who is not an employe of the owner and who holds a certificate authorizing the practice of professional engineering issued under s. 443.01, describing the present condition of major structural components and mechanical and utility installations of the residential real property.

(f) A statement describing the tenant's option rights under sub. (1) (b).

(g) A statement in boldface type or upper case letters, no smaller than the largest type in the notice, in the following wording: "IF YOU ARE HANDICAPPED OR ARE AT LEAST 65 YEARS OF AGE, YOU MAY HAVE ADDITIONAL RIGHTS GUARANTEED BY SECTION 703.085 OF THE WISCONSIN STATUTES."

VETOED

(h) Immediately following the statement required by par. (g), a copy of s. 703.085.

(4) The notice required by this section shall be given in the manner prescribed under s. 704.21 (1).

(5) An agreement to waive delivery of the notice required by this section is void.

SECTION 1765p. 703.085 of the statutes is created to read:

703.085 Conversions affecting older or handicapped persons. (1) In this section:

(a) "Eligible tenant" means a handicapped person or an older person, or the spouse of a handicapped person or an older person, who has occupied as a tenant or sublessee premises proposed for condominium conversion for at least 2 years before receiving notice under s. 703.08 (1) (a) and has an annual income from all sources not exceeding $10,500 in 1981, adjusted in subsequent years by the percentage change in the cost of living as determined by the U.S. bureau of labor statistics.

(b) "Handicapped person" means a handicapped person as defined in s. 47.40 (3) (a).

(c) "Older person" means a person at least 65 years of age.

(2) Within 90 days after receiving notice under s. 703.08 (1) (a), an eligible tenant who does not exercise the option to purchase under s. 703.08 (1) (b) may:

(a) Provide the owner with proof that the eligible tenant meets the requirements of sub. (1) (a).

(b) Notify the owner of the eligible tenant's intention to remain as a tenant for a term prescribed under sub. (3) (a).

(c) Notify the owner of the eligible tenant's intention to vacate the premises.

(3) (a) All persons living on the premises occupied by an eligible tenant who complies with sub. (2) (a) and (b) may remain as tenants for the following terms after creation of a conversion condominium:

1. One year, if the eligible tenant occupied the premises at least 2 years and less than 4 years before receiving notice under s. 703.08 (1) (a).

2. Eighteen months, if the eligible tenant occupied the premises at least 4 years and less than 6 years before receiving notice under s. 703.08 (1) (a).

3. Two years, if the eligible tenant occupied the premises at least 6 years before receiving notice under s. 703.08 (1) (a).

(b) During a term prescribed under par. (a):

1. An eligible tenant's rent may be increased only on an anniversary of the eligible tenant's first occupancy of the premises and the increase for any year may not exceed 10% of the eligible tenant's rent during the year next preceding the giving of notice under s. 703.08 (1) (a);

2. The owner may not cause or permit harassment of the eligible tenant for the purpose of causing the eligible tenant to vacate the premises;

3. The owner may not decrease services to the eligible tenant; and

4. The owner may bring an action for possession of the premises only if at least one of the following exists:

a. The eligible tenant fails to pay rent, except where the owner has breached an express agreement to rectify building code violations and as a result of the breach the eligible tenant has withheld rent payments from the owner and placed them in a fund to offset future rent payments.

b. The eligible tenant commits waste.

c. A public authority declares the premises unfit for residential use.

d. After written notice to cease, the eligible tenant destroys the peace and quiet of the dwelling or neighborhood.

VETOED

e. After written notice to cease, the eligible tenant substantially violates a reasonable rule governing the premises, if the rule was made a part of the lease at the beginning of the lease term or was accepted in writing by the eligible tenant.

f. The owner may require relocation under sub. (5) (a).

(4) (a) Except as provided in par. (b), the owner shall pay a relocation grant of at least $500 to all of the following:

1. An eligible tenant who complies with sub. (2) (a) and (c).

2. An eligible tenant who complies with sub. (2) (a) and (b) and is required to vacate the premises during a term prescribed under sub. (3) (a) because a public authority declares the premises unfit for residential use.

(b) The owner shall pay a relocation grant of at least $750 to an eligible tenant under par. (a) who is the only eligible tenant residing in his or her dwelling unit.

(5) (a) After creation of a conversion condominium, the owner may require an eligible tenant permanently to relocate once to a reconstructed dwelling unit in the same residential structure, if the purpose of the relocation is to permit reconstruction of the dwelling unit occupied by the eligible tenant and relocation with the consent of the eligible tenant is not obtained under par. (b). The reconstructed dwelling unit to which the eligible tenant is relocated under this paragraph must be at least equivalent in facilities and floor space to the dwelling unit vacated by the eligible tenant.

(b) After creation of a conversion condominium, the owner may, with the consent of the eligible tenant, temporarily relocate an eligible tenant to another residential structure, if the purpose of the relocation is to permit reconstruction of the dwelling unit occupied by the eligible tenant. The eligible tenant has the right to relocate to the vacated dwelling unit after its reconstruction. Reconstruction of the vacated dwelling unit may not cause a reduction in floor space or facilities.

(c) The owner shall pay all reasonable relocation costs incurred by an eligible tenant relocating under this subsection.

(d) Subsection (3) applies notwithstanding relocation under this subsection.

SECTION 1765q. 703.125 of the statutes is created to read:

703.125 Declarant's warranty. (1) A declarant warrants against material defects in the plumbing, electrical, mechanical and structural components of a unit for 120 days after its sale.

(2) A declarant warrants against material defects in the plumbing, electrical, mechanical and structural components of a common element for 120 days after the last unit not occupied by the declarant as a residence is sold or 120 days after construction of the common element, whichever is later.

SECTION 1765r. 703.27 of the statutes is amended to read:

703.27 Zoning and building regulations. (1) ~~A~~ Except as provided in sub. (3), a zoning or other land use ordinance or ~~regulations~~ regulation may not prohibit the condominium form of ownership or impose any requirements upon a condominium which it would not impose upon a physically identical development under a different form of ownership. No provision of a state or local building code may be applied differently to a building in a condominium than it would be applied to a building of similar structure or occupancy under a different form of ownership unless the different application is expressly permitted in that provision. No subdivision ordinance may apply to any condominium unless the ordinance is, by its express terms, applicable to condominiums.

(2) ~~No~~ Except as provided in sub. (3), no county, city or other jurisdiction may enact any law, ordinance or regulation which would impose a burden or restriction on a condominium that is not imposed on all other property of similar character not subjected to a condominium declaration.

SECTION 1765s. 703.27 (3) of the statutes is created to read:

703.27 (3) A county, city or village, or a town adopting a resolution under s. 60.18 (12), may adopt ordinances regulating the creation of a conversion condominium which:

(a) Create protections for eligible tenants, as defined under s. 703.085 (1) (a), affected by the conversion which are the same or greater than those under this chapter.

(b) Do not prohibit a conversion condominium.

(c) Apply equally to each conversion condominium within the county, city, village or town.

SECTION 1765t. 703.33 (1) (h) of the statutes is created to read:

703.33 (1) (h) A copy of the report required under s. 703.08 (3) (e), if the unit is part of a conversion condominium.

VETOED

Subject Area 7. GENERAL GOVERNMENT

Item 7-C: Contracting for Services

Governor's written objections.

Sections 15e, 87j, 87L, 87o, 87p, 87s, 87t, 88m, 89m, 2202 (33) (a)

These sections are part of group which were created and changed to revise procurement statutes in contracting for services. My vetoes are a result of specific problems with the wording, not the policy of the change.

Section 87j is vetoed because it is possible for a contractural service agreement to include the procurement of materials as well as services.

Section 87L is partially vetoed to delete the language which provides that any information which is obtained by a contractor under the contract is the property of the state. This language is too general to be enforced.

Subsection 7 is partially vetoed to eliminate the term "violated" since that means breach of contract. In this case the contractor would be prosecuted. The rules required will more fully explain the type of performance which will result.

Subsection (8) (b) is vetoed since the FTE information required is not now available.

Sections 87o, p, s, t, 88m and 89m exempt the legislature and service agencies from certain procurement requirements. This veto would include these offices as is currently required under purchasing statutes.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 15e, 87j, 87L, 87o, 87p, 87s, 87t, 88m, 89m and 2202 (33) (a). As several distinct issues are raised in this item, I have divided it in the following way.

[See Items 7-C.1 to 7-C.6]

Fiscal Bureau summary.

7-C: *Contracting for Services*

As passed by the Legislature, the budget modified current contractual services procurement procedures as follows: (1) required that contractual services approval procedures be formalized through the promulgation of administrative rules; (2) required that agencies initiating a contract for services include justification of need, justification for contracting with other than state agencies, justification of any noncompetitive procurements, and details of the scope of services to be performed, and further prohibited the Department of Administration from approving or processing any such request unless these and all other existing requirements have been met; (3) made contractual services procurement subject to the review and approval of the Secretary of Employment Relations, under conditions established by rule, prior to award; (4) authorized a contractual services procurement procedure under which the Governor or his or her designee may make emergency procurements outside of standard procurement procedures when there exists a threat to public health, welfare or safety under emergency conditions defined by rule; (5) required that within 60 days of the fulfillment of the contractual service agreement, the contracting agency submit to the contract file an evaluation of the contractor's performance and further that the Department of Administration develop by rule a mechanism to assure that contracts are not continued with contractors whose past performance has been found unsatisfactory; and (6) stipulated that information obtained or prepared under terms of the contract is the property of the state. If such information is not available to the public, it may not be used for the benefit of the contractor or any other person.

In addition, the budget required that the Department of Administration, Ethics Board and Department of Employment Relations collaborate to develop administrative rules or recommend statutory changes: (1) to assure that the contractor selection process includes specific procedures for the review and consideration of the independence and arms-length relationship of all potential contractors prior to final selection of the contractor; and (2) to minimize the likelihood that a contractor would be selected who provides services to industries, client groups or individuals who are either the object of state regulation or are recipients of state funding to a degree that the contractor's independence would be compromised.

Further, the budget provided that the Department of Administration submit three reports as follows: (1) on a continuing basis every October 15, a report on the number, value and nature of each agency's contractual services procurements during the preceding fiscal year and commencing with the 1981-82 fiscal year and thereafter, information on the estimated full-time equivalent positions by civil service classification which would have been required had the contract been performed by state employes; (2) a report on February 15, 1982 on actions taken to increase competitive procurements, exercise greater control over blanket waiver of bid authority, and controlling after-the-fact contract

approvals; and (3) an identification, as part of agencies' 1983-85 biennial budget requests, of the aggregate amounts, by source of funds, to be committed to contractual services expenditures.

In addition, the budget provided 1.0 GPR purchasing agent 2 and 1.0 GPR program assistant 1 position and $38,800 GPR in 1981-82 and $43,900 GPR in 1982-83 for increased staffing for the contractual services procurement function in the Department's Bureau of Procurement.

The Governor item vetoed several of these provisions, including:

[See Items 7-C.1 to 7-C.6]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.1 *Definition of Contractual Services*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 87j of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

1. *Definition of Contractual Services* [Chapter 20 Sections; 87j].

The Governor exercised his partial veto to retain a definition of contractual services which includes contracting for materials.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 87j. 16.70 (1) of the statutes is amended to read:~~ **Vetoed in Part**

~~16.70 (1) "Contractual services" includes all materials and services, and any limited trades work involving less than $10,000, to be done for or furnished to the state or any office thereof.~~

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.2 *Public Information*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in s. 16.705 (2m) as created in SEC. 87L of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Public Information* [Chapter 20 Sections: 87L (s. 16.705 (2m))].

The Governor's item veto deleted the provision which required that each contract for services must stipulate that information obtained or prepared under terms of the contract is the property of the state and that if such information is not available to the public, it may not be used for the benefit of the contractor or any other persons.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 87L. 16.705 (2) to (8) of the statutes are created to read:

16.705

~~(2m) Each contract for the provision of contractual services to any office shall provide that the information obtained or prepared by the contractor under the contract is the property of the state of Wisconsin. If the information is not available to the public under any provision of law, the information may not be used by the contractor for the benefit of the contractor or any other person.~~ Vetoed in Part

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.3 *Waivers*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in s. 16.705 (4) as created in SEC. 87L of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

3. *Waivers* [Chapter 20 Sections: 87L (s. 16.705 (4))].

The Governor exercised his partial veto to expand a provision permitting the waiving of contractual services procurement procedures in emergency situations to include all procurements, not just those for contractual services. The partial veto also deleted the requirement that the conditions under which a waiver could be exercised be specified by rule.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 87L. 16.705 (2) to (8) of the statutes are created to read:

16.705

(4) ~~Under conditions specified by rule of the department,~~ the governor or his or her designee may waive any requirement of this subchapter ~~for the procurement of contractual services~~ if the governor or his or her designee finds that there exists an emergency which threatens the public health, safety or welfare and the waiver is necessary to meet the emergency. The governor or his or her designee shall require the award of each contract under this subsection to be made with such competition as is practicable under the circumstances. The governor or his or her designee shall file with the department a statement of facts constituting the emergency for each waiver issued under this subsection, and statement of the basis for selection of each contractor under the emergency procedure. This subsection does not apply to the requirement specified in s. 16.75 (7). **Vetoed in Part**

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.4 *Satisfactory Performance*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in s. 16.705 (7) as created in SEC. 87L of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

4. *Satisfactory Performance* [Chapter 20 Sections: 87L (s. 16.705 (7))].

The Governor item vetoed that provision which required the Department of Administration not to award future contracts to any contractors who have violated past contract provisions. This language was intended to enforce the public information provision which was also vetoed (see Item 7-C (2)).

FISCAL CHANGE TO ENROLLED AB 66: None.

Cited segments of 1981 AB-66.

SECTION 87L. 16.705 (2) to (8) of the statutes are created to read:

16.705

(7) The department shall review evaluations submitted under sub. (6) and adopt rules prescribing procedures to assure that future contracts for contractual services are not awarded to contractors ~~whom the department finds to have violated past contracts or~~ whose past performance is found to be ~~otherwise~~ unsatisfactory, to the extent feasible. **Vetoed in Part**

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.5 *FTE Information Reporting*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in s. 16.705 (6) and (8) as created in SEC. 87L of the Bill. Referred to the Committee on Rules.

Fiscal Bureau summary.

5. *FTE Information Reporting* [Chapter 20 Sections: 87L (s. 16.705 (6) and (8))].

The Governor's item veto deleted the provisions which required that for all contracts for services completed in the 1981-82 fiscal year and thereafter, agencies must indicate the estimated full-time equivalent positions by civil service classification which would have been required had the contract been performed by state employes.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 87L. 16.705 (2) to (8) of the statutes are created to read:

16.705

(6) Within 60 days after the fulfillment of each agreement for contractual services authorized under this section, the office for which the contractual services are performed shall file with the department an evaluation of the contractor's performance in such form as the secretary may require. ~~The evaluation shall include the information necessary to prepare the report specified in sub. (8) (b).~~ **Vetoed in Part**

(8) The department shall annually on or before October 15 report to the governor, the presiding officer of each house of the legislature, the joint committee on finance and the joint legislative audit committee concerning: **Vetoed in Part**

~~(a)~~ The number, value and nature of contractual service procurements authorized for each office during the preceding fiscal year. **Vetoed in Part**

~~(b) For each contract for which performance has been completed during the preceding fiscal year, information as to the estimated number of authorized full-time equivalent positions, segregated according to civil service classification series, which would be required were the contractual services to be performed by state employes in the classified service.~~ **Vetoed in Part**

Subject Area 7. GENERAL GOVERNMENT

Item 7 C.6 *Legislative Contracting*

Governor's written objections.

[See Item 7-C.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 15e, 87o, 87p, 87s, 87t, 88m, 89m and 2202 (33) (a). Referred to the Committee on Rules.

Fiscal Bureau summary.

6. *Legislative Contracting* [Chapter 20 Sections: 15e, 87o, 87p, 87s, 87t, 88m, 89m and 2202 (33) (a)].

As passed by the Legislature, the budget modified present law relating to Department of Administration (DOA) approval of agency purchasing requests to exempt the Legislature and legislative service agencies from the requirement for such approval — except for stationery and printing purchases — and to specify that contracts for such services entered into directly by the Legislature or legislative service agency must be signed by a person or persons designated by the Joint Committee on Legislative Organization.

The Governor deleted by the item veto all those provisions relating to exempting the Legislature and legislative service agencies from the requirement for DOA approval of purchasing requests.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 15e. 13.90 (1) (i) of the statutes is created to read:

13.90 (1) (i) Determine the person or persons authorized to sign purchasing contracts under s. 16.76 (1).

Vetoed in Part

SECTION 87o. 16.71 of the statutes is amended to read:

16.71 Purchasing; powers. The department shall purchase and may delegate to special designated agents the authority to purchase all necessary materials, supplies, equipment, all other permanent personal property and miscellaneous capital, and contractual services and all other expense of a consumable nature for all offices, except as provided in s. 16.72 (4) (b). All such materials, services and other things and expense furnished to any such office shall be charged to the proper appropriations of the ~~departments~~ office to which furnished, as provided in s. 20.505.

SECTION 87p. 16.72 (2) (a) and (3) of the statutes are amended to read:

16.72 (2) (a) The department ~~of administration~~ shall prepare standard specifications, as far as possible, for all ~~state~~ purchases for offices, except those purchases made under sub. (4) (b). By "standard specifications" is meant a specification, either chemical or physical or both, prepared to describe in detail the article which the state desires to purchase, and trade names shall not be used. On the formulation, adoption and modification of any standard specifications, the department ~~of administration~~ shall also seek and be accorded without cost, the assistance, advice and ~~co-operation~~ cooperation of other state offices and officers. Each specification adopted for any commodity shall, insofar as possible, satisfy the requirements of ~~any and~~ all offices which use it in common.

(3) All materials and services required or requested to be furnished by the department which are manufactured or produced at the institutions of the state shall be purchased from said institutions when such products or services conform to the specifications prepared by the department.

SECTION 87s. 16.72 (4) (b) of the statutes is renumbered 16.72 (5).

Vetoed in Part

SECTION 87t. 16.72 (4) (b) of the statutes is created to read:

16.72 (4) (b) Paragraph (a) does not apply to supplies, materials, equipment and contractual services purchased for and furnished to the legislature or any legislative service agency. The department shall process requisitions submitted by the legislature or any legislative service agency upon request of the chief clerk of either house of the legislature or the head of a legislative service agency. This paragraph does not apply to stationery and printing.

SECTION 88m. 16.76 (1) of the statutes is amended to read:

16.76 (1) All contracts for materials, supplies, equipment and or contractual services shall run to the state of Wisconsin, and. Such contracts shall be signed by the secretary or persons authorized by the department, except that contracts entered into directly by the legislature or a legislative service agency shall be signed by a person or persons authorized by the joint committee on legislative organization. All contracts shall contain a clause providing for arbitration of disputes between the state and the contractor regarding quality and quantity of materials, supplies, equipment or services to be provided.

SECTION 89m. 16.77 (1) of the statutes is amended to read:

16.77 (1) No bill or statement for work or labor performed under purchase orders or contracts issued by the secretary or the secretary's designated agents, and no bill or statement for supplies, materials, equipment or contractual services purchased for and delivered to any office, except the legislature or a legislative service agency ordering supplies, materials, equipment or contractual services under s. 16.72 (4) (b), may be paid until the bill or statement is approved by the secretary or one of his or her designated agents. No bill or statement for supplies, materials, equipment or contractual services ordered directly by the legislature or any legislative service agency under s. 16.72 (4) (b) may be paid until the bill or statement is approved by the requisitioning officer under s. 16.72 (4) (b).

SECTION 2202. **Cross-reference changes.**

(33) LEGISLATURE.

(a) *Purchasing procedure.* **Vetoed in Part**

A Statute Sections	B Old Cross-References	C New Cross-References
21.56 (2)	16.72 (4)	16.72 (5)

Subject Area 7. GENERAL GOVERNMENT

Item 7-D: Joint Finance Approval of Small Cities Grants

Governor's written objections.

Section 1734p

Current federal proposals allow the Department of Development to review proposals from local governments and make grants with Community Development Block Grant, Small Cities Funds. This section of the bill would make the awards of these grants subject to the approval of the Joint Committee on Finance. Extensive criteria, upon which the grant awards are based, have been developed by the department and approved by HUD. Approval by Joint Finance could interject political pressures on a currently objective process. The program has worked well in its first test year. I see no need for this new review requirement and have vetoed it.

Speaker's referral.

This item is comprised of SEC. 1734p of the Bill.

Referred to the Committee on State-Federal Relations.

Fiscal Bureau summary.

7-D: *Joint Finance Approval of Small Cities Grants* [Chapter 20 Sections: 1734p].

As passed by the Legislature, the 1981-83 biennial budget contained language that required that the award of federal Community Development Block Grant funds under the Small Cities Program be approved by the Joint Committee on Finance acting under its s. 13.101 authority. The Governor's item veto deleted the requirement for Joint Finance approval of block grant awards.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1734p. 560.04 (2) (j) of the statutes is amended to read: **Vetoed in Part**

560.04 (2) (j) Administer state and federal grant programs related to economic or community development, including economic development assistance programs and housing and urban development comprehensive planning grants affecting local government, business or industry, to assist and strengthen local, regional and state economic and community development and support experimental and cooperative activities and intergovernmental relations, training of local government officials and personnel, and other activities consistent with the purposes of this chapter. The award of a grant under 42 USC 5306 to a city under 50,000 population is subject to the approval of the joint committee on finance.

Subject Area 7. GENERAL GOVERNMENT

Item 7-E: Pay Plan Approval

Governor's written objections.

Sections 60 and 626

The conversion to sum-certain pay plan supplements requires a means to transfer funds from the Compensation Reserve to the supplements. As sum-sufficients this transfer would have occured automatically.

This item veto removes redundant legislative oversight in the new transfer procedure. JOCER now approves the collective bargaining agreements and pay plan. The Joint Finance Committee approves the amount in the Compensation Reserve. The Legislature as a whole approves the amount in the Reserve and the collective bargaining agreements. To require JOCER approval of the amounts transferred from the reserve needlessly duplicates these actions.

The veto also removes a potentially troublesome ambiguity. Presumably, if JOCER does not approve the estimate, the transfer from the reserve does not occur. The potential exists for JOCER to approve the pay plan but to disapprove the estimate of the transfers. This would leave pay plan approved, funded in the reserve, but unfunded in the supplements. The item veto would preclude this possibility.

The additional veto in section 626 removes language duplicating provisions of section 60 of the bill.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 60 and 626 of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

7-E: *Pay Plan Approval* [Chapter 20 Sections: 60 and 626].

As passed by the Legislature, the budget required that the estimates, required to be submitted by the Department of Administration (DOA), of the amounts needed to finance employe compensation and fringe benefit supplements would have to be approved by the Joint Committee on Employment Relations (JCOER) before funding could be transferred from the Employe Compensation and Fringe Benefit Contingency Reserve Fund to the supplemental appropriations for compensation and fringe benefit costs, for subsequent transfer by DOA to individual state agencies. The budget further required that DOA submit revised estimates to JCOER for approval before any monies in excess of the original estimated levels could be released.

The Governor item vetoed the requirement that the estimates by DOA first be approved by JCOER before funds could be transferred to the supplemental appropriation lines for compensation and fringe benefit costs.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 60. 16.40 (17) of the statutes is amended to read: **Vetoed in Part**

16.40 (17) (title) PROVIDE ESTIMATES FOR COMPENSATION AND FRINGE BENEFIT SUPPLEMENTS. Provide a written estimate of the total amounts needed to finance the employe compensation and fringe benefit supplements under s. 20.865 (1) (c), (ci), (cm) ~~and~~, (d), (i), (ic), (im), (j), (s), (si), (sm) and (t) to the joint committee on employment relations ~~no later than the time that the proposed compensation plan under s. 230.12 and the proposed collective bargaining agreements under s. 111.92 are presented for the committee's approval in each odd-numbered year~~ not later than March 31 of each even-numbered year, and provide a revised estimate as soon as possible after the department obtains any information which necessitates a ~~revised estimate. The department may not authorize release of any moneys from the appropriations made under s. 20.865 (1) (c), (ci), (cm) and (d) exceeding the amount specified in an estimate or revised estimate provided under this subsection until it notifies the joint committee on employment relations of the amount and purpose of the additional release~~ revision in the amount to be provided. There shall be transferred from the appropriation under s. 20.877 (1) (a) to the appropriations under s. 20.865 (1) (c), (ci), (cm) and (d) or from the appropriation under s. 20.877 (1) (g) to the appropriations under s. 20.865 (1) (i), (ic), (im) and (j) or from the appropriation under s. 20.877 (1) (q) to the appropriations under s. 20.865 (1) (s), (si), (sm) and (t) the amounts estimated under this section ~~as approved by the joint committee on employment relations~~.

~~Following the approval of the initial estimates,~~ if the department determines that an amount above the initial ~~approved~~ amounts will be needed, the department shall provide a revised written estimate to the joint committee on employment relations and any additional amounts required as reestimated under this section shall be transferred from the appropriations under s. 20.877 (1) (a), (g) or (q) to the affected appropriation ~~upon the approval of the estimate by the committee~~. **Vetoed in Part**

SECTION 626. 25.63 of the statutes is amended to read: **Vetoed in Part**

25.63 (title) **Employe compensation and fringe benefit contingency reserve fund.** All moneys appropriated under s. 20.877 (1) (a)~~, less moneys reverting to the general fund under that paragraph~~, (g) and (q) constitute the employe compensation and fringe benefit contingency reserve fund. Moneys in this fund are reserved to finance future compensation and fringe benefit adjustments for state officers and employes ~~approved by~~ [approved by] ~~and shall be transferred to the appropriations under s. 20.865 (1) (c), (cc), (cm), (d), (f), (fc), (fm), (i), (s), (si), (sm) and (t) upon the approval of~~ the joint committee on employment relations ~~or the legislature~~ [or the legislature] ~~of estimates submitted under s. 16.40 (17)~~.

Subject Area 7. GENERAL GOVERNMENT

Item 7-F: Program Revenue and Program Revenue-Service

Governor's written objections.

Section 2057 (3)

This section allows an initial modification to the appropriation and position levels of all program revenue and program revenue-service appropriations which have been converted from continuing to sum certain. The partial veto would allow such modification for all items approved and authorized since July 1 and until the effective date of the bill.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2057 (3) of the Bill.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

7-F: *Program Revenue and Program Revenue-Service* [Chapter 20 Sections: 2057 (3)].

As passed by the Legislature, the budget established a transitional provision to allow the shift to the new procedure for adjustment in agencies' program revenue appropriation levels and number of authorized program revenue funded positions. Under the budget, changes in such appropriation levels or authorized positions can continue to be made by the Department of Administration (DOA) if, after notification, the Joint Committee on Finance does not within 14 days schedule a meeting to review the proposed change.

As part of this provision, the budget contained a transitional provision allowing DOA to increase agency 1980-81 base budget levels as contained in the budget bill for program revenue appropriations and positions to adjust to higher levels that may have been authorized by DOA prior to June 30, 1981.

Because of the lateness of passage of the budget bill, the Governor made a technical item veto of this provision to allow DOA to make this one-time adjustment in budgeted program revenue levels and positions up to the effective date of the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2057. **Nonstatutory provisions; other.**

Vetoed in Part

(3) LIMITATIONS UPON PROGRAM REVENUE APPROPRIATIONS AND PROGRAM REVENUE-FUNDED POSITIONS. No later than 30 days after the general effective date of this act, the secretary of administration shall provide to the joint committee on finance a report concerning any initial modifications which are necessary to the appropriation levels established under this act for program revenue and program revenue-service appropriations as defined in section 20.001 (2) (b) and (c) of the statutes which are changed under this act from continuing appropriations to annual or biennial appropriations. The report shall also indicate any initial modifications that are necessary to full-time equivalent authorized position levels funded from program revenue and program revenue-service appropriations determined under this act. Such modifications shall be limited to appropriately reflecting the appropriation or position level changes necessary to account for higher base levels ~~for the 1980-81 fiscal year~~ due to appropriation or position increases authorized by the governor and secretary of administration under sections 16.505 (1) (c) and 16.50 (2) of the 1979 statutes prior to the effective date of this act. Upon acceptance of the report by the joint committee on finance, the department of administration may adjust the annual or biennial program revenue and program revenue-service appropriation levels and position authorization levels provided or determined under this act as indicated in the report to correctly reflect continuation of base level appropriations and positions prior to the effective date of this act as indicated in the report.

Subject Area 7. GENERAL GOVERNMENT

Item 7-G: Sick Leave and Social Security

Governor's written objections.

Sections 700m, 1530m

Under these sections, social security payments would not be required for sick leave caused by personal illness or accident. I have vetoed this because it would decrease employe social security benefits; would be difficult to implement, especially at the University where a leave accounting system is not in place; the Reagan administration has already proposed elimination of this "loophole;" employes would draw larger paychecks on sick leave days than days they worked, possibly encouraging absenteeism; and the reduction in social security benefits could lead to indirect increases in the state's future contributions to the state retirement system to provide for the 80% guaranteed benefit level.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 700m and 1530m. However, it appears that the item also includes the language vetoed in SECS. 2201 (1) (j) and 2201 (53) (a).

Referred to the Committee on State Affairs.

Fiscal Bureau summary.

7-G: *Sick Leave and Social Security* [Chapter 20 Sections: 700m, 1530m, 2201 (1) (j) and 2201 (53) (a)].

As passed by the Legislature, the budget changed present law regarding sick leave payments to provide that payments are to be treated as being made on account of employe sickness or accident disability and that such payments are not to be included as wages for the purpose of determining employe and employer contributions for federal social security. No appropriations were reduced as a result of this change but reduced employer fringe benefit payments of approximately $1,100,100 per year ($507,300 GPR; $602,800 Other Funds) were anticipated once the change is fully implemented. Implementation time would be dependent upon modifications being made to the state's central payroll system (for all employes except UW employes) and to the University of Wisconsin's payroll systems to accommodate this change and also upon whether final negotiated collective bargaining agreements permitted such changes in sick leave payments.

The Governor deleted this entire provision by use of the item veto.

FISCAL CHANGE TO ENROLLED AB 66: Reduce estimated lapsed balances by $507,300 GPR, $602,800 Other Funds

Cited segments of 1981 AB-66.

SECTION 700m. 40.41 (11) of the statutes is created to read: **Vetoed in Part**

40.41 (11) Payments made by the state on account of employe sickness or accident disability under s. 230.35 (2) or any collective bargaining agreement under subch. V of ch. 111 may not be included as "wages" for the purpose of determining the amount of social security taxes paid on the wages of a state employe. The university of Wisconsin system, for employes of the system, and the department of administration, for other state employes, shall collect and maintain information for all state employes relative to the use of payments made by the state on account of sickness or accident disability.

SECTION 1530m. 230.35 (2) of the statutes is amended to read: **Vetoed in Part**

230.35 (2) ~~Leave of absence with pay owing to sickness and leave of absence without pay, other than annual leave, shall be regulated by rules of the administrator, except that unused~~ The administrator shall by rule adopt a plan for the payment by the state of sick leave payments in lieu of salary on account of sickness or accident disability. Records shall be kept of all such payments as provided in s. 40.41 (11). The plan may also provide for paid sick leave to be allowed for other purposes. The administrator shall by rule regulate the use of leaves of absence without pay. Unused sick leave shall accumulate from year to year. After July 1, 1973, employes appointed to career executive positions under the program established under s. 230.24 or positions designated in s. 20.923 (4), (8) and (9) shall have any unused sick leave credits restored if they are reemployed in a career executive position or in a position under s. 20.923 (4), (8) and (9), regardless of the duration of their absence. Restoration of unused sick leave credits if reemployment is to a position other than those specified above shall be in accordance with rules of the administrator.

SECTION 2201. **Program responsibility changes.**

(1) ADMINISTRATION.

(j) *Sick leave accounting.* **Vetoed in Part**

A	B	C
Statute Sections	References Deleted	References Inserted
15.101 (intro.)	none	40.41 (11)

SECTION 2201. **Program responsibility changes.**

(53) UNIVERSITY OF WISCONSIN SYSTEM.

(a) *Sick leave accounting.* **Vetoed in Part**

Vetoed in Part

A	B	C
Statute Sections	References Deleted	References Inserted
15.91 (intro.)	none	40.01 (11)

Subject Area 7. GENERAL GOVERNMENT

Item 7-H: Single Budget Bill

Governor's written objections.

Sections 2n, 68r, 69e, 69m, 1736

I have vetoed these sections because they could be used to prevent a governor from submitting a revenue bill and having it treated as a budget bill. I strongly support the revenue bill concept which sets a ceiling on state spending based on people's ability to pay. I also believe both the legislature and the governor should have the flexibility to present the budget in the way deemed appropriate for the times. Unfortunately, the majority rejected the revenue bill this year.

Economic conditions mke a state spending ceiling less essential. But as the economy improves and the demand for new state spending returns, the revenue bill concept, with its ceiling in state expenditures, will become essential once again.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 2n, 68r, 69e, 69m and 1736.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

7-H: *Single Budget Bill* [Chapter 20 Sections: 2n, 68r, 69e, 69m and 1736].

As passed by the Legislature, the budget included language modifying present statutes to clarify that a single omnibus executive biennial budget bill is to be submitted to the Legislature along with the Governor's biennial budget recommendations.

The Governor item vetoed these provisions to retain present references to an executive budget bill or bills.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2n. 13.10 of the statutes is renumbered 13.093 and 13.093 (2) (b), as renumbered, is amended to read: **Vetoed in Part**

13.093 (2) (b) ~~Executive~~ An executive budget ~~bills~~ bill introduced under s. 16.47 (1) or 16.475 ~~are~~ is exempt from the fiscal estimate requirement under par. (a) but shall, if ~~they contain~~ it contains a provision affecting a public retirement fund, affecting state debt or revenue obligations or providing a tax exemption, be analyzed as to those provisions by the respective joint survey committee. If such a bill contains a provision affecting state debt or revenue obligations or providing a tax exemption, the bill shall be simultaneously referred to the respective joint survey committee and the joint committee on finance. The report of the joint survey committee on debt management and of the joint survey committee on tax exemptions shall be prepared within 60 days of introduction for ~~bills~~ a bill introduced under s. 16.47 (1) and within 30 days of introduction for ~~bills~~ a bill introduced under s. 16.475. **Vetoed in Part**

SECTION 68r. 16.45 of the statutes is amended to read:

16.45 **Budget message to legislature.** In each regular session of the legislature, the governor shall deliver his budget message to the 2 houses in joint session assembled. Unless a later date is requested by the governor and approved by the legislature in the form of a joint resolution, the budget message shall be delivered on or before the last Tuesday in January. With such message the governor shall transmit to the legislature the biennial state budget report and the executive budget ~~bills~~ bill together with suggestions for the best methods for raising the needed revenues. **Vetoed in Part**

SECTION 69e. 16.47 (1) of the statutes is amended to read:

16.47 (1) The executive budget shall be in the form of a single bill ~~or bills shall incorporate~~ incorporating the governor's recommendations for appropriations for the succeeding biennium. Each appropriation in ~~each~~ the bill except those for highway construction and aids to local units may be divided into 3 allotments: personal services, other operating expenses and capital outlay or other meaningful classifications, or appropriations may be made in total for all expense. The appropriation method shall in no way affect the amount of detail or manner of presentation which may be requested by the joint committee on finance. Appropriation requests may be divided into 3 allotments: personal

~~services, other operating expenses and capital outlay or such other meaningful classifications as may be approved by the joint committee on finance.~~

~~SECTION 69m. 16.47 (1m) of the statutes is amended to read:~~

~~16.47 (1m) Immediately after the delivery of the budget message, the bills bill shall be introduced without change into either house by the joint finance committee on finance and when introduced shall be referred to that committee.~~ **Vetoed in Part**

SECTION 1736. 560.11 (2) (intro.) of the statutes is amended to read: **Vetoed in Part**

560.11 (2) (intro.) The governor shall review the plan submitted under sub. (1) and shall include the plan ~~in~~, with his or her modifications, in the executive budget bill ~~or bills~~ [or bills] for the budget period for which the plans were submitted. Funds which are appropriated under s. 20.143 (3) (b) ~~or (c) for a budget period commencing on or after July 1, 1981,~~ may be encumbered or expended only in accordance with the applicable plan adopted by the legislature, except, notwithstanding any other law:

Subject Area 8. JUSTICE

Item 8-A: Borum Claim

Governor's written objections.

Section 2057 (7)

This section provides payment to Robert L. Borum for a claim of injury at American Motors in Kenosha on March 31, 1955. The claim was heard and resulted in an order which was affirmed by the Industrial Commission in 1955. The second claim in 1959 was dismissed by the Industrial Commission. As a result of a lengthy court proceeding in this case, it is clear that the claim has been fully addressed through the judicial process. The Wisconsin Supreme Court barred the claim, and the Claims Board has denied subsequent submissions. Consequently, I am vetoing the Borum claim because full opportunity for relief was afforded.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2057 (7) of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

8-A: *Borum Claim* [Chapter 20 Sections: 2057 (7)].

As passed by the Legislature, the budget appropriated $75,000 GPR as payment of a claim filed against the state by Robert L. Borum to compensate him for permanent partial disability and years of suffering as a result of an industrial accident in which Mr. Borum was involved in 1955 but for which compensation was denied by the former State Industrial Commission. The Governor's item veto deleted the statutory language requiring payment of the claim. The effect of the Governor's veto is to leave this GPR amount in the appropriation where it will lapse into the general fund at the end of the 1981-82 fiscal year.

FISCAL CHANGE TO ENROLLED AB 66: -$75,000 GPR

Cited segments of 1981 AB-66.

SECTION 2057. **Nonstatutory provisions; other.**

(7) ROBERT L. BORUM CLAIM. There is released from the general fund to Robert L. Borum, Milwaukee, Wisconsin, $75,000 to be paid from the appropriation under section 20.505 (4) (d) of the statutes, as affected by this act, to compensate him for permanent partial disability and years of suffering. His disability results from an industrial accident which occurred in Kenosha on March 31, 1955, and has not been recompensed due to the state industrial commission's November 30, 1955, denial of his claim of permanent injuries, and the operation of chapter 102 of the statutes which limits the claimant to a single cause of action even though there was insufficient knowledge of the extent of his injuries at the time of the original hearing. Acceptance of this payment operates as a full and complete release to the state of any further claim by Mr. Borum arising out of his injury and the consideration thereof by the industrial commission. **Vetoed in Part**

Subject Area 8. JUSTICE

Item 8-B: Public Intervenor

Governor's written objections.

Section 2032

This section specifies that the Department of Justice shall operate the Public Intervenor program with 2.0 attorneys in each year of the biennium and spend not less than $30,000 each year for consultants. Agencies must be given flexibility in the management of their limited resources. I do not believe we should specify how the Attorney General must allocate his resources to meet the ever-changing demands on the Department of Justice.

Speaker's referral.

This item is comprised of SEC. 2032 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

8-B: *Public Intervenor* [Chapter 20 Sections: 2032].

As passed by the Legislature, the biennial budget directed the Department of Justice to operate the public intervenor program with 2.0 GPR attorney positions and with payments of not less than $30,000 GPR in each fiscal year for expert consultants and other court costs. The Governor's item veto deleted this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2032. **Nonstatutory provisions; justice.** **Vetoed in Part**

(1) PUBLIC INTERVENOR. From its appropriation under section 20.455 (1) (a) of the statutes, during fiscal years 1981-82 and 1982-83 the department of justice shall operate the public intervenor program with 2.0 GPR attorney positions and with payments of not less than $30,000 in each fiscal year for expert consultants and other court costs.

Subject Area 8. JUSTICE

Item 8-C: Special Counsel

Governor's written objections.

Section 368

This provision would transfer the Special Consel appropriation from the Department of Justice to the Governor's office, and convert it from a sum-sufficient to a sum-certain annual appropriation. My veto retains the Special Counsel appropriation in the Department of Justice as a sum sufficient.

Although the Governor formally contracts for special counsel services after the Attorney General declines the representation, the Attorney General should assume responsibility for reviewing the appropriateness of the Special Counsel bills. Therefore I have vetoed this transfer to restore current law. It was not possible to use the item veto to establish the program as a sum certain, which would have been my preference.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 368 of the Bill. However, it appears that the item should include as well the language vetoed in s. 20.525 (1) (e) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Government Operations.

Fiscal Bureau summary.

8-C: *Special Counsel* [Chapter 20 Sections: 120sm (s. 20.525 (1) (e)) and 368].

As passed by the Legislature, the biennial budget transferred the appropriation for special counsel appointed by the Governor from the Department of Justice to the Office of the Governor. In addition, the appropriation was converted from a sum sufficient to a sum certain appropriation. The Governor's item veto deleted the transfer of this appropriation and retains the appropriation as a sum sufficient in the Department of Justice.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83
20.525 OFFICE OF THE GOVERNOR			
(1) EXECUTIVE ADMINISTRATION			
~~(e) Special counsel~~	~~GPR A~~	~~138,000~~	~~138,000~~ Vetoed in Part

~~SECTION 368. 20.455 (1) (b) of the statutes is renumbered 20.525 (1) (e) and amended to read: 20.525 (1) (e) *Special counsel.* A sum sufficient, subject to the procedure established in s. 14.11 (2) (c). The amounts in the schedule for the compensation of special counsel appointed as provided in under ss. 14.11 (2) and 21.13.~~ Vetoed in Part

Subject Area 8. JUSTICE

Item 8-D: Victim and Witness Programs

Governor's written objections.

Section 1822m

I believe the Victim and Witness Program to be an excellent part of our criminal justice system. In order to control costs and to learn more from individual county programs, I have vetoed this section to effectively limit expansion to those counties which had submitted plans to the Department of Justice by May 1, 1981. In the future I am hopeful this program can become available throughout the state as our economy improves and state resources are less strained.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1822m of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

8-D: *Victim and Witness Programs* [Chapter 20 Sections: 1822m]

As passed by the Legislature, the biennial budget repealed the statutory requirement that, in order for a county to receive reimbursement from the state, the county board must have submitted its victim and witness services program plan no later than May 1, 1981. The Governor's item veto deleted this provision and thus retained the requirement that the plan be submitted no later than May 1, 1981. As a result, approximately eight counties (the number may vary depending on the interpretation of when and how the plan had to be submitted) will be eligible for future participation in the program. Consequently, the total demand for reimbursement will be reduced from the amounts appropriated in Chapter 20. It is estimated that approximately $614,000 GPR will lapse from the victim and witness appropriation.

FISCAL CHANGE TO ENROLLED AB 66: -$614,000 GPR

Cited segments of 1981 AB-66.

SECTION 1822m. 950.06 (4) of the statutes is amended to read: **Vetoed in Part**

950.06 (4) ~~The~~ If the county seeks reimbursement under sub. (2), the county board shall submit a program plan to the department~~, if the county seeks reimbursement under sub. (2),~~ for its approval ~~not later than 6 months after November 1, 1980~~ [not later than 6 months after November 1, 1980] . The county is eligible for reimbursement under sub. (2) only if the department has approved the plan. The program plan shall describe the level of services to victims and witnesses that the county intends to provide; the personnel or agencies responsible for related administrative programs and individual services; proposed staffing for the program; proposed education, training and experience requirements for program staff and the staff of agencies providing related administrative programs and individual services; the county's budget for implementing the program and other information the department determines to be necessary for its review. The plan shall provide that the district attorney, local law enforcement agencies and the courts shall make available to the person or agency responsible for administering the program all reports or files, except reports or files which are required by statute to be kept confidential, if the reports or files are required by the person or agency to carry out program responsibilities. In August of each year, the county board shall submit a report to the department on the operation of the plan, including the enforcement of rights under s. 950.04 and the provision of services under s. 950.05.

Subject Area 9. MEDICAID

Item 9-A: Co-Payment

Governor's written objections.

Section 852

Section 852 of the budget relating to requiring co-payment for optional MA services conflicts with Section 853. My veto eliminates the conflicting language and maintains the requirement for co-payments consistent with federal law.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 852 of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

9-A: *Copayment* [Chapter 20 Sections: 852].

As passed by the Legislature, the biennial budget required a copayment from Medical Assistance (Medicaid) recipients who are not inpatients in hospitals or nursing homes for those services which are considered optional under federal regulations. In addition, the Department of Health and Social Services was directed to seek a waiver of federal regulations which prohibit the state from charging a copayment for mandated services for the categorically needy. Copayments for mandated services require the approval of the Joint Committee on Finance prior to implementation. The Governor's item veto deleted a conflicting provision in section 852 which would otherwise prevent the state from implementing a copayment for mandated services.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 852. 49.45 (14) (c) of the statutes is created to read: **Vetoed in Part**

49.45 (14) (c) Benefits or services ~~provided under s. 49.46 (2) (b)~~ for which recipient copayment is required under sub. (18), not to exceed maximum amounts allowable under 42 CFR 447.53 to 447.58.

Subject Area 9. MEDICAID

Item 9-B: Co-Payment for Hospitalized Patients

Governor's written objections.

Section 853

The bill contains language which exempts hospital in-patients from certain Medicaid recipient cost-sharing provisions. My veto eliminates hospital in-patients from this exemption to permit co-payment for certain ancilliary services they receive. Some optional services are included in the hospital daily rate and patients are not assessed co-payment for these services. Other services, such as psychotherapy, which are provided and billed separately, should be subject to the same co-payment provisions as other optional services for non-inpatients. The bill directs H&SS to seek a waiver from the federal regulation that prohibits a co-payment on mandatory services. If this waiver is granted, co-payments may then be collected on hospital services. With this veto DHSS would be permitted, then, to assess a co-payment on hospital services as another way to contain Medicaid costs.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 853 of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

9-B: *Copayment for Hospitalized Patients* [Chapter 20 Sections: 853].

As passed by the Legislature, the biennial budget exempted hospitalized persons from the requirement that Medical Assistance recipients contribute a copayment to the cost of optional services. Hospitalized persons were also excluded from the provisions which required the Department of Health and Social Services to seek a waiver of federal regulations which prohibit a copayment on mandated services for the categorically needy. The Governor's item veto deletes the exemption, and therefore, requires a copayment for optional services provided to hospital inpatients. These include certain services billed separately from the hospital's daily rate. A copayment on other hospital services would be required if the federal government waives current regulations and if the Joint Committee on Finance subsequently approves a copayment for such services.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 853. 49.45 (18) of the statutes is created to read:

Vetoed in Part

49.45 (18) COPAYMENT. Except for persons receiving care as an inpatient in a ~~hospital~~ skilled nursing home or intermediate care facility and except for services provided through prepayment contracts, any person eligible for medical assistance under s. 49.46 or 49.47 shall pay up to the maximum amounts allowable under 42 CFR 447.53 to 447.58 for purchases of services provided under s. 49.46 (2) (a), as approved by the joint committee on finance, and for all services provided under s. 49.46 (2) (b) including transportation services provided through counties. The service provider shall collect the allowable copayment. The department shall reduce payments to each provider by the amount of the allowable copayment. The department shall seek a waiver of federal cost-sharing requirements that would prevent recipient copayments for medical services provided under s. 49.46 (2) (a).

Subject Area 9. MEDICAID

Item 9-C: County Liability for Costs of In-Patient Psychiatric Care

Governor's written objections.

Section 856

Changes in the way medical assistance rates are determined for in-patient psychiatric care have been made since the state's withdrawal from the hospital rate review program. These changes took place after the budget was put together. As a result the provisions of the budget which would allow a 51.42 Board to choose between two reimbursement options no longer make sense if the goal of the original language — to create an incentive to control and reduce the length of psychiatric patient stay in a hospital — is to remain intact. This veto restores my original intent to discourage longer than necessary hospitalization for psychiatric patients.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 856. However, this SECTION is affected by several items. It appears that this item is comprised of the language vetoed in s. 49.46 (2) (b) 7 as created in SEC. 856 of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

9-C: *County Liability for Costs of Inpatient Psychiatric Care* [Chapter 20 Sections: 856 (s. 49.46 (2) (b)7.)].

As passed by the Legislature, the biennial budget required that, effective January 1, 1982, s. 51.42 boards be liable for the lesser of 10% of the customary charge or 10% of the Medical Assistance reimbursement rate for inpatient psychiatric care for persons aged 22 to 64, including alcohol and drug abuse treatment services, if a general hospital provides the care. If the board operated a specialty hospital, the board would be liable for the lesser of 20% of the customary charge or 20% of the Medical Assistance reimbursement rate. The Governor's item veto provides that boards be liable for the lesser of 10% of the customary charge or the entire Medical Assistance rate in a general hospital. If the board operated a specialty hospital, liability would be the lesser of 20% of the customary charge or the entire Medical Assistance rate. Currently, there is no reimbursement for such care if provided by a speciality hospital. Medical Assistance reimbursement is currently provided for such care in a general hospital, but there is currently no local match requirement. No net fiscal change was reflected in Chapter 20 for provisions as passed by the Legislature. It is expected that the costs of Medical Assistance reimbursement for inpatient psychiatric care would be less under the provision as vetoed by the Governor, however, the amount is unknown.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 856. 49.46 (2) (b) of the statutes is created to read:

49.46 (2) (b)

Vetoed in Part

7. Beginning January 1, 1982, inpatient psychiatric care, including alcohol and other drug abuse treatment services, for persons age 22 to 64, if the community mental health board created under s. 51.42 for the county in which the person resides authorizes payment. The board is liable for 10% of the customary charge for this service or ~~of~~ the medical assistance rate established under s. 49.45 (3) (e), whichever is less, if a hospital provides the care and if the board does not operate a special hospital under s. 51.42 (8) (g). The board is liable for 20% of the customary charge for this service or ~~of~~ the medical assistance rate established under s. 49.45 (3) (e), whichever is less, if a hospital provides the care and if the board operates a special hospital under s. 51.42 (8) (g). The board is liable for the state share of the amounts paid under the rates established by the department if an inpatient facility other than a hospital provides the care, limited to the care provided within the first month in which the person is admitted. In this subdivision, "hospital" has the meaning provided in s. 50.33 (1) (a), but does not include psychiatric or mental hospitals. Reimbursement for this service is limited to an episode of care occurring at least 90 days from the date of the last discharge.

Subject Area 9. MEDICAID

Item 9-D: Medicaid Benefits — Authorization to Reduce

Governor's written objections.

Section 861

The bill repeals the department's authority to prorate payments or reduce medical assistance benefits if appropriated funds are insufficient to cover full costs of the program. The veto restores this LIMITED authority in order to control program expenditures in the event of unexpected cost overruns, since the Medicaid appropriation will be a sum-certain amount.

Speaker's referral.

This item is comprised of SEC. 861 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

9-D: *Medicaid Benefits — Authorization to Reduce* [Chapter 20 Sections: 861].

As passed by the Legislature, the biennial budget repealed statutory provisions which authorize the Department of Health and Social Services to prorate Medical Assistance payments for services provided to the medically needy or to limit benefits to the medically needy if funds appropriated are insufficient. The Governor's item veto maintains the Department's authority to limit benefits or payments for services for persons eligible for Medical Assistance as medically needy.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 861. 49.47 (7) of the statutes is repealed. **Vetoed in Part**

Subject Area 9. MEDICAID

Item 9-E: Nursing Home Priority Admission

Governor's written objections.

Sections 848g, 886, and 782

The bill provides that all nursing homes in counties participating in the community options program give priority admission status to persons screened as most-in-need under the COP assessment plan. My veto would eliminate the mandated priority admission requirement. It is my hope that nursing homes will cooperate in admitting those patients most in need without this provision. If not, mandated admission procedures at a later date may be the only alternative to insuring adequate control of admission of Medicaid recipients.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 782, 848g and 886 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

9-E: *Nursing Home Priority Admission* [Chapter 20 Sections: 782, 848g and 886].

As passed by the Legislature, the biennial budget required that all nursing homes in counties participating in the Community Options Program (COP) give admission priority to persons determined to have the greatest need under the Community Options Program assessment process. The Governor's item veto deleted this requirement.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 782. 46.27 of the statutes is created to read:

46.27 (6) (a)

~~4. If an assessment indicates that a person needs nursing home care, the assessment shall determine the degree of need for this care.~~ **Vetoed in Part**

~~SECTION 848g. 49.45 (6m) (c) 6 of the statutes is created to read:~~ **Vetoed in Part**

~~49.45 (6m) (c) 6. Grant priority of admission to persons who have been determined by an assessment under s. 46.27 (6) (a) 4, in any county participating in the community options program, to have the greatest need for nursing home care.~~

~~SECTION 886. 50.08 of the statutes is created to read:~~ **Vetoed in Part**

~~**50.08 Waiting lists.** Any nursing home with a waiting list for admissions shall grant priority of admission to persons who have been determined by an assessment under s. 46.27 (6) (a) 4, in any county participating in the community options program, to have the greatest need for nursing home care.~~

Subject Area 9. MEDICAID

Item 9-F: Nursing Pool Reporting

Governor's written objections.

Section 847; and 2020 (12)

The bill requires that hospitals report on April 1 of each year information regarding the use of nursing pools. New reporting requirements should not be imposed unless absolutely essential. This is not such a case. The Department of Health and Social Services can get some information from currently existing cost reports. At my direction, the department will also conduct a limited survey of its own to provide the information the legislature is seeking without additional paperwork by hospitals.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 847 and 2020 (12). However, no part of SEC. 847 of the Bill was, in fact, vetoed in the Act delivered to the Secretary of State. It appears that the Governor meant to say that the language vetoed in SEC. 847j is included in this item.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

9-F: *Nursing Pool Reporting* [Chapter 20 Sections: 847j and 2020 (12)].

As passed by the Legislature, the biennial budget bill required hospitals to report two months after the effective date of the bill and by April 1 of each year regarding the number of hours of nursing pool services (temporary employment agencies) used, the cost of those services and the median hourly wage and fringe benefits paid to corresponding in-hospital staff. The Governor's item veto deleted these provisions.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 847j. 49.45 (3) (L) of the statutes is created to read:

49.45 (3) (L) 1. In this paragraph: **Vetoed in Part**

a. "Health care institution" has the meaning provided in s. 150.001 (6).

b. "Nursing pool" means any business providing temporary employment of medical personnel in health care institutions, including registered nurses, licensed practical nurses, trained practical nurses, nurse's aides or orderlies. "Nursing pool" does not include a person who provides only his or her own services on a temporary basis to health care institutions. "Nursing pool" does not include any home health agency, as defined in 42 USC 1395x (o).

2. Each hospital that is certified as a provider shall, by April 1 of each year, report to the department the following information for the preceding year on forms the department prepares:

a. By occupation, the number of hours of nursing pool services used.

b. By occupation, the amount of money spent for nursing pool services.

c. For each occupation under subd. 2. a and b, the median hourly wage and fringe benefits paid to in-hospital staff.

SECTION 2020. **Nonstatutory provisions; health and social services.**

(12) REPORT ON NURSING POOL SERVICES. On or before the first day of the 2nd month following the effective date of this act, each hospital required to report on its use of nursing pool services under section 49.45 (3) (L) of the statutes, as created by this act, shall provide the information specified in that section on nursing pool services used in 1980. **Vetoed in Part**

Subject Area 9. MEDICAID

Item 9-G: Out-Patient Psychotherapy

Governor's written objections.

Section 856

The bill restores unlimited psychotherapy for the categorically needy, and does not limit out-patient psychotherapy authorized by the 51.42 board gatekeeper. My item veto could not restore my recommendation. Therefore, these services are vetoed in full, now, in anticipation that this issue will be considered in the fall session.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 856. However, this SECTION is affected by several items. It appears that this item is intended to be comprised of the language vetoed in s. 49.46 (2) (b) 6. f as created in SEC. 856 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

9-G: *Outpatient Psychotherapy* [Chapter 20 Sections: 856 (s. 49.46 (2) (b)6.f.)].

As passed by the Legislature, the biennial budget bill continued Medical Assistance reimbursement for outpatient psychotherapy services for persons eligible for Medical Assistance as categorically needy. The budget bill eliminated reimbursement for outpatient psychotherapy services to the medically needy. The Governor's item veto deleted reimbursement for all outpatient psychotherapy services under the Medical Assistance Program.

FISCAL CHANGE TO ENROLLED AB 66: -$7,635,600 GPR and -$10,546,400 FED

Cited segments of 1981 AB-66.

SECTION 856. 49.46 (2) (b) of the statutes is created to read:

49.46 (2) (b) 6.

f. ~~Outpatient psychotherapy and~~ medical day treatment services. **Vetoed in Part**

Subject Area 9. MEDICAID

Item 9-H: Podiatry Services

Governor's written objections.

Sections 856 and 860

In order to further contain medicaid costs, I have vetoed the Legislature's restoration of podiatry services as an optional benefit covered under the medical assistance program.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 856 and 860. However, SEC. 856 is affected by several items. It appears that this item is intended to be comprised of s. 49.46 (2) (b) 8 as created in SEC. 856 and the language vetoed in SEC. 860 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

9-H: *Podiatry Services* [Chapter 20 Sections: 856 (s. 49.46 (2) (b)8.) and 860].

As passed by the Legislature, the biennial budget would continue to provide Medical Assistance reimbursement for services performed by podiatrists. The Governor's item veto deleted Medical Assistance reimbursement for podiatrists' services.

FISCAL CHANGE TO ENROLLED AB 66: -$322,200 GPR and -$456,400 FED

Cited segments of 1981 AB-66.

SECTION 856. 49.46 (2) (b) of the statutes is created to read:

49.46 (2) (b)

~~8. Podiatric services.~~ **Vetoed in Part**

SECTION 860. 49.47 (6) (a) of the statutes is amended to read: **Vetoed in Part**

49.47 (6) (a) The department shall audit and pay charges ~~made in accordance with s. 49.43 (1)~~ to certified providers for medical assistance ~~to~~ on behalf of beneficiaries for those services enumerated under s. 49.46 (2) (a) and (b) 3, 6. a to d and i ~~and~~ 8 and for antibiotic, anticonvulsant, psychotropic and muscle relaxant legend drugs listed in the Wisconsin medical assistance drug index, but no payment shall include care for services rendered earlier than 3 months preceding the month of application.

Subject Area 9. MEDICAID

Item 9-I: Psychotherapy — Minimum Insurance Coverage

Governor's written objections.

Section 1765g

This section would have increased from $500 to $1000 the required minimum private insurance coverage for outpatient alcohol and drug abuse and for psychotherapy treatment. This would have resulted in a premium increase for every health insurance policyholder in Wisconsin. In addition, the provision was drafted improperly in that it does not contain the language limiting its applications to policies issued or renewed after the effective date of the bill. Increased coverage is already available to those who request it and are willing to pay the extra charge.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1765g of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

9-I: *Psychotherapy — Minimum Insurance Coverage* [Chapter 20 Sections: 1765g].

As passed by the Legislature, the biennial budget increased mandatory outpatient insurance coverage for mental health services, including alcoholism and drug abuse services, from $500 to $1,000, effective with contracts issued or renewed after the effective date of Chapter 20. The Governor's item veto deleted this provision, thereby maintaining outpatient insurance coverage for mental health services at $500.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1765g. 632.89 (2) (d) of the statutes is amended to read: **Vetoed in Part**

632.89 (2) (d) *Outpatient treatment.* Every contract or joint contract issued by an insurer subject to this section providing coverage for outpatient treatment shall provide coverage for outpatient services for mental and nervous disorders, alcoholism and drug abuse including but not limited to partial hospitalization services, prescribed drugs and collateral interviews with patients' families, relating to diagnosed alcoholism, drug abuse, or mental and nervous disorders of the patient, in an amount not less than the first ~~$500~~ $1,000 in any calendar year for any alcoholism or drug abuse services, or for outpatient services provided by or under contract for a board established under s. 51.42, and ~~$500~~ $1,000 for any other outpatient services for mental and nervous disorders. No contract or joint contract written in combination with major medical coverage shall be required to provide coverage under this paragraph for more than ~~$500~~ $1,000 for any combination of disabilities required to be covered under this paragraph. The department of health and social services may by rule promulgated under ch. 227 adjust this amount at 2-year intervals to reflect changes in the cost of medical care. **Vetoed in Part**

Subject Area 10 : MISCELLANEOUS AGENCIES

Item 10-A: Civilian Conservation Corps Proposal

Governor's written objections.

Sections 197e, 197m, 197s, 599, 602p, 602r, 2201 (18) (a)

I have vetoed all provisions related to the Civilian Conservation Corps. I do not believe this proposal received sufficient scrutiny in the budget process. First, it is not a cost effective program. The $3 million program will only employ about 200 youths annually. These unskilled youths will not be prepared to accomplish the same type of timber stand improvement and planting as more skilled forestry personnel. Secondly, our highest priority must be on timber sales establishment. This work cannot be accomplished through the corps proposal. Perhaps most important, the proposal is unlikely to accomplish the purported objective of employment of youth. It would give youth an opportunity of one year of work but in an activity not targeted to the greatest opportunity for future private sector employment. I presented a proposal more closely aligned to the needs of forest productivity and private sector employment, but the Legislature cut the funding in half. I am convinced it was more closely attuned to the needs for forestry management, economic stimulus and employment. I urge the Legislature to consider full funding for this proposal.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 197e, 197m, 197s, 599, 602p, 602r and 2201 (18) (a). However, no language was vetoed in SEC. 599 of the Act delivered to the Secretary of State. It appears that the Governor meant to include within this item the language vetoed in SEC. 599m of the Bill. Further, it appears that this item includes the language vetoed in ss. 20.370 (1) (gq), (gr) and (gy) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Children and Human Development.

Fiscal Bureau summary.

10-A: *Civilian Conservation Corps Proposal* [Chapter 20 Sections: 120sm (s. 20.370 (1) (gq), (gr) and (gy)), 197e, 197m, 197s, 599m, 602p, 602r and 2201 (18) (a)].

As passed by the Legislature, the 1981-83 biennial budget would provide $3,000,000 SEG (from the forestry account of the Conservation Fund) for the creation of a Wisconsin Civilian Conservation Corps (WCCC) Program which would: (1) employ currently unemployed persons, with primary emphasis on youths aged 16 to 26, as work project employes outside of the classified service for a period not to exceed one year; and (2) conduct projects on public forested lands which would serve primarily to improve forest productivity.

Further, the biennial budget would provide that the $3,000,000 SEG by utilized as follows: (1) $80,000 SEG and 2.0 SEG two-year project positions for administration; (2) $440,100 SEG, 9.0 SEG two-year project positions and 9.0 SEG one-year project positions to serve as crew leaders for WCCC work crews, with an average ratio of one crew supervisor to ten employes; and (3) $2,479,900 SEG for the wages, equipment and associated costs of providing employment for 175 WCCC employes in 1981-82 and 85 WCCC employes in 1982-83. Of the $3,000,000 SEG in funding, $2,000,000 SEG would be provided in 1981-82 and $1,000,000 SEG would be provided in 1982-83.

The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: -$3,000,000 SEG

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83	
20.370 NATURAL RESOURCES, DEPARTMENT OF					
(1) RESOURCE MANAGEMENT					
(gq) Wis.civilian conservation corps--other funds	SEG	A	0	0	Vetoed in Part
(gr) Wis.civilian conservation corps--state funds	SEG	B	2,000,000	1,000,000	
(gy) Wis.civilian conservation corps--federal funds	SEG-F	C	0	0	

SECTION 197e. 20.370 (1) (gq) of the statutes is created to read: **Vetoed in Part**

20.370 (1) (gq) *Wisconsin civilian conservation corps — other funds.* The amounts in the schedule for the operation of the Wisconsin civilian conservation corps program under s. 23.48. All moneys received from agreements entered into under s. 23.48 (4) (h) 2 shall be deposited in a separate account.

SECTION 197m. 20.370 (1) (gr) of the statutes is created to read:

20.370 (1) (gr) *Wisconsin civilian conservation corps — state funds.* Biennially, the amounts in the schedule for Wisconsin civilian conservation corps work activities on public forested land under s. 23.48.

SECTION 197s. 20.370 (1) (gy) of the statutes is created to read:

20.370 (1) (gy) *Wisconsin civilian conservation corps — federal funds.* All moneys received from the federal government under agreements entered into under s. 23.48 (4) (h) 3 for the purpose of the Wisconsin civilian conservation corps program under s. 23.48.

SECTION 599m. 23.09 (24) of the statutes is created to read: **Vetoed in Part**

23.09 (24) WISCONSIN CIVILIAN CONSERVATION CORPS. The department and natural resources board shall develop a Wisconsin civilian conservation corps work program under s. 23.48.

SECTION 602p. 23.45 (1) of the statutes is amended to read:

23.45 (1) The board may establish residential facilities known as conservation work camps for persons employed on any conservation work project. The facilities may be located either on or off the site of a work project. No person who is not employed on a conservation work project or Wisconsin civilian conservation corps work project may reside in a conservation work camp.

SECTION 602r. 23.48 of the statutes is created to read:

23.48 Wisconsin civilian conservation corps. (1) DEFINITION. As used in this section, "public forested land" means any well blocked area of forested federal, state, county or other public land. This term is not limited to land the primary use of which is silviculture and the growing of recurring forest crops.

(2) OBJECTIVES. The department and the natural resources board shall develop a Wisconsin civilian conservation corps program to promote the objective of providing employment in high unemployment areas with an emphasis on the employment of youth and the objective of performing work projects with a major emphasis on forest productivity improvement.

VETOED

(3) RESPONSIBILITIES OF THE NATURAL RESOURCES BOARD. (a) *Guidelines for program administration.* The natural resources board, with the advice of the conservation work projects board, shall establish guidelines for the administration of the Wisconsin civilian conservation corps program.

(b) *Guidelines for work project selection.* The natural resources board, with the advice of the conservation work projects board, shall establish guidelines for the selection of Wisconsin civilian conservation corps work projects. These guidelines shall include:

1. Criteria for the evaluation of the need for a Wisconsin civilian conservation corps work project.

2. The rate of unemployment in the area where a Wisconsin civilian conservation corps work project is proposed.

3. The short- and long-term costs and benefits of a Wisconsin civilian conservation corps work project.

4. The availability of federal funds or funding from other sources to support a Wisconsin civilian conservation corps work project.

(c) *Work project selections.* The natural resources board, with the advice of the conservation work projects board, shall select Wisconsin civilian conservation corps work projects based on guidelines established under par. (b).

(4) RESPONSIBILITIES OF THE DEPARTMENT. (a) *Administration.* The department shall administer the Wisconsin civilian conservation corps program consistent with this section and guidelines established by the natural resources board.

(b) *Implementation.* The department, with the advice of the conservation work projects board, shall implement Wisconsin civilian conservation corps work projects.

(c) *Work plans.* The department shall develop a work plan for each Wisconsin civilian conservation corps work project. The major emphasis in each work plan shall be forest productivity improvement. The work plan shall provide that Wisconsin civilian conservation corps work activities are conducted on public forested land unless the work activities are funded under par. (j). Wisconsin civilian conservation corps work activities on public forested land may include forest improvement, forest habitat improvement and forest-related recreation improvement work activities. The work plan shall include various Wisconsin civilian conservation corps work activities in an area designed to be performed by a Wisconsin civilian conservation corps work project crew.

(d) *Supervision and reports.* The department shall supervise each Wisconsin civilian conservation corps work project and shall report periodically to the natural resources board regarding these projects.

(e) *Work camps.* If necessary for the performance of a Wisconsin civilian conservation corps work project, the department may establish residential facilities known as Wisconsin civilian conservation corps work camps for persons employed on the work project and the department may enter into agreements to utilize youth camps, conservation work camps or other residential facilities for persons employed on the work project. The department may not expend funds under s. 20.370 (1) (gq), (gr) or (gy) to construct, acquire or improve residential facilities under this paragraph.

(f) *Employment outside the civil service; wages; maximum term of employment.* The department shall employ Wisconsin civilian conservation corps employes outside the civil service. The department shall pay these employes at the prevailing minimum wage except for a limited number of employes authorized by the natural resources board to serve as crew leaders who may receive a higher compensation. The maximum term of employment for a Wisconsin civilian conservation corps employe is one year.

(g) *Employment qualifications.* The department shall establish appropriate qualifications for Wisconsin civilian conservation corps employes. In order to qualify for employment, a person shall be otherwise unemployed and not enrolled in any school, college or university. The department shall place primary emphasis on the employment of persons 16 to 26 years of age. The department shall require a physical examination before considering a person for employment.

(h) *Other sponsors.* 1. The department shall seek funding from other sponsors to finance Wisconsin civilian conservation corps work activities.

2. The department may enter into agreements with a state or local governing body or agency or with a nonprofit agency to finance Wisconsin civilian conservation corps work activities.

3. The department may enter into agreements with the federal government to finance Wisconsin civilian conservation corps work activities.

(i) *Funding of work activities on public forested land.* The department may fund Wisconsin civilian conservation corps work activities from the appropriation under s. 20.370 (1) (gr) only if the work activities are conducted on public forested land.

(j) *Funding of other work activities.* The department may fund Wisconsin civilian conservation corps work activities from the appropriations under s. 20.370 (1) (gq) or (gy) or from any other appropriation of the department except the appropriation under s. 20.370 (1) (gr) regardless of whether the work activities are conducted on public forested land.

(5) RESPONSIBILITIES OF THE CONSERVATION WORK PROJECTS BOARD. The conservation work projects board shall provide advice in a timely manner to the natural resources board and the department regarding the Wisconsin civilian conservation corps program and which serves the objectives of the program including advice on:

(a) *Guidelines for program administration.* The establishment of guidelines for the administration of the Wisconsin civilian conservation corps program by the natural resources board.

(b) *Guidelines for work project selection.* The establishment of guidelines for the selection of Wisconsin civilian conservation corps work projects by the natural resources board.

(c) *Work project selection.* The selection of Wisconsin civilian conservation corps work projects by the natural resources board.

(d) *Implementation.* The implementation of Wisconsin civilian conservation corps work projects by the department.

Vetoed in Part

SECTION 2201. **Program responsibility changes.**

(18) EXECUTIVE PROGRAMS.

Vetoed in Part

(a) *Wisconsin civilian conservation corps.*

A Statute Sections	B References Deleted	C References Inserted
14.011 (3)	none	23.48 (5)

Subject Area 10. MISCELLANEOUS AGENCIES

Item 10-B: Interstate Cooperation Commission

Governor's written objections.

Section 1205m

As Governor I serve as a member of the Interstate Cooperation Commission. In my 2 1/2 years in office the Commission has never met. It makes no sense to maintain a staff and budget for a nonworking commission (especially in times of fiscal constraint). Those few services provided by the staff are available from other elements of state government, including agencies, the Legislative Council and partisan caucus staffs.

My veto does not remove the authority of the Interstate Cooperation Commission to function, but it does remove all funds for staff, supplies, and contingent expenses related to Commission activities.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1205m of the Bill. However, there is no SEC. 1205m of the Bill. It appears that this item is comprised of the language vetoed in s. 20.765 (2) (c) and (ca) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

10-B: *Interstate Cooperation Commission* [Chapter 20 Sections: 120sm (s. 20.765 (2) (c) and (ca))].

As passed by the Legislature, the budget contained $49,200 GPR in 1981-82 and in 1982-83 for two staff positions and related expenses for the Interstate Cooperation Commission. The budget also contained $11,500 GPR in 1981-82 and $500 in 1982-83 for contingent expenses of the Commission.

By item veto of these appropriations in the appropriations schedule, the Governor removed from the budget all funding for the staff, operation and contingent expenditures of the Interstate Cooperation Commission.

FISCAL CHANGE TO ENROLLED AB 66: -$110,400 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83	
20.765 LEGISLATURE					
(2) SPECIAL STUDY GROUPS					
(c) Interstate cooperation commission	GPR	B	~~49,200~~	~~49,200~~	Vetoed in Part
(ca) Interstate cooperation comm.; contingent expenditures	GPR	B	~~11,500~~	~~500~~	

Subject Area 10. MISCELLANEOUS AGENCIES

Item 10-C: Septic Grant Program

Governor's written objections.

Section 120sm

The septic grant program, as created as part of the Wisconsin Fund in 1978, provides up to $3,000 in grants to individuals for replacement of failing septic systems. I have vetoed the first year appropriation of $1.0 million because it is unnecessary. If my veto is sustained this program will continue to be funded with approximately $2.7 million in carryover funds and the second year appropriation of $2.5 million. The available funding of $5.2 million represents an increase of $2.2 million or almost 75% of the $3.0 million expended on this program in the last biennium. My veto results in an appropriation equal to the level approved by the Joint Committee on Finance.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 120sm of the Bill. However, this SECTION is affected by many items. This item is apparently intended to be comprised of the language vetoed in s. 20.370 (4) (kb) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Environmental Resources.

Fiscal Bureau summary.

10-C: *Septic Grant Program* [Chapter 20 Sections: 120sm (s. 20.370 (4) (kb))].

As passed by the Legislature, the 1981-83 biennial budget would provide $1,000,000 GPR in 1981-82 and $2,500,000 GPR in 1982-83 for grants to counties and private septic system owners for rehabilitation or replacement of septic systems. The Governor's item veto eliminated the $1,000,000 GPR funding in 1981-82 for septic system grants, but would not modify the 1982-83 appropriation level.

FISCAL CHANGE TO ENROLLED AB 66: -$1,000,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.370 NATURAL RESOURCES, DEPARTMENT OF				
(4) LOCAL SUPPORT				
(kb) Pt.source aids--septic tank replace. & rehabilitation	GPR	C	~~1,000,000~~	2,500,000 Vetoed in Part

Subject Area 10. MISCELLANEOUS AGENCIES

Item 10-D: Solid Waste Recycling Authority

Governor's written objections.

Section 120sm

The 1973 Legislature created the Solid Waste Recycling Authority with the intent that the Authority be self-sufficient. It has yet to finance a single recycling project, while receiving more than $1.5 million in GPR operating funds. I have decided to veto its GPR dollars to prevent the commitment of scarce state monies for a program where no tangible return is evident. This veto will save $702,000 in the biennium.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 120sm of the Bill. However, this SECTION is affected by many items. This item is apparently intended to be comprised of the language vetoed in s. 20.398 (1), as shown in SEC. 120sm of the Bill.

Referred to the Committee on Environmental Resources.

Fiscal Bureau summary.

10-D: *Solid Waste Recycling Authority* [Chapter 20 Sections: 120 sm (s. 20.398 (1) (a))].

As passed by the Legislature, the biennial budget provided $241,500 GPR in 1981-82 and $460,500 GPR in 1982-83 as a loan to the Solid Waste Recycling Authority to be repaid to the state after the Authority has completed a successful bond issue. In addition, the 1982-83 funding would be provided on a contingency basis, for release by the Joint Committee on Finance, subject to the Authority obtaining a signed market contract for a solid waste recycling project by June 30, 1982. The Governor's item veto deletes the appropriation of funds to the Authority, but leaves intact the contingent release provision.

FISCAL CHANGE TO ENROLLED AB 66: -$702,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.398 WISCONSIN SOLID WASTE RECYCLING AUTHORITY				
(1) SOLID WASTE RECYCLING				
(a) General program operations	GPR	C	~~241,500~~	~~460,500~~ Vetoed in Part
20.398 DEPARTMENT TOTALS				
GENERAL PURPOSE REVENUES			~~241,500~~	~~460,500~~
TOTAL-ALL SOURCES			~~241,500~~	~~460,500~~

Subject Area 10. MISCELLANEOUS AGENCIES

Item 10-E: WERC Milwaukee Office

Governor's written objections.

Section 2014 (2)

This section would prevent the Employment Relations Commission from closing its Milwaukee office to comply with the 8% reduction in GPR funds. Agencies should be allowed maximum flexibility to manage their staffs and offices during periods of fiscal constraint. Limiting agency management options does not allow efficient reallocations that minimize service disruptions to the public. Consequently I am vetoing this section.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2014 (2) of the Bill.

Referred to the Committee on Labor.

Fiscal Bureau summary.

10-E: *WERC Milwaukee Office* [Chapter 20 Sections: 2014 (2)].

As passed by the Legislature, the biennial budget specified that during the 1981-83 biennium the Employment Relations Commission shall maintain a functioning office in the City of Milwaukee staffed with at least two professional positions. The Governor's item veto deleted the requirement that the Commission maintain a functioning office in the City of Milwaukee.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2014. **Nonstatutory provisions; employment relations commission.**

~~(2) MAINTENANCE OF MILWAUKEE OFFICE. During the 1981-83 fiscal biennium, the employment relations commission shall maintain a functioning office in the city of Milwaukee staffed with at least 2 full-time equivalent professional positions.~~ **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-A: AFDC Child-Only Payments

Governor's written objections.

Section 834

This language extended the child-only payment provision to include AFDC groups with a parent under 18. The consequence of this language would have been to provide a smaller payment to an AFDC group with a child and non-adult parent than to a unit with an adult parent. My veto will result in the higher and equal aid payment to the underage parent. I do not believe it is the state's interest to deprive underage mothers of essential resources at a very difficult time in their lives.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 834 of the Bill.

Referred to the Committee on Children and Human Development.

Fiscal Bureau summary.

11-A: *AFDC Child-Only Payments* [Chapter 20 Sections: 834].

As passed by the Legislature, the biennial budget reduced AFDC payments to groups which included only children in the grant. The Governor's item veto would clarify that the reduction would not apply to groups in which there is a caretaker under age 18. There is no fiscal change associated with the item veto since amounts budgeted in Chapter 20 for AFDC payments did not assume a reduction in payment to this group.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 834. 49.19 (11) (c) of the statutes is created to read:

Vetoed in Part

49.19 (11) (c) Monthly payments for an AFDC group not containing an ~~adult~~ caretaker are 18.29% per child of the monthly payments to a family of 4, as established in par. (a) 1 and 2. This paragraph does not apply to an AFDC group with an ~~adult~~ caretaker who receives state supplemental payments under s. 49.177.

Subject Area 11. SOCIAL SERVICES

Item 11-B: Alcohol and Drug Funds

Governor's written objections.

Sections 2020 (15) and (16)

DHSS is directed in this bill to earmark a portion of the state's allocation of federal alcohol and drug abuse formula grant monies in order to provide funding increases to both the Wisconsin Clearinghouse and the Wisconsin Alcoholism and Drug Counselor Certification Board. My original budget assumed the same level of funding for these organizations in each year of the biennium as was provided in 1980-81. Since it is not certain at this time what level of formula grant federal funding will be received during the biennium, it is premature to obligate monies for these purposes. Therefore, I have vetoed such earmarking. Such increases now could cause grants for direct services at the local level to take disproportionate funding cuts when federal resources are actually known.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2020 (15) and (16) of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

11-B: *Alcohol and Drug Funds* [Chapter 20 Sections: 2020 (15) and (16)].

As passed by the Legislature, the biennial budget required the Department of Health and Social Services to expend $145,000 FED in 1981-82 and $146,000 FED in 1982-83 for the Wisconsin Clearinghouse, which provides information about alcohol and other drug abuse to agencies throughout the state. In 1980-81, the Clearinghouse received $102,300 FED. As originally recommended by the Governor, Assembly Bill 66 included $102,300 FED in each year of the 1981-83 biennium for the Clearinghouse.

In addition, the biennial budget required the Department of Health and Social Services to expend $98,000 FED in 1981-82 and $106,000 FED in 1982-83 for the Wisconsin Alcoholism and Drug Counselor Certification Board, which certifies alcohol and other drug abuse counselors. In 1980-81, the Certification Board received $65,000 FED. As originally recommended by the Governor, Assembly Bill 66 included $65,000 FED in each year of the 1981-83 biennium for the Board.

The source of the federal funds for the Clearinghouse and the Certification Board is federal alcohol and other drug abuse formula grant funding. In addition to funding these two organizations, these funds are used to cover the costs of approximately 19 positions in the Department of Health and Social Services and for local alcohol and other drug abuse programs. The 1980-81 funding from this source totalled approximately $1,800,000. Enrolled Assembly Bill 66 budgeted this funding at approximately $1,800,000 FED in each year of the 1981-83 biennium. Therefore, it appears that increasing the amounts allocated to the Clearinghouse and the Board would require reallocation from other programs.

The Governor's item veto deleted the provisions earmarking federal funds for these two organizations.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2020. **Nonstatutory provisions; health and social services.**

(15) WISCONSIN CLEARINGHOUSE FUNDING. From the appropriation under section 20.435 (2) (a) of the statutes, as affected by this act, the department of health and social services shall provide $145,000 in fiscal year 1981-82 and $146,000 in fiscal year 1982-83 to the Wisconsin clearinghouse for mental health and alcohol and other drug abuse programs of the clearinghouse. **Vetoed in Part**

(16) WISCONSIN ALCOHOLISM AND DRUG COUNSELOR CERTIFICATION BOARD. From the appropriation under section 20.435 (2) (a) of the statutes, as affected by this act, the department of health and social services shall provide $98,000 in fiscal year 1981-82 and $106,000 in fiscal year 1982-83 to the Wisconsin alcoholism and drug counselor certification board, inc., for mental health and alcohol and other drug abuse programs of the board. **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-C: Community Aids — Applied Receipts

Governor's written objections.

Appropriation Schedule Section 20.435 (2) (b)

This section would have maintained the current "applied receipts" appropriation for county social services and mental health/developmental disabilities boards. The appropriation established a specific funding level for counties by allowing GPR funds to fluctuate in response to changes in federal funding levels. This results in a risk that state financial liability could unexpectedly increase over the course of the year, without any legislative or executive review. If federal budget cuts are enacted as expected, an increased GPR liability of $33.5 million would automatically occur over the 1981-83 biennium. My veto prevents such an automatic GPR increase by temporarily reducing the overall funding levels for community aids to the level estimated under the bill for state funds only. This is a temporary response to the applied receipts problem. I intend to specifically respond to the problems posed by the applied receipts concept in the fall session and to establish an appropriate funding level for this aid program at that time. The federal budget will bring a number of changes and increased pressure on limited state resources. We must retain the flexibility to respond to the areas of greatest need when the time for action comes this fall. County human service agencies have been on notice since last spring that state GPR funds would not automatically replace federal cutback amounts and they should be budgeting accordingly.

Speaker's referral.

This item is comprised of the language vetoed in s. 20.435 (2) (b) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-C: *Community Aids — Applied Receipts* [Chapter 20 Sections: 120sm (s. 20.435 (2) (b))].

As passed by the Legislature, the biennial budget continued the applied receipts method of appropriating state and federal funds for county social services and 51.42/.437 aids, which had been established in the 1979-81 biennial budget. Under this applied receipts appropriation, federal revenue received under Titles IV and XX of the federal Social Security Act is applied against the state GPR costs of the program. The Legislature sets the overall program cost at a sum certain level and estimates the amount of federal revenue that will be available. The difference represents the estimated state GPR cost of the program. Then, if the level of federal revenue actually realized differs from the estimated level, the net GPR cost of the program correspondingly changes in order to maintain the overall program at its authorized funding level.

As passed by the Legislature, the biennial budget included the following amounts in the community aids applied receipts appropriation:

	1981-82	1982-83
Overall program level	$233,263,000	$245,710,600
Federal revenue applied as a receipt against the the overall program cost	-66,710,800	-68,935,100
Estimated net GPR cost	$166,552,200	$176,775,500

The Governor's item veto deleted a portion of the community aids appropriation. However, the item veto did not affect the statutory language authorizing the applied receipts method of appropriating these aids. Therefore, it appears that if no further changes were made to this appropriation, the following amounts would be available for community aids in the 1981-83 biennium, based on the federal revenue estimates included in the biennial budget:

	1981-82	1982-83
Overall program level	$166,552,200	$176,775,500
Federal revenue applied as a receipt against the the overall program cost	-66,710,800	-68,935,100
Estimated net GPR cost	$99,841,400	$107,840,400

FISCAL CHANGE TO ENROLLED AB 66: See Text

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83	
20.435 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF					
(2) COMMUNITY SERVICES					
(b) Community social and mental hygiene services	GPR	A	233,263,000	245,710,600	Vetoed in Part
Applied receipts	GPR	A	-66,710,800	-68,935,100	
NET APPROPRIATION			166,552,200	176,775,500	

Subject Area 11. SOCIAL SERVICES

Item 11-D: Community Aids — Categorical Reductions

Governor's written objections.

Sections 872 and 934

In addition to a 4% across-the-board inflation increase in each calendar year of the biennium, the budget provides a 1% program growth increase in each calendar year for county social services departments and section 51.42/.437 boards whose allocations were subject to a 15% increase limit under the CY1980 formula. I have vetoed the 1% growth increase, but could not get at the remainder to bring it back to my proposed 3% level.

The proposal also provides new capacity building funds for community programs servicing the chronically mentally ill and the developmentally disabled. I have made the difficult decision to veto these increases.

Both of these actions must be considered in light of likely reductions in federal funds. I have exercised my veto authority in order to provide flexibility for our fall action, since these funds would not have been allocated before January 1, 1982 in any case. The people affected by these programs are among the most vulnerable of our social service clients. We do not serve them well when we restrict our ability to effectively respond to federal cutbacks. This fall we must face up to the challenge of determining which are the most critical services to assist these people and allocate all of our resources accordingly.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 872 and 934 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-D: *Community Aids — Categorical Reductions* [Chapter 20 Sections: 872 and 934].

As passed by the Legislature, the biennial budget provided $1,075,100 GPR in 1981-82 and $3,228,400 GPR in 1982-83 to provide program growth funds for county social services departments and local 51.42/.437 boards that received program growth funds in calendar year 1980 and were subject to the 15% increase limit. These funds would be allocated to these counties based on three factors — Medical Assistance population, the urban-rural nature of the county and the per capita market value of taxable property in the county.

The Governor's item veto deleted the statutory authority to expend these funds. Under the community aids appropriation, funds are expended on a calendar basis, so unexpended funds are not lapsed to the state's general fund until the end of the calendar year. Therefore, unexpended funds from the January-June, 1983 period will not be lapsed until the end of calendar year 1983, which is in fiscal year 1983-84. As a result, the figure noted in the Fiscal Change entry below includes only the calendar year 1982 program growth funds that would be lapsed in 1982-83 under the Governor's item veto — $2,150,200 GPR, not the January-June, 1983 program growth funds — $2,153,300 GPR.

As passed by the Legislature, the biennial budget also provided $3,457,200 GPR in 1981-82 and $3,530,500 GPR in 1982-83 for capacity-building funds for community support programs for the chronically mentally ill and developmentally disabled. The Governor's item veto deleted the statutory authority to expend these funds. However, for the reason noted above, the January-June, 1983 portion of these funds — $1,783,500 GPR — would not lapse to the state's general fund until 1983-84. Therefore, the figure noted below in the Fiscal Change entry includes only the $5,204,200 GPR that would lapse during the 1981-83 biennium.

FISCAL CHANGE TO ENROLLED AB 66: -$7,354,400 GPR

Cited segments of 1981 AB-66.

SECTION 872. 49.52 (1) (d) of the statutes is repealed and recreated to read:

49.52 (1) (d)

2. **Vetoed in Part**

~~f. Amounts the department allocates to county departments that received 15% of the 1979 contract level for expanded services under s. 49.52 (1) (d) 2. a. 1979 stats. The department shall allocate these funds based equally on each county's percentage of the state's average monthly medical assistance~~

population during the period of February 1978 to July 1978, each county's ranking on an urban-rural scale, which is to be determined based on the county's percentage of population living in cities, towns or villages with populations of 2,500 or more and each county's ranking as determined by the ratio of the 1977 full value of all taxable property in the county, as defined in s. 70.57, to the county's 1977 population. The total allocation under this subparagraph may not exceed $1,015,500.

3.

Vetoed in Part

f. Amounts the department allocates to county departments that received funds under subd. 2. f. The department shall allocate these funds based on the factors specified in subd. 2. f. The total allocation under this subparagraph may not exceed $1,015,600.

SECTION 934. 51.42 (8) (b) of the statutes is repealed and recreated to read:

51.42 (8) (b)

1.

g. An amount the department designates for capacity building funds for community support programs for the chronically mentally ill and the developmentally disabled, but not to exceed $1,710,300. **Vetoed in Part**

2.

Vetoed in Part

a. An amount the department designates for capacity building funds for community support programs for the chronically mentally ill and the developmentally disabled, but not to exceed $3,493,900. If a board received a 1980 allocation of capacity building funds for community support programs for the chronically mentally ill or the developmentally disabled, up to 3% of that 1980 amount allocated from the 1982 capacity building funds shall be matched by an equal portion of county tax levy or federal revenue sharing funds. If matched at less than 3%, the state match decreases proportionately.

f. Amounts the department allocates to boards that received 15% of the 1979 contract level for expanded services under s. 51.42 (8) (b) 2. a, 1979 stats. The department shall allocate these funds based on the factors specified in s. 49.52 (1) (d) 2. f. The total allocation under this subparagraph may not exceed $1,136,200. **Vetoed in Part**

3.

a. An amount the department designates for capacity building funds for community support programs for the chronically mentally ill and the developmentally disabled, but not to exceed $1,783,500. If a board received a 1980 allocation of capacity building funds for community support programs for the chronically mentally ill or the developmentally disabled, up to 3% of that 1980 amount allocated from the capacity building funds for January to June 1983, shall be matched by a portion of county tax levy or federal revenue sharing funds equal to 2.5% of the 1980 allocation. If matched at less than 2.5%, the state match decreases proportionately. **Vetoed in Part**

e. Amounts the department allocates to boards that received funds under subd. 2. f. The department shall allocate these funds based on the factors specified in s. 49.52 (1) (d) 2. f. The total allocation under this subparagraph may not exceed $1,136,200. **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-E: CPB Submission Date

Governor's written objections.

Sections 741 and 742

These sections change the deadline counties must meet in submitting their coordinated plans and budgets for mental health, developmental disability and social services from September 30 to November 30. My veto will restore the present September 30 deadline. A November 30 deadline will provide DHSS with less than 20 working days to review and approve or reject the CPBs and to sign contracts with counties. This is too short a period for full and careful review, especially since these plans relate to over $200 million of state/federal aids each year.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 741 and 742 of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

11-E: *Coordinated Plan and Budget Submission Date* [Chapter 20 Sections: 741 and 742].

As passed by the Legislature, the biennial budget changed the deadline for submission of the county social services and 51.42/.437 coordinated plan and budget to the Department of Health and Social Services from September 30 to November 30. In addition, it authorized the Department to grant an extension of this deadline. The Governor's item veto deleted these provisions of the budget, thereby restoring the September 30 deadline and eliminating the Department's authority to grant an extension of this deadline.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 741. 46.031 (1) (a) of the statutes is amended to read: **Vetoed in Part**

46.031 (1) (a) *Submission.* County public welfare or social services departments organized under ss. 46.22 and 49.51, mental hygiene boards organized under s. 51.42, developmental disability boards organized under s. 51.437 and community human service boards organized under s. 46.23 shall ~~annually~~ submit a coordinated comprehensive program plan and budget for services directly provided or purchased. The coordinated plans and budgets shall be prepared in accordance with sub. (2) and be submitted to the ~~department~~ [department] ~~county executive or county administrator or, in those counties without an executive or administrator, directly to the county board of supervisors~~ by September 30 ~~of each calendar year~~ ~~and to the department by November 30~~. The department may require submission of multiyear coordinated plans and budgets, not to exceed 3 years, with annual updates ~~to be submitted by November 30~~.

SECTION 742. 46.031 (2) (c) 1 of the statutes is amended to read: **Vetoed in Part**

46.031 (2) (c) 1. A coordinated plan and budget shall be submitted ~~by September 30 for inclusion as part of the proposed county budget to the county executive or county administrator or, in those counties without an executive or administrator, directly~~ to the county board of supervisors or its designated agent for review and ~~preliminary~~ approval for submission to the department. If the county board of supervisors or its designated agent does not approve a coordinated plan and budget for submission to the department, the board or its designated agent may either amend or reject the coordinated plan and budget. If the board rejects the coordinated plan and budget, it shall state specific reasons for its rejection and need not ~~preliminarily~~ approve the coordinated plan and budget for submission to the department until objections are satisfied. If a combination of counties is administering a program, the coordinated plan and budget may not be submitted until each county board of supervisors approves it. The county board of supervisors or its designated agent or combination of county boards or their designated agents shall submit the coordinated plan and budget to the department by ~~September~~ [September] ~~November~~ 30 ~~of each calendar year~~ for its review and approval. ~~After the department's review and approval of the coordinated plan and budget, the department shall return the coordinated~~

~~plan and budget to the county board of supervisors or combination of county boards for its final review and approval~~, in accordance with the time schedule the department may establish under sub. (1) (a). ~~The department may grant an extension of the submission deadline.~~ The department shall approve or reject the coordinated plan and budget within 6 weeks after receiving it. If the department rejects the coordinated plan and budget, it shall state specific reasons for its rejection. If the department fails to act within 6 weeks, the failure to act constitutes approval of the coordinated plan and budget. **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-F: Displaced Homemakers

Governor's written objections.

Sections 790a, 790b, 790d, 790f, 790h, 790j, 790L, 790n, 790p, 790r and 790t

My veto restores my budget proposal and eliminates state seed money for expansion of displaced homemaker centers. I expect displaced homemaker services to expand through our current educational, training, and job placement programs.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 790a, 790b, 790d, 790f, 790h, 790j, 790L, 790n, 790p, 790r and 790t. However, it appears that the veto to s. 20.435 (2) (bd) in SEC. 120sm should be included in this item as well.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-F: *Displaced Homemakers* [Chapter 20 Sections: 120sm (s. 20.435 (2) (bd)), 790a, 790b, 790d, 790f, 790h, 790j, 790L, 790n, 790p, 790r and 790t].

As passed by the Legislature, the biennial budget provided $375,000 GPR in 1981-82 and $375,000 GPR in 1982-83 for the Displaced Homemakers Program, an increase of $275,000 GPR in each year over the 1980-81 base level of $100,000 GPR. In addition, the budget required the Department of Health and Social Services to give priority to maintaining existing displaced homemaker services and to expanding services in Milwaukee County. The Governor's item veto deleted this provision and the funding for the Program.

FISCAL CHANGE TO ENROLLED AB 66: -$750,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.435 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF				
(2) COMMUNITY SERVICES				
(bd) Displaced homemakers' center and services	GPR	A	~~375,000~~	~~375,000~~ Vetoed in Part

~~SECTION 790a. 46.90 (2) (title) of the statutes is amended to read:~~

~~46.90 (2) (title) MULTIPURPOSE SERVICE CENTERS.~~

~~SECTION 790b. 46.90 (2) (a) of the statutes is repealed and recreated to read:~~

~~46.90 (2) (a) The department shall establish one or more multipurpose service centers for displaced homemakers.~~

SECTION 790d. 46.90 (2) (b) (intro.) of the statutes is amended to read:

46.90 (2) (b) (intro.) ~~The~~ Each center shall include the following services:

SECTION 790f. 46.90 (2) (c) of the statutes is amended to read:

46.90 (2) (c) Supervisory, technical and administrative positions relating to the ~~center~~ centers established under this section shall, to the maximum extent feasible, be filled by displaced homemakers.

SECTION 790h. 46.90 (3) (title) of the statutes is amended to read:

46.90 (3) (title) SELECTION AND ADMINISTRATION OF CENTERS.

SECTION 790j. 46.90 (3) (a) (intro.) of the statutes is amended to read:

46.90 (3) (a) (intro.) In selecting a site for ~~the~~ each center established under sub. (2), the department shall consider:

SECTION 790L. 46.90 (3) (b) of the statutes is amended to read:

46.90 (3) (b) As soon as possible after the selection of a particular site for ~~the~~ each center under par. (a), ~~and in any case not later than one year after May 19, 1978,~~ the department shall select a public or nonprofit private agency or organization to administer the center. The selection of such an agency or

VETOED

organization shall be made ~~after~~ through a competitive application process and with the consultation ~~with~~ of state and local government agencies, and shall take into consideration the experience and capability of the agencies and organizations in administering the services to be provided by the center.

SECTION 790n. 46.90 (3) (c) of the statutes is amended to read:

46.90 (3) (c) The department may make grants from the appropriation under s. 20.435 (2) (bd) to ~~the~~ each agency or organization selected under par. (b) for the purpose of establishing and maintaining ~~the~~ each center. ~~The~~ Each agency or organization shall be eligible for grants ~~equal~~ up to the total cost of establishing and maintaining a center. In making grants under this paragraph, the department shall give priority to maintaining services and shall also give priority to expanding services to any county with a population exceeding 500,000.

SECTION 790p. 46.90 (3) (d) of the statutes is amended to read:

46.90 (3) (d) As soon as practicable ~~and in any case not later than 6 months after May 19, 1978,~~ the department shall promulgate rules prescribing the standards which shall be met by ~~the~~ each center in accordance with the policies set forth in this section. Continuing grants for the maintenance of each center shall be contingent upon the determination by the department, based upon evaluations under this section, that the center is in compliance with the standards prescribed by the department.

SECTION 790r. 46.90 (3) (e) of the statutes is amended to read:

46.90 (3) (e) The department shall consult and cooperate with the appropriate state and federal officials to facilitate the coordination of ~~the~~ each center established under this section with existing programs of a similar nature.

SECTION 790t. 46.90 (4) (a) of the statutes is renumbered 46.90 (4) and amended to read:

46.90 (4) EVALUATION. The department, in consultation with appropriate persons, shall prepare and furnish to the legislature evaluations of ~~the~~ each center established under this section. Such evaluation shall include a thorough assessment of ~~the~~ each center and recommendations concerning the administration and expansion of ~~this~~ these and other possible centers.

Subject Area 11. SOCIAL SERVICES

Item 11-G: Domestic Abuse — Local Share

Governor's written objections.

Section 792h

This section prohibits DHSS from funding domestic abuse services until an organization raises its share of its operating budget. No other program has this up front funding requirement. DHSS currently provides 1/12 advances monthly to domestic abuse organizations and allows them the flexibility to raise their share of funding during the year. There is no evidence that this practice has not been working well. My veto will enable DHSS to continue current procedures, which should help shelters with their cash flow.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 792h of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-G: *Domestic Abuse — Local Share* [Chapter 20 Sections: 792h].

As passed by the Legislature, the biennial budget prohibited the Department of Health and Social Services from funding the domestic abuse services of an organization until that organization had raised its local share, which is a minimum of 30% of its budget. The Governor's item veto deleted this prohibition.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 792h. 46.95 (2) (d) of the statutes is amended to read: **Vetoed in Part**

46.95 (2) (d) No organization may receive more than 70% of its operating budget or $100,000 annually, whichever is less, under this section. If the organization is not or will not be providing shelter facilities or private home shelter care, it shall not receive more than 70% of its operating budget or $50,000 annually, whichever is less, under this section. The department may not fund domestic abuse services of an organization until that organization raises its share of its operating budget as required under this paragraph.

Subject Area 11. SOCIAL SERVICES

Item 11-H: Domestic Abuse — Maintenance of Effort

Governor's written objections.

Section 792c

This section requires DHSS to consider maintenance of local financial effort as a factor in reviewing applications for state domestic abuse funding. This requirement relates only to new domestic abuse services, however, and not to continuing services. My veto will require DHSS to consider maintenance of effort in reviewing all applications for domestic abuse grants. Such a requirement will help establish local support and assure local commitment.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 792c of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-H: *Domestic Abuse — Maintenance of Effort* [Chapter 20 Sections: 792c].

As passed by the Legislature, the biennial budget required the Department of Health and Social Services to consider, as one factor in reviewing new applications for state domestic abuse funds, the maintenance of past financial support by cities and counties. The Governor's item veto would require the Department to consider this factor in reviewing both new applications and applications for continuation of state domestic abuse funding.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 792c. 46.95 (2) (b) 5 of the statutes is created to read: **Vetoed in Part**

46.95 (2) (b) 5. Maintenance of effort, by a city or county, ~~regarding domestic abuse services provided by an organization on or before the date of application for a grant, if that organization applies for a grant for domestic abuse services to be first provided after the date of application~~.

Subject Area 11. SOCIAL SERVICES

Item 11-I: Domestic Abuse — Reallocations

Governor's written objections.

Section 792m

This veto allows the Department of Health and Social Services to reallocate unspent monies in the domestic abuse program at any time during the year. Allowing reallocation only at the end of the fiscal year leads to a great deal of encumbering of funds which could be used in other parts of the state where domestic abuse services are lacking. DHSS knows early in the year if funds will not be spent in a given category. My veto will allow more effective and timely use of scarce resources for domestic abuse programs.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 792m of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-I: *Domestic Abuse — Reallocations* [Chapter 20 Sections: 792m].

As passed by the Legislature, the biennial budget authorized the Department of Health and Social Services to reallocate unspent domestic abuse funds between the categories of new and existing services at the end of a fiscal year. In addition, funds so reallocated could not be counted for the purpose of determining compliance with the required percentage splits between the two categories. (The budget required 75% of the 1981-82 funds to be expended on existing services and 25% on new services. The 1982-83 split between existing and new services would be 90%/10%.) The Governor's item veto would authorize funds to be reallocated at any time, rather than only at the end of the fiscal year. However, it would also require the reallocated funds to be counted in determining compliance with the statutory percentage split between existing and new services.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 792m. 46.95 (2) (e) of the statutes is repealed and recreated to read:

46.95 (2) (e) Of the funds distributed under this section for fiscal year 1981-82, not less than 75% shall be used to continue funding domestic abuse services that currently receive state funds under this section and not more than 25% shall be for other domestic abuse services. Of the funds distributed under this section for fiscal year 1982-83, not less than 90% shall be used to continue funding domestic abuse services that received state funds under this section during the previous fiscal year and not more than 10% shall be for other domestic abuse services. For new domestic abuse services, the department shall give preference to services in areas of the state where these services are not otherwise available. Any funds that are not spent under one category of this formula ~~at the end of a fiscal year~~ may be reallocated by the department to the other category. ~~The expenditure of reallocated funds may not be counted for the purpose of determining the percentage of funds distributed by category under this paragraph.~~ **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-J: Earmarking of Federal Child Welfare Funds

Governor's written objections.

Section 2020 (4) (ag) + (ar)

This section required earmarking of a portion of increased child welfare funds for day care and runaway youth programs. Earmarking would result in reduced flexibility to counties and the state. In a time of fiscal constraint at all levels of government, we must insure flexibility to meet the most pressing local needs. Clearly day care and runaway youth programs are important local services. I have vetoed the earmarking of those funds but I trust local decision makers to give these services the emphasis they deserve.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2020 (4) (ag) and (ar). This item deals with two separate issues: (1) the startup of day care services and (2) runaway services. Consequently, I have divided the veto in the following way.

[See Items 11-J.1 and 11-J.2]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 11. SOCIAL SERVICES

Item 11 J.1 *Day Care*

Governor's written objections.

[See Item 11-J.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2020 (4) (ag).

Referred to the Committee on Rules.

Fiscal Bureau summary.

1. *Day Care* [Chapter 20 Sections: 2020 (4) (ag)]

As passed by the Legislature, the biennial budget specified that $75,000 FED in 1981-82 and $75,000 FED in 1982-83 of the additional federal child welfare funds Wisconsin is expected to receive in the 1981-83 biennium be expended for the start-up of day care programs. The Governor's item veto deleted these provisions, which means that these funds would be added to the amount that will be distributed as block grants to county social services departments for services aimed at keeping families intact and preventing foster care placement. Day care could be funded with these block grant funds, at the county's option.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2020. **Nonstatutory provisions; health and social services.**

(4)

~~(ag) For the start up of day care programs, $75,000 in fiscal year 1981-82 and $75,000 in fiscal year 1982-83.~~ **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11 J.2 *Runaway Services*

Governor's written objections.

[See Item 11-J.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2020 (4) (ar).

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Runaway Services* [Chapter 20 Sections: 2020 (4) (ar)]

As passed by the Legislature, the biennial budget specified that $200,000 FED in 1981-82 and $200,000 FED in 1982-83 of the additional federal child welfare funds Wisconsin is expected to receive in the 1981-83 biennium be expended for the start-up of runaway services. The Governor's item veto deleted this provision, which means that these funds would be added to the amount that will be distributed as block grants to county social services departments for services aimed at keeping families intact and preventing foster care placement. Runaway services could be funded with these block grant funds, at the county's option.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2020. **Nonstatutory provisions; health and social services.**

(4)

~~(ar) For runaway services, $200,000 in fiscal year 1981-82 and $200,000 in fiscal year 1982-83.~~

Subject Area 11. SOCIAL SERVICES

Item 11-K: Home Craft Program

Governor's written objections.

Section 2020 (19)

This section would have required the department to contract at 1980-81 levels with commercial outlets selling home craft products through September 1981. Cuts below the 1980-81 level have already been made in these annual contracts and in other vocational rehabilitation programs to reflect coming reductions. I have vetoed this provision in order to accommodate efforts to effectively manage the Home Craft Program.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2020 (19) of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

11-K: *Homecraft Program* [Chapter 20 Sections: 2020 (19)].

As passed by the Legislature, the biennial budget required the Department of Health and Social Services to expend $7,700 GPR and $30,400 FED during July-September, 1981 to continue the contracts with the marketing outlets for the Division of Vocational Rehabilitation's Homecraft Program at their 1980-81 funding levels. The funding included in Enrolled Assembly Bill 66 for the Homecraft Program includes $7,700 GPR and $30,400 FED for these contracts for the July-September, 1981 quarter. However, the Department of Health and Social Services had decided to reduce the level of these contracts for this quarter by 25%, in anticipation of reductions in federal vocational rehabilitation revenue in 1981-82. The 25% reduction would have totalled $1,900 GPR and $7,600 FED. Under the Department's decision, the $1,900 GPR would have been reallocated to purchase services for other vocational rehabilitation clients. The biennial budget also provided an additional $1,700 GPR for these marketing outlets in 1981-82. The Governor's item veto would delete the requirement that the Department expend a specified amount of funding for the Homecraft Program's marketing outlet contracts during July-September, 1981.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2020. **Nonstatutory provisions; health and social services.**

~~(19) CONTRACTING WITH COMMERCIAL OUTLETS FOR VOCATIONAL REHABILITATION CRAFT PRODUCTS. For the months of July, August and September, 1981, the department of health and social services shall apportion $7,700 from the appropriation under section 20.435 (5) (bm) of the statutes, as affected by this act, and shall apportion $30,400 from the appropriation under section 20.435 (5) (h) of the statutes, as affected by this act, to contract with commercial outlets for the division of vocational rehabilitation's craft products.~~ **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-L: Income Maintenance Contracts

Governor's written objections.

Section 746

This language would require the Department of Health and Social Services to apply fiscal sanctions to counties based on county-specific error rates in income maintenance administration. I have vetoed this provision because I believe it is premature and moves too far in reducing administrative flexibility. In order to implement these sections the Department would need an increase in quality control staff. The process of attributing errors to specific counties would be arduous, time consuming, and could lead to disproportionate negative impacts on a few sample counties. In addition, the language clearly is ripe for legal challenge. There is currently an effort to address the issue of county errors in a less punitive way by involving county representatives in policy development.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 746 of the Bill.

Referred to the Committee on Health and Human Services.

Fiscal Bureau summary.

11-L: *Income Maintenance Contracts* [Chapter 20 Sections: 746].

As passed by the Legislature, the biennial budget permitted the Department of Health and Social Services to reduce Income Maintenance Administration Aids to counties if federal reimbursement is withheld due to audits, quality control samples or program reviews. The Governor's item veto deleted that portion of the provision which required that the amount of reduction to any county be limited to the amount withheld as a result of the county's error rate.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 746. 46.032 of the statutes is amended to read:

46.032 Income maintenance administration. County public welfare departments organized under ss. 46.22 and 49.51 shall annually enter into a separate contract with the department detailing the reasonable cost of administering the income maintenance programs under ss. 46.23, 49.046, 49.19 and 49.45 to 49.47 when so appointed by the department. ~~The contract may contain such conditions of participation as are consistent with federal and state law~~ Contracts created under this section control the distribution of payments under s. 20.435 (4) (de) 1. The department may reduce its payment to any county under s. 20.435 (4) (de) 1 if federal reimbursement is withheld due to audits, quality control samples or program reviews. ~~The amount of reduction to any county is limited to the amount of federal reimbursement withheld as a result of the county's error rate.~~ **Vetoed in Part**

Subject Area 11. SOCIAL SERVICES

Item 11-M: Milwaukee County Children's Home

Governor's written objections.

Section 775

This section allows Milwaukee County to spend up to $400,000 annually from its Youth Aids allocation on the operation of the Milwaukee County Children's Home. This would set an undesirable precedent of using youth aids funds to pick up the cost of existing services. The purpose of the Youth Aids Program is to encourage the development of new services for youth at the local level. I have vetoed this provision because I believe it to be in conflict with the program's intent.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 775 of the Bill. However, it appears that the language vetoed in SECS. 774 and 774m were also intended to be part of this item.

Referred to the Committee on Children and Human Development.

Fiscal Bureau summary.

11-M: *Milwaukee County Children's Home* [Chapter 20 Sections: 774, 774m and 775].

As passed by the Legislature, the biennial budget authorized Milwaukee County to expend up to $400,000 annually of its youth aids funds for the Milwaukee County Children's Home, if it submitted a plan to the Department of Health and Social Services outlining steps it would take to restructure the Home's program, the plan was approved by the Department and Milwaukee County maintained its 1980-81 county financial effort in the Home's program. The Governor's item veto deleted this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

Vetoed in Part

SECTION 774. 46.26 (2m) of the statutes is ~~renumbered 46.26 (2m) (a) and~~ amended to read:

46.26 (2m) ~~(a)~~ The first step in the establishment of a program shall be the preparation of a plan using the time schedule for submitting coordinated plans and budgets under s. 46.031 (1) (a) which includes an inventory of all existing resources and services for the target population~~, the amounts allocated in calendar 1979 for each resource and service~~, and which details the resources to be developed and amounts to be allocated for meeting the needs of the designated target population served by the county or counties making the plan. The plan shall be developed by representatives of county public welfare departments in conjunction with representatives of a county level youth planning organization ~~and~~, by representatives of the judiciary and law enforcement agencies and by representatives of American Indian tribes, as required by the department. In counties without a county level youth planning organization, ~~the plan shall be developed by representatives of the county public welfare department in conjunction with representatives of the judiciary and law enforcement agencies~~ the county public welfare department shall choose one or more county residents to consult with.

~~SECTION 774m. 46.26 (2m) (b) of the statutes is created to read:~~ **Vetoed in Part**

~~46.26 (2m) (b) Counties with a population of 500,000 or more that intend to expend funds under sub. (3) (dm) shall submit a plan under par. (a) for 1982 which shall include a plan to restructure the program provided by the children's home established under s. 48.58 in order to maximize the use of community-based programs, to restrict the length of each child's stay at the home to 30 days or less, if possible, and to achieve cost efficiencies in the administration of the program to the maximum extent feasible.~~

SECTION 775. 46.26 (3) of the statutes is repealed and recreated to read:

46.26 (3) GRANTS-IN-AID.

~~(dm) Beginning in 1982, counties with a population of 500,000 or more may expend annually, from funds received under this subsection, an amount not to exceed $400,000 for the operation of the children's home established under s. 48.58 if:~~ **Vetoed in Part**

~~1. The plan submitted under sub. (2m) (b) is approved by the department; and~~

~~2. The county does not reduce its financial support for the children's home below that of fiscal year 1980-81.~~

Subject Area 11. SOCIAL SERVICES

Item 11-N: Public Patient Treatment Program

Governor's written objections.

Sections 758m, 761m, 1330m, 1390m, 1390v, 1391a, 1391c, 1391e, 1391g, 1391j, 1391m, 1392a, 1392b, 1392c, 1392e, 1392g, 1392i, 1392jm, 1392k

This veto deletes sections of the bill which extended the Public Patient Treatment Program to Milwaukee County residents. No funding was provided for this program expansion. Thus the change would have shifted the burden for the expansion of the program to other counties through proration of the county/state shares. The veto returns the program to current law until expansion and funding for the program can be considered.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 758m, 761m, 1330m, 1390m, 1390v, 1391a, 1391c, 1391e, 1391g, 1391j, 1391m, 1392a, 1392b, 1392c, 1392e, 1392g, 1392i, 1392jm and 1392k. However, in the copy of the Act delivered to the Secretary of State, no language in SEC. 1392jm is vetoed. Consequently, I have divided this item in the following way.

[See Items 11-N.1 and 11-N.2]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 11. SOCIAL SERVICES

Item 11 N.1 *Public Patient Treatment Program*

Governor's written objections.

[See Item 11-N.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 758m, 761m, 1330m, 1390m, 1390v, 1391a, 1391c, 1391e, 1391g, 1391j, 1391m, 1392a, 1392b, 1392c, 1392e, 1392g, 1392i and 1392k.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

11-N: *Public Patient Treatment Program* [Chapter 20 Sections: 758m, 761m, 1330m, 1390m, 1390v, 1391a, 1391c, 1391e, 1391g, 1391j, 1391m, 1392a, 1392b, 1392c, 1392e, 1392g, 1392i and 1392k.

As passed by the Legislature, the 1981-83 biennial budget extended public patient treatment to Milwaukee County Hospital and Clinics to provide treatment for public patients. Under existing law, only UW Hospital has authority for treatment. The budget provided no funding increase for the expansion of the program which specified that payments to counties now reimbursed for 50% of costs, would become prorated. Under the Governor's item veto, the changes to include Milwaukee County residents and Milwaukee County Hospital and Clinics in the public patient program are deleted. Unaffected was a provision which transferred the public patients appropriation from the University of Wisconsin System to Miscellaneous Appropriations.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 758m. 46.21 (2) (j) of the statutes is created to read: **Vetoed in Part**

46.21 (2) (j) The board shall administer admissions to the university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics under ch. 142.

SECTION 761m. 46.22 (4) (k) of the statutes is amended to read: **Vetoed in Part**

46.22 (4) (k) To administer admissions to the university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics under ch. 142.

SECTION 1330m. 115.53 (4) (intro.) and (b) of the statutes are amended to read: **Vetoed in Part**

115.53 (4) (intro.) Apply to the board of regents of the university of Wisconsin system for admission to the university of Wisconsin hospital and clinics, or to the Milwaukee county board of public welfare for admission to the Milwaukee county hospital and clinics, of any pupil in the state schools.

(b) The net cost of such hospital treatment shall be at the rate charged to counties for county patients and shall be chargeable ~~one-half~~ [one-half] to the appropriation for operating the patient's school and ~~one-half~~ [one-half] to the state. The state superintendent likewise may authorize payment for the expense of transporting patients to and from the hospital. ~~Payments~~ The state superintendent shall make payments for the treatment ~~shall be made by him~~ to the board of regents ~~for the half chargeable to~~ [for the half chargeable to] ~~or to the Milwaukee county board of public welfare from~~ the operation fund of the school ~~and the other half shall be paid~~ [and the other half shall be paid] Payments for the treatment shall also be made from the appropriation under s. 20.855 (3) (a) as provided in s. 142.08 (2). Funds collected by ~~him~~ the state superintendent on account of ~~such~~ the hospitalization shall be deposited ~~one-half~~ [one-half] in the general fund and ~~one-half~~ [one-half] in the appropriation under s. 20.255 (2) (a) for the school concerned, in the same proportion as annual payments for the treatment were funded from appropriations under ss. 20.255 (2) (a) and 20.855 (3) (a). **Vetoed in Part**

SECTION 1390m. 140.85 (3) (a) of the statutes is amended to read:

140.85 (3) (a) The central state hospital, university of Wisconsin hospital and clinics under ch. 142 and health care facilities under ss. 45.365, 48.62, 51.05, 51.06 and 149.06, and ch. 142 are exempt from this section.

SECTION 1390v. Chapter 142 (title) of the statutes is amended to read:

CHAPTER 142

UNIVERSITY OF WISCONSIN HOSPITAL AND CLINICS; MILWAUKEE COUNTY HOSPITAL AND CLINICS

SECTION 1391a. 142.01 of the statutes is amended to read:

142.01 Public patients. (1) A person having a legal settlement in any county in this state or a state dependent under s. 49.04 who is physically disabled or ailing and whose condition can probably be remedied or advantageously treated, if he or she or the person liable for his or her support is financially unable to provide proper treatment, may be treated at the university of Wisconsin hospital and clinics, the Milwaukee county hospital and clinics or in such other hospital or rehabilitation camp as the county director of public welfare directs, except that when the person to be treated, or his or her guardian if he or she is under guardianship, selects that such treatment be at the university of Wisconsin hospital and clinics or, the Milwaukee county hospital and clinics or at a rehabilitation camp, the hospital or rehabilitation camp of his or her selection shall be the place of treatment. ~~The right of such selection shall not exist in counties having a population of 500,000 or more.~~ The right of treatment at university of Wisconsin hospital and clinics and at the Milwaukee county hospital and clinics shall not exist for persons whose annual family incomes and economic resources are in excess of medical assistance limitations for the medically needy under s. 49.46 (1) (b) and (c), unless in the opinion of the county director of public welfare or social services special circumstances exist to warrant an exception. If the family income is in excess and, in the opinion of the director, special circumstances do not exist, the person shall have the right of treatment at university of Wisconsin hospital and clinics and at the Milwaukee county hospital and clinics after the person has incurred or expended at least 50% of the excess income for medical care or for any other type of remedial care recognized under the state law, or for personal health insurance premiums, or both. The director shall inform the hospital of the amount of the family's annual excess income as determined by the director. The hospital shall collect 50% of the amount of the annual excess income from the patient. The hospital shall submit a bill to the state for the amount over and above 50% of the amount determined as annual excess income.

(2) Before a child under 21 years of age requiring orthopedic or plastic surgery or care is treated at the university of Wisconsin hospital and clinics or at the Milwaukee county hospital and clinics, application for approval for admission to the hospital shall first be submitted to the division for handicapped children of the department of public instruction.

(3) A person who is a recipient of categorical aids under ch. 49 may be placed in the university of Wisconsin hospital and clinics or in the Milwaukee county hospital and clinics by the county director of public welfare or social services, and the costs as may accrue thereby shall be shared as provided in s. 142.08.

SECTION 1391c. 142.03 (1) of the statutes is amended to read:

142.03 (1) The application shall contain a full statement of the financial situation of the person including a determination of the person's eligibility for medical assistance under s. 49.45, and a general statement of his or her physical condition, and shall be verified. The county director of public welfare or social services, or any person he or she designates, shall make investigation and the supervisor for the district containing the town, village or ward of the legal settlement or if none, the residence of the person, or where found, shall supply to the director, on request, all material information within his or her knowledge and no compensation or expense may be paid or allowed by the county to any supervisor supplying the material information. If an application is submitted to a director for hospitalization of a physically disabled child under s. 142.02, the director shall submit a request for approval on blanks, supplied for the purpose, to the division for handicapped children of the department of public instruction. The division for handicapped children shall report its approval of the request to the director and to the university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics. It shall also send notice to the director as to when the hospital can admit the child.

SECTION 1391e. 142.04 (1) of the statutes is amended to read:

142.04 (1) If the county director of public welfare or social services is satisfied that the required facts exist and that the person should be treated at the university of Wisconsin hospital and clinics or at the Milwaukee county hospital and clinics, or if the person to be treated, or the guardian if the person is under guardianship, selects the hospital as the place of treatment, the director shall so find and enter an order so directing except as provided in s. 142.01 (2). If the director finds the required facts and that the person can receive adequate treatment at home or in a hospital, at the same or less expense to the county, and the person to be treated does not make the selection, the director shall enter an order directing the treatment, the place thereof, and the physician or physicians. If the director is not so satisfied, he or she may make further investigation. If the director does not find the required facts, he or she shall enter an order denying the application. If the director denies the application of a child under 21

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years, applying for care at the university of Wisconsin hospital and clinics or at the Milwaukee county hospital and clinics, he or she shall report the findings to the division for handicapped children of the department of public instruction. Upon granting the application, he or she shall ascertain from the superintendent of the hospital or from the administrator of Milwaukee county hospital and clinics whether the person can be received as a patient, and if so the director shall certify the order to the hospital and to the county clerk and in addition, if a state dependent, to the department. The procedure for admission of children under 21 years into the hospital is governed by s. 142.03 (1).

SECTION 1391g. 142.06 of the statutes is amended to read:

142.06 Discharge of patients. When the superintendent of the hospital or the administrator of Milwaukee county hospital and clinics or the attending physician is of the opinion that a county or state dependent patient is cured, or no longer needs treatment, or cannot benefit thereby, he or she shall discharge the patient. The county director of public welfare or social services in case of treatment in the county may discharge the patient if satisfied as to the facts. If the patient is unable to travel alone, and provision therefor has not been made under s. 142.05, the superintendent or administrator or physician shall notify the director who shall appoint some suitable person to bring the patient back. The person shall receive expenses and compensation as provided in s. 142.05.

SECTION 1391j. 142.07 (1) (intro.) and (a) of the statutes are amended to read:

142.07 (1) RATES. (intro.) The university of Wisconsin hospital and clinics and the Milwaukee county hospital and clinics shall treat patients so admitted at rates computed in the following manner:

(a) *Room rate; private patients.* The superintendent ~~shall establish~~ of the university of Wisconsin hospital and clinics with the approval of the board of regents, or the administrator of the Milwaukee county hospital and clinics with the approval of the board of public welfare of Milwaukee county shall establish a schedule of room rates for private patients which may be adjusted by the superintendent with the approval of the board of regents or by the administrator with the approval of the board of public welfare of Milwaukee county to meet changes in the cost of operation. As used in this section "room rates" includes the charges for meals and for ordinary nursing care.

SECTION 1391m. 142.07 (1) (b) of the statutes is amended to read:

142.07 (1) (b) *Room rates; public patients.* The board of regents and the board of public welfare of Milwaukee county shall establish, with the approval of the joint committee on finance, a schedule of room rates for public patients. ~~Requests for the approval of room rates shall be considered as are requests for supplemental appropriations under s. 13.101 (5) and (6)~~ at the university of Wisconsin hospital and clinics and at the Milwaukee county hospital and clinics, respectively.

SECTION 1392a. 142.07 (1) (c) of the statutes is amended to read:

142.07 (1) (c) *Ancillary services.* All services provided except those covered by the room rate shall be charged for in accordance with a schedule established and maintained for public inspection by the university of Wisconsin hospital and clinics and by the Milwaukee county hospital and clinics.

SECTION 1392b. 142.07 (1) (d) of the statutes is amended:

142.07 (1) (d) *Public patients; county share.* The amount charged back to counties for public patients under pars. (b) and (c) shall be one-half the actual net cost of care for each patient. If the appropriation under s. 20.855 (3) (a) in any year is insufficient to pay this amount, state payments charged back to counties shall be prorated on a uniform basis according to the net cost of care for each patient. The county share for outpatient care shall be ~~determined in the same manner~~ by computing actual net cost of care for each patient.

SECTION 1392c. 142.07 (2) (a) of the statutes is amended to read:

142.07 (2) (a) Payments made by patients shall be credited to their accounts. A patient may be admitted to the university of Wisconsin hospital and clinics or the Milwaukee county hospital and clinics without certificate, but the cost of his or her care shall not be a ~~joint~~ charge against the state and county wherein the patient has a legal settlement or residence or was found, except when the patient is admitted in an emergency pending action of the county director of public welfare or social services. If the director grants the application, the charge against the state and the county shall date from the admission. An emergency shall include cases where, by reason of unforeseen physical conditions, a patient is detained in the hospital longer than anticipated and is thereby financially unable to bear the expense of treatment.

SECTION 1392e. 142.07 (3) of the statutes is amended to read:

142.07 (3) INDIAN CHILDREN. Indian children whose hospital care is to be paid from funds granted the office of Indian affairs, U.S. department of interior, shall be admitted to the university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics at the same rates as are charged for children hospitalized through application to the county director of public welfare or social services. The procedure for admission of the Indian children shall be identical to the procedure for children admitted to the hospital upon application to the county director of public welfare or social services.

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SECTION 1392g. 142.07 (4) of the statutes is amended to read:

142.07 (4) CHARGES MADE TO PUBLIC PATIENTS. No compensation ~~shall~~ may be charged against or received from any public patient by any officer of or person employed by the hospital other than the compensation provided by the board of regents of the university of Wisconsin system or by the board of public welfare of Milwaukee county.

SECTION 1392i. 142.08 (1), (1m), (1r), (2), (3), (4) and (6) of the statutes are amended to read:

142.08 (1) The net cost of ~~caring for a patient~~ certified ~~to the~~ university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics shall be ~~paid one-half~~ by the state and ~~one-half by the county of his~~ the patient's legal settlement or of which ~~he~~ the patient is a county-at-large charge as provided by sub. (4). The cost of ~~caring for a state dependent patient~~ shall be borne wholly by the state.

(1m) One-half of the net cost of caring for a patient certified to the hospital shall be paid by the state and one-half by the county of his or her legal settlement or of which he or she is a county-at-large charge except if the appropriation under s. 20.855 (3) (a) in any year is insufficient to provide the state's share of the payment, in which case state payments shall be prorated on a uniform basis according to the net cost of care for each patient. The cost of caring for a state dependent person shall be borne wholly by the state. At the time that the application for admittance of a patient to the hospital is submitted to the division for handicapped children, the county director of public welfare shall include a statement regarding the financial status of the parents or guardian and an agreement signed by the parents or guardian as to the amount of money which the parents or guardian will contribute toward the child's care in the hospital. All money so collected by the director or the hospital from parents or guardians shall be credited to the patient's account with the hospital. Financial arrangements for hospital care of children admitted by the director shall be made with parents or guardians of the children only by the director, or by an agent designated by him or her, or by the division for handicapped children of the department of public instruction, with the knowledge of the director.

(1r) No payment shall be made under the public patient program for services that are otherwise covered by medical assistance, other medical aid programs, medicare, commercial health insurance or other 3rd party payers. Recovery from liable 3rd parties is the responsibility of the superintendent of university of Wisconsin hospital and clinics or of the administrator of the Milwaukee county hospital and clinics. Notwithstanding any other statute, payments made by 3rd party payers for a patient shall be credited to that patient's account at the hospital. The hospital shall submit a net bill to the state after all credits have been accounted for.

(2) The board of regents of the university of Wisconsin system and the board of public welfare of Milwaukee county shall file a verified monthly report with the department of administration, containing an itemized statement of the account against each such patient, naming the county in which ~~he~~ the patient has legal settlement or of which ~~he~~ the patient is a county-at-large charge, or if ~~he~~ the patient is a state dependent, a statement of that fact. ~~The~~ At 6-month intervals, the department of administration shall audit the same and ~~issue~~:

(a) Promptly issue a prorated credit for charges submitted by the university of Wisconsin hospital and clinics to the appropriation made by s. 20.285 (1) (kb) for the proper amount; and

(b) Promptly issue a prorated payment to the Milwaukee county hospital and clinics for the amount of charges submitted from the appropriation under s. 20.855 (3) (a).

(3) On or before October ~~first~~ 1 in each year the board of regents and the board of public welfare of Milwaukee county shall file with the department of administration a statement setting forth in detail the account of each certified patient during the fiscal year ~~ended on June thirtieth next preceding~~ ending on the preceding June 30.

(4) The department of administration shall certify to each county ~~one-half~~ the amount paid by the state under s. 142.07 (1) (d) for each public patient from that county except state dependents certified to the hospital.

(6) All cooperative arrangements regarding the hospitalization of children admitted to university of Wisconsin hospital and clinics or to the Milwaukee county hospital and clinics which are carried on by the university of Wisconsin hospital and clinics or by the Milwaukee county hospital and clinics and the division for handicapped children, department of public instruction, shall be carried on pursuant to a written agreement made between the hospital and the division.

SECTION 1392k. 142.11 of the statutes is amended to read: **Vetoed in Part**

142.11 Subject to chapter 150. The university of Wisconsin hospital and clinics is and the Milwaukee county hospital and clinics are subject to ch. 150.

VETOED

VETOED

Subject Area 11. SOCIAL SERVICES

Item 11 N.2 *Non-Vetoed* SECTION

Governor's written objections.

[See Item 11-N.]

Speaker's referral.

This item is comprised of SEC. 1392jm.

Referred to the Committee on Rules.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

SECTION 1392jm. 142.10 (3) of the statutes is amended to read:

142.10 (3) The superintendent of the university of Wisconsin hospital and clinics shall determine the financial status of a Wisconsin veteran who applies for benefits under this section. Such determination shall only consider benefits which would accrue to the veteran because of hospitalization insurance the veteran may carry. Based on these findings the superintendent shall authorize reductions in the total cost of care to the veteran. Such reductions shall be limited so that as a minimum the veteran shall pay a daily rate of one-half the average daily cost permitted under s. 142.07 (1) (a) or (b) and (c) for the prior 6-month period ending June 30, and December 31. The adjustment of charges based on the 6-month period ending June 30 shall be made on September 1, and the adjustment of charges based on the 6-month period ending December 31 shall be made on March 1. The adjustment in charges shall be in effect for all patient bills prepared until the following adjustment. If such veteran elects to be admitted to said hospital as a private patient the veteran shall be liable for all professional fees incurred, but shall be eligible for benefits under this section for hospital care. In determining the veteran's share of the cost of care, the superintendent shall first apply all insurance and third-party payments to the total cost and apportion any remaining costs equally between the veteran and the state. ~~Prior to July 1, 1976, the portion of the costs paid by the state under this section shall be paid from the appropriation under s. 20.285 (1) (b) and on and after July 1, 1976, such portion of costs~~ The portion of costs paid by the state shall be paid from the appropriation under s. 20.485 (2) (vm) to the university of Wisconsin system as provided under s. 20.285 (1) (kb).

Subject Area 11. SOCIAL SERVICES

Item 11-O: Residential Facilities Bonding

Governor's written objections.

Section 1535r

The bill limits the increased bonding authorization for development and construction of residential facilities to Community Based Residential Facilities (CBRF's). My veto extends bonding authorization to a broader range of non-medical residential facilities thus increasing the options available for residential development of residences for the chronically mentally ill, developmentally disabled and the elderly. This veto is designed to increase flexibility to use the bonding authorization for a variety of facilities and residences and to allow a more adequate response as our interagency task force on housing for chronically disabled persons develops final recommendations.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1535r of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-O: *Residential Facilities Bonding* [Chapter 20 Sections: 1535r].

As passed by the Legislature, the biennial budget provided $100,000,000 BR of revenue bond authorization for the Health Facilities Authority for the purpose of financing community-based residential facilities. In addition, the bill specified that of this amount, $20,000,000 could only be used to finance community-based residential facilities of 20 beds or less for chronically mentally ill or developmentally disabled persons. The remaining $80,000,000 of bonding could either be utilized to finance additional community-based residential facilities of 20 beds or less for chronically mentally ill or developmentally disabled persons, or for community-based residential facilities of 50 beds or less for the elderly. The Governor's item veto would authorize the use of these funds for any residential facility, rather than community-based residential facilities only. A community-based residential facility is a place where three or more unrelated adults reside in which services above the level of room and board, but not including nursing care, are provided. Although the term "residential facility" is not statutorily defined, it appears that it would include room and board facilities for children or adults, in addition to community-based residential facilities. (The allocation of the bonding authority among disability groups and between large and small facilities would not be changed by the Governor's item veto.)

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1535r. 231.03 (6m) of the statutes is created to read: **Vetoed in Part**

231.03 (6m) In addition to bonds issued under sub. (6), issue bonds for the financing of nonprofit ~~community-based~~ residential facilities that are not physically connected to other facilities. The aggregate amount of these bonds outstanding may not exceed $100,000,000. Of this amount, $20,000,000 may be used only to finance ~~community-based~~ residential facilities of 20 beds or less for chronically mentally ill or developmentally disabled persons. The remaining amount may be used for ~~community-based~~ residential facilities of 50 beds or less for the elderly or for additional ~~community-based~~ residential facilities of 20 beds or less for the chronically mentally ill or the developmentally disabled.

Subject Area 11. SOCIAL SERVICES

Item 11-P: Shelter Care

Governor's written objections.

Section 874

This bill provides that shelter care funds are to be folded into the base social services aids allocations of those counties who received shelter care funding through DHSS in FY 1980-81. This section further requires that these funds be used only to provide shelter care, thus, in effect re-earmarking the funds. My veto removes this restriction and provides counties the flexibility I originally intended so they may spend these funds on shelter care or other related social services as they so choose. This flexibility is particularly important during these times of fiscal constraint which require counties to review their needs and prioritize program expenditures. I am confident counties will be sensitive to shelter care needs.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 874 of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

11-P: *Shelter Care* [Chapter 20 Sections: 874].

As passed by the Legislature, the biennial budget specified that shelter care funds folded into the base allocation for county social services aids beginning January 1, 1982, could be expended for shelter care only. The Governor's item veto deleted this requirement, which would give counties the option to expend these funds for shelter care or for other social services.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 874. 49.52 (1) (dm) of the statutes is created to read:

49.52 (1) (dm) **Vetoed in Part**

2. Beginning January 1, 1982, the department shall reimburse any county ~~that incurs costs from operating shelter care facilities~~ from the appropriation under s. 20.435 (2) (b) for an amount equal to the amount the department reimbursed the county for the cost of operating shelter care facilities in fiscal year 1980-81. The department shall reduce this reimbursement by a proportionate amount if part or all of the cost of operating the facilities is for services provided another county, and shall reimburse the other county an amount based on the proportion of the cost of the services received. ~~Funds received under this paragraph may only be used to provide shelter care.~~ **Vetoed in Part**

Subject Area 12. TAX INCREMENT FINANCE

Item 12-A: Corrective Veto

Governor's written objections.

Section 1023p

This bill contains language that apportions TIF project costs of TIF districts. The bill also requires that this apportionment be based "solely" on the benefits to the TIF district. This language seems contradictory. My partial veto would correct this language with no substantive change in apportioning TIF costs.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1023p of the Bill.

Referred to the Committee on Urban Affairs and Housing.

Fiscal Bureau summary.

Item 12-A: *Corrective Veto* [Chapter 20 Sections: 1023p].

As passed by the Legislature, the biennial budget contained a provision limiting eligible TIF costs to the proportionate share of expenditures of benefit to the TIF district and disallowing the proportionate share of expenditures of benefit to the municipality outside the TIF district. The Governor's item veto clarifies this provision by deleting contradictory language.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1023p. 66.46 (2) (f) of the statutes is renumbered 66.46 (2) (f) 1, and 66.46 (2) (f) 1. (intro.) and a, as renumbered, are amended to read: **Vetoed in Part**

66.46 (2) (f) 1. (intro.) "Project costs" mean any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city which are listed in a project plan as costs of public works or improvements within a tax incremental district or, to the extent provided in subd. ~~11~~ 1. k, without the district, plus any costs incidental thereto, diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the city in connection with the implementation of the plan. For any tax incremental district for which a project plan is approved on or after the effective date of this act (1981), only a proportionate share of the costs permitted under this subdivision may be included as project costs. ~~These costs may be included as project costs~~ to the extent that they ~~solely~~ benefit the tax incremental district. To the extent the costs benefit the municipality outside the tax incremental district, a proportionate share of the cost is not a project cost. The project costs include, but are not limited to:

Subject Area 12. TAX INCREMENT FINANCE

Item 12-B: Farmland Provision

Governor's written objections.

Section 1024h

The bill provides that no tax incremental district may be created in an area which has been devoted primarily to agricultural use as defined for the farmland preservation program during any of the five years prior to the creation of the district. This section is vetoed because the exclusion of agricultural land from TIF's is overly restrictive. It would not even allow the cutting of hay off standing farmland. Employing this definition in the creation of TIF's could severely undercut the effectiveness of this economic development tool.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1024h of the Bill. However, it appears that this item should also include the language vetoed in SEC. 2203 (57) (a) 4.

Referred to the Committee on Rules.

Fiscal Bureau summary.

12-B: *Farmland Preservation* [Chapter 20 Sections: 1024h and 2203 (57) (a)4.].

As passed by the Legislature, the biennial budget contained a provision prohibiting TIF districts from including land which had been devoted primarily to agricultural use at any time during the five years prior to creation of the district. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1024h. 66.46 (2) (k) of the statutes is amended to read:

66.46 (2) (k) "Tax incremental district" means a contiguous geographic area within a city defined and created by resolution of the local legislative body, consisting solely of whole units of property as are assessed for general property tax purposes, other than railroad rights-of-way, rivers or highways. Railroad rights-of-way, rivers or highways may be included in a tax incremental district only if they are continuously bounded on either side, or on both sides, by whole units of property as are assessed for general property tax purposes which are in the tax incremental district. ~~No tax incremental district may include farmland that has been devoted primarily to agricultural use, as defined in s. 91.01 (5), at any time during the 5-year period preceding creation of the tax incremental district.~~ **Vetoed in Part**

SECTION 2203. **Initial applicability.**

(57) OTHER. (a) **Vetoed in Part**

4. The treatment of section 66.46 (2) (k), ~~except as it relates to tax incremental districts including farmland devoted primarily to agricultural use, as defined in section 91.01 (5) of the statutes,~~ and (4) (gm) 1, 4. a and bm and 5 of the statutes by this act applies only to tax incremental districts created pursuant to adoption of a resolution on or after the effective date of this act. ~~The treatment of section 66.46 (2) (k) of the statutes by this act as it relates to tax incremental districts including farmland devoted primarily to agricultural use, as defined in section 91.01 (5) of the statutes, does not apply to districts for which the planning commission has designated tax incremental district boundaries under section 66.46 (4) (b) of the statutes before October 1, 1981, and which are created under section 66.46 (4) (gm) 2 of the statutes on or before January 1, 1982.~~

Subject Area 12. TAX INCREMENT FINANCE

Item 12-C: Project Plans

Governor's written objections.

Section 1024p

I have vetoed the provisions which requires the Department of Revenue to review TIF project plans and determine if they are of sufficient detail to allow audits to be conducted. This oversight will require bureaucrats to make a subjective judgement on the adequacy of project plans without any established guidelines, second guessing local government elected officials and causing time delays. The state's proper role is to set the parameters and allow local governments to make their own decisions. In addition, the provision to review project plans will increase the workload of the department with no additional staff allowed.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1024p of the Bill. However, it appears that the language vetoed in SEC. 2203 (57) (a) 3 is also intended to be included with this item.

Referred to the Committee on Urban Affairs and Housing.

Fiscal Bureau summary.

12-C: *Project Plans* [Chapter 20 Sections: 1024p, 2203 (57) (a)3.].

As passed by the Legislature, the biennial budget bill authorized the Department of Revenue to refuse to certify the base of a tax incremental district if it finds that the project plan adopted for the district is not sufficiently detailed to allow comparison of the plan with actual expenditures during future audits. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1024p. 66.46 (4) (e), (f), (g) and (h), (5) (d) and (6) (a) 2 and (c) of the statutes are amended to read:

66.46 **Vetoed in Part**

(5) (d) The department of revenue shall not certify the tax incremental base as provided in par. (b) until it determines that each of the procedures and documents required by sub. (4) (a) ~~to (c)~~, (b), (gm) or (h) has been timely completed and all notices required under sub. (4) (a) ~~to (c)~~, (b), (gm) or (h) timely given. The facts supporting any document adopted or action taken to comply with sub. (4) (a) ~~to (c)~~, (b), (gm) or (h) shall not be subject to review by the department of revenue under this paragraph. ~~The department of revenue may refuse to certify the tax incremental base unless it finds that the project plan approved under sub. (4) (g) is sufficiently detailed to compare actual expenditures with the plan during future audits.~~ **Vetoed in Part**

SECTION 2203. **Initial applicability.**

(57) OTHER. (a) **Vetoed in Part**

3. The ~~authority of the department of revenue to refuse to certify the tax incremental base of a tax incremental district unless it finds that the district's project plan is sufficiently detailed to compare actual expenditures with the plan during future compliance audits, specified in section 66.46 (5) (d) of the statutes, as affected by this act,~~ and the amendment of section 66.46 (4) (f) of the statutes by this act, apply only to project plans approved by the local legislative body on or after the effective date of this act.

Subject Area 13. TAXATION

Item 13-A: Alcohol Tax — Whey, Brewers Waste

Governor's written objections.

Sections 1387gm through 1387gr

Several years ago the Legislature approved a tax subsidy for alcohol produced from Wisconsin waste products — whey and brewer's waste. There was clear legislative intent to encourage this fledgling approach to alcohol production. A sudden reversal seems premature. More time is needed to determine the impact of elimination of this incentive on jobs and the waste products program itself. Phased elimination of this subsidy may be desirable. My veto maintains current law until adequate review is complete.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1387gm through 1387gr. However, it appears that the language vetoed in SEC. 1387d should also be included with this item.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-A: *Alcohol Tax — Whey, Brewers Waste* [Chapter 20 Sections: 1387d, 1387gm, 1387go and 1387gr].

As passed by the Legislature, the biennial budget bill provided for an increase in the special tax rate for alcohol made from brewer's waste to $2.45 per wine gallon from $1 per gallon, effective August 1, 1981 and provided for the elimination of the special liquor tax rate for alcohol made from brewer's waste, effective August 1, 1982. The special tax rate for alcohol made from whey was increased to $1.65 per gallon. These provisions reduced the current partial exemption for alcohol made from brewer's waste from $1.60 per gallon to $0.80, effective August 1, 1981 and eliminated the special tax rate for alcohol made from brewer's waste on August 1, 1982. The special tax rate for alcohol made from whey was increased to $1.65 per gallon which would maintain the $1.60 partial exemption. These changes decreased the revenue loss due to the partial exemption from $3.1 million to $1.8 million for 1981-83. The Governor's item veto deleted these provisions, maintaining the $1 per wine gallon special liquor tax rate for alcohol made from brewer's waste and whey. As a result of the item veto, the revenue loss due to the special liquor tax rate for 1981-83 would increase from $1.8 million, under provisions of the biennial budget bill as passed by the Legislature, to $4.4 million.

FISCAL CHANGE TO ENROLLED AB 66: -$2,600,000 GPR-Revenue

Cited segments of 1981 AB-66.

~~SECTION 1387d. 139.03 (2t) (intro.) of the statutes is amended to read:~~

~~139.03 (2t) (intro.) The rate of tax, effective on August 20, 1977 1, 1981, and thereafter, is $1 $1.65 per wine gallon on intoxicating liquor, containing 0.5% or more of alcohol by volume, manufactured or distilled in this state by pollution control facilities as defined in s. 66.521 (2) (h) or from whey and brewing wastes which are is produced in this state, except that alcohol manufactured or distilled in this state by pollution control facilities as defined under s. 66.521 (2) (h) from brewing wastes that are produced in this state is not subject to the tax under this subsection. The tax shall be computed in accordance with the following table and the department of revenue shall calculate the equivalent rates for metric containers tables, using whichever table produces the least amount of tax: [See Figure Figures 139.03 (2t) (a) and (b) following]~~

~~SECTION 1387gm. 139.03 (2t) (figure) of the statutes is renumbered 139.03 (2t) (a) (figure) and amended to read:~~

~~Figure: 139.03 (2t) (a)~~

Quantity in wine gallons	Quantity in ounces	Tax
Up to and including 1/64 of a gallon	Up to and including 2	~~$.015625~~ $ .0258
More than 1/64 of a gallon to and including 1/32 of a gallon	More than 2 to and including 4	~~.03125~~ .0516

VETOED

More than 1/32 gallon to and including 1/16 of a gallon	More than 4 to and including 8	~~.0625~~ .10315
More than 1/16 gallon and including 1/10 gallon	More than 8 to and including 12.8	~~.10~~ .165
More than 1/10 gallon to and including 1 pint	More than 12.8 to and including 16	~~.125~~ .2063
More than 1 pint to and including 1/5 gallon	More than 16 to and including 25.6	~~.20~~ .33
More than 1/5 gallon to and including 1 quart	More than 25.6 to and including 32	~~.25~~ .4125
More than 1 quart to and including 1/2 gallon	More than 32 to and including 64	~~.50~~ .825
More than 1/2 gallon to and including 1 gallon	More than 64 to and including 128	~~1.00~~ 1.65

SECTION 1387go. 139.03 (2t) (b) (figure) of the statutes is created to read:

Figure: 139.03 (2t) (b)

Quantity in liters		Tax when alcoholic content is 1/2% or more by volume
50	milliliters	$.0218
200	milliliters	.0872
500	milliliters	.218
750	milliliters	.327
1	liter	.436
1.75	liters	.763

SECTION 1387gr. 139.03 (2w) of the statutes is created to read:

139.03 (2w) The rate of tax, effective from August 1, 1981 to July 31, 1982, is $2.45 per wine gallon on intoxicating liquor containing 0.5% or more of alcohol by volume manufactured or distilled in this state from brewing wastes that are produced in this state shall be computed in accordance with the following tables, using whichever table produces the least amount of tax: [See Figures 139.03 (2w) (a) and (b) following]

VETOED

Figure: 139.03 (2w) (a)

Quantity in Wine Gallons	Quantity in Ounces	Tax when alcoholic content is 1/2% or more by volume
Up to and including 1/64 of a gallon	Up to and including 2	$.03825
More than 1/64 of a gallon to and including 1/32 of a gallon	More than 2 to and including 4	.0765
More than 1/32 gallon to and including 1/16 of a gallon	More than 4 to and including 8	.153
More than 1/16 gallon and including 1/10 gallon	More than 8 to and including 12.8	.245
More than 1/10 gallon to and including 1 pint	More than 12.8 to and including 16	.306
More than 1 pint to and including 1/5 gallon	More than 16 to and including 25.6	.49
More than 1/5 gallon to and including 1 quart	More than 25.6 to and including 32	.6125
More than 1 quart to and including 1/2 gallon	More than 32 to and including 64	1.225
More than 1/2 gallon to and including 1 gallon	More than 64 to and including 128	2.45

Figure: 139.03 (2w) (b)

Quantity in liters		Tax when alcoholic content is 1/2% or more by volume
50	milliliters	$.03235
200	milliliters	.1294
500	milliliters	.3235
750	milliliters	.48525
1	liter	.647
1.75	liters	1.13225

Subject Area 13. TAXATION

Item 13-B: American Legion Baseball Exemption

Governor's written objections.

Section 1124t

I have vetoed the sales tax exemption for American Legion baseball teams.

American Legion teams are, no doubt, deserving of a tax exemption. The real issue here, however, is whether a major new precedent affecting sales taxation should be established. Currently, many non-profit and charitable organizations enjoy sales tax exempt status when they purchase goods. No organizations, with the exception of schools, benefit from a tax exemption when they sell something. The rationale for this distinction is that when an organization behaves like a business and competes with the private sector, it should pay sales tax like a business. Permitting this small exemption now may seem harmless, but it opens the door to similar exemptions for many other equally worthy organizations with equally worthy causes. Such a policy change should not be made without public hearing and full understanding of its implications.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1124t of the Bill. However, it appears that the item should also include the language vetoed in SEC. 2204 (45) (n) of the Bill.

Referred to the Committee on Revenue.

Fiscal Bureau summary.

13-B: *American Legion Baseball Exemption* [Chapter 20 Sections: 1124t and 2204 (45) (n)].

As passed by the Legislature, the biennial budget bill provided that the gross receipts from the sale of admissions, tickets and tangible personal property by baseball teams affiliated with the American Legion be exempt from the 4% sales tax. The Governor's item veto deletes this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: Minimal

Cited segments of 1981 AB-66.

~~SECTION 1124t. 77.54 (31) of the statutes is created to read:~~ **Vetoed in Part**

~~77.54 (31) The gross receipts from the sales of tangible personal property, tickets or admissions by any baseball team affiliated with American Legion baseball.~~

SECTION 2204. **Effective dates.**

(45) REVENUE.

Vetoed in Part

~~(n) *Sales tax exemption for American Legion baseball teams.* The treatment of section 77.54 (31) of the statutes by this act takes effect on the first day of the 3rd month beginning after publication.~~

Subject Area 13. TAXATION

Item 13-C: Capital Gains Reinvestment

Governor's written objections.

Sections 1089s through 1089z, 1090ea through 1090km

The limitation of capital gains tax benefits to assets "reinvested in Wisconsin" is vetoed. While this provision has superficial appeal, it is entirely unworkable and inequitable. For example, individual taxpayers who sell stock would have to determine if a company has 250 or more employes in Wisconsin in order for their shares to qualify for capital gain benefits. This just is too burdensome for most people, except corporations. In addition, it severely restrains economic decision-making and could result in retaliatory action by other states. Therefore, I have vetoed that provision.

Speaker's referral.

Item 13 C. Capital Gains Reinvestment

According to the Governor's veto message, this item is comprised of the following: SECS. 1089s, 1089t, 1089u, 1089um, 1089v, 1089w, 1089wm, 1089x, 1089y, 1089z, 1090ea, 1090eb, 1090ec, 1090ed, 1090edm, 1090ee, 1090eg, 1090f, 1090fa, 1090fb, 1090fc, 1090fe, 1090k and 1090km. However, there are numerous errors in this description of the veto.

In the first place, it appears that many of the SECTIONS deal with entertainment deductions [SEC. 1090k], accelerated depreciation [SECS. 1089s, 1089u, 1089r, 1089w, 1089x, 1089y, 1089ea, 1089eb, 1089ec, 1089ed, 1089edm, 1089ee and 1089eg] or oil company taxation [SEC. 1089um], which are dealt with in separate vetoes. Furthermore, many of the SECTIONS [SECS. 1089t, 1089wm, 1089z, 1090f, 1090fb, 1090fc, 1090fe and 1090km] show no vetoes at all in the copy of the Act delivered to the Secretary of State.

Of all the SECTIONS enumerated in the Governor's veto message, the only SECTION relating to the objections discussed in this item is SEC. 1090fa of the Bill. Consequently, I have divided this item in the following way.

[See Items 13-C.1 to 13-C.3]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13 C.1 *Reinvest-In-Wisconsin*

Governor's written objections.

[See Item 13-C.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1090fa.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-C: *Capital Gains Reinvestment* [Chapter 20 Sections: 1090fa].

As passed by the Legislature, the biennial budget bill provided for the capital gains deduction to be 20% in tax year 1982, 40% in tax year 1983 and 60% in tax year 1984 and thereafter. Further, the capital gains deduction would be available only if the gain were reinvested in Wisconsin within 18 months. Reinvestment in Wisconsin includes all real property located in this state; tangible personal property located within this state; and stocks and bonds issued by a business that employs 250 persons in the state or has a commercial domicile in this state, if the new assets are held for one year or more. These changes in capital gains treatment decreased GPR-Revenue by $18.1 million in 1982-83. The Governor's item veto deleted the reinvestment provisions from the bill. As a result of the item veto, the revenue loss from the capital gains deduction will be $22.6 million in 1982-83.

FISCAL CHANGE TO ENROLLED AB 66: -$4,500,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1090fa. 71.05 (1) (a) 2 of the statutes is amended to read:

71.05 (1) (a) 2. ~~Any~~ For taxable years prior to 1982, any amounts deducted under section 1202 of the internal revenue code (relating to the deduction for capital gains). For taxable year 1982, two-thirds of any amounts deducted under section 1202 of the internal revenue code in effect on December 31, 1980. For taxable year 1983, one-third of any amounts deducted under section 1202 of the internal revenue code in effect on December 31, 1980. For taxable year 1984 and thereafter, none of the amounts deducted under section 1202 of the internal revenue code in effect on December 31, 1980. ~~However, if within 18 months after realizing the gain the taxpayer does not invest the total amount of the gain minus any federal or Wisconsin income taxes paid on the gain in real property located in this state, in tangible personal property located in this state and used in a trade or business or in stocks or bonds issued by a business that employs more than 250 persons in this state or has a commercial domicile in this state or if the taxpayer does not hold that real property, personal property, stocks or bonds for one year or more, all of the gain shall be added back under this section.~~ **Vetoed in Part**

Subject Area 13. TAXATION

Item 13 C.2 *Non-Vetoed* SECTIONS

Governor's written objections.

[See Item 13-C.]

Speaker's referral.

This item is comprised of SECS. 1089t, 1089wm, 1089z, 1090f, 1090fb, 1090fc, 1090fe and 1090km.

Referred to the Committee on Rules.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

SECTION 1089t. 71.01 (4) (g) 5 of the statutes is renumbered 71.01 (4) (g) 9.

SECTION 1089wm. 71.02 (1) (c) of the statutes is amended to read:

71.02 (1) (c) "Paid" or "actually paid" are to be construed in each instance in the light of the method used in computing taxable income whether on the accrual or receipt basis~~; but the deduction for federal income and excess profits taxes shall be confined to cash payments made within the year covered by the income tax return~~.

SECTION 1089z. 71.03 (1) (g) 3 of the statutes is amended to read:

71.03 (1) (g) 3. If property, exclusive of inventories (as raw materials, goods in process and finished goods), as a result of its destruction in whole or in part by fire or other casualty, theft or seizure, or an exercise of power of requisition or condemnation or the threat or imminence thereof, is involuntarily converted into money which is within 2 years from date of the conversion, or within extensions of such period as granted by the department of revenue, actually expended, in good faith under rules prescribed by the department of revenue, to replace the property converted by the acquisition of other property ~~located in Wisconsin~~ similar or related in service or use to the property converted, no gain shall be recognized, and in the case of gain the property so replaced or newly acquired, for purposes of depreciation and all other purposes of taxation, shall be deemed to take the place of the property so converted. If any part of the money is not so expended, the gain, if any, shall be recognized, but in an amount not in excess of the money which is not so expended. A replacement of property by an insurer shall be deemed to be an expenditure by the taxpayer of insurance moneys received from the insurer for the purposes of this subsection. This paragraph does not apply to property located in this state which does not produce business income and is involuntarily converted and replaced with similar property located outside this state, or to property located in this state which produces business income and is involuntarily converted and replaced with property located outside this state if, at the time of replacement, the taxpayer is not subject to taxation under this chapter.

SECTION 1090f. 71.04 (15) (h) of the statutes is created to read:

71.04 (15) (h) Any portion of the purchase price of property which is treated as interest under section 483 of the internal revenue code shall be deductible from gross income as interest and shall reduce the cost basis of the property.

SECTION 1090fb. 71.05 (1) (a) 5 of the statutes is amended to read:

71.05 (1) (a) 5. ~~Gain~~ For taxable years prior to 1982, gain on the sale or exchange of a principal residence, excluded under section 1034 (a) of the internal revenue code, if the "new residence" referred to therein is located outside this state.

SECTION 1090fc. 71.05 (1) (a) 6 of the statutes is amended to read:

71.05 (1) (a) 6. Gain on the involuntary conversion of Wisconsin property by nonresident individuals, estates or trusts excluded under section 1033 of the internal revenue code if the replacement property is located outside this state. In the case of net long-term capital gains, 80% is the amount to be added back under this subdivision for taxable year 1982, 60% is the amount to be added back under this

subdivision for taxable year 1983, and 40% is the amount to be added back under this subdivision for taxable year 1984 and thereafter.

SECTION 1090fe. 71.05 (1) (a) 13 of the statutes is amended to read:

71.05 (1) (a) 13. Net gain on the sale or exchange of capital assets with Wisconsin situs under s. 71.07 (1) by a nonresident alien to the extent not included in federal adjusted gross income or federal taxable income whether or not subject to tax under the internal revenue code, except that for taxable year 1982, 80% of the net long-term gain shall be added back under this subdivision, for taxable year 1983, 60% of the net long-term gain shall be added back under this subdivision, and for taxable years 1984 and thereafter, 40% of the net long-term gain shall be added back under this subdivision.

SECTION 1090km. 71.05 (1) (j) of the statutes is amended to read:

71.05 (1) (j) ~~With respect to~~ For taxable years beginning after December 31, 1969, and ending with taxable year 1981, there may be deducted from federal adjusted gross income the amount of any long-term capital loss or long-term capital loss carry-forward permissible as a deduction under the internal revenue code immediately prior to, but not after, adoption of the federal tax reform act of 1969.

Subject Area 13. TAXATION

Item 13 C.3 *Irrelevant* SECTIONS

Governor's written objections.

[See Item 13-C.]

Speaker's referral.

The remaining SECTIONS will be dealt with in the items to which they apparently relate.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13-D: Corporation Filing Fee

Governor's written objections.

Section 1491g

This bill includes corporation filing fee increases of $40 for domestic corporations and $125 for foreign corporations. This five-fold fee increase was proposed as part of the capital gains funding package. Since the fee change was initially proposed, other revenue sources were included in the budget bill that offset the need for this increase. In addition, the corporation filing fee, due to its flat structure, primarily impacts on small businesses which are least able to afford it. The veto returns the corporation filing fee to its current level.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1491g of the Bill. However, it appears that the language vetoed in the following SECTIONS was also intended to be incorporated as part of this item: SECS. 445n, 1491k, 1491p, 1491t, 1491w and 2204 (47) (a).

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-D: *Corporation Filing Fee* [Chapter 20 Sections: 445n, 1491g, 1491k, 1491p, 1491t, 1491w and 2204 (47) (a)].

As passed by the Legislature, the biennial budget increased the annual filing fee for domestic business and foreign corporations effective January 1, 1982 and provided that late filing fees be adjusted to ensure compliance. In addition, the budget specified that the Office of the Secretary of State not retain for administrative purposes any of the additional revenues generated as a result of the increased corporation filing fees. The Governor's item veto deleted these provisions from the bill, thus retaining the current corporation filing fees. Further, the Governor's item veto deleted the conversion of the Secretary of State's program revenue appropriation for program fees from a continuing to an annual appropriation.

FISCAL CHANGE TO ENROLLED AB 66: -$3,900,000 GPR-Earned

Cited segments of 1981 AB-66.

SECTION 445n. 20.575 (1) (g) of the statutes is amended to read: **Vetoed in Part**

20.575 (1) (g) *Program fees.* Except as provided under par. ~~(ga) or~~ (ka), ~~10.5% of the fees collected by the secretary of state~~ [10.5% of the fees collected by the secretary of state] the amounts in the schedule for the purpose of carrying out program responsibilities. Ten and one-half percent of the fees collected by the secretary of state, after deducting an amount equal to the sum of the number of annual reports filed under s. 180.835 multiplied by $125 plus the number of annual reports filed under ss. 180.793 and 180.99 (11) multiplied by $40, shall be credited to this appropriation.

SECTION 1491g. 180.793 (1), (2) and (4) of the statutes are amended to read: **Vetoed in Part**

180.793 (1) The annual report, together with a filing fee of $50, shall be delivered to the secretary of state in each year following the year in which the corporation's articles of incorporation are filed by the secretary of state, during the calendar year quarter in which the anniversary date of filing occurs. Unless the secretary of state finds that the report fails to conform to the requirements of law, the secretary of state shall file the same. If the secretary of state finds that it does not so conform the secretary of state shall return the same to the corporation for any necessary corrections, in which event the late fee prescribed in this section for failure to file such report within the time provided does not apply, if the report is corrected to conform to the requirements of this chapter and returned to the secretary of state within 30 days after it was mailed to the corporation for correction.

(2) Any such report not filed as required by sub. (1) may be filed only upon payment to the secretary of state of ~~$21~~ a filing fee of $61.

(4) The corporation may be restored to good standing by delivering to the secretary of state a current annual report conforming to the requirements of law and by paying to the secretary of state the ~~$21 late~~ $61 filing fee plus ~~$10~~ $50 for each calendar year or part of a calendar year during which the corporation has not been in good standing, not exceeding a total of ~~$110~~ $460.

SECTION 1491k. 180.835 of the statutes is amended to read:

180.835 Filing of annual report of foreign corporation. (1) The first annual report of a foreign corporation, together with the fee under s. 180.87 (1) (j), shall be delivered to the secretary of state between January 1 and March 31 of the year next succeeding the calendar year in which such corporation was authorized to transact business in this state. Subsequent annual reports of a foreign corporation, together with the fee under s. 180.87 (1) (j), shall be delivered to the secretary of state between January 1 and March 31 of each year. Unless the secretary of state finds such report does not conform to the requirements of this chapter, the secretary of state shall, when all fees and charges have been paid as in this chapter provided, file the same. If the secretary of state finds that it does not so conform, the secretary of state shall return the same to the corporation for any necessary corrections, in which event the late fees prescribed in this section for failure to file such report within the time provided do not apply if such report is corrected to conform to the requirements of this chapter and returned to the secretary of state not more than 30 days after the date it was mailed back to the foreign corporation by the secretary of state.

(2) If the annual report is delivered to the secretary of state after March 31 and prior to June 1, the corporation shall pay a ~~late~~ filing fee of ~~$25~~ $175, and the secretary of state shall not file the report until the ~~late~~ fee is paid. If the annual report is delivered to the secretary of state on or after June 1, the corporation shall pay a ~~late~~ filing fee of ~~$55~~ $205 and the secretary of state shall not file the report until the ~~late~~ fee is paid.

VETOED

SECTION 1491p. 180.835 (3) of the statutes is created to read:

180.835 (3) If a foreign corporation is required to file an annual report under this section, but before filing it withdraws under s. 180.837 or its certificate of authority to transact business in this state is revoked by the secretary of state, then the foreign corporation may not subsequently file an application for a certificate of authority to transact business in this state within one year from the withdrawal or revocation, unless along with the appropriate application documents and filing fees the foreign corporation files the annual report which was due at the time of the withdrawal or revocation and pays a report filing fee of $150. The annual report shall have no effect on any revocation under s. 180.841 (1) (c).

SECTION 1491t. 180.87 (1) (j) and (p) of the statutes are amended to read:

180.87 (1) (j) Filing an annual report of a foreign corporation ~~$25~~ $150, or the fee prescribed under s. 180.835, and in case the annual report shows that the corporation employs in this state capital in excess of the amount of capital on which a fee has previously been paid, computed as provided in s. 180.813, an additional fee which, with previous payments made on account of capital employed in this state, will amount to $1.25 for each $1,000 or fraction thereof of the excess.

(p) Filing an annual report of a domestic corporation, ~~$10~~ the fee prescribed under s. 180.793.

SECTION 1491w. 180.99 (11) of the statutes is amended to read:

180.99 (11) ANNUAL REPORT. A corporation organized and operating under this section shall furnish a report, together with the filing fee prescribed under s. 180.793, to the office of the secretary of state in each year following the year in which the corporation's articles of incorporation are filed by the secretary of state, during the calendar year quarter in which the anniversary of the filing occurs. The report shall show the names and post-office addresses of all its shareholders, directors and officers, which shall certify that, with the exceptions permitted in sub. (7), all such persons are duly licensed, certified, registered or otherwise legally authorized to render the same professional or other personal service in this state. This report shall be made on forms prescribed and furnished by the secretary of state, but shall contain no fiscal or other information except that expressly called for by this subsection. It shall be signed by the president or vice president and the secretary or an assistant secretary of the corporation, and acknowledged before a notary public by the persons signing the report, shall be filed in the office of the secretary of state, and shall be in lieu of the regular annual report of corporations otherwise required by ch. 180. The filing of such reports shall be governed by s. 180.793 (2), (3) and (4).

SECTION 2204. **Effective dates.**

(47) SECRETARY OF STATE.

(a) *Corporation filing fees.* The treatment of sections 20.575 (1) (g), 180.793 (1), (2) and (4), 180.835, 180.87 (1) (j) and (p) and 180.99 (11) of the statutes and the creation of section 180.835 (3) of the statutes by this act take effect on January 1, 1982. **Vetoed in Part**

Subject Area 13. TAXATION

Item 13-E: Earned Income Tax Credit

Governor's written objections.

Section 1097a

The creation of a new state earned income tax credit is vetoed. Wisconsin has chosen to provide low-income tax relief through the Homestead Tax Credit program. The combination of homestead tax credit, low income allowance and earned income credit would result in a complicated maze of forms and formulas. Most Homestead tax recipients have no state income tax liability and therefore would receive a refund check under this new program. During a time of scarce resources the income tax system should not be used to create a new welfare income transfer program, which would create a growing demand on state resources in future biennia.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1097a of the Bill. However, it appears that the language vetoed in SECS. 479m, 2201 (1) (h), 2202 (45) (c) and s. 20.835 (2) (fm) as shown in SEC. 120sm were also intended to be included in this item.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-E: *Earned Income Tax Credit* [Chapter 20 Sections: 120sm (s. 20.835 (2) (fm), 479m, 1097a, 2201 (1) (h) and 2202 (45) (c)].

As passed by the Legislature, the biennial budget provided a refundable state earned income tax credit based on 30% of the 1980 federal earned income tax credit beginning with the 1982 tax year. The federal earned income tax credit is computed as an amount equal to 10% of the first $5,000 of earned income (maximum credit of $500). For earnings exceeding $6,000, the credit is the lower of: (1) the actual credit ($500); or (2) $500 less 12.5% of the earned income (or, if greater, the adjusted gross income) which exceeds $6,000. The credit is not available if earned income or adjusted gross income is in excess of $10,000.

To be eligible for the federal earned income tax credit, a person must maintain a household for the entire tax year and qualify under one of the following categories: (1) a married person or surviving spouse entitled to a dependency exemption for his or her child; or (2) a head of household entitled to a dependency exemption for his or her child. Earned income is defined as wages, salaries, tips, other employe compensation, net earnings from self-employment, strike benefits and disability payments. Earned income does not include social security payments, workers' compensation or unemployment compensation. The Governor's item veto deleted the state earned income tax credit.

FISCAL CHANGE TO ENROLLED AB 66: -$7,600,000 GPR

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83
20.835 SHARED REVENUE AND TAX RELIEF			
(2) TAX RELIEF			
~~(fm) Earned income credit~~	~~GPR~~	~~$ 0~~	~~7,600,000~~ Vetoed in Part

~~SECTION 479m. 20.835 (2) (fm) of the statutes is created to read:~~ **Vetoed in Part**

~~20.835 (2) (fm) *Earned income credit.* A sum sufficient to pay the claims under s. 71.09 (12m).~~

~~SECTION 1097a. 71.09 (12m) of the statutes is created to read:~~

~~71.09 (12m) (a) For taxable year 1982 and thereafter, any natural person may credit against income taxes otherwise due an amount equal to 30% of the federal earned income credit for which the person is eligible for the taxable year under section 43 of the internal revenue code as amended to December 31, 1980.~~ **Vetoed in Part**

~~(b) Married persons may divide the total amount of the credit under this subsection between them as they choose, providing the aggregate claimed by a husband and wife does not exceed an amount equal to 30% of the federal earned income credit for which the couple is eligible for the taxable year under section 43 of the internal revenue code as amended to December 31, 1980.~~

(c) No credit may be allowed under this subsection for married persons unless the husband and wife report their income on the same income tax return for the taxable year.

(d) If the credit under this subsection exceeds the income taxes otherwise due on the claimant's income or if there are no Wisconsin income taxes due on the claimant's income, the amount of the claim not used as an offset against income taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check. No interest shall be allowed on any payment made to a claimant under this subsection.

(e) Part-year residents and nonresidents of this state shall not be eligible for the credit under this subsection.

SECTION 2201. **Program responsibility changes.**

(1) ADMINISTRATION.

(h) *Earned income credit.* **Vetoed in Part**

A Statute Sections	B References Deleted	C References Inserted
15.101 (intro.)	none	71.09 (12m)

SECTION 2202. **Cross-reference changes.**

(45) REVENUE.

(c) *Earned income credit.* **Vetoed in Part**

A Statute Sections	B Old Cross-References	C New Cross-References
71.09 (13)(a) to (d)	sub. (7), (11) or (12)	sub. (7), (11), (12) or (12m)
71.53 (2)	71.09 (7), (11) or (12)	71.09 (7), (11), (12) or (12m)

Subject Area 13. TAXATION

Item 13-F: Entertainment Deduction

Governor's written objections.

Sections 1089e, 1090b, 1090bm, 1090k

I have vetoed the various limitations on allowable business deductions in order to maintain tax equity, simplicity and competitiveness.

Elimination of some business expenses while continuing to allow others discriminates against taxpayers who tend to incur relatively substantial business costs in areas covered by the provision. For example, sales corporations will be significantly impacted by the limitations imposed by this provision, while other corporations will not.

Taxpayers will be forced to maintain additional records, at added costs for both individuals and corporations. The added paperwork will be especially burdensome for taxpayers who operate in Wisconsin and in other states. They will be required to maintain separate records for nationwide activities, even though only a small percentage of their business activities may be in Wisconsin.

To the extent that this provision increases business tax liabilities and imposes additional record keeping costs, Wisconsin's tax image will be tarnished.

The estimated fiscal effect of this provision is, in my judgment, considerably overstated. Given the realities of tax administration, a positive fiscal effect of about $500,000 per year is a more realistic projection. The minimal fiscal gain is not sufficient to offset the tax equity, complexity and image problems created by the proposal.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 1089e, 1090b, 1090bm and 1090k. However, it appears that the language vetoed in SEC. 2203 (45) (w) was also intended to be included within this item. Further, one should note that SEC. 1089e was apparently erroneously referenced in **Item 13-L** (Oil Company Tax) and that SEC. 1090k was erroneously referenced in **Items 13-C** (Capital Gains Reinvestment), **13-K** (Minimum Tax Preference) and **13-P** (Utility and Rental Depreciation).

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-F: *Entertainment Deduction* [Chapter 20 Sections: 1089e, 1090b, 1090bm, 1090k and 2203 (45) (w)].

As passed by the Legislature, the biennial budget bill provided for the restriction of entertainment expenses as business deductions under the individual and corporate income taxes, effective for tax year 1981 and thereafter, as follows: (1) allow 50% of expenses relating to entertainment meals as a business deduction; (2) deny all deductions for entertainment activities (except for expenditures for admissions to organized athletic events held in Wisconsin); (4) adopt the entertainment meals and activities substantiation requirements of section 274 (a) of the Internal Revenue Code. These changes increased GPR-Revenue by $8,500,000 in 1981-83. The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: -$8,200,000 GPR-Revenue

Cited segments of 1981 AB-66.

~~SECTION 1089e. 71.01 (4) (a) 6m of the statutes is created to read:~~

~~71.01 (4) (a) 6m. By adding to federal taxable income, for taxable year 1981 and thereafter, expenses allowable under the internal revenue code, as follows:~~

~~a. The expenses with respect to an activity, except admissions to an organized athletic event that takes place in Wisconsin, which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with these activities, except to the extent that food, beverage and facility expenses are allowed as a deduction under subd. 6m. b, c or d.~~

~~b. One-half of the expenses for food and beverages furnished to any individual under circumstances which (taking into account the surroundings in which furnished, the taxpayer's trade, business or income-producing activity and the relationship to the trade, business or activity of the persons to whom the food and beverages are furnished) are of a type generally considered to be conducive to a business discussion.~~

VETOED

c. One-half of the portion of expenses for food and beverages that the taxpayer establishes to be directly related to, or, in the case of the furnishing of food and beverages directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), to be associated with, the active conduct of the taxpayer's trade, business or activity described in section 212 of the internal revenue code.

d. One-half of the expenses with respect to a facility on the business premises of an employer which is used primarily in connection with furnishing food and beverages under circumstances described in subd. 6m. b or c.

e. The amount of expenses of regularly scheduled commercial air transportation allowed under section 162 or 212 of the internal revenue code which exceeds the lowest priced generally available fare at the time of travel for regularly scheduled flights to and from the destination. A fare will not be considered generally available if it is available only to individuals who fly on standby or other special status, who purchase tickets a specified period of time in advance, who travel to a required destination or who stay at a destination for a specified period of time.

SECTION 1090b. 71.04 (2) (b) 5 of the statutes is created to read: **Vetoed in Part**

71.04 (2) (b) 5. For taxable year 1981 and thereafter, expenses allowable under the internal revenue code, as follows:

a. The expenses with respect to an activity, except admissions to an organized athletic event that takes place in Wisconsin, which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with these activities, except to the extent that food, beverage and facility expenses are allowed as a deduction under subd. 5. b, c or d.

b. One-half of the expenses for food and beverages furnished to any individual under circumstances which (taking into account the surroundings in which furnished, the taxpayer's trade, business or income-producing activity and the relationship to the trade, business or activity of the persons to whom the food and beverages are furnished) are of a type generally considered to be conducive to a business discussion.

VETOED

c. One-half of the portion of expenses for food and beverages that the taxpayer establishes to be directly related to, or, in the case of the furnishing of food and beverages directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), to be associated with, the active conduct of the taxpayer's trade, business or activity described in section 212 of the internal revenue code.

d. One-half of the expenses with respect to a facility on the business premises of an employer which is used primarily in connection with furnishing food and beverages under circumstances described in subd. 5. b or c.

e. The amount of expenses of regularly scheduled commercial air transportation allowed under section 162 or 212 of the internal revenue code which exceeds the lowest priced generally available fare at the time of travel for regularly scheduled flights to and from the destination. A fare will not be considered generally available if it is available only to individuals who fly on standby or other special status, who purchase tickets a specified period of time in advance, who travel to a required destination or who stay at a destination for a specified period of time.

SECTION 1090bm. 71.04 (2) (c) of the statutes is created to read:

71.04 (2) (c) No deduction for any allowable entertainment, amusement, recreation or gift expenses is allowed under this section or under s. 71.01 (4) (a) 6m unless the substantiation requirements of section 274 (d) of the internal revenue code, as amended to December 31, 1980, are met.

SECTION 1090bk. 71.05 (1) (a) 14 of the statutes is created to read:

71.05 (1) (a) 14. For taxable year 1981 and thereafter, expenses allowable under the internal revenue code, as follows:

a. The expenses with respect to an activity, except admissions to an organized athletic event that takes place in Wisconsin, which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with these activities, except to the extent that food, beverage and facility expenses are allowed as a deduction under subd. 14. b, c or d.

b. One-half of the expenses for food and beverages furnished to any individual under circumstances which (taking into account the surroundings in which furnished, the taxpayer's trade, business or income-producing activity and the relationship to the trade, business or activity of the persons to whom the food and beverages are furnished) are of a type generally considered to be conducive to a business discussion.

VETOED

c. One-half of the portion of expenses for food and beverages that the taxpayer establishes to be directly related to, or, in the case of the furnishing of food and beverages directly preceding or following a substantial and bona fide business discussion (including business meetings at a convention or otherwise), to be associated with, the active conduct of the taxpayer's trade, business or activity described in section 212 of the internal revenue code.

VETOED

d. One-half of the expenses with respect to a facility on the business premises of an employer which is used primarily in connection with furnishing food and beverages under circumstances described in subd. 14. b or c.

e. The amount of expenses of regularly scheduled commercial air transportation allowed under section 162 or 212 of the internal revenue code which exceeds the lowest priced generally available fare at the time of travel for regularly scheduled flights to and from the destination. A fare will not be considered generally available if it is available only to individuals who fly on standby or other special status, who purchase tickets a specified period of time in advance, who travel to a required destination or who stay at a destination for a specified period of time.

SECTION 2203. **Initial applicability.**
(45) REVENUE.

(w) *Entertainment expenses.* The treatment of section 71.04 (2) (c) of the statutes by this act first applies to taxable year 1981.

Vetoed in Part

Subject Area 13. TAXATION

Item 13-G: Exempt Property Report

Governor's written objections.

Section 1060s

Since 1972, owners of tax exempt property have been required to file reports on their property every five years. The budget bill includes provisions which would require owners of exempt property, such as churches, to file reports annually which contain estimates of the value of the exempt property. To guarantee compliance, a municipality could order a private appraisal of exempt property for which a report is not filed. The owner would then be billed for the cost of the appraisal.

It is unwise and unnecessary to threaten churches and non-profit organizations with the expense of reports and appraisals especially when the information collected is of questionable validity and utility. Therefore, I have vetoed the new requirement.

DOR will attempt to respond to the Legislature's request for a qualitative analysis of property tax exemptions in 1982 and estimates of private exempt real estate in 1984 without these burdensome and unsettling reporting requirements.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1060s of the Bill. However, there is no SEC. 1060s of the Bill. It appears that the language vetoed in SECS. 1060g, 1060m and 1060r were intended to be included within this item.

Referred to the Committee on Revenue.

Fiscal Bureau summary.

13-G: *Exempt Property Report* [Chapter 20 Sections: 1060g, 1060m and 1060r].

As passed by the Legislature, the biennial budget contained a provision which would require owners of tax-exempt real property to annually file with the local assessor a report showing the value of the tax-exempt property (as determined for fire insurance purposes and as estimated by the owner) beginning in 1983. The bill also provided that property for which the report was not timely filed would be appraised and the owner billed for the cost of the appraisal. The Governor's item veto deleted these provisions.

FISCAL CHANGE TO ENROLLED AB 66: None.

Cited segments of 1981 AB-66.

SECTION 1060g. 70.337 (1) (a) and (b) (intro.) of the statutes are amended to read:

70.337 (1) (a) On or before January 1, 1983, and ~~each 5th year~~ annually thereafter, unless a 60-day extension is granted by the assessor upon application by the owner, each person who, under any statute, claims a real property tax exemption, except an exemption for highway rights-of-way, or makes a payment in lieu of taxes shall file with the assessor of the taxation district in which the property is located a report in duplicate, on forms prescribed and furnished by the department of revenue. The report shall contain the name and address of the owner of the property, the location or street address of the property and the legal description and parcel number as shown on the assessment roll, the nature of the person owning the property, the uses made of the property, the date of acquisition of the property, a description of any structures on the land comprising the property, the extent, if any, to which the property or any part was rented out, the value of the property used for purposes of insurance, the owner's estimate of the value of the property and improvements to it and the method used by the owner in arriving at that estimate.

VETOED

(b) (intro.) In the interim ~~4-year period~~ between reports required in par. (a), an exemption report shall be filed within 90 days of the occurrence of any of the following:

SECTION 1060m. 70.337 (1) (b) 4 of the statutes is created to read:

70.337 (1) (b) 4. Any change in ownership.

SECTION 1060r. 70.337 (1) (c) of the statutes is created to read:

70.337 (1) (c) If any person fails timely to file the report required under par. (a) in regard to any tax exempt property, the assessor of the taxation district shall arrange for an appraisal of the property, and the owner of the property shall pay for the appraisal.

Subject Area 13. TAXATION

Item 13-H: Foreign Taxes

Governor's written objections.

Section 1089d

The bill repeals the deduction for foreign income taxes. When many Wisconsin firms must — and should — compete in worldwide markets, it makes little sense and is counterproductive to deny them a deduction for foreign taxes paid. This section is vetoed to encourage our businesses to aggressively penetrate foreign markets in order to provide new jobs here at home.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1089d of the Bill. However, it appears that the language vetoed in SEC. 1090c was also intended to be included within this item.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-H: *Foreign Taxes* [Chapter 20 Sections: 1089d and 1090c].

As passed by the Legislature, the biennial budget bill repeals the corporate deduction for all state and foreign taxes on or measured by net income, gross income, gross receipts or capital stock, effective for tax year 1981 and thereafter. These changes increased GPR-Revenue by $48.0 million in 1981-83. The Governor's item veto allows foreign taxes on or measured by net income, gross income, gross receipts or capital stock to remain deductible under the corporate income tax.

FISCAL CHANGE TO ENROLLED AB 66: -$8,400,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1089d. 71.01 (4) (a) 6 of the statutes is amended to read: **Vetoed in Part**

71.01 (4) (a) 6. By adding to federal taxable income the amount of ~~Wisconsin corporation franchise tax~~ taxes imposed by this or any other state, the District of Columbia ~~or a foreign country~~ on or measured by net income, gross income, gross receipts or capital stock, if any, deducted in the calculation of federal taxable income except that gross receipts taxes assessed in lieu of property taxes are deductible from gross income.

SECTION 1090c. 71.04 (3) of the statutes is amended to read:

71.04 (3) Taxes other than special improvement taxes paid during the year upon the business or property from which the income taxed is derived, including therein taxes imposed by this state as income taxes, and taxes on all real property which is owned and held for business purposes whether income producing or not. Income taxes imposed by this state shall accrue for the purpose of this subsection only in the year in which such taxes are assessed. Sales and use taxes paid during the taxable year which under s. 71.043 (2) and (3) may be used to reduce a corporation's income or franchise tax shall not be deductible from gross income. Income, excess profits, war profits and capital stock taxes imposed by the federal government are not deductible from gross income. For taxable year 1981 and thereafter, real property taxes that are related to a definite period of time may be accrued ratably over that period by accrual basis taxpayers, and the windfall profit tax under section 4986 of the internal revenue code is not deductible from gross income. For the taxable year 1981 and thereafter, taxes imposed by this or any other state, the District of Columbia ~~or a foreign country~~ on or measured by net income, gross income, gross receipts or capital stock are not deductible. However, gross receipts taxes assessed in lieu of property taxes are deductible from gross income. **Vetoed in Part**

Subject Area 13. TAXATION

Item 13-I: Homestead Form

Governor's written objections.

Section 1049h

This section requires the Department of Revenue to include the Homestead Credit form in short form (1A) income tax booklets. I have vetoed this provision.

There is little need to include eight pages of Homestead material in short form booklets. Relatively few Homestead claimants use the Form 1A. The Department will print 1.4 million 1A booklets, yet only 60,000 people using these materials file a Homestead claim. Over 10 million pages and almost $40,000 will therefore be wasted each year.

Nearly 70% of all Homestead recipients, who also pay state income taxes, file a long form. Thus, this proposed requirement is neither appropriate, nor cost-effective.

I and the Department of Revenue are committed to reaching potential Homestead recipients through more effective means. Information on the Homestead program will be prominently displayed in both short and long form income tax booklets. All persons who file for Homestead will automatically receive a Homestead booklet the following year. This alone accounts for over 90% of Homestead recipients.

The remainder will be reached through an aggressive publicity campaign. Forms and information are distributed to churches, aging groups, social service agencies, banks, tax practitioners, and 37 Revenue offices throughout the state.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1049h of the Bill. However, there is no SEC. 1049h in the Bill. It appears that this item should be comprised of the language vetoed in SEC. 1094h.

Referred to the Committee on Revenue.

Fiscal Bureau summary.

13-I: *Homestead Form* [Chapter 20 Sections: 1094h].

As passed by the Legislature, the biennial budget bill contained a provision requiring the Department of Revenue to include the Homestead Tax Credit form with the short form of the individual income tax blank. The Governor's item veto deletes that requirement.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1094h. 71.09 (7) (i) of the statutes is amended to read: **Vetoed in Part**

71.09 (7) (i) In administering this subsection, the department of revenue shall make available suitable forms with instructions for claimants, including a form which may be included with, or as a part of, the individual income tax blank ~~and shall be included with the short form of that blank~~. In preparing homestead credit forms ~~for the taxable year 1977 and thereafter~~, the department of revenue shall provide a space for identification of the county and city, village or town in which the claimant resides.

Subject Area 13. TAXATION

Item 13-J: Insurance — Personal Property Tax

Governor's written objections.

Section 1115m

Under current law, domestic life insurance companies are allowed a credit equal to 50% of property taxes paid in the previous year on personal property used in the operation of its business.

The budget bill eliminates this credit. My veto restores current law.

This credit for Wisconsin life insurance companies was enacted in 1971 when a personal property tax exemption benefitting insurance companies organized or doing business in Wisconsin was repealed. This current credit limited the impact of the change on domestic life insurers, while allowing local units to tax the personal property of these companies.

Such property taxes are deductible by other insurance companies subject to the corporation franchise/income tax. To eliminate the property tax credit for domestic life insurers would be inequitable. Most corporations are now largely exempt from personal property taxes through the M & E exemption and inventory exemptions which have not benefitted insurance companies.

By upsetting the current relative balance of insurers, some domestic companies may be encouraged to transfer their state of organization from Wisconsin to another state. This is easily achieved since much of the home office personal property of insurance companies consists of computers which can be relocated. Wisconsin is a leader in the finance and insurance industry. Hundreds of jobs are directly related to these operations. We must not undermine the jobs we already have in Wisconsin.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SEC. 1115m of the Bill. However, it appears that the language vetoed in SEC. 2203 (26) (a) should be included in this item as well.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-J: *Insurance — Personal Property Tax* [Chapter 20 Sections: 1115m and 2203 (26) (a)].

As passed by the Legislature, the biennial budget bill repeals the credit available to domestic life insurers for one-half of general property taxes paid for the previous year on personal property in this state which is used in the operation of business, up to 25% of the license fee (premium tax or investment income tax) imposed. Further, the biennial budget bill repeals the exclusion from the elective 3.5% investment income tax for income from rents of real estate upon which the insurer has paid the taxes. These provisions were effective for the license fee assessment based upon the 1981 calendar year and thereafter. These changes increased GPR-Revenue by $800,000 for 1981-83. The Governor's item veto maintains the credit for one-half of personal property taxes paid.

FISCAL CHANGE TO ENROLLED AB 66: -$640,000 GPR-Revenue

Cited segments of 1981 AB-66.

~~SECTION 1115m. 76.69 of the statutes is repealed.~~ **Vetoed in Part**

SECTION 2203. **Initial applicability.**

(26) INSURANCE. **Vetoed in Part**

(a) *Insurers' deductions.* The treatment of sections 76.65 (1) (a) ~~and 76.69~~ of the statutes by this act first applies to license fees in respect to calendar year 1981 assessed in 1982.

Subject Area 13. TAXATION

Item 13-K: Minimum Tax Preference

Governor's written objections.

Sections 1089s through 1089z, 1090ea through 1090km

Capital gains should not be included as a minimum tax preference item. It negates the benefit of capital gains reform. In certain cases, one-half of the benefit of adopting the federal treatment of capital gains would be lost if capital gains were subject to the new minimum tax.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1089s through 1089z, 1090ea through 1090km. However, none of these SECTIONS relates in any way to the minimum tax on tax preference items or, especially, to the minimum tax on the preferential income tax treatment of capital gains, which is the purported subject of the objection. Furthermore, many of these SECTIONS are not vetoed at all in the Act delivered to the Secretary of State [SECS. 1089t, 1089wm, 1089z, 1090f, 1090fb, 1090fc, 1090fe and 1090km]. The SECTIONS referenced in the veto message appear to relate to several other subjects including **Item 13-L** (Oil Company Tax), **Item 13-P** (Utility and Rental Depreciation), **Item 13-F** (Entertainment Deduction) and **Item 13-C** (Capital Gains Reinvestment).

Unmentioned in the Governor's veto message, but apparently the object of the Governor's objection was the language vetoed in SEC. 1103d of the Bill.

Consequently, I have divided this item in the following way:

[See Items 13-K.1 to 13-K.3]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13 K.1 *Minimum Tax on Tax Preference Items*

Governor's written objections.

[See Item 13-K.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1103d.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-K: *Minimum Tax Preference* [Chapter 20 Sections: 1103d].

As passed by the Legislature, the biennial budget bill established a 5% minimum tax for individuals, trusts and estates on tax preferences which exceed $10,000 per person ($20,000 for combined returns), effective for tax year 1981 and thereafter. Tax preference items are defined as accelerated depreciation on real property, accelerated depreciation on leased personal property, stock options, percentage depletion, intangible drilling costs, Wisconsin adjusted itemized deductions exceeding 60% of Wisconsin adjusted gross income (excluding medical and casualty deductions), and the percentage capital gains deduction allowable. With a 20% capital gains deduction, the 5% minimum tax would increase GPR-Revenues by $4.2 million in 1981-83. The Governor's item veto deleted the capital gains deduction as a tax preference. The fiscal change shown below is based on the estimate of revenue gain under the minimum tax applied to a 20% capital gains deduction subject to the reinvestment requirement included in Enrolled AB 66. It should be noted that due to the veto of the reinvestment requirement on capital gains and a revised estimate of the fiscal impact of the minimum tax, the fiscal effect of an override of this provision, taken alone, would be $2.9 million GPR-Revenue.

FISCAL CHANGE TO ENROLLED AB 66: -$800,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1103d. 71.60 of the statutes is created to read:

71.60 (1)

~~(b) "Capital gains deduction" means those items enumerated in section 57 (a) (9) of the internal revenue code, to the extent allowable under s. 71.05 (1) (a) 2.~~ **Vetoed in Part**

(2) IMPOSITION OF TAX. For taxable year 1981 and thereafter, in addition to other taxes imposed by this chapter, each natural person, trust and estate shall pay by the due date for filing the person's, trust's or estate's income tax return a tax equal to 5% of the amount by which the sum of that person's, trust's or estate's tax preference items as defined in section 57 (a) (2), (3), (6), (8) and (11) of the internal revenue code plus adjusted itemized deductions ~~and capital gains deductions~~ exceeds $10,000. The minimum tax imposed under this section may not be deducted in determining a person's, trust's or estate's Wisconsin taxable income or tax under this chapter. **Vetoed in Part**

Subject Area 13. TAXATION

Item 13 K.2 *Non-Vetoed* SECTIONS *Previously "Non-Vetoed"*

Governor's written objections.

[See Item 13-K.]

Speaker's referral.

The SECTIONS referenced by the Governor in this item but not vetoed in the Act delivered to the Secretary of State were also referenced as vetoed in **Item 13-C**. Consequently, they need not be dealt with here.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13 K.3 *Irrelevant* SECTIONS

Governor's written objections.

[See Item 13-K.]

Speaker's referral.

The remaining SECTIONS referenced by the Governor in this item will be taken up with the appropriate item.

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13-L: Oil Company Tax

Governor's written objections.

Section 185e, 348m, 491s, 1089c through 1089um

I have vetoed the provisions that change the way integrated oil companies are taxed. A tax of 7.9% would be imposed on the company's "normal taxable income" and another tax of 50% on its "excess taxable income."

A tax levied on integrated oil companies is likely to provide these companies with a perverse incentive to curtail marketing operations in Wisconsin in order to avoid the tax, especially in times of shortage. Reliance on independent retailers could jeopardize energy supplies in any fuel crisis.

Since the tax is likely to be passed on to consumers, it would have an inflationary and regressive effect. This move runs counter to the sales tax exemption for home heating fuel which the Legislature enacted in 1979 to help reduce consumer fuel costs.

The excess profits tax will also be another tax irritant that perpetuates Wisconsin's image as a high tax state. This will discourage businesses from locating in Wisconsin, an energy dependent state, particularly since energy producing states have the added attraction of an abundant supply of energy. [See Items 4-E. and 6-H.]

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 185e, 348m, 491s, 1089c through 1089um. However, this is wrong in the following ways.

Item 13 L.1 *Unreferenced* SECTIONS

It appears that the language vetoed in SECS. 1101b and 2203 (45) (x) and in ss. 20.255 (1) (s), 20.435 (4) (v) and 20.855 (4) (v) as shown in SEC. 120sm of the Bill should also have been included within this item.

Item 13 L.2 *Non-Vetoed* SECTIONS *Not Previously Non-Vetoed*

In the copy of the Act delivered to the Secretary of State, there were no vetoes to the language in SEC. 1089r of the Bill.

Referred to the Committee on Rules.

Cited segments of 1981 AB-66.

SECTION 1089r. 71.01 (4) (a) 8 of the statutes is repealed.

Item 13 L.3 *Non-Vetoed* SECTIONS *Previously Non-Vetoed*

In the copy of the Act delivered to the Secretary of State there was no veto to the language in SEC. 1089t. This "non-veto" has already been dealt with in **Items 13-C** and **14-K**. Consequently, it need not be dealt with here.

Item 13 L.4 *Irrelevant* SECTIONS

(a) The language vetoed in SEC. 1089d properly relates to **Item 13-H** (Foreign Taxes);

(b) The language vetoed in SEC. 1089e properly relates to **Item 13-F** (Entertainment Deduction); and

(c) The language in SECS. 1089s and 1089u properly relates to **Item 13-P** (Utility and Rental Depreciation).

Finally, as noted earlier in the discussion on **Items 4-E** (School Aid Secondary Guarantee) and **6-H** (Weatherization Fund)) the language vetoed in SECS. 348m, 1369e and 2045 (7) and the language vetoed in SEC. 120sm creating s. 20.435 (4) (v) must be combined with this item if the result is to be a complete and workable law.

To sum up, this item is comprised of the language vetoed in SECS. 185e, 348m, 491s, 1089c, 1089um, 1101b, 1369e, 2203 (45) (x), 2045 (7) and ss. 20.255 (1) (s), 20.435 (4) (v) and 20.855 (4) (s) as shown in SEC. 120sm of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-L: *Oil Company Tax* [Chapter 20 Sections: 120sm (ss. 20.255 (1) (s), 20.435 (4) (v), 20.855 (4) (s)), 185e, 348m, 491s, 1089c, 1089um, 1101b, 1369e, 2045 (7) and 2203 (45) (x)].

As passed by the Legislature, the biennial budget bill established an excess profits tax, to be deposited in a segregated fund, on integrated oil companies and their subsidiaries 50% or more owned, effective for the 1982 tax year and thereafter. The excess profits tax would be imposed in addition to the corporate income/franchise tax, and the amount paid under the corporate income tax would be credited against the excess profits tax due. A normal tax for integrated oil companies would be imposed at a rate of 7.9% of normal taxable income computed as if the ratio of in-state sales to income were the same as it was in 1978. An excess profits tax would be imposed at a rate of 50% of taxable income less normal taxable income. Only income related to petroleum fuels would be subject to the excess profits tax. An exception to the excess profits tax would be provided for integrated oil companies that either have net production of 150,000 barrels per day or refine less than 150,000 barrels per day. The Governor's item veto deleted these provisions from the bill.

The Legislature provided that funds raised by the excess profits tax be placed in a segregated fund to be used as follows: (a) 20% for a low income weatherization program administered by the Department of Health and Social Services; (b) 80% to a segregated school fund to be used, first, to provide a sliding-scale secondary guarantee and, if funds remained, to be distributed through the general school aids formula. These provisions were also vetoed.

FISCAL CHANGE TO ENROLLED AB 66: -$13,000,000 SEG-Revenue

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83	
20.255 PUBLIC INSTRUCTION, DEPARTMENT OF				
(1) EQUAL EDUCATIONAL OPPORTUNITIES				
(s) Integrated oil company taxation fund	SEG	C	0	0 Vetoed in Part
20.435 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF				
(4) ECONOMIC ASSISTANCE				
(v) Integrated oil company weatherization fund	SEG	C	0	0 Vetoed in Part
20.855 MISCELLANEOUS APPROPRIATIONS				
(4) TAX, INTEREST AND ASSISTANCE PAYMENTS				
(x) Integrated oil company taxation payments	SEG	C	0	0 Vetoed in Part

SECTION 185c. 20.255 (1) (s) of the statutes is created to read: **Vetoed in Part**

20.255 (1) (s) *Integrated oil company taxation fund.* All moneys received from the integrated oil company taxation payments under s. 20.855 (4) (s) for the payment of educational aids provided in subch. II of ch. 121.

SECTION 348m. 20.435 (4) (v) of the statutes is created to read: **Vetoed in Part**

20.435 (4) (v) *Integrated oil company weatherization fund.* All moneys received from integrated oil company taxation payments under s. 20.855 (4) (s) for aid for weatherization for low-income and moderate-income persons.

SECTION 491s. 20.855 (4) (s) of the statutes is created to read: **Vetoed in Part**

20.855 (4) (s) *Integrated oil company taxation payments.* The amounts determined under s. 71.01 (5), 80% of them to be paid into the integrated oil company taxation fund under s. 20.255 (1) (s) annually on August 1 and 20% of them to be paid into the integrated oil company weatherization fund under s. 20.435 (4) (v) annually on August 1. **Vetoed in Part**

SECTION 1089c. 71.01 (2) of the statutes is amended to read:

71.01 (2) FRANCHISE TAX ON CORPORATIONS. For the privilege of exercising its franchise or doing business in this state in a corporate capacity every domestic or foreign corporation, except corporations specified in sub. (3), shall annually pay a franchise tax according to or measured by its entire net income of the preceding income year at the rates set forth in s. 71.09 (2m). Every corporation organized under the laws of this state shall be deemed to be residing within this state for the purposes of this franchise tax. All provisions of chs. 71 and 73 relating to net income taxation of corporations shall apply to franchise taxes imposed under this subsection, unless the context requires otherwise. The tax imposed by this subsection on national banking associations shall be in lieu of all taxes imposed by this state on national banking associations to the extent it is not permissible to tax such associations under federal law. The tax imposed by this subsection on insurance companies subject to taxation under this chapter, except societies, organizations or corporations under ch. 613 operating by virtue of s. 148.03, 447.13,

449.15, 450.13 or 613.80, shall be based on net income computed under sub. (4), and no other provision of this chapter relating to computation of taxable income for other corporations shall apply to such insurance companies. All other provisions of this chapter shall apply to insurance companies subject to taxation under this chapter unless the context clearly requires otherwise. The tax imposed upon societies, organizations or corporations under ch. 613 operating by virtue of s. 148.03, 447.13, 449.15, 450.13 or 613.80, shall be upon such net income as is determined by application to such companies of those provisions of the internal revenue code applicable to mutual insurance companies, other than life insurance companies or mutual marine insurance companies, having total receipts over $500,000 subject to any applicable addition or subtraction as provided in sub. (4) (a). The tax imposed by this subsection on an integrated oil company or its subsidiaries shall be in addition to the tax on or measured by the income derived from the petroleum business activities subject to taxation under sub. (5) (b) and (c).

SECTION 1080m. 71.01 (5) of the statutes is created to read:

71.01 (5) INTEGRATED OIL COMPANIES. (a) *Definitions.* In this subsection:

1. "Excess taxable income" means taxable income as computed under this chapter with the modifications under par. (b) 1 to 3 minus normal taxable income.

1m. "Income" means income derived from any of the activities under subd. 4.

2. "In-state sales" is the amount that the corporation reports as the numerator of the sales factor under s. 71.07 (2).

3. "In-state taxable income" for the current year is the taxable income apportioned to this state under par. (b). "In-state taxable income" for taxable year 1978 is the taxable income the corporation would have reported for that year if it had computed its income under par. (b).

4. "Integrated oil company" means a corporation that, alone or including the activities of its subsidiaries engages in extraction, production and refining of crude petroleum and in the transportation, distribution and marketing of crude petroleum, gasoline, distillate fuels, aviation fuels, kerosene, diesel motor fuel, residual oil, propane, benzol, butane or other similar petroleum products.

4m. "Integrated oil company" does not include any company that either has net production of less than 150,000 barrels of crude petroleum per day or refines less than 150,000 barrels of crude petroleum per day.

5. "Normal taxable income" means the in-state sales of the company for the taxable year under this chapter with the modifications under par. (b) 1 multiplied by an amount determined by dividing the company's in-state taxable income for taxable year 1978 or for an adjusted year under par. (c) by the company's in-state sales for taxable year 1978 or for an adjusted year under par. (c).

6. "Subsidiary" means a corporation in which more than 50% of the voting stock is owned directly or indirectly by an integrated oil company.

(b) *Tax on normal taxable income.* Each integrated oil company or subsidiary thereof or both subject to taxation by this state shall pay a tax equal to 7.9% of its normal taxable income. In computing the tax:

1. The income of an integrated oil company shall be combined with the income of its subsidiaries. If a subsidiary of an integrated oil company does business in this state, the income of that subsidiary shall be combined with the income of the integrated oil company and with the income of each of the integrated oil company's other subsidiaries. If the integrated oil company or subsidiary, in addition to its petroleum activities under par. (a) 4, derives income from activities other than those petroleum activities, only that income attributable to the petroleum activities, including activities related to natural gas, shall be combined. In computing the denominators of the property, payroll and sales factors under s. 71.07 (2), the taxpayer under this subsection shall include amounts of property, payroll and sales associated with all of the income combined under this subsection.

2. No current deduction for expenses for intangible drilling and development costs, as provided under section 263 (c) of the internal revenue code as of December 31, 1980, may be claimed. Any intangible drilling and development costs associated with a well may be capitalized over the life of that well and deducted as cost depletion, depreciation or loss, as appropriate, under the internal revenue code as of December 31, 1980.

3. No deduction for taxes paid under this chapter may be claimed.

4. If any provision in this paragraph is held to be unconstitutional, all provisions in this paragraph are invalid.

(c) *Tax on excess taxable income.* In addition to the tax imposed under par. (b), each integrated oil company or subsidiary thereof or both subject to taxation by this state shall pay an excess taxable income tax equal to 50% of its excess taxable income. If a company's 1978 taxable income under par. (b) is less than its 1977 taxable income under that paragraph, or if a company's source of taxable income has substantially changed during or since 1978, the company may use an adjusted base year, if it has received written permission of the secretary of revenue following full disclosure of all information requested by the secretary. A company computing an adjusted base year may recalculate 1978 taxable

income without regard for any extraordinary or nonrecurring expenses, but taking into consideration substantial changes in the company's source of taxable income. In computing the tax under this paragraph, par. (b) 1 to 3 applies. If any provision in this paragraph is held to be unconstitutional, all provisions in this paragraph are invalid.

(cm) *Tax credit.* Taxpayers may credit against the tax otherwise due under this subsection an amount equal to the amount of taxes paid for the taxable year under sub. (2). For purposes of this paragraph "the amount of taxes paid" means an amount determined by multiplying the amount of taxes paid under sub. (2) by an integrated oil company or subsidiary by a fraction the numerator of which is the integrated oil company's or subsidiary's petroleum-related taxable income computed for purposes of sub. (2) and the denominator of which is the integrated oil company's or subsidiary's total taxable income computed for purposes of sub. (2).

(d) *Deposit and notification of amounts collected.* The secretary of revenue shall deposit all moneys collected under this subsection in the appropriation under s. 20.855 (4) (s). Annually on August 1, the secretary of revenue shall notify the state superintendent of public instruction, the secretary of administration and the state treasurer, in writing, of the total amount of funds deposited in the appropriation under s. 20.855 (4) (s) during the preceding fiscal year.

(e) *Relationship to chapters 71 and 73.* Except for s. 71.22 (10), all provisions of chs. 71 and 73 relating to net income taxation of corporations shall apply to the taxes on normal taxable income and the taxes on excess taxable income imposed under this subsection, unless the context requires otherwise.

SECTION 1369b. 71.11 (19) (d) of the statutes is created to read: **Vetoed in Part**

71.11 (19) (d) No action or proceeding, except a petition for redetermination under s. 71.12, may be brought by a corporation against this state to contest any assessment of a tax under s. 71.01 (5) unless the taxpayer first pays to this state the amount of tax assessed. If the taxpayer prevails in an action or proceeding, this state shall settle with the taxpayer, including payment of interest at 9% per year on the amount of the money paid from the date of payment until the date of judgment.

SECTION 1369e. 121.075 of the statutes is created to read: **Vetoed in Part**

121.075 Distribution of excess oil profits receipts. (1) Beginning on or before September 1, 1982, and annually thereafter, the state superintendent shall:

(a) Estimate the amount which would be expended in the current school year under s. 20.255 (1) (cc) using the primary guaranteed valuation per member under s. 121.07 (7) (a). If the legislature has not established guaranteed valuations under s. 121.07 (7) for the school year for which the computation under this subsection is to be made, the state superintendent shall estimate guaranteed valuations to distribute an amount consistent with the percentage that state aid is to statewide school costs, as represented by the appropriation under s. 20.255 (1) (cc) for the current school year, to compute the estimate under this paragraph.

(b) Increase the amount under par. (a) or the amount under s. 20.255 (1) (cc), whichever is less, by the amount in the appropriation under s. 20.255 (1) (s). If the amount under s. 20.255 (1) (cc) is increased under this paragraph, then aid distribution shall first be determined under pars. (bg) and (br) and then under par. (c).

(bg) Use, for the purpose of distributing aid, the following secondary guaranteed valuations:

1. For school districts with equalized valuations per member not greater than 100% of the statewide equalized valuation per member, 115% of the statewide equalized valuation per member.

2. For school districts with equalized valuations per member greater than 100% and less than 105% of the statewide equalized valuation per member, 110% of the statewide equalized valuation per member.

3. For school districts with equalized valuations per member equal to or greater than 105% and less than 110% of the statewide equalized valuation per member, 105% of the statewide equalized valuation per member.

4. For school districts with equalized valuations per member equal to or greater than 110% of the statewide equalized valuation per member, the statewide average equalized valuation per member.

(br) If the amount under s. 20.255 (1) (s) is insufficient to fund the guaranteed valuations under par. (bg), establish percentages that proportionately reflect the amounts to be distributed under s. 20.255 (1) (s). If the amount under s. 20.255 (1) (s) exceeds the amount necessary to fund the guaranteed valuations under par. (bg), the additional funds shall be distributed under par. (c).

(c) Estimate the increase in the primary guaranteed valuation per member, rounded to the nearest $100, necessary to distribute the additional amounts under par. (b) as general equalization aid.

(d) Submit to the joint committee on finance for its approval an estimate of the estimated aid increases and guaranteed valuations calculated under this subsection.

(2) Annually by September 15, the joint committee on finance shall direct the revisor of statutes to increase the primary guaranteed valuation per member under s. 121.07 (7) (a) for the current school year as determined by the committee, based upon the sum of the amounts in the appropriations under s. 20.255 (1) (cc) and (s).

SECTION 2203. **Initial applicability.**

(45) REVENUE.

(s) *Franchise taxation of integrated oil companies.* The treatment of section 71.01 (2) and (5) of the statutes by this act first applies to taxable year 1982. **Vetoed in Part**

SECTION 2045. **Nonstatutory provisions; revenue.**

Vetoed in Part

(7) CERTIFICATION OF EXCESS OIL PROFITS RECEIPTS. Notwithstanding the dates under sections 20.255 (1) (s), 20.435 (4) (v), 20.855 (4) (s), 71.01 (2) and (5), 71.11 (19) (a) and 121.075 of the statutes, on October 1, 1982, the secretary of revenue shall notify the state superintendent of public instruction, the secretary of administration and the state treasurer, in writing, of the total amount of funds deposited in the appropriation under section 20.855 (4) (s) of the statutes during the preceding nine months. On October 1, 1982, 80% of the amounts determined under section 71.01 (5) of the statutes shall be paid into the integrated oil company taxation fund under section 20.255 (1) (s) and 20% of the amounts shall be paid into the integrated oil company weatherization fund under section 20.435 (4) (v) of the statutes. On or before October 15, 1982, the state superintendent of public instruction shall submit to the joint committee on finance for its approval an estimate of the increased aids or guaranteed valuations under section 121.075 of the statutes and the joint committee on finance shall direct the revisor of statutes to increase the primary guaranteed valuations per member under section 121.07 (7) (a) of the statutes for the current school year as determined by the committee.

Subject Area 13. TAXATION

Item 13-M: Property Assessment — Corrective Veto

Governor's written objections.

Section 1038m

This provision, because of technical wording deficiencies, would effectively require the department to order revaluations each year for most municipalities. This was not the intent of the legislature when this proposal was discussed. The intent was to evaluate assessment levels once each year beginning in 1986, with revaluation orders being limited to no more than once during a 5 year period. The Department of Revenue will propose corrective legislation to administer the program on a 5 year routine basis, as was the legislative intent.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1038m of the Bill.

Referred to the Committee on Revenue.

Fiscal Bureau summary.

13-M: *Property Assessment — Corrective Veto* [Chapter 20 Sections: 1038m].

As passed by the Legislature, the biennial budget contains a requirement that each taxation district shall assess all property at market value at least once in every 5-year period. The Department of Revenue would be given authority, beginning in 1986, to order a revaluation of the district if the assessed value of the district were not established within 10% of full value. The language in Section 1038m, however, could require the department to order a revaluation if the assessed value was not established within 10% of full value in the current year or any of the preceding 4 years and could lead to annual revaluations. The Governor's item veto partially addresses this unintended result by limiting the Department's review to the current year's assessment level, beginning in 1986. Additional language would be needed to provide that, if the assessed value had been established within 10% of full value in any of the preceding 4 years, no revaluation would be ordered.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1038m. 70.05 (5) of the statutes is created to read:

70.05 (5)

(d) Beginning in 1986, if the department of revenue determines that for the current year ~~or any one of the preceding 4 years~~ the assessed value of the taxation district, including 1st class cities, has not been established within 10% of the full value, the department shall order special supervision for the subsequent year's assessment under s. 70.75 (3). The department's order shall be in writing and mailed to the clerk of the taxation district on or before November 1 of the year of the determination. **Vetoed in Part**

Subject Area 13. TAXATION

Item 13-N: Property Tax Credit

Governor's written objections.

Section 1103

The 12% property tax credit was introduced two years ago as a fair trade-off for the property tax deduction. To restrict it now would be a breach of faith. Since federal and state law now use the same definition of property taxes for purpose of calculating the U.S. deduction and the Wisconsin credit, the proposed change would further complicate tax filing. This change is also likely to have an adverse impact on tourist and recreation areas in Wisconsin by effectively increasing the cost of second homes. Many working families have worked and saved for a cottage. Individuals have calculated this tax effect in making their financing arrangements. They should not be suddenly penalized.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 1103 of the Bill. However, it appears that the language vetoed in SEC. 2203 (45) (o) should be included in this item as well.

Referred to the Committee on Rules.

Fiscal Bureau summary.

13-N: *Property Tax Credit* [Chapter 20 Sections: 1103 and 2203 (45) (o)].

As passed by the Legislature, the biennial budget contained a provision limiting eligibility for the current 12% property tax credit to property taxes paid on residential property used as a principal residence, effective for the 1981 tax year. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: -$7,000,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1103. 71.53 (1) (c) of the statutes is amended to read: **Vetoed in Part**

71.53 (1) (c) "Property taxes" means real and personal property taxes, exclusive of special assessments, delinquent interest and charges for service, paid by a claimant on the claimant's principal dwelling and contiguous land during the taxable year for which credit under this section is claimed, less any property taxes paid which are properly includible as a trade or business expense under section 162 of the internal revenue code and less the tax credit, if any, afforded in respect of the property by ss. 79.10 (3) and 79.17 (3m). If the property on which the taxes were paid is owned by 2 or more persons or entities as joint tenants or tenants in common, "property taxes" is that part of property taxes paid, reduced by any tax credit under ss. 79.10 (3) and 79.17 (3m), as reflects the ownership percentage of the claimant. If property is sold during the taxable year the "property taxes" for the seller and buyer shall be the amount of the tax prorated to each in the closing agreement pertaining to the sale or, if not so provided for in the closing agreement, the tax shall be prorated between the seller and buyer in proportion to months of their respective ownership. "Property taxes" includes monthly parking permit fees collected under s. 66.058 (3) (c).

SECTION 2203. **Initial applicability.**

(45) REVENUE. **Vetoed in Part**

(o) *Property taxes and rent credit.* The treatment of section 71.53 (1) (c) and (d) of the statutes by this act first applies to taxable year 1981.

Subject Area 13. TAXATION

Item 13-O: Retailers Discount

Governor's written objections.

Section 1125im

As drafted, this provision would result in a period of up to one year when no retailers' discounts could be claimed by some taxpayers. The new three-tiered discount becomes effective only for taxes filed for fiscal years beginning on or after January 1, 1983. As a result, taxpayers whose fiscal years begin on any date other than January 1 will be prevented from claiming a discount for up to one year.

This technical problem can be resolved by striking the newly created language. With this change, it will be possible for the department to allow the 1% discount for all taxpayers operating with fiscal years beginning on or after January 1, 1982 and to allow the new three-tier discount for all taxpayers whose fiscal years begin on or after January 1, 1983.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1125im of the Bill.

Referred to the Committee on Small Business and Economic Development.

Fiscal Bureau summary.

13-O: *Retailers' Discount* [Chapter 20 Sections: 1125im].

As passed by the Legislature, the biennial budget provided a three-tiered retailers' discount, beginning on January 1, 1983, of 2% on the first $10,000 of annual sales tax collections, 1% on sales tax collections between $10,000 and $20,000 and 0.5% on sales tax collections in excess of $20,000. The current retailers' discount of 1% of annual sales tax collections was provided until January 1, 1983. As originally drafted, amendments to Engrossed AB 66 would have inadvertently provided no retailers' discount between January 1, 1982 and January 1, 1983. A technical correction made to Enrolled AB 66 makes this veto unnecessary, however.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1125im. 77.61 (4) (b) of the statutes is amended to read:~~ **Vetoed in Part**

~~77.61 (4) (b) For sales and use taxes payable on returns filed for calendar or fiscal years ending before January 1, 1983, for reporting the sales tax and collecting and reporting the use tax imposed on the retailer under s. 77.53 (3) and the accounting connected ~~therewith~~ with it, retailers may deduct one percent of the total sales and use tax payable each reporting period as administration expenses if the payment of the taxes is not delinquent.~~

Subject Area 13. TAXATION

Item 13-P: Utility and Rental Depreciation

Governor's written objections.

Section 1089s through 1089z, 1090ea through 1090km

The exclusion of certain utility and rental residential property from federal depreciation treatment is vetoed. It is clearly inequitable to deny favorable depreciation tax treatment to utilities, while eliminating utility property tax credits. Even with this veto utilities will pay $34.6 million in increased property taxes for a $11 million cash management benefit from depreciation changes. The exclusion of rental residential property would require 140,000 individual taxpayers, including owners of modest duplexes, to keep two sets of depreciation accounts.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 1089s through 1089z and 1090ea through 1090km. However, there are numerous problems with this description.

1. *Non-Vetoed* SECTIONS *Previously Non-Vetoed*

In the copy of the Act delivered to the Secretary of State, no language was vetoed in SECS. 1089t, 1089wm, 1089z, 1090f, 1090fb, 1090fc, 1090fe, 1090km. However, all of these non-vetoed SECTIONS were already dealt with in **Item 13-C** (Capital Gains Reinvestment). Consequently, they need not be dealt with here.

2. *Irrelevant* SECTIONS

(a) SECTION 1089um properly relates to **Item 13-L** (Oil Company Tax);

(b) The language vetoed in SEC. 1090fa properly relates to **Item 13-C** (Capital Gains Reinvestment);

(c) The language vetoed in SEC. 1090k properly relates to **Item 13-F** (Entertainment Deduction).

To sum up, this item is properly comprised of the language vetoed in the following: SECS. 1089s, 1089u, 1089v, 1089w, 1089x, 1089y, 1090ea, 1090eb, 1090ec, 1090ed, 1090edm, 1090ee, 1090eg. However, this veto actually deals with two distinct items: (1) the depreciation treatment of utility property; and (2) rental residential property depreciation rules.

Consequently, I have divided the veto in the following way.

[See Items 13-P.1 and 13-P.2]

Fiscal Bureau summary.

13-P: *Utility and Rental Depreciation.*

As passed by the Legislature, the biennial budget bill would maintain federal treatment of accelerated depreciation for corporations and individuals, including any amendments to the Internal Revenue Code adopted after December 31, 1980, with the two following exceptions:

[See Items 13-P.1 and 13-P.2]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 13. TAXATION

Item 13 P.1 *Residential Rental Property*

Governor's written objections.

[See Item 13-P.]

Speaker's referral.

This item is comprised of SECS. 1089s, 1089u, 1089v, 1089w, 1089x, 1089y.

Referred to the Committee on Rules.

Fiscal Bureau summary.

1. *Residential Rental Property* [Chapter 20 Sections: 1089s, 1089u, 1089v, 1089w, 1089x, 1089y].

As passed by the Legislature, the biennial budget bill would require that residential rental property be depreciated under provisions of the Internal Revenue Code, as amended to December 31, 1980. Amendments adopted after December 31, 1980 would not apply to this property. The Governor's item veto deletes this restriction.

FISCAL CHANGE TO ENROLLED AB 66: -$5,000,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1089s. 71.01 (4) (g) 4 of the statutes is amended to read: **Vetoed in Part**

71.01 (4) (g) 4. For taxable year 1980 ~~and subsequent years~~, "internal revenue code" means the federal internal revenue code as amended to December 31, 1979, except that, at the taxpayer's option, amendments to the code adopted after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if those changes affect the computation of depreciation or of adjusted basis.

SECTION 1089u. 71.01 (4) (g) 5 of the statutes is created to read: **Vetoed in Part**

71.01 (4) (g) 5. For taxable year 1981 and subsequent years, "internal revenue code" means the federal internal revenue code as amended to December 31, 1980, except that, at the taxpayer's option, amendments to the code adopted after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if those changes affect the computation of depreciation or of adjusted basis.

SECTION 1089v. 71.02 (1) (a) 5 of the statutes is amended to read: **Vetoed in Part**

71.02 (1) (a) 5. For taxable year 1980 ~~and subsequent years~~, for a corporation or common law trust which qualifies as a regulated investment company or real estate investment trust under the internal revenue code as amended to December 31, 1979, "net income" means the federal regulated investment company taxable income or the federal real estate investment trust taxable income of the corporation or trust as determined under the internal revenue code as amended to December 31, 1979, except that, at the taxpayer's option, amendments to the code adopted after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if those changes affect the computation of depreciation or of adjusted basis.

SECTION 1089w. 71.02 (1) (a) 6 of the statutes is created to read: **Vetoed in Part**

71.02 (1) (a) 6. For taxable year 1981 and subsequent years, for a corporation or common law trust which qualifies as a regulated investment company or real estate investment trust under the internal revenue code as amended to December 31, 1980, "net income" means the federal regulated investment company taxable income or the federal real estate investment trust taxable income of the corporation or trust as determined under the internal revenue code as amended to December 31, 1980, except that, at the taxpayer's option, amendments to the code adopted after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if those changes affect the computation of depreciation or of adjusted basis.

SECTION 1089x. 71.02 (2) (b) 6 of the statutes is amended to read: **Vetoed in Part**

71.02 (2) (b) 6. For the taxable year 1980 ~~and thereafter~~, "internal revenue code" means the federal internal revenue code in effect on December 31, 1979, except that it includes section 214 of the code

(relating to deduction of certain dependent care expenses) as it existed immediately prior to its repeal in 1976 by section 504 (b) (1) of P.L. 94-455, section 218 of the code (relating to the deduction of political contributions) as it existed immediately prior to its repeal in 1978 by section 113 (a) of P.L. 95-600 and section 911 (c) of the code (relating to the foreign earned income exclusion) as it existed on December 31, 1977, and, except that, at the taxpayer's option, changes to the code adopted after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if those changes affect the computation of depreciation or of adjusted basis and it does not include the changes to the code enacted by section 2112 (relating to tax treatment of certain pollution control facilities) of P.L. 94-455, section 164 (relating to employers' educational assistance plans) of P.L. 95-600 and sections 203 and 209 (c) (relating to certain expenses of living abroad) of P.L. 95-615. ~~Amendments~~ Except for amendments that affect computation of depreciation or of adjusted basis ~~with respect to property other than residential rental real property~~, amendments to the internal revenue code enacted after December 31, 1979, do not apply to this subsection with respect to the taxable year 1980 ~~and thereafter~~. **Vetoed in Part**

SECTION 1089y. 71.02 (2) (b) 7 of the statutes is created to read:

71.02 (2) (b) 7. For the taxable year 1981 and thereafter, for natural persons, fiduciaries and tax-option corporations "internal revenue code" means the federal internal revenue code in effect on December 31, 1980, except that it includes section 214 of the internal revenue code (relating to deduction of certain dependent care expenses) as it existed immediately prior to its repeal in 1976 by section 504 (b) (1) of P.L. 94-455 with the modification that the applicable work requirements are those under section 44A of the internal revenue code as amended to the effective date of this subdivision (1981), and those under the regulations relevant to that section that are in effect on the effective date of this subdivision (1981), section 218 of the internal revenue code (relating to the deduction of political contributions) as it existed immediately prior to its repeal in 1978 by section 113 (a) of P.L. 95-600, and section 911 (c) of the internal revenue code (relating to the foreign earned income exclusion) as it existed on December 31, 1977, and except that, at the taxpayer's option, amendments to the internal revenue code after December 31, 1980, may be taken into account ~~with respect to property other than residential rental real property~~ if these amendments affect the computation of depreciation or of adjusted basis; and it does not include the changes to the internal revenue code enacted by section 2112 (relating to the treatment of certain pollution control facilities) of P.L. 94-455, section 164 (relating to employers' educational assistance plans) of P.L. 95-600 and sections 203 and 209 (c) (relating to certain expenses of living abroad) of P.L. 95-615. With respect to the treatment of interest and dividend income, for taxable year 1982 and thereafter, "internal revenue code" does not include the changes enacted by section 404 of P.L. 96-223 (relating to the exclusion for interest and dividends) and "internal revenue code" includes section 116 of the internal revenue code (relating to an exclusion for dividends) as it existed immediately prior to amendment by section 404 of P.L. 96-223. Except for amendments that affect computation of depreciation or of adjusted basis ~~with respect to property other than residential rental real property~~, amendments to the internal revenue code enacted after December 31, 1980, do not apply to this subsection with respect to the taxable year 1981 and thereafter. **Vetoed in Part**

Subject Area 13. TAXATION

Item 13 P.2 *Utility Property*

Governor's written objections.

[See Item 13-P.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1090ea, 1090eb, 1090ec, 1090ed, 1090edm, 1090ee and 1090eg. Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Utility Property* [Chapter 20 Sections: 1090ea, 1090eb, 1090ec, 1090ed, 1090edm, 1090ee and 1090eg].

As passed by the Legislature, the biennial budget bill would require that property owned by electric and gas utilities, telephone companies and oil pipeline companies be depreciated under provisions of the Internal Revenue Code, as amended to December 31, 1980. Amendments adopted after December 31, 1980 would not apply to the property. The Governor's item veto deletes this restriction.

FISCAL CHANGE TO ENROLLED AB 66: -$9,000,000 GPR-Revenue

Cited segments of 1981 AB-66.

SECTION 1090ea. 71.04 (15) (b) of the statutes is amended to read:

71.04 (15) (b) In this subsection, "internal revenue code" means such code as applicable to the determination of net income of the calendar year 1972 for federal income tax purposes. In determining the Wisconsin tax on or measured by net income of any year subsequent to 1972 except for the taxpayers listed under par. (bm) 1 to 3, "internal revenue code" means such code as applicable to the determination of net income for such subsequent year for federal income tax purposes or as applicable to determination of net income of 1972 for federal income tax purposes, at the option of the corporation.

SECTION 1090eb. 71.04 (15) (bm) of the statutes is created to read:

71.04 (15) (bm) In this subsection, "internal revenue code" means that code in effect on December 31, 1980, for the following corporations:

1. Corporations defined under s. 76.02 (4), (5b) and (8) (a), (c) or (d).

2. Corporations defined under s. 76.38 (1) (b) except for specialized common carriers.

3. Corporations that own residential rental real property but only in respect to that property. In respect to other property owned by such corporations, "internal revenue code" has the meaning under par. (b).

SECTION 1090ec. 71.04 (15) (c) of the statutes is amended to read:

71.04 (15) (c) Effective as of the first day of each corporation's 1972 taxable year and for taxpayers listed under par. (bm) 1 to 3, ending on December 31, 1980, the Wisconsin adjusted basis for all depreciable property subject to depreciation or amortization under the internal revenue code, except pollution abatement plants or equipment deducted, amortized or depreciated pursuant to sub. (2b), shall be identical to the adjusted basis of such property on such date for federal income tax purposes under such code. As of the end of each corporation's 1971 taxable year, the net difference between the Wisconsin and federal adjusted basis of all depreciable property subject to depreciation or amortization for federal income tax purposes, except pollution abatement plants and equipment covered by sub. (2b), shall be aggregated. If the Wisconsin adjusted basis of the aggregate of such property exceeds the federal adjusted basis of such aggregate, one-fifth of such difference may be deducted from gross income to arrive at net income (before apportionment, if any) for Wisconsin income and franchise tax purposes in respect of the income year 1972 and the next succeeding 4 income years. If the federal adjusted basis of the aggregate of such property exceeds the Wisconsin adjusted basis of such aggregate, the other allowable deductions from gross income to arrive at net income (before apportionment, if any) shall be reduced by one-fifth of such difference with respect to the income year 1972 and each of the next succeeding 4 income years, and such reduction shall be made regardless of any disposition made of the underlying depreciable property. If a corporation is dissolved, or merged into or consolidated with another corporation before the termination of the 5-year period, any remaining balance of the net difference between the Wisconsin and federal adjusted basis of such depreciable property as of the end

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of such corporation's 1971 taxable year shall be deducted from gross income or used to reduce otherwise allowable deductions from gross income, as the case may be, in the year of dissolution, merger or consolidation.

SECTION 1090ed. 71.04 (15) (e) of the statutes is amended to read:

71.04 (15) (e) With respect to depreciable property disposed of ~~in~~ beginning with a corporation's taxable year 1973 ~~or thereafter~~ and, for taxpayers listed under par. (bm) 1 to 3, ending on December 31, 1980, and difference in adjusted basis for purposes of the federal income tax and the Wisconsin tax on or measured by net income, apart from any difference amortized pursuant to par. (c), shall be taken into account in determining net income in the year of disposition.

SECTION 1090edm. 71.04 (15) (em) of the statutes is created to read:

71.04 (15) (em) In respect to corporations listed under par. (bm) 1 to 3, for taxable years ending after December 31, 1980, with respect to the sale, exchange, abandonment or other disposition of property in which gain or loss is recognized by the owner of the property, the Wisconsin adjusted basis of the property shall be determined under this subsection and under the applicable provisions of this chapter.

SECTION 1090ee. 71.04 (15) (f) of the statutes is amended to read:

71.04 (15) (f) With respect to any corporation which has, in any year prior to deriving income with a Wisconsin situs for Wisconsin income or franchise tax purposes, taken depreciation or amortization of depreciable property for federal income tax purposes, the federal adjusted basis of its depreciable property as of the beginning of the income year in which such corporation begins operations in this state shall be the Wisconsin adjusted basis of such property. For taxable years ending before January 1, 1981, with respect to any corporation listed under par. (bm) 1 to 3 which has, in any year prior to deriving income with a Wisconsin situs for Wisconsin income or franchise tax purposes, taken depreciation or amortization of depreciable property for federal income tax purposes, the federal adjusted basis of its depreciable property as of the beginning of the income year in which such corporation begins operations in this state shall be the Wisconsin adjusted basis of such property.

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SECTION 1090eg. 71.04 (15) (fm) of the statutes is created to read:

71.04 (15) (fm) For taxable years ending after December 31, 1980, with respect to any corporation listed under par. (bm) 1 to 3 that has, in any year before it derives any income with a Wisconsin situs for Wisconsin income tax purposes, taken depreciation or amortization of depreciable property, the Wisconsin adjusted basis of that property, as of the beginning of the income year in which the corporation begins operations in this state shall be the adjusted basis that would have been computed under the depreciation provisions of the internal revenue code in effect on December 31, 1980.

Subject Area 14. TRANSPORTATION

Item 14-A: Aviation Fuel Tax

Governor's written objections.

Sections 2203 (51) (w) and 2204 (51) (p)

In the course of removing and replacing the 6¢ per gallon aviation fuel tax, the "INITIAL APPLICABILITY" date was set on or after the effective date of the bill and the "EFFECTIVE DATE" section was set at January 1, 1982. To clarify this situation, I have vetoed all references to "INITIAL APPLICABILITY."

Speaker's referral.

This item is comprised of the language vetoed in SECS. 2203 (51) (w) and 2204 (51) (p).

Referred to the Committee on Revenue.

Fiscal Bureau summary.

14-A: *Aviation Fuel Tax* [Chapter 20 Sections: 2203 (51) (w) and 2204 (51) (p)].

As passed by the Legislature, the biennial budget imposed a tax of 6¢ per gallon on general aviation fuel, effective January 1, 1982. The Governor's item veto deleted the reference to initial applicability in order to eliminate an inconsistency with the January 1, 1982 effective date.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2203. **Initial applicability.**

(51) TRANSPORTATION.

~~(w) *General aviation fuel tax.* The treatment of section 78.555 of the statutes by this act first applies to general aviation fuel placed in the fuel supply tank of a general aviation aircraft or into the bulk storage facility of a general aviation fuel user on or after the effective date of this act.~~ **Vetoed in Part**

SECTION 2204. **Effective dates.**

(51) TRANSPORTATION. **Vetoed in Part**

(p) *General aviation fuel tax.* The treatment of sections 25.40 (1) (b), 77.54 (11), 78.04 (1), 78.13 (2), 78.43, 78.50 (2), 78.55 to 78.62, 78.65 (1) and (2), 78.66 (title), (1) and (2), 78.68 (1), (2), (4) (intro.) and (5), 78.70 (1) (intro.), (2) and (4), 78.71, 78.73 (1) (e), 78.77, 78.78 (1), 78.80 and 78.84 and chapter 78 (title) and subchapter III of chapter 78 of the statutes ~~and SECTION 2203 (51) (w) of this act~~ by this act takes effect on January 1, 1982.

Subject Area 14. TRANSPORTATION

Item 14-B: Counter Service Fee

Governor's written objections.

Section 1546

The budget bill authorizes increased fees for motor vehicle counter services except when the service is provided by non-state employes. I have vetoed this language. Citizens living in different parts of our state should be paying the same fee for title and registration services. It is a matter of simple equity. Secondly, the provision would effectively eliminate an administrative option currently under consideration by DOT which may reduce costs and improve services to vehicles involved in the Inspection and Maintenance Program imposed by the federal government.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1546 of the Bill.

Referred to the Committee on Transportation.

Fiscal Bureau summary.

14-B: *Counter Service Fee* [Chapter 20 Sections: 1546].

As passed by the Legislature, the biennial budget established a fee of $1 for each registration renewal at a counter and $2 for each counter transaction involving a registration or a combination of title and registration transactions for the same vehicle. Under the provisions of Enrolled AB 66, these fees would apply only on services provided by state employes, which would serve to exempt the registration services provided by the La Crosse County Clerk's office from the additional fees. The Governor's item veto deleted the provision which specified that the fees would apply only to services provided by state employes. As a result, revenues to the transportation fund would be increased by an estimated $136,200 REV (SEG) in 1981-83.

FISCAL CHANGE TO ENROLLED AB 66: $136,200 REV (SEG)

Cited segments of 1981 AB-66.

SECTION 1546. 341.255 (2) of the statutes is created to read: **Vetoed in Part**

341.255 (2) The department shall charge the following fees for counter services ~~provided by state employes~~:

Subject Area 14. TRANSPORTATION

Item 14-C: Elderly and Handicapped Aids

Governor's written objections.

Sections 1233q and 1234

I have vetoed provisions which would have required counties to prioritize their elderly and handicapped transportation service by trip purpose. The change represents a departure from the current practice of allowing each county to determine how it meets the transportation needs of its elderly and handicapped. While transportation for educational, training or personal business purposes may not appear as important, transportation services in these areas help meet essential mobility needs. We should not pre-empt county decision-making, even if we might make different choices. I do not believe the proposal is a workable or productive way to curb alleged abuse of these services.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1233q and 1234 of the Bill.

Referred to the Committee on Aging, Women and Minorities.

Fiscal Bureau summary.

14-C: *Elderly and Handicapped Aids* [Chapter 20 Sections: 1233q and 1234].

As passed by the Legislature, the biennial budget specified that medical, nutrition and work-related transportation trip purpose activities be designated as the priority in the distribution of elderly and handicapped county assistance aids and directed the counties to require a co-payment by the user of a specialized transportation service for those transportation activities other than a priority designated trip purpose. The Governor's item veto deleted the establishment of trip-purpose priorities in the distribution of elderly and handicapped transportation county assistance aids. In addition, the item veto required counties to assess a co-payment charge for all users of specialized transportation services.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1233q. 85.21 (3) (d) of the statutes is created to read:~~ **Vetoed in Part**

~~85.21 (3) (d) To encourage the transportation of elderly and handicapped individuals under the specialized transportation assistance program for medical, nutritional and work-related activities as the priority in the use of state funds.~~

SECTION 1234. 85.21 (4) of the statutes is created to read:

85.21 (4) COUNTY PLAN PROVISIONS; COPAYMENTS. ~~(a) The county shall establish the transportation of elderly and handicapped persons to medical, nutritional and work-related activities as the priority for the specialized transportation services.~~ **Vetoed in Part**

(b) Specialized transportation services may at the discretion of the county also be open to the general public on a space-available basis.

(c) 1. The county shall require a copayment by the user of the specialized transportation service ~~for all transportation except the transportation established as a priority under par. (a).~~ **Vetoed in Part**

Subject Area 14. TRANSPORTATION

Item 14-D: Highway Project Priorities

Governor's written objections.

Section 1196j

This provision statutorily enumerates 14 major highway projects as the priority projects for use of state funds. The need for many of the projects listed is readily apparent and the list is very similar to the priorities established by DOT. However, I am compelled to veto this list as it is an inflexible and unwise disruption of the orderly process we have long employed in our approach to major projects. It fails to recognize possible funding, legal or engineering problems which might emerge and result in alterations in project schedules and priorities. The attempt is also unwise because it ignores the need to reassure the public that scarce funds are allocated on the basis of greatest need rather than through political maneuvering and influence.

Speaker's referral.

This item must be combined with **Item 14-O** (Transportation Projects Commission). See the discussion under **Item 14-O**.

Fiscal Bureau summary.

14-D: *Highway Project Priorities* [Chapter 20 Sections: 1196j].

As passed by the Legislature, the biennial budget directed the Department and the newly-created Transportation Projects Commission to designate 14 major highway projects as the top priority construction projects, and to the extent possible, to proceed with completion of the major highway projects in the specified order. The Governor's item veto deleted this provision from the bill. [According to the memorandum prepared by the Speaker, this item is to be considered in conjunction with Item **14-0** (Transportation Projects Commission), since this item includes a reference to the Transportation Projects Commission.]

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 14. TRANSPORTATION

Item 14-E: Highway Project Priority Criteria

Governor's written objections.

Sections 1201g, 1201s and 2051 (18)

Once again the budget bill contains language directing DOT to adopt administrative rules on highway project selections. A rule has already been drafted and submitted which would comply with the 1979-81 legislative directive. This rule will shortly become effective. While similar to the 1979-81 directive, the proposed language would dictate a still more rigorous statement of numeric criteria. I believe this provision would have carried us too far by undermining the legitimate role professional judgment must play in project selection.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 1201g, 1201s and 2051 (18).

Referred to the Joint Committee for Review of Administrative Rules.

Fiscal Bureau summary.

14-E: *Highway Project Priority Criteria* [Chapter 20 Sections: 1201g, 1201s and 2051 (18)].

As passed by the Legislature, the biennial budget directed the Department of Transportation to adopt by administrative rule the criteria by which priorities are established for the construction of highway and bridge projects. In addition, the budget specified that the proposed rule be submitted by the Department to the presiding officer of each house of the Legislature no later than the first day of the ninth month after the effective date of the budget act. The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1201g. 85.025 of the statutes is renumbered 85.025 (1).~~ **Vetoed in Part**

~~SECTION 1201s. 85.025 (2) of the statutes is created to read:~~

~~85.025 (2) The department shall adopt by rule the criteria by which the priorities are established for the construction of highway and bridge projects which are constructed under the appropriations listed under sub. (1).~~

SECTION 2051. **Nonstatutory provisions; transportation.**

~~(18) CRITERIA FOR HIGHWAY AND BRIDGE PROJECTS. The department of transportation shall submit the proposed rule required by section 85.025 (2) of the statutes to the presiding officer of each house of the legislature under section 227.018 (2) of the statutes no later than the first day of the 9th month following publication.~~ **Vetoed in Part**

Subject Area 14. TRANSPORTATION

Item 14-F: Highway Signs to UW Campuses

Governor's written objections.

Section 1237c

The bill contains a provision directing the Department of Transportation to allow counties and municipalities to erect signs on any highway within their limits in order to provide direction to UW campuses. This language is no longer necessary since I have directed DOT to place the signs where requested. The resolution of this long standing disagreement removes the need for statutory language.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1237c of the Bill.

Referred to the Committee on Highways.

Fiscal Bureau summary.

14-F: *Highway Signs to UW Campuses* [Chapter 20 Sections: 1237c].

As passed by the Legislature, the biennial budget specified that the Department of Transportation shall permit counties and municipalities to erect such highway signs as are necessary to provide adequate directions to UW System campuses. The Governor's item veto deleted this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1237c. 86.19 (5m) of the statutes is created to read: **Vetoed in Part**

86.19 (5m) The department shall permit any county or municipality to erect such signs on any highway bordering or within the boundaries of the county or municipality as are necessary to provide adequate directions to the campuses of the university of Wisconsin system.

Subject Area 14. TRANSPORTATION

Item 14-G: Lake Michigan Ferry

Governor's written objections.

Section 120sm

The budget adds $500,000 to the Lake Michigan Rail ferry service subsidy program. There are two problems with this increase. First, other budget provisions already incorporate a 300% increase over the base level for ferry subsidies. In addition this provision would authorize subsidy payments out of the railroad facilities acquisition and rehabilitation appropriation. That appropriation already contains less than was available to meet its purposes in the last biennial budget. The expectation that $500,000 would be available for cross lake ferry subsidies is simply unrealistic.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 120sm. However, this SECTION is affected by several items.

This item is apparently intended to be comprised of the language vetoed in s. 20.395 (2) (bq) as shown in SEC. 120sm of the Bill. Further, it appears that a portion of the language vetoed in SEC. 259 should be included in this item — in particular, the veto of the phrases: "*Rail car ferry assistance,*" and "for rail car ferry grants under s. 85.08 (4)," and the last sentence vetoed in this SECTION.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-G: *Lake Michigan Ferry* [Chapter 20 Sections: 120sm (s. 20.395 (2) (bq)) and 259].

As passed by the Legislature, the biennial budget provided that funds of up to $500,000 SEG may be expended from the amount appropriated in the rail acquisition and rehabilitation appropriation for the purpose of providing financial assistance for the operation of Lake Michigan ferry services. The Governor's item veto deleted this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE		1981-82	1982-83
20.395 TRANSPORTATION, DEPARTMENT OF				
(2) AIRPORT AND RAILROAD & HARBOR FACILITIES AND SERVICES				
(bq) ~~Rail car ferry asst.~~ RR fac. acq. & RR rehab.,st.fds.	SEG	C	6,180,000	6,752,000 Vetoed in Part

SECTION 259. 20.395 (2) (cq) of the statutes is renumbered 20.395 (2) (bq) and amended to read: **Vetoed in Part**

20.395 (2) (bq) (title) ~~*Rail car ferry assistance,*~~ *railroad facilities acquisition and railroad rehabilitation, state funds.* As a continuing appropriation, the amounts in the schedule ~~for rail car ferry grants under s. 85.08 (4)~~ for railroad abandoned property and improvements acquisition under s. 85.09 ~~and to make~~, for grants under s. 85.08 (4m) ~~(f)~~ (c) and (d), for capital advances under s. 85.08 (4m) (e) and for loans under s. 85.08 (4m) (f). The amounts expended for loans under s. 85.08 (4m) (f) may not exceed $300,000 annually. ~~The amount expended for capital advances under s. 85.08 (4m) (e) may not exceed $2,000,000 plus the amount under chapter .... (this act), laws of 1981, section 2151 (2) in the 1981-83 biennium, and $2,000,000 biennially thereafter. During the 1981-83 biennium, the department may expend up to $500,000 of the amount appropriated under this paragraph for the purpose of providing grants for the continued operation of the Lake Michigan rail car ferry services.~~ **Vetoed in Part**

Subject Area 14. TRANSPORTATION

Item 14-H: Major Highway Planning Project Designation

Governor's written objections.

Section 2051 (11)

I am vetoing the language which would specify the major projects for DOT planning during this biennium. Major highway planning priorities are properly set by our transportation professionals who are in a position to carefully weigh competing needs without regard to political pressures. While the need for many of the listed projects is apparent, I cannot support this step towards legislative enumeration of highway projects. We must take care to reassure the public that their highway funds are being allocated on the basis of greatest need rather than on the basis of political influence.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2051 (11) of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-H: *Major Highway Planning Project Designation* [Chapter 20 Sections: 2051 (11)].

As passed by the Legislature, the biennial budget specified that the Department of Transportation shall conduct planning functions on at least five designated major projects in the 1981-83 biennium. The Governor's item veto deleted this provision from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2051. **Nonstatutory provisions; transportation.**

(11) PLANNING FUNCTIONS. The SEG positions authorized for the department of transportation for the purpose of advanced design activities shall be used to conduct planning functions on at least the following major projects during the 1981-83 biennium:

(a) The South Madison Beltline (Highway 12).

(b) Highway 18/151 between Dodgeville and Mt. Horeb.

(c) Highway 16 between state trunk highway 190 and interstate 94.

(d) The Tomahawk Bypass (Highway 51).

(e) Highway 45 between Richfield and West Bend.

Vetoed in Part

Subject Area 14. TRANSPORTATION

Item 14-I: Memorial Street Bridge

Governor's written objections.

Sections 120sm, 284m, 1266m and 2051 (4)

I have vetoed the provision directing DOT to pay the city of Appleton and Outagamie County the lesser of $877,100 or one-third of the local funds expended to reconstruct the Appleton Memorial Street Bridge. The bridge is currently under construction without any state planning or financial participation. The earmarking of these funds is an unacceptable circumvention of established project selection and funding processes. The effect of this veto is to reduce by nearly $900,000 funds available for state bridge replacement. In order to insure that bridge needs are met, I am also vetoing language that would lapse $1.5 million from the bridge appropriations. The effect will be to increase funds available for bridge replacements to an amount slightly more than the department requested.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECS. 120sm, 284m, 1266m and 2051 (4). However, SEC. 120sm is affected by several items. The reference to SEC. 120sm is apparently intended to be limited to the language vetoed in s. 20.395 (4) (dq). Two separate issues are dealt with in this item: (1) the Memorial Street Bridge; and (2) the lapse of $1.5 million to the Transportation Fund. Consequently, I have divided this item in the following way.

[See Items 14-I.1 and 14-I.2]

Fiscal Bureau summary.

[No information for this PART of this item.]

Cited segments of 1981 AB-66.

[No information for this PART of this item.]

Subject Area 14. TRANSPORTATION

Item 14 I.1 *Memorial Street Bridge*

Governor's written objections.

[See Item 14-I.]

Speaker's referral.

This item is comprised of the language vetoed in SECS. 284m and 1266m and s. 20.395 (4) (dq) as shown in SEC. 120sm.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-I: *Memorial Street Bridge*

1. *Memorial Street Bridge* [Chapter 20 Sections: 120sm (s. 20.395 (4) (dq)), 284m and 1266m].

As passed by the Legislature, the biennial budget directed the Department of Transportation to pay the City of Appleton and the County of Outagamie an amount equal to $877,100 SEG or one-third of the local funds expended by the City and County for the reconstruction of the Memorial Street Bridge in the City of Appleton, whichever is less. A new continuing SEG appropriation is created, funded at a level of $877,100 SEG in 1981-83 to partially reimburse the City and County for the replacement of the bridge. Reimbursement by the Department to the City and County would be made on a proportional basis according to the amount of local funds expended on the project. The Governor's item veto deleted the state reimbursement to the City of Appleton and the County of Outagamie for the reconstruction of the Memorial Street Bridge.

FISCAL CHANGE TO ENROLLED AB 66: -$877,100 SEG

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83
20.395 TRANSPORTATION, DEPARTMENT OF			
(4) LOCAL HIGHWAYS AND BRIDGES			
(dq) Memorial street bridge reimbursement, state funds	SEG C	877,100	0 Vetoed in Part

SECTION 284m. 20.395 (4) (dq) of the statutes is created to read: **Vetoed in Part**

20.395 (4) (dq) *Memorial street bridge reimbursement, state funds.* As a continuing appropriation, the amounts in the schedule for the Memorial street bridge reimbursement under s. 86.35.

SECTION 1266m. 86.35 of the statutes is created to read: **Vetoed in Part**

86.35 Memorial street bridge. (1) The department shall pay to the city of Appleton and the county of Outagamie an amount equal to $877,100 or one-third of the local funds expended by the city and county for the reconstruction of the Memorial street bridge in the city of Appleton, whichever is less.

(2) The department shall reimburse the city and county under this section in proportion to the amount of local funds expended on the project.

Subject Area 14. TRANSPORTATION

Item 14 I.2 *Transportation Fund Lapse*

Governor's written objections.

[See Item 14-I.]

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2051 (4).

Referred to the Committee on Rules.

Fiscal Bureau summary.

2. *Transportation Fund Lapse* [Chapter 20 Sections 2051 (4)].

As passed by the Legislature, the biennial budget would lapse $1,537,300 SEG from the continuing balance of the improvement to existing bridges appropriation. The Governor's item veto deleted the lapse of monies from the improvement to existing bridges appropriation. As a result of the veto of the lapse of monies from the existing bridges appropriation, the funds ($1,537,300 SEG) remain available for the existing bridges program rather than lapsing to the balance of the transportation fund. Consequently, the 1981-83 opening balance of the transportation fund is reduced by $1,537,300 SEG. For the purpose of indicating the fiscal effect, the item veto of the lapse is reflected as an appropriation increase.

FISCAL CHANGE TO ENROLLED AB 66: $1,537,300 SEG

Cited segments of 1981 AB-66.

SECTION 2051. **Nonstatutory provisions; transportation.**

Vetoed in Part

(4) LAPSES TO THE TRANSPORTATION FUND. (a) Notwithstanding section 20.001 (3) (c) of the statutes, on June 30, 1981, or the day following publication of this act, whichever is later, there shall lapse to the transportation fund $210,000 from the appropriation under section 20.395 (2) (cq), 1979 stats., $262,500 from the appropriation under section 20.395 (2) (dq), 1979 stats., $53,400 from the appropriation under section 20.395 (2) (fq), 1979 stats., $563,500 from the appropriation under section 20.395 (3) (aq), 1979 stats., $4,368,900 from the appropriation under section 20.395 (3) (bq), 1979 stats., $1,592,800 from the appropriation under section 20.395 (3) (cq), 1979 stats., ~~$1,537,300 from the appropriation under section 20.395 (3) (dq), 1979 stats.,~~ $7,900 from the appropriation under section 20.395 (3) (hq), 1979 stats., and $14,700 from the appropriation under section 20.395 (4) (aq), 1979 stats.

Subject Area 14. TRANSPORTATION

Item 14-J: Milwaukee Expressway Aids

Governor's written objections.

Section 289m

Legislative action has nearly doubled the amount of financial assistance that Milwaukee County would receive to offset expressway policing costs. The increase over the existing level of state aid to Milwaukee County for this purpose is unjustified. Milwaukee County is the only county in the state which now receives state aid for expressway traffic policing operations. Provision of a higher level of cost reimbursement to the County would only increase this inequity. Accordingly, I have vetoed the provision which would increase the annual Milwaukee County traffic patrol reimbursement from its present $480,600 to $950,000.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 289m of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-J: *Milwaukee Expressway Aids* [Chapter 20 Sections: 289m].

As passed by the Legislature, the biennial budget increased the level of assistance provided to Milwaukee County for policing the expressways from $480,600 SEG annually to no more than $950,000 SEG annually for the purpose of providing up to 25% of the costs incurred in policing expressways. The Governor's item veto deleted this increase in the reimbursement and thus retains the current $480,600 SEG assistance level. As a result of the item veto, it is anticipated that the additional funds ($469,400 SEG annually) which were provided for Milwaukee County reimbursement will lapse to the transportation fund at the end of each fiscal year.

FISCAL CHANGE TO ENROLLED AB 66: -$938,800 SEG

Cited segments of 1981 AB-66.

~~SECTION 289m. 20.395 (5) (dq) of the statutes is amended to read:~~ **Vetoed in Part**

~~20.395 (5) (dq) *Vehicle inspection and traffic enforcement, state funds.* The amounts in the schedule for administering the ambulance inspection program under s. 341.085 and the vehicle inspection and traffic enforcement programs, including $480,600 no more than $950,000 to reimburse any county policing expressways under s. 59.965 (10) (b) for up to 25% of the cost incurred in policing expressways.~~

Subject Area 14. TRANSPORTATION

Item 14-K: Milwaukee Freeways Demap

Governor's written objections.

Section 297m and 2051 (8)

Language has been included in the budget to direct that segments of proposed Milwaukee County Freeways be revmoved from the state trunk highway system. I have vetoed this language because I believe demapping would be premature. While construction of these highways is unlikely in this decade, longer term freeway or potential non-freeway alternatives to meeting the community's transportation needs have not been fully evaluated. Until the community has carefully explored its options, removal of these segments from the state system and disposal of the project lands could be a costly error. The community and its leaders must move forward to fully address its transportation needs which these projects were designed to address.

Speaker's referral.

This item is comprised of the language vetoed in SECS. 297m and 2051 (8) of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-K: *Milwaukee Freeways DEMAP* [Chapter 20 Sections: 297m and 2051 (8)]

As passed by the Legislature, the biennial budget specified that the Secretary of Transportation remove the proposed Park East, Lake Freeway North and Lake Freeway South major highway projects in Milwaukee County from the official state trunk highway system. In addition, the budget required the Secretary to dispose of interests in lands and property previously acquired and held in trust for these projects by conveyance or otherwise under such terms as the Secretary deems reasonable and in the public interest. The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 297m. 20.395 (9) (qd) of the statutes is amended to read: **Vetoed in Part**

20.395 (9) (qd) (title) *Freeway land disposal reimbursement clearing account.* All moneys received from the disposition of interests in lands and property previously acquired and held in trust for the state for the Park West freeway development for the purpose of reimbursing federal and local governments for expenses incurred by them for such acquisition in accordance with the disposition plan made and approved under chapter 418, laws of 1977.

SECTION 2051. **Nonstatutory provisions; transportation.**

(8) FREEWAY LANDS. (a) *Removal of freeways from the state trunk highway system.* The department of transportation is directed to remove from the state trunk highway system: *Vetoed in Part*

1. A highway in the county of Milwaukee extending from the intersection with Milwaukee Street easterly along the proposed Park East Freeway to the intersection with the proposed Lake Freeway, a total of approximately 1.7 miles.

2. A highway in the county of Milwaukee extending from the intersection of the East-West Freeway northerly along the proposed Lake Freeway to the intersection with the proposed Park East Freeway, a total of approximately 0.8 miles.

4. A highway in the county of Milwaukee extending from the intersection with Car Ferry Drive southerly along the proposed Lake Freeway to the intersection with Layton Avenue, a total of approximately 3.0 miles.

(b) *Disposition of freeway lands.* 1. Notwithstanding section 84.09 (5) of the statutes, the secretary of transportation shall dispose of interests in lands and property previously acquired and held in trust for the state for the Park East Freeway and the Lake Freeway North segments of the Loop Closure project in the Milwaukee County Expressway System by conveyance or otherwise under such terms as the secretary deems reasonable and in the public interest.

VETOED

1r. Notwithstanding section 84.09 (5) of the statutes, the secretary of transportation shall dispose of interests in lands and property previously acquired and held in trust for the state for the Lake Freeway South in the Milwaukee County Expressway System by conveyance or otherwise under such terms as the secretary deems reasonable and in the public interest.

2. Any proceeds received from the disposition of interests in lands and property under this paragraph shall be deposited in the state transportation fund. Any reimbursement from those proceeds to federal and local governments for expenditures incurred in acquiring such interests shall be made from the appropriation under section 20.395 (9) (cd) of the statutes.

Subject Area 14. TRANSPORTATION

Item 14-L: Racine Bridge

Governor's written objections.

Section 2051 (12)

This provision would have directed the allocation of $7.4 million for the design and replacement of the Main Street Bridge in Racine. Throughout this budget I have used my veto authority to resist legislative attempts to enumerate priority road and bridge projects. This designation seems particularly unwise. The Main Street Bridge has recently undergone half a million dollars of maintenance work, making replacement substantially less defensible, especially with so many others bridges in life-threatening conditions. Earmarking money for this project would commit 51% of the biennial appropriation to one project. The result would be a delay for about 20% of the bridge projects throughout the state that had been programmed for replacement or rehabilitation.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2051 (12) of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-L: *Racine Bridge* [Chapter 20 Sections: 2051 (12)].

As passed by the Legislature, the biennial budget specified that the Department of Transportation shall allocate from the 1981-83 improvement of existing bridges appropriation $7,400,000 SEG for the design and replacement of the Main Street Bridge in the City of Racine. The Governor's item veto deleted this provision from the bill. Since the funding for the project would be allocated from authorized monies in the improvement of existing bridges appropriation, the fiscal effect of this veto is $-0-.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2051. **Nonstatutory provisions; transportation.**

(12) BRIDGE REPLACEMENT. From the appropriation under section 20.395 (3) (dq), the department of transportation shall allocate:

(a) For the purpose of preliminary engineering and design planning necessary to proceed with replacing the Main street bridge in the city of Racine, $400,000. **Vetoed**

(b) For the purpose of replacing the Main street bridge in the city of Racine, $7,000,000. **in Part**

Subject Area 14. TRANSPORTATION

Item 14-M: Railroad Expenditures

Governor's written objections.

Section 259

I have vetoed the $2.0 million cap on expenditures for pre-abandonment rail rehabilitation projects. The primary objective of the rail program must continue to be the encouragement of private sector operation of rail lines wherever possible. The advance capital assistance is among the most effective and important tools to achieve this end. The program allows the Department of Transportation to enter into agreements with local governments, shippers and rail companies to rehabilitate lines before the cycle of deterioration leads to inevitable abandonment. While DOT has no intention of devoting all of its rail resources to advance capital assistance, the arbitrary $2.0 million cap would severely limit flexibility to respond in the most cost-effective fashion to local rail transportation problems.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SECTION 259 of the Bill. However, this SECTION is affected by two items. This item is apparently intended to be comprised of the sentence "The amount expended for capital advances under s. 85.08 (4m) (e) may not exceed $2,000,000 plus the amount under chapter .... (this act), laws of 1981, section 2151 (2) in the 1981-83 biennium, and $2,000,000 biennially thereafter."

Referred to the Committee on Transportation.

Fiscal Bureau summary.

14-M: *Railroad Expenditures* [Chapter 20 Sections: 259].

As passed by the Legislature, the biennial budget placed a $2,000,000 biennial cap on the funds which could be expended for the railroad advance capital program. The Governor's item veto deleted this restriction from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 259. 20.395 (2) (cq) of the statutes is renumbered 20.395 (2) (bq) and amended to read:

Vetoed in Part

20.395 (2) (bq) (title) ~~*Rail car ferry assistance,*~~ *railroad facilities acquisition and railroad rehabilitation, state funds.* As a continuing appropriation, the amounts in the schedule ~~for rail car ferry grants under s. 85.08 (4)~~ for railroad abandoned property and improvements acquisition under s. 85.09 ~~and to make~~, for grants under s. 85.08 (4m) ~~(f)~~ (c) and (d), for capital advances under s. 85.08 (4m) (e) and for loans under s. 85.08 (4m) (f). The amounts expended for loans under s. 85.08 (4m) (f) may not exceed $300,000 annually. ~~The amount expended for capital advances under s. 85.08 (4m) (e) may not exceed $2,000,000 plus the amount under chapter .... (this act), laws of 1981, section 2151 (2) in the 1981-83 biennium, and $2,000,000 biennially thereafter. During the 1981-83 biennium, the department may expend up to $300,000 of the amount appropriated under this paragraph for the purpose of providing grants for the continued operation of the Lake Michigan rail car ferry service.~~

Only this

Vetoed in Part

~~Subject Area~~ 14. TRANSPORTATION

Item 14-N: Single License Plate

Governor's written objections.

Sections 626m, 1540b, 1557m, 1569m, 1597m, 1598e and 2200 (51) (a) (b) and (c)

I have vetoed the budget provision which would have resulted in the use of a single license plate. While I fully understand the need to economize on government programs, I do not believe sufficient information is currently available to justify this change. The savings in expenditures must be balanced against the potential difficulties the change will present to our law enforcement personnel. A study is underway which should allow us to address this trade-off in the next biennial budget.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 626m, 1540b, 1557m, 1569m, 1597m, 1598e, 2200 (51) (a), 2200 (51) (b) and 2200 (51) (c). However, it appears that the language vetoed in the following SECTIONS was also intended to be included as part of this item:

SECS. 1540e, 1540h, 1540L, 1540o, 1540r, 1540u, 1540y, 1541, 1541b, 1541d, 1541e, 1541h, 1541L, 1541o, 1541r, 1541u, 1541y, 1547b, 1547e, 1547g, 1547h, 1547j, 1547L, 1547n, 1547r, 1547u, 1547y, 1548m, 1550m, 1551, 1551g, 1551r, 1555c, 1555g, 1555L, 1555p, 1555t, 1555x, 1557, 1559, 1598m, 1598s and 1600m.

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-N: *Single License Plate* [Chapter 20 Sections: 626m, 1540b, 1540e, 1540h, 1540L, 1540o, 1540r, 1540u, 1540y, 1541, 1541b, 1541d, 1541e, 1541h, 1541L, 1541o, 1541r, 1541u, 1541y, 1547b, 1547e, 1547g, 1547h, 1547j, 1547L, 1547n, 1547r, 1547u, 1547y, 1548m, 1550m, 1551, 1551g, 1551r, 1555c, 1555g, 1555L, 1555p, 1555t, 1555x, 1557, 1557m, 1559, 1569m, 1597m, 1598e, 1598m, 1598s, 1600m, 2200 (51) (a), (b) and (c)].

As passed by the Legislature, the biennial budget provided for the issuance of one, rather than two, license plates to automobiles, motor trucks, motor buses and self-propelled mobile homes. As a result of this provision, the Department's budget was reduced by $1,262,500 SEG. the Governor's item veto deleted the single license plate provision and thus retains the requirement for two plates. Since the item veto could not increase the appropriation for the issuance of two plates, the fiscal change is indicated as being $-0-.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 626m. 27.01 (2r) (a) 5 of the statutes is amended to read:~~ ~~Vetoed in Part~~

~~27.01 (2r) (a) 5. The fee for the annual admission sticker is $10 for each vehicle bearing a Wisconsin registration states plate and $15 for all other vehicles. The fee for the daily admission sticker is $2 for vehicles bearing a Wisconsin registration states plate and $3 for all other vehicles.~~ ~~Vetoed in Part~~

~~SECTION 1540b. 341.12 (1) and (2) of the statutes are amended to read:~~

~~341.12 (1) The department upon registering a vehicle pursuant to s. 341.25 or 341.30 shall issue and deliver prepaid to the applicant 2 one registration plates for an automobile, motor truck, motor bus, school bus, self-propelled mobile home or dual purpose motor home and one plate for other vehicles. The department upon registering a vehicle pursuant to any other section shall issue one plate unless the department determines that 2 plates will better serve the interests of law enforcement~~ plate.

~~(2) The department shall purchase plates from the Waupun correctional institution unless otherwise approved by the governor. Subject to any specific requirements which may be imposed by statute, the department shall determine the size, color and design of registration plates with a view toward making them visible evidence of the period for which the vehicle is registered and the fee class into which the vehicle falls as well as making them a ready means of identifying the specific vehicle or owner for which the plates were~~ plate was issued.

~~SECTION 1540e. 341.12 (4) (a) of the statutes is amended to read:~~

VETOED

341.12 (4) (a) All registration plates issued under s. 341.23 (1) (a) and for motor trucks having a gross weight of not more than 8000 pounds shall be treated with a reflectorized material or substance. The department shall prescribe the terms for the use of a reflectorized ~~plates~~ plate.

SECTION 1540h. 341.13 (1) (intro.) of the statutes is amended to read:

341.13 (1) (intro.) In addition to the matter specified in s. 341.12 (3), a registration ~~plates~~ plate for ~~automobiles~~ an automobile registered pursuant to the monthly series system shall comply with the following specifications:

SECTION 1540L. 341.13 (3) of the statutes is amended to read:

341.13 (3) In lieu of issuing a new ~~plates~~ plate upon each renewal of registration of a vehicle, the department may issue an insert tag, decal or other identification to indicate the period of registration. Such tags, decals or other identification ~~are to~~ shall be provided by the department and used only to the extent that if the outstanding ~~plates are~~ plate is in suitable condition for further usage.

SECTION 1540o. 341.14 (intro.), (1), (1a), (1m) and (1q) of the statutes are amended to read:

341.14 Application for and issuance of special plates. (intro.) The department shall issue a special ~~plates~~ plate as specified under the following circumstances:

(1) Whenever any resident of this state who is registering or has registered an automobile or motor home submits a statement from the U.S. veterans administration certifying to the department that the resident is, by reason of injuries sustained while in the active U.S. military service, disabled by paraplegia, amputation of leg, foot, both hands or if he or she is disabled by loss of use of a leg, foot, or both hands, minimum faulty vision of 20/200 or other condition certified to by the veterans administration resulting in an equal degree of disability (specifying the particular condition) so as not to be able to get about without great difficulty, the department shall procure, issue and deliver to the veteran ~~plates~~ a plate of a special design in lieu of the ~~plates~~ plate which ordinarily would be issued for the vehicle. The ~~plates~~ plate shall be so designed as to readily apprise law enforcement officers of the fact that the vehicle is owned by a disabled veteran and is entitled to the parking privileges specified in s. 346.50 (2). No charge in addition to the registration fee shall be made for the issuance of such ~~plates~~ a plate.

VETOED

(1a) Whenever any resident of this state, who is registering or has registered an automobile or motor home, submits a statement from a physician duly licensed to practice medicine in this state certifying to the department that the resident is disabled by paraplegia, amputation of leg, foot or both hands or if he or she is disabled by loss of use of a leg, foot or both hands, minimum faulty vision of 20/200 or other condition certified to by a physician duly licensed to practice medicine in this state resulting in an equal degree of disability (specifying the particular condition) so as not to be able to get about without great difficulty, the department shall procure, issue and deliver to the disabled person, ~~plates~~ a plate of a special design in lieu of ~~plates~~ the plate which ordinarily would be issued for the vehicle. The ~~plates~~ plate shall be so designed as to readily apprise law enforcement officers of the fact that the vehicle is owned by a nonveteran disabled person and is entitled to the parking privileges specified in s. 346.50 (2a). No charge in addition to the registration fee shall be made for the issuance of such ~~plates~~ a plate.

(1m) If any licensed driver submits to the department a statement from a physician duly licensed to practice medicine certifying that another person who is regularly dependent on the licensed driver for transportation is disabled by paraplegia, amputation of leg, foot or both hands, or by loss of use of a leg, foot or both hands, minimum faulty vision of 20/200 or other condition resulting in an equal degree of disability (specifying the particular condition) so as not to be able to get about without great difficulty, the department shall issue and deliver to the licensed driver ~~plates~~ a plate of a special design in lieu of the ~~plates~~ plate which ordinarily would be issued for the automobile or motor home. The ~~plates~~ plate shall be so designed as to readily apprise law enforcement officers of the fact that the automobile or motor home is operated by a licensed driver on whom a disabled person is regularly dependent and is entitled to the parking privileges specified in s. 346.50 (2a). No charge in addition to the registration fee may be made for the issuance of the ~~plates~~ plate. The ~~plates~~ plate shall conform to the ~~plates~~ plate required in sub. (1a).

(1q) If any employer who provides an automobile or motor home, whether owned or leased by the employer, for an employe's use submits to the department a statement from a physician duly licensed to practice medicine certifying that the employe is disabled by paraplegia, amputation of leg, foot or both hands or by loss of use of a leg, foot or both hands, minimum faulty vision of 20/200 or other condition resulting in an equal degree of disability (specifying the particular condition) so as not to be able to get about without great difficulty, the department shall issue and deliver to such employer ~~plates~~ a plate of a special design in lieu of the ~~plates~~ plate which ordinarily would be issued for the automobile or motor home. The ~~plates~~ plate shall be so designed as to readily apprise law enforcement officers of the fact that the automobile or motor home is operated by a disabled person and is entitled to the parking privileges specified in s. 346.50 (2a). No charge in addition to the registration fee may be made for the issuance of the ~~plates~~ plate. The ~~plates~~ plate shall conform to the ~~plates~~ plate required in sub. (1a).

SECTION 1540r. 341.14 (2) and (2m) of the statutes are amended to read:

341.14 (2) Upon compliance with the laws relating to registration of automobiles and station wagons, including payment of the prescribed fee under s. 341.25 (1) (a) plus an additional fee of $10 when the license ~~plates are~~ plate is issued accompanied by an application showing satisfactory proof that the applicant is the holder of an unexpired amateur radio station license issued by the federal communications commission, the department shall issue a registration ~~plates~~ plate on which, in lieu of the usual registration number, shall be inscribed in large legible form the call letters of each the applicant as assigned by the federal communications commission. The fee for reissuance of a plate under this subsection shall be $10.

(2m) Upon compliance with laws relating to registration of motor vehicles, including payment of the prescribed fee, and an additional fee of $5 when the original or new registration ~~plates are~~ plate is issued and accompanied by an application showing satisfactory proof that the applicant has a collector's identification number as provided in s. 341.266 (2) (a), the department shall issue a registration ~~plates~~ plate on which, in lieu of the usual registration number, shall be inscribed the collector's identification number issued under s. 341.266 (2) (a). The word "COLLECTOR" shall be inscribed across the lower or upper portion of the plate at the discretion of the department. Additional registrations under this subsection by the same collector shall bear the same collector's identification number followed by a suffix letter for vehicle identification. Registration plates issued under this section shall expire annually on May 31.

VETOED

SECTION 1540u. 341.14 (5) and (6) of the statutes are amended to read:

341.14 (5) Upon application by any person awarded the congressional medal of honor and submission of proper proof thereof, the department shall issue a special ~~plates~~ plate so designed as to indicate such award. No charge whatever shall be made for the issuance of such ~~plates~~ a plate.

(6) Upon application to register an automobile or station wagon by any person who was a member of any of the U.S. armed services and who was held as a prisoner of war during any of the conflicts described in s. 45.35 (5) (b) to (g), and upon submission of a statement from the U.S. veterans administration certifying that the person was a prisoner of war during one of the conflicts described in s. 45.35 (5) (b) to (g), the department shall issue to the person a special plate which is colored red, white and blue and which has the words "ex-prisoner of war" placed on the plate in the manner designated by the department. An additional fee of $10 shall be charged for the issuance of the ~~plates~~ plate. ~~Registration plates~~ A registration plate issued under this subsection shall expire annually on August 31.

SECTION 1540y. 341.145 (title) of the statutes is amended to read:

~~341.145~~ (title) **Personalized license plate.**

SECTION 1541. 341.145 (1) (a) of the statutes is amended to read:

341.145 (1) (a) In this section, "personalized license plate" means a registration plate for an owned automobile, station wagon or a motor truck which has a gross weight of not more than 6,000 pounds, which displays a registration number composed of letters or numbers, or both, requested by the applicant. ~~Personalized~~ The license ~~plates~~ plate shall be of the same color and design as the regular license ~~plates~~ plate and shall consist of numbers or letters, or ~~any combination thereof~~ both, not exceeding 6 positions and not less than 2 positions.

SECTION 1541b. 341.145 (1) (b) of the statutes is amended to read:

341.145 (1) (b) In lieu of the procedure under s. 341.13 (2), the department may issue distinguishing tags or decals for a personalized license ~~plates~~ plate for a vehicle registered on the basis of gross weight.

SECTION 1541d. 341.145 (2) (intro.) of the statutes is amended to read:

341.145 (2) (intro.) The department shall issue a personalized license ~~plates~~ plate only upon request and if:

SECTION 1541e. 341.145 (5) (b) of the statutes is amended to read:

341.145 (5) (b) In addition to the regular application fee, pay a $4 fee for the issuance of a replacement ~~plates~~ plate; and

SECTION 1541h. 341.145 (7) and (8) of the statutes are amended to read:

341.145 (7) The department may refuse to issue any combination of letters or numbers, or both, which may carry connotations offensive to good taste or decency, or which would be misleading, or in conflict with the issuance of any other license ~~plates~~ plate. All decisions of the department with respect to personalized license plate applications shall be final and not subject to judicial review under ch. 227.

(8) The department may cancel and order the return of any personalized license ~~plates~~ plate issued which ~~contain~~ contains any combination of letters or numbers, or both, which the department determines may carry connotations offensive to good taste and decency or which may be misleading. Any person ordered to return such ~~plates~~ a plate shall either be reimbursed for any additional fees they paid for the ~~plates~~ plate for the registration year in which ~~they are~~ it is recalled, or be given at no

additional cost a replacement personalized license ~~plates~~ plate, the issuance of which is in compliance with the statutes. A person who fails to return a personalized license ~~plates~~ plate upon request of the department may be required to forfeit not more than $200.

SECTION 1541L. 341.15 (title) of the statutes is amended to read:

~~341.15 (title)~~ **Display of registration plate.**

SECTION 1541o. 341.15 (1) of the statutes is renumbered 341.15 (1) (a) and amended to read:

341.15 (1) (a) ~~Whenever 2 registration plates are issued for a vehicle, one such plate shall be attached to the front and one to the rear of the vehicle. Whenever only one registration plate is issued, the~~ The registration plate shall be attached to the ~~front~~ rear of the vehicle, except that if the vehicle is a truck tractor or road tractor, ~~otherwise,~~ it shall be attached to the ~~rear~~ front.

VETOED

SECTION 1541r. 341.15 (1) (b) and (c) of the statutes are created to read:

341.15 (1) (b) Any decal or tag issued by the department shall be placed on the rear registration plate of the vehicle or on the front registration plate of the vehicle if it is a truck tractor or road tractor, in the manner directed by the department.

(c) The owner of any vehicle for which 2 registration plates have been issued may, on or after the effective date of this paragraph (1981), remove and destroy one registration plate from the vehicle but is not required to do so. If a person removes and destroys one plate, the remaining plate must be attached to the rear of the vehicle unless the vehicle is a truck tractor or road tractor in which case the plate shall be attached to the front of the vehicle. Decals or tags shall be attached as provided in par. (b).

SECTION 1541u. 341.15 (2) of the statutes is amended to read:

341.15 (2) ~~Registration plates~~ The registration plate shall be attached firmly and rigidly in a horizontal position and a conspicuous place. The ~~plates~~ plate shall at all times be maintained in a legible condition and shall be so displayed that ~~they~~ it can be readily and distinctly seen and read. Any peace officer may require the operator of any vehicle on which ~~plates are~~ the plate is not properly displayed to display ~~such plates~~ the plate as required by this section.

SECTION 1541y. 341.16 of the statutes is amended to read:

341.16 Issuance of duplicate plate. (1) Whenever a current registration plate is lost or destroyed, the owner of the vehicle to which the plate was attached shall immediately apply to the department for a replacement. Upon satisfactory proof of the loss or destruction of the plate and upon payment of a fee of $2 for ~~each~~ the plate, the department shall issue a replacement.

(2) Whenever a current registration plate becomes illegible, the owner of the vehicle to which the plate is attached shall apply to the department for a replacement. Upon receipt of satisfactory proof of illegibility, and upon payment of a fee of $2 for ~~each~~ the plate, the department shall issue a replacement. Upon receipt of a replacement plate, the applicant shall destroy the illegible plate.

(3) When issuing a replacement plate, the department may assign a new number and issue a new plate rather than a duplicate of the original if in its judgment that is in the best interests of economy or prevention of fraud. Upon receipt of a replacement plate, the applicant shall destroy ~~all plates~~ the replaced plate.

(4) Any person issued a replacement ~~plates~~ plate who fails to destroy the original ~~plates~~ plate as required by sub. (2) or (3) may be required to forfeit not more than $200.

(5) This section does not apply to ~~plates~~ a plate issued pursuant to the law pertaining to the registration of dealers, distributors, manufacturers or transporters.

SECTION 1547b. 341.26 (2m) (a) of the statutes is amended to read: **Vetoed in Part**

341.26 (2m) (a) A fee of $3 shall be paid to the department for the original issuance of a registration ~~and license plates~~ plate for any vehicle owned by this state or by any county or municipality or federally recognized Indian tribe or band in this state and operated exclusively, except for operation under s. 20.916 (7), in the public service by such state, county, municipality, Indian tribe or band. The registration shall be valid while the vehicle is owned and operated by the licensee.

SECTION 1547c. 341.265 of the statutes is amended to read: **Vetoed in Part**

~~341.265~~ (title) **Antique motor vehicles; registration, plate, use.** Any person who is a resident of this state and the owner ~~(~~and any subsequent transferee~~)~~ of a motor vehicle which is more than 40 years old at the time of making application for registration of the vehicle may upon application register the same as an antique vehicle upon payment of a fee of $5, and be furnished a license ~~plates~~ plate of a distinctive design, in lieu of the usual license ~~plates~~ plate, which shall show in addition to the identification number that the vehicle is an antique. The registration shall be valid while the vehicle is owned by the applicant without the payment of any additional fee. The vehicle shall only be used for special occasions such as display and parade purposes or for necessary testing, maintenance and storage purposes. Unless

inconsistent with this section, the provisions applicable to other motor vehicles shall apply to antique motor vehicles.

SECTION 1547g. 341.266 (title) of the statutes is amended to read:

~~341.266~~ (title) **Special interest vehicles; registration, plate, use.**

SECTION 1547h. 341.266 (2) of the statutes is amended to read:

~~341.266~~ (2) Any person who is the owner of a special interest vehicle which is 20 or more years old at the time of making application for registration or transfer of title of the vehicle may upon application register the ~~same~~ vehicle as a special interest vehicle upon payment of a fee of $40, and be furnished a license ~~plates~~ plate of a distinctive design in lieu of the usual license ~~plates~~ plate which shall show in addition to the identification number that the vehicle is a special interest vehicle owned by a Wisconsin collector. The registration shall be valid while the vehicle is owned by the applicant without the payment of any additional fee. The vehicle may be used as are other vehicles of the same type except that motor vehicles may not transport passengers for hire and trucks may not haul material weighing more than 500 pounds. Unless inconsistent with this section, the provisions applicable to other vehicles shall apply to special interest vehicles.

VETOED

(a) Each collector applying for a special interest vehicle license ~~plates~~ plate will be issued a collector's identification number which will appear on ~~each~~ the plate. ~~Second and all~~ All subsequent registrations under this section by the same collector will bear the same collector's identification number followed by a suffix letter for vehicle identification.

(b) A collector must own and have registered one or more vehicles with a regular license ~~plates~~ plate which ~~he~~ the collector uses for regular transportation.

SECTION 1547j. 341.267 (4) of the statutes is amended to read:

~~341.267~~ (4) The department shall issue ~~plates~~ a plate of a distinctive design to motor vehicles licensed under this section.

SECTION 1547L. 341.268 (title) of the statutes is amended to read:

~~341.268~~ (title) **Reconstructed and homemade vehicles; registration, plate, use.**

SECTION 1547n. 341.268 (2) of the statutes is amended to read:

~~341.268~~ (2) Any person who is the owner of a reconstructed vehicle assembled from a vehicle manufactured 20 years or more prior to the time of making application for registration or transfer of title of the vehicle or any person who is the owner of a homemade vehicle, may upon application register the same as a reconstructed or homemade vehicle upon payment of a fee of $40, and be furnished a license ~~plates~~ plate of a distinctive design in lieu of the usual license ~~plates~~ plate which shall show in addition to the identification number that the vehicle is a reconstructed or homemade vehicle owned by a Wisconsin hobbyist. The registration shall be valid while the vehicle is owned by the applicant without the payment of any additional fee. The vehicle may be used as are other vehicles of the same type except that motor vehicles may not transport passengers for hire and trucks may not haul material weighing more than 500 pounds. Unless inconsistent with this section, the provisions of this chapter applicable to other vehicles shall apply to reconstructed and homemade vehicles.

(a) Each hobbyist applying for a reconstructed or homemade vehicle license ~~plates~~ plate will be issued a hobbyist's identification number which will appear on ~~each~~ the plate. ~~Second and all~~ All subsequent registrations under this section by the same hobbyist will bear the same hobbyist's identification number followed by a suffix letter for vehicle identification.

(b) A hobbyist must own and have registered one or more vehicles with a regular license ~~plates~~ plate which the hobbyist uses for regular transportation.

SECTION 1547r. 341.27 (3) (a) and (b) of the statutes are amended to read:

~~341.27~~ (3) (a) If the applicant holds a current registration ~~plates~~ plate which ~~were~~ was removed from an automobile of which the applicant no longer is the owner, or which has been junked, or is no longer used on the highways, and ~~such plates were~~ the plate was issued under the monthly series system, the department shall register the automobile which is the subject of the application for the remainder of such unexpired registration period.

(b) If the applicant does not hold a current registration ~~plates~~ plate under the circumstances described in par. (a) and the application is an original rather than renewal application, the department may register the automobile ~~which is the subject of the application~~ for ~~such~~ the period or part thereof as of the period that the secretary determines will help to equalize the registration and renewal workload of the department.

SECTION 1547u. 341.28 (2) of the statutes is amended to read:

~~341.28~~ (2) If the applicant for registration holds a current registration ~~plates~~ plate which ~~were~~ was removed from an automobile of which the applicant no longer is the owner, or which has been junked, or which is no longer being used on the highways, and ~~such plates were~~ the plate was issued under the monthly series system, the applicant is exempt from the payment of a registration fee, except in the following cases:

(a) If the annual fee prescribed for the automobile being registered is higher than the annual fee prescribed for the automobile from which the ~~plates were~~ plate was removed, the applicant shall pay a fee computed on the basis of one-twelfth of the difference between the 2 annual fees multiplied by the number of months for which the automobile which is the subject of the application is being registered. The start of the new registration, for the purpose of computing the fee, shall be determined in accordance with sub. (7).

(b) If the automobile which is the subject of the application was owned by the applicant at the time of and on or before the 15th day of the month in which the transfer, or discontinuance of use on the highways, or junking of the other automobile occurred and was not currently registered at the time of such transfer, or discontinuance of use on the highways, or junking, the applicant shall pay a fee to be computed as provided in subs. (3) to (5) but shall receive a credit for the unused portion of the current registration. Such credit shall be computed on the basis of one-twelfth of the annual fee paid for the vehicle from which the ~~plates were~~ plate was removed multiplied by the number of months remaining in the registration period represented by the removed ~~plates~~ plate, including the month during which the applicant transferred, or discontinued to use on the highways, or junked the automobile from which the ~~plates were~~ plate was removed if such transfer, or discontinuance of use on the highways, or junking occurred on or before the 15th day of the month.

SECTION 1547y. 341.28 (4) (intro.) of the statutes is amended to read:

341.28 (4) (intro.) If the applicant does not hold a current registration ~~plates~~ plate under the circumstances described in sub. (2) but the automobile which is the subject of the application has previously been registered in this state by the applicant, ~~he~~ the applicant shall pay a fee covering all the time since the end of the period for which the automobile previously was registered unless:

SECTION 1548m. 341.29 (2) of the statutes is amended to read: **Vetoed in Part**

341.29 (2) If an application for registration of a vehicle subject to registration on an annual basis is received less than 2 months prior to the beginning of any registration period and the vehicle is not registered in this state at the time of application and the applicant desires to register for the succeeding registration period as well as for the remainder of the current period, the department upon registering the vehicle shall issue a registration ~~plates~~ plate designed for the succeeding registration period rather than for the current period. ~~Such plates~~ The plate also ~~serve~~ serves during the remainder of the current registration period as lawful evidence of the registration of the vehicle. This subsection does not affect computation of fee payable by the applicant.

SECTION 1550m. 341.31 (1) (b) 4 of the statutes is amended to read:

341.31 (1) (b) 4. The vehicle is a motor truck which has been transferred to the applicant and for which a personalized license ~~plates~~ plate had been issued to the previous owner; or

SECTION 1551. 341.31 (4) (b) of the statutes is amended to read:

341.31 (4) (b) A person retaining a ~~set of plates~~ plate removed from a motor truck registered under s. 341.29 for 6,000 pounds or less may receive credit for the unused portion of the registration fee paid when registering a replacement motor truck at 6,000 pounds or less.

SECTION 1551g. 341.32 (1) of the statutes is amended to read:

341.32 (1) Whenever the construction or the use of a registered vehicle is changed in a manner making the vehicle subject to a different registration fee than the fee for which the vehicle currently is registered, the owner shall immediately make application for reregistration. The fee payable upon such reregistration shall be computed as for a vehicle not previously registered in this state but a credit shall be allowed for the unused portion of the fee paid for the previous registration if the registration ~~plates~~ plate issued upon the previous registration ~~are~~ is returned to the department. Such credit shall be computed on the basis of one-twelfth of the annual registration fee prescribed for the vehicle as previously registered multiplied by the number of months of registration which have not fully expired on the date the vehicle became subject to the different fee. The credit may be applied toward the reregistration of the vehicle only up to the date when the previous registration would have expired.

SECTION 1551r. 341.335 (1) of the statutes is amended to read:

341.335 (1) Whenever any person, after applying for and receiving a registration ~~plates~~ plate, moves from the address named in the application for the registration ~~plates~~ plate or when the name of the licensee is changed by marriage or otherwise, the person shall within 10 days notify the department in writing of the old and new address or of such former and new names and of all license plate numbers held.

SECTION 1555c. 341.41 (8) of the statutes is amended to read:

341.41 (8) Residents of the state operating a fleet of 3 or more units consisting of trucks, truck tractors or road tractors with a gross weight of not less than 12,000 pounds shall display a Wisconsin

license ~~plates~~ plate for which 100% of the fee has been paid on vehicles not exempt from Wisconsin registration and operated in interstate commerce. Vehicles engaged in interstate commerce may display a Wisconsin prorate license ~~plates~~ plate for which a proportional registration fee has been paid in addition to a full fee license plate from another jurisdiction. Such proportional registration shall be accomplished either by payment to the department of registration fees in an amount equal to that obtained by applying the proportion of in-state fleet miles divided by the total fleet miles to the total fees which would otherwise be required for the registration of all such vehicles in this state, or by registration of a portion of such vehicles as determined under this subsection. The department may refuse to permit any or all of such vehicles to be registered under apportionment if the department is not satisfied that this state will obtain a fair and equitable share of license registrations of the vehicles comprising such fleet.

SECTION 1555g. 341.52 of the statutes is amended to read:

~~341.52~~ **Design of registration plates.** Registration plates for dealers, distributors, manufacturers and transporters are subject to the provisions of s. 341.12 (2) and (3). In addition, each plate shall have displayed upon it a symbol capable of distinguishing it from any other plate which may be issued to the same dealer, distributor, manufacturer or transporter. ~~Plates~~ A plate issued to ~~transporters~~ a transporter also shall have displayed ~~upon them~~ it the words "IN TRANSIT".

VETOED

SECTION 1555L. 341.53 of the statutes is amended to read:

~~341.53~~ (title) **Expiration of registration; transferability of plate.** Certificates of registration and registration plates issued to dealers, distributors, manufacturers or transporters shall be issued for the calendar year and are valid only during the calendar year for which issued. ~~Registration plates are~~ A registration plate is transferable from one motor vehicle, trailer or semitrailer to another motor vehicle, trailer or semitrailer and from one mobile home to another.

SECTION 1555p. 341.55 (title) of the statutes is amended to read:

~~341.55~~ (title) **Penalty for misuse of plate.**

SECTION 1555t. 341.57 (2) of the statutes is amended to read:

~~341.57~~ (2) A finance company licensed under s. 138.09 or 218.01, a credit union licensed under ch. 186 or a state bank or a national bank with offices in this state may apply to the department for registration on such form as the department provides. Upon receipt of the application together with a registration fee of $75, the department shall register the applicant and shall issue one registration plate containing the registration number assigned to the applicant. The department upon receiving a fee of $5 for each additional plate desired by the applicant shall issue such additional plates as the applicant orders, except that a credit union licensed under ch. 186 may not be issued such additional plates. Section 341.52 applies to the design of the plates. The registration and plates are valid only during the calendar year for which issued. ~~Plates are~~ A plate is transferable from one motor vehicle to another.

SECTION 1555x. 341.63 (3) of the statutes is amended to read:

~~341.63~~ (3) Whenever the registration of a vehicle is suspended under this section, the owner or person in possession of the registration ~~plates~~ plate shall forthwith return ~~them~~ it to the department. Any person who fails to return the ~~plates~~ plate as required by this section may be required to forfeit not more than $200.

SECTION 1557. 342.15 (4) (a) of the statutes is amended to read: **Vetoed in Part**

~~342.15~~ (4) (a) If the vehicle being transferred is an automobile or station wagon registered under the monthly series system or a motor truck for which a personalized license ~~plates have~~ plate has been issued, the owner shall remove the registration ~~plates~~ plate and retain and preserve ~~them~~ it for use on any other vehicle of the same type which may subsequently be registered in his or her name. If the vehicle being transferred is a motor truck registered under the maximum gross weight system for 6,000 pounds or less, the owner shall remove the registration ~~plates~~ plate and retain and preserve ~~them~~ it for use on any other motor truck which may subsequently be registered for not more than 6,000 pounds in his or her name.

SECTION 1557m. 342.15 (4) (b) and (c) of the statutes are amended to read: **Vetoed in Part**

~~342.15~~ (4) (b) If the vehicle being transferred is a vehicle registered under s. 341.26 at a special fee and the new owner will not be entitled to register the vehicle at such fee, the transferor shall remove and destroy the ~~plates~~ plate.

(c) In all other cases the transferor shall permit the ~~plates~~ plate to remain attached to the vehicle being transferred, except that if the vehicle has been junked the transferor shall remove and destroy the ~~plates~~ plate.

SECTION 1559. 342.34 (1) (c) of the statutes is amended to read: **Vetoed in Part**

342.34 (1) (c) If the motor vehicle is an automobile or station wagon registered under the monthly series system or a motor truck for which a personalized license ~~plates have~~ plate has been issued, the owner shall remove the registration ~~plates~~ plate and retain and preserve ~~them~~ it for use on any other vehicle of the same type which may subsequently be registered in his or her name. If the motor vehicle is a motor truck registered under the maximum gross weight system for 6,000 pounds or less, the owner shall remove the registration ~~plates~~ plate and retain and preserve ~~them~~ it for use on any motor truck which may subsequently be registered for not more than 6,000 pounds in the owner's name. If the motor vehicle is not an automobile or station wagon registered under the monthly series system, or a motor truck for which a personalized license ~~plates have~~ plate has been issued, or a motor truck registered under the maximum gross weight system for 6,000 pounds or less, he or she shall remove and destroy the ~~plates~~ plate.

SECTION 1569m. 343.51 (1) of the statutes is amended to read: **Vetoed in Part**

343.51 (1) Any person who qualifies for ~~license plates~~ a registration plate of a special design under ~~ss.~~ s. 341.14 (1), (1a), (1m) or (1q), or any person who is temporarily physically disabled by any physical condition which renders the person unable to walk or unable to walk without great difficulty, may request from the department a special identification card which will entitle any motor vehicle parked by, or under the direction of, such person to parking privileges under s. 346.50 (2), (2a) and (3). The department shall issue such a card at a fee to be determined by the department, upon submission by the applicant of a statement from a physician qualified to practice medicine in this state that such person is a physically disabled person within the meaning of this section. The physician's statement shall state whether the disability is permanent or temporary, and if temporary, the opinion of the physician as to the duration of the disability.

SECTION 1597m. 344.45 of the statutes is amended to read: **Vetoed in Part**

344.45 Surrender of license and registration upon suspension. (1) Whenever a person's operating privilege or registration is revoked or suspended under this chapter, the department shall also order such person to surrender to the department his or her license and the registration plate ~~or plates~~ of the vehicle or vehicles for which registration was revoked or suspended. If ~~such~~ the person fails ~~forthwith~~ to return ~~such~~ the license, and registration plate ~~or plates~~ to the department immediately after receiving the order, the department shall direct a traffic officer to take possession ~~thereof~~ of the license and registration plate and return them to the department.

(2) Any person who intentionally fails or refuses to return a license and registration plate ~~or plates~~ as required by this section may be required to forfeit not more than $100.

SECTION 1598c. 346.50 (2) of the statutes is amended to read: **Vetoed in Part**

346.50 (2) An automobile or motor home bearing a special registration plate issued under s. 341.14 (1) is exempt from any ordinance imposing time limitations on parking in any street or highway zone and parking lot, whether municipally owned or leased, or both municipally owned and leased or a parking place owned or leased, or both owned and leased by a municipal parking utility, with one-half hour or more limitation but otherwise is subject to the laws relating to parking. Where the time limitation on a metered stall is one-half hour or more, no meter payment is required. Parking privileges granted by this subsection are limited to the disabled veteran to whom the special ~~plates were~~ plate was issued and to qualified operators acting under the disabled veteran's express direction with the disabled veteran present.

SECTION 1598m. 346.50 (2a) (intro.) to (c) of the statutes are amended to read:

346.50 (2a) (intro.) An automobile or motor home bearing a special registration ~~plates~~ plate issued under s. 341.14 (1a), (1m) or (1q) or a motor vehicle upon which a special identification card issued under s. 343.51 is displayed is exempt from any ordinance imposing time limitations on parking in any street or highway zone and parking lot, whether municipally owned or leased, or both municipally owned and leased or a parking place owned or leased, or both owned and leased by a municipal parking utility, with one-half hour or more limitation but otherwise is subject to the laws relating to parking. Where the time limitation on a metered stall is one-half hour or more, no meter payment is required. Parking privileges granted by this subsection are limited to the following:

(a) A person to whom ~~plates were~~ a plate was issued under s. 341.14 (1a).

(b) A qualified operator acting under the express direction of a person to whom ~~plates were~~ a plate was issued under s. 341.14 (1a) when ~~such~~ person is present.

(c) A person to whom ~~plates were~~ a plate was issued under s. 341.14 (1m) when the disabled person for whom ~~the plates were~~ a plate was issued is present.

VETOED

(d) A person for whom ~~plates were~~ a plate was issued under s. 341.14 (1q).

(e) A qualified operator acting under the express direction of a person for whom ~~plates were~~ a plate was issued under s. 341.14 (1q) when such person is present.

SECTION 1598s. 346.50 (3) of the statutes is amended to read:

346.50 (3) A vehicle bearing a special registration ~~plates~~ plate issued under s. 341.14 (1), (1a), (1m) or (1q) or a motor vehicle upon which a special identification card issued under s. 343.51 is displayed is exempt from s. 346.505 or any ordinance in conformity therewith prohibiting parking, stopping or standing upon any portion of a street, highway or parking facility reserved for handicapped persons by official traffic signs, distinct markers or parking meters indicating the restriction. Stopping, standing and parking privileges granted by this subsection are limited to the persons listed under ~~sub. subs.~~ (2) and (2a) (a) to (g).

SECTION 1600m. 346.97 (1) (b) of the statutes is amended to read: **Vetoed in Part**

346.97 (1) (b) The department shall not issue a registration ~~plates~~ plate for such a vehicle unless there is on file with the department a certificate of insurance showing that the vehicle is insured in compliance with par. (a). No such policy may be terminated prior to its expiration or canceled for any reason unless a notice thereof is filed with the department at least 30 days prior to the date of termination or cancellation. The department shall revoke the registration of a vehicle on which the insurance policy has been terminated or canceled, effective on the date of termination or cancellation.

SECTION 2200. **Change in terminology.**

(51) TRANSPORTATION. **Vetoed in Part**

(a) *Registration plates or license plates.* Wherever the term "registration plates" or "license plates" appears in the following sections of the statutes, the term "registration plate" is substituted: 121.53 (4), 341.09 (2), 341.13 (2), 341.266 (3), 341.268 (3) and 341.33 (2).

(b) *Current registration plates.* Wherever the term "current registration plates" appears in section 341.28 (3) of the statutes, substitute the term "a current registration plate".

(c) *Valid registration plates.* Wherever the term "valid registration plates" appears in the following section of the statutes, substitute the term a valid registration plate": 341.47 (1) (intro.) and (3).

Subject Area 14. TRANSPORTATION

Item 14-O: Transportation Projects Commission

Governor's written objections.

Sections 7s, 1194m, 1195s, 1195sm, 1196b, 1196e, 1196em, 1196h, 1196n, 1196p, 1196q, 1196r, 1196s, 1196t, 1197m, 1199b, 1199d, 1199h, 1199j, 1199L, 1199n, 1199p, 1223m, 1224, 1230m, 1325b, 1325c, 1325d, 1325e, 1504m, 1504s, 2201 (51) (b) and 2203 (51) (u) and (v)

The Transportation Projects Commission would result in another unnecessary level of review to the selection and execution of virtually all transportation projects. The current project development process, which is mandated by Federal and State law, ranges from one to five years and offers numerous opportunities for involvement by the public and legislators. The proposed commission would add little to the extensive opportunities for public involvement in the current budget, program development and project development processes. Further, the staff work and support that would be necessary for the commission to meet its tremendous workload and the possibility of delays caused by the need for commission action, can only combine to increase project costs. I cannot support the expenditure of more money for bureaucratic red tape and less for real transportation services that the commission proposal would entail.
[See Item 14-D.]

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 7s, 1194m, 1195s, 1195sm, 1196b, 1196e, 1196em, 1196h, 1196n, 1196p, 1196q, 1196r, 1196s, 1196t, 1197m, 1199b, 1199d, 1199h, 1199j, 1199L, 1199n, 1199p, 1223m, 1224, 1230m, 1325b, 1325c, 1325d, 1325e, 1504m, 1504s, 2201 (51) (b) and 2203 (51) (u) and (v).

However, it appears that this item should also include the language vetoed in SECS. 1195e, 1195f, 1195g, and 1196o.

Moreover, there is an unusual veto in SEC. 1196j, involving the Transportation Projects Commission, a SECTION which also appears to belong in **Item 14-D** (Highway Project Priorities). Throughout the Bill, except for the part of this SECTION relating to the Commission, language that is vetoed is marked by a backward slash (one running from top left to lower right). In this SECTION, the phrase "and the transportation projects commission" is marked with virgules (a slash running from lower left to top right). The apparent intent was to indicate which vetoed language in this SECTION went with each item — *i.e.*, **Items 14-D** and **14-O**. However, because dividing this SECTION in the indicated way between these two items would result in an incomplete and unworkable law being passed if **Item 14-D** was overridden by itself, these two Items are combined to prevent that result. [See also the discussion on **Item 3-G**.]

In summary then, this item is comprised of the language vetoed in SECS. 7s, 1194m, 1195e, 1195f, 1195g, 1195s, 1195sm, 1196b, 1196e, 1196em, 1196h, 1196j, 1196n, 1196o, 1196p, 1196q, 1196r, 1196s, 1196t, 1197m, 1199b, 1199d, 1199h, 1199j, 1199L, 1199n, 1199p, 1223m, 1224, 1230m, 1325b, 1325c, 1325d, 1325e, 1504m, 1504s, 2201 (51) (b) and 2203 (51) (u) and (v).

Referred to the Committee on Rules.

Fiscal Bureau summary.

14-O: *Transportation Projects Commission* [Chapter 20 Sections: 7s, 1194m, 1195e, 1195f, 1195g, 1195s, 1195sm, 1196b, 1196e, 1196em, 1196h, 1196j, 1196n, 1196o, 1196p, 1196q, 1196r, 1196s, 1196t, 1197m, 1199b, 1199d, 1199h, 1199j, 1199L, 1199n, 1199p, 1223m, 1224, 1230m, 1325b, 1325c, 1325d, 1325e, 1504m, 1504s, 2201 (51) (b) and 2203 (51) (u) and (v)].

As passed by the Legislature, the biennial budget establishes a Transportation Projects Commission consisting of the Governor, who would serve as chairperson, 3 senators, 3 representatives and 1 citizen member. The Commission is responsible for approving any contract for a transportation improvement project if the total cost of the project exceeds $250,000. The Commission may approve a contract for an improvement project only if the project is enumerated in the law. Under the provision included in Enrolled AB 66, the requirement for project approval applies first to transportation projects for the 1983-85 biennium. The Governor's item veto deleted all references to the Transportation Projects Commission and the associated modifications.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 7s. 13.489 of the statutes is created to read:

13.489 Transportation projects commission. (1) CREATION. There is created a transportation

projects commission consisting of the governor, who shall serve as chairperson, and 3 senators and 3 representatives to the assembly appointed as are the members of standing committees in their respective houses. The 2 major political parties shall be represented in the membership from each house. One citizen member shall be appointed by the governor to serve at the governor's pleasure. The secretary of the department of transportation and the secretary's designate shall be nonvoting advisory members. The members are liable only for misconduct. Nonlegislator members of the commission shall be reimbursed for actual and necessary expenses, incurred as members of the commission, from the appropriation under s. 20.395 (5) (aq).

(3) SPECIALIZED SERVICES. The commission may contract for such engineering, consulting, surveying or other specialized services from private sources as it finds necessary to carry out its functions. Any such contract is exempt from all provisions of ch. 16, except s. 16.754. The cost of such services shall be paid from the appropriate program appropriation under s. 20.395.

(4) BIENNIAL REPORT. The commission shall report to the legislature at each regular session the progress on projects authorized by it in the 2 preceding and current biennia including the total project budget, the encumbrance and expenditure to date, and the unencumbered balance remaining for each project. Such report shall either be made as part of the biennial transportation projects program or shall accompany its submission. The report shall be so organized as to provide the legislature with a complete picture of the results of its past decisions regarding the state's transportation projects program which will serve as background for making further decisions.

(5) DEPARTMENT TO REPORT PROPOSED PROJECTS. The department of transportation, whenever it contemplates a project requiring the approval of the commission under sub. (8), shall report its proposal to the commission on such date and in such manner as the commission prescribes.

(6) ASSISTANCE TO COMMISSION. The department of transportation shall assist the commission in the performance of its duties. The department of transportation shall, when requested by the commission, make or cause to be made such studies, preliminary plans and specifications and cost estimates with respect to any proposed project as are necessary to permit the commission to consider intelligently the approval or disapproval of the project and the appropriation of funds. The costs of such studies shall be charged to the appropriate program appropriation under s. 20.395.

(7) REVIEW OF PROJECTS. All reports submitted as provided by sub. (5) shall be reviewed by the commission, which shall make its report as soon after February 1 of each odd-numbered year as is possible. Such report shall include specific recommendations and establish priorities for the next 3 biennia from among all projects submitted which the commission deems essential and shall recommend additional appropriations if necessary for the execution thereof.

(8) COMMISSION APPROVAL. The department of transportation may not enter into a contract for any portion of a permanent improvement project to be constructed at a fixed location, the total cost of which exceeds $250,000 from all funding sources, without the prior approval of the commission and without specific authorization by law. The commission may authorize the construction of any transportation project costing in excess of $250,000 regardless of funding source, only if that project is enumerated in the authorized transportation projects program. The commission may authorize the acquisition of land or improvement to any existing transportation facility costing in excess of $250,000, regardless of funding source, only if that project is enumerated in the authorized transportation projects program. The commission may authorize limited changes in the projects program, and in the project budget if the commission determines that unanticipated program conditions or bidding conditions require the change to effectively and economically construct the project. However, total state funds for major projects under the authorized transportation projects program may not be exceeded. The commission may authorize the application of federal grants or private gift funds or other moneys in addition to or in lieu of the projects and project funds enumerated in the authorized transportation projects program. The commission may not authorize a project enumerated in the authorized transportation projects program if the commission determines that the need for the project has changed, making it superfluous.

(9) LEGISLATIVE APPROVAL. The commission shall submit to the joint committee on finance no later than March 15 of each odd-numbered year a proposed authorized state transportation projects program containing a description and cost for all transportation projects for which approval of the commission is required and which have been approved by the commission for the coming fiscal biennium. The program shall also include the cost of those minor projects contemplated by the department the total cost of which does not exceed $250,000 from all funding sources. The department may not proceed with any project for which funding is provided in the program unless the funding is approved by the legislature by law.

(10) APPLICABILITY. This section does not apply to buildings, structures and facilities to be used by the department of transportation for administrative, laboratory, residential, storage or public exhibition functions or projects in which no state funds are expended.

SECTION 1194n. 84.01 (2) and (15) of the statutes are amended to read:

84.01 (2) POWERS AND DUTIES; GENERAL PROVISION. The Subject to the authority of the transportation projects commission and legislature under s. 13.489 (8) and (9), the department shall

have charge of all matters pertaining to the expenditure of state and federal aid for the improvement of highways, and shall do all things necessary and expedient in the exercise of such supervision.

(15) FEDERAL AID SYSTEMS OF HIGHWAYS. The department shall plan, select, lay out, add to, decrease, revise, construct, reconstruct, improve and maintain, or arrange for maintenance by subdivisions of the state or by any other means, the national system of interstate highways, federal aid highway system, system of secondary and feeder roads, federal aid grade crossings projects, federal forest highway systems and projects and other highway and related projects, all within the meaning of Title 23, USC and all acts amendatory thereof and supplementary thereto, and the federal regulations issued under such code; and receive all funds provided by any source to match or supplement such federal aid funds, and expend such funds in accordance with s. 13.489 and the requirements of acts of congress or of this state making such funds available and cooperate with federal authorities and subdivisions of the state in carrying out this subsection. This subsection shall not limit the other powers of the department relative to federal aid for highways.

VETOED

SECTION 1195e. 84.01 (17) of the statutes is amended to read:

84.01 (17) IMPROVEMENTS FOR NEXT 6 YEARS. In each odd-numbered year, the department shall determine, as far as possible, what improvements will be made or recommended for approval during the following 6-year period, and shall notify the county clerks prior to November 1 of each odd-numbered year, as to the improvements in their respective counties. Such notice shall also be given to the department of natural resources and to the board of soil and water conservation districts.

SECTION 1195f. 84.01 (18) (d) of the statutes is created to read:

84.01 (18) (d) Actions of the department under this subsection are subject to approval under s. 13.489.

SECTION 1195g. 84.01 (27) of the statutes is amended to read:

84.01 (27) URBAN MASS TRANSIT SYSTEMS. To encourage the development, improvement and use of public mass transportation systems operating motor vehicles on highways for the transportation of passengers within urbanized areas so as to increase traffic capacity, the department may, from funds available under s. 84.03 (3) and with county approval and approval of the transportation projects commission and legislature under s. 13.489 (8) and (9) where required, acquire, construct, reconstruct and maintain lands and facilities for the development, improvement and use of public mass transportation systems for the transportation of passengers within urbanized areas in this state. The department may encourage generally and provide, without limitation by enumeration, for the construction of exclusive or preferential bus lanes, highway control devices, bus passenger loading areas and terminal facilities, including shelters, and fringe and corridor parking facilities to serve bus and other public mass transportation passengers. All moneys granted or allotted to this state as federal aid for the purposes specified in this subsection shall be expended by the department in accordance with the act of congress relating to such federal aid funds.

SECTION 1195h. 84.03 (3) (a) and (9) (a) of the statutes are amended to read:

84.03 (3) (a) The appropriations made by s. 20.395 (3) (aq) shall be allotted by the department for the construction, reconstruction and improvement of the state trunk highway system, mass transit systems under s. 84.01 (27) and connecting highways in the several counties and expended by the department in accordance with s. 84.06 upon projects which have been approved under s. 13.489 (8) and (9) and approved by the counties. All or any part of any such allotment to the credit of any county may, with the consent of the county involved, be allocated by the department to match or supplement federal aid for projects on the state trunk highway system or connecting highways within the county to which the allotment is credited. $8,000,000 of such appropriation shall be allotted, 40% in the ratio that the number of motor vehicles registered from each county in the fiscal year ended the previous June 30 bears to the total number registered in the state and 60% in the ratio that the mileage of highways in each county, exclusive of highways and streets in cities and villages, bears to the total mileage of such highways in the state except that in counties having a population of 500,000 or more, 25% of the total mileage of all highways and streets in cities and villages shall be included in the eligible mileage of such counties and in the total mileage in the state.

(9) (a) That part of the appropriation made by s. 20.395 (3), not required for the other purposes therein provided, may be used by the department, with the approval of the transportation projects commission and legislature under s. 13.489 (8) and (9) where required, for the improvement and traffic service of the state trunk highway system and connecting highways, for the purchase and operation of equipment, making surveys for locating local road materials, testing of materials, and for other purposes provided in this section, and to match or supplement federal aid for the construction, reconstruction or improvement of the federal aid highway system, secondary or feeder roads, the elimination of hazards at railroad grade crossings and for any other highway purpose for which the state may match or supplement federal aid funds pursuant to any act of congress. Where such funds are used for the improvement of the state trunk highway system or connecting highways or to match or supplement federal aid they shall be expended in accordance with s. 84.06 and any applicable act of congress. Any funds expended pursuant to this paragraph shall be expended by the department on such projects within

the provisions of this paragraph, and executed in such manner as the department shall from time to time determine will best meet the needs of travel and best promote the general welfare. Such funds may be used for improvements, within the provisions of this paragraph, independent of or in conjunction with other funds available for such improvements. The requirements of any federal highway act, or regulations issued thereunder, may be met from such appropriation.

SECTION 1195sm. 84.05 of the statutes is amended to read:

84.05 Railroad crossing improvements. On Subject to approval under s. 13.489 (8) and (9) where required, on a highway which the department has authority to construct and which crosses a railroad or street railway, if the department determines that the construction or reconstruction of a grade separation or the rearrangement or elimination of a grade crossing or other rearrangement of the highway or tracks is necessary in the interest of public safety or for convenience of public travel, the department shall make a plan of the construction proposed and an estimate of the cost thereof, including the cost of needed right of way; and shall endeavor to make an arrangement with all persons concerned as to all matters involved in the plan, including the portion of the cost of the contemplated work which the persons shall defray. If the department is unable to contract with the persons concerned as to the distribution and payment of the cost of the work or the maintenance thereof, the department shall lay the matter before the transportation commission, and the transportation commission shall review the proceedings and hold a hearing thereon in accordance with ss. 195.28 and 195.29, and shall fix the portion of the cost of the construction and of the maintenance which is to be paid by the persons or corporations concerned, and the portion of the cost, if any, to be paid by the public, which portion shall be paid from the highway construction fund. The transportation commission shall determine the benefits, if any, which will inure to other highways, and apportion and charge to the units of government responsible for the construction of such other highways a fair portion of the cost.

SECTION 1196b. 84.06 (1) of the statutes is amended to read:

84.06 (1) DEFINITIONS, PLANS. "Improvement" or "highway improvement" as used in this section includes construction, reconstruction and the activities, operations and processes incidental to building, fabricating or bettering a highway, public mass transportation system or street, but not maintenance. The Subject to approval under s. 13.489 (8) and (9) where required, the department may prepare plans, estimates and specifications and undertake and perform all surveys, investigations and engineering work for any highway improvement within its jurisdiction. When provision has been made for the necessary funds for any such highway improvement and, if federal aid is to be utilized, when the project has been approved by the proper federal authorities, the department may proceed as provided in this section, with due regard to any applicable federal requirement or regulation.

SECTION 1196e. 84.06 (2) to (4) of the statutes are amended to read:

84.06 (2) BIDS, CONTRACTS. All such highway improvements shall be executed by contract based on bids unless the department finds that another method as provided in sub. (3), (4) or (5) would be more feasible and advantageous. No contract for a project for which approval is required under s. 13.489 (8) and (9) may be entered into until such project approval is obtained. Bids shall be advertised for in the manner determined by the department. The contract shall be awarded to the lowest competent and responsible bidder as determined by the department. If the bid of the lowest competent bidder is determined by the department to be in excess of the estimated reasonable value of the work or not in the public interest, all bids may be rejected. The department shall, so far as reasonable, follow uniform methods of advertising for bids and may prescribe and require uniform forms of bids and contracts. The secretary shall enter into the contract on behalf of the state. Every such contract is exempted from ss. 16.70 to 16.75, 16.755 to 16.82, 16.87 and 16.89, but s. 16.75 applies to the contract. Any such contract involving an expenditure of $1,000 or more shall not be valid until approved by the governor. The secretary may require the attorney general to examine any contract and any bond submitted in connection with the contract and report on its sufficiency of form and execution. The bond required by s. 779.14 for any such contract involving an expenditure of less than $1,000 is exempt from approval by the governor and shall be subject to approval by the secretary. This subsection also applies to contracts with private contractors based on bids for maintenance under s. 84.07.

(3) CONTRACTS WITH COUNTY OR MUNICIPALITY; DIRECT LABOR; MATERIALS. If the department finds that it would be more feasible and advantageous to have the improvement performed by the county in which the proposed improvement is located and without bids, the department may, subject to s. 13.489 (8) and (9) and by arrangement with the county highway committee of the county, enter into a contract satisfactory to the department to have the work done by the county forces and equipment. In such contract the department may authorize the county to purchase, deliver and store materials and may fix the rental rates of small tools and equipment. The contract shall be between the county and the state and shall not be based on bids, and may be entered into on behalf of the county by the county highway committee and on behalf of the state by the secretary. Such contract is exempted from s. 779.14 and from all provisions of chs. 16 and 230, except s. 16.754. If the total estimated indebtedness to be incurred exceeds $5,000 the contract shall not be valid until approved by the governor. The provisions of this subsection relating to agreements between a county and the state shall also authorize and apply to such arrangements between a city, town or a village and the state. In such cases, the governing body of the city, town or village shall enter into the agreement on behalf of the municipality.

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(4) SPECIAL CONTRACTS WITH RAILROADS AND UTILITIES. If an improvement undertaken by the department will cross or affect the property or facilities of a railroad or public utility company, the department may, upon finding that it is feasible and advantageous to the state, arrange to perform portions of the improvement work affecting such facilities or property or perform work of altering, rearranging or relocating such facilities by contract with the railroad or public utility. Such contract shall be between the railroad company or public utility and the state and need not be based on bids. The Subject to approval where required under s. 13.489 (8) and (9), the contract may be entered into on behalf of the state by the secretary. Every such contract is exempted from s. 779.14 and from all provisions of chs. 16 and 230, except s. 16.754. No such contract in which the total estimated debt to be incurred exceeds $5,000 shall be valid until approved by the governor. As used in this subsection, "public utility" means the same as in s. 196.01 and "railroad" means the same as in s. 195.02. "Property" as used in this subsection includes but is not limited to tracks, trestles, signals, grade crossings, rights-of-way, stations, pole lines, plants, substations and other facilities. Nothing in this subsection shall be construed to relieve any railroad or public utility from any financial obligation, expense, duty or responsibility otherwise provided by law relative to such property.

SECTION 1196em. 84.06 (6) of the statutes is amended to read:

84.06 (6) EXCESS COST. Any Subject to approval under s. 13.489 (8) and (9) where required, any excess in construction cost over the funds made available for any piece of work, shall be paid from unobligated funds as the department may determine, and any balance shall be credited to the appropriation from which the work was financed.

SECTION 1196h. 84.09 (8) of the statutes is created to read:

84.09 (8) The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1196j. 84.095 of the statutes is created to read: **Vetoed in Part**

84.095 Priority highway projects. (1) The department and the transportation projects commission shall designate the following major projects as top priority construction projects:

(a) The south Madison beltline; highway 12.

(b) Highway 18 between Ridgeway and Mt. Horeb.

(c) Highway 16 between STH 190 and I 94.

(d) Highway 53 between Rice Lake and Trego.

(e) Highway 51 between the south Marquette county line and the Portage county line.

(f) Highway 50 between STH 83N and I 94.

(g) Highway 172 between Webster and I 94.

(h) Highway 23 between STH 32 and CTH "P".

(i) Highway 45 between Richfield and West Bend.

(j) Highway 16 and 67 between Oconomowoc and Pewaukee.

(k) Mequon road; highway 167.

(L) Highway 16 between La Crosse and I 90.

(m) Highway 151 between Fond du Lac and Beebles.

(n) The Tri-county expressway as described under chapter ... (this act), laws of 1981, section 1837g.

(2) The department, to the extent feasible, shall proceed with the projects in the same order as is set forth in sub. (1) (a) to (n).

SECTION 1196n. 84.11 (7) of the statutes is amended to read:

84.11 (7) EXECUTION AND CONTROL OF WORK. Subject to s. 13.489 (8) and (9) and to the control and supervision over the navigable waters of the state conferred by law upon the department of natural resources, and the control exercised by the United States, the construction under this section of any bridge project shall be wholly under the supervision and control of the department. The secretary shall make and execute all contracts and have complete supervision over all matters pertaining to such construction and shall have the power to suspend or discontinue proceedings or construction relative to any bridge project at any time in the event any county, city, village or town fails to pay the amount required of it as to any project eligible to construction under sub. (1) (a) or offered by it as to any project eligible to construction under sub. (1) (b), or in the event the secretary determines that sufficient funds to pay the state's part of the cost of such bridge project are not available. All moneys provided by counties, cities, villages and towns shall be deposited in the state treasury, when required by the secretary, and paid out on order of the secretary. Any of such moneys deposited for a project eligible to construction under sub. (1) (a) which remain in the state treasury after the completion of such project shall be repaid to the respective counties, cities, villages and towns in such amounts as to result in the distribution provided in sub. (6) (a) and (am).

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VETOED

SECTION 1196o. 84.12 (7) of the statutes is amended to read:

84.12 (7) EXECUTION AND CONTROL OF WORK. Subject to s. 13.489 (8) and (9) and to the control and supervision over the navigable waters of the state conferred upon the department of natural resources, and the control exercised by the United States, the construction under this section of any bridge project shall be under the joint supervision and control of the department and of the transportation department of the other state concerned. If the transportation department of the other state is not authorized to act jointly with this state in such bridge project arrangements may be made with such subdivisions of the other state as may have proper authority, represented by their proper officers. Control shall be exercised in the manner deemed most expedient by the secretary and such department or by the secretary and the officers of the subdivisions of the other state concerned in the construction. Contracts for the construction of said bridge projects may be made and executed by the secretary and the transportation department of the other state jointly, or jointly by the secretary and such subdivisions of the other state as may participate in the construction, or by appropriate agreement between the parties with respect to financing and control of the work, the authority of either state may contract for all or part of the construction. The secretary may suspend or discontinue proceedings or construction relative to any bridge project at any time in the event any county, city, village or town fails to pay the amount required of it as to any project eligible to construction under sub. (1) (a) or offered by it as to any project eligible to construction under sub. (1) (b), or in the event the secretary determines that sufficient funds to pay the state's part of the cost of the bridge project are not available. All moneys available from this state, or its subdivisions, shall be deposited in the state treasury when required by the secretary and shall be paid out only upon the order of the secretary. Moneys deposited by such subdivisions which remain in the state treasury after the completion of such project shall be repaid to the respective subdivisions in the proportion paid in.

VETOED

SECTION 1196p. 84.12 (9) (b) (intro.) of the statutes is amended to read:

84.12 (9) (b) (intro.) The department shall within 60 days after the conclusion of such hearing submit a full report of findings and conclusions to the secretary of transportation and the governor. Such findings and conclusions may be based on evidence secured by the department in any form and is not limited to facts determined from evidence at the public hearing mentioned above. If it is determined that it is in the best interest of the economy and welfare of the state that such bridge be constructed at a location agreeable to the department and the highway department of the adjoining state, and such determination is approved under s. 13.489 (8) and (9) where required and by the secretary of transportation and the governor, the following is authorized:

SECTION 1196q. 84.13 (intro.) of the statutes is amended to read:

84.13 Purchase of toll bridges. (intro.) Any toll bridge eligible to be reconstructed as a free bridge under s. 84.11 or 84.12, may be purchased under such section and made a free bridge, and the procedure in such case, including approval under s. 13.489 (8) and (9) where required, so far as applicable, shall be the same as for the construction or reconstruction of bridges. If the department is unable to agree with the owners of such toll bridge as to purchase price, the said toll bridge may be condemned, by exercising the right of eminent domain, in the following manner:

SECTION 1196r. 84.135 (7) of the statutes is created to read:

84.135 (7) The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1196s. 84.14 (1) of the statutes is amended to read:

84.14 (1) ORDER OF CONSTRUCTION. The department shall hold hearings on proposed bridge projects under ss. 84.11 and 84.12 in the order in which they are initiated. ~~The~~ Subject to approval under s. 13.489 (8) and (9) if required, the secretary shall allot aid for the construction, reconstruction or purchase of bridges and the department may undertake such projects in the order the secretary deems advisable.

SECTION 1196t. 84.15 (1) of the statutes is amended to read:

84.15 (1) MAINTENANCE AND OPERATION OF INTRASTATE BRIDGES. ~~All~~ Subject to approval under s. 13.489 (8) and (9) where required, all matters relating to the maintenance and operation of bridges constructed, reconstructed or purchased under s. 84.11 shall be under the jurisdiction and complete control of the department and the cost of such maintenance and operation thereof shall be the direct obligation of the state. Such portion of the approaches as may be determined by the department shall be considered a part of such bridge for maintenance and operation purposes. The portion of the approaches or highway not considered a part of such bridge for maintenance and operation purposes as determined by the department shall be maintained by the town, city or village in which it lies but this provision shall not diminish or otherwise affect the duty of the county with respect to the county trunk highways or the state with respect to the state trunk highways. Authority is given the department to carry fire or tornado insurance, or both, on bridges where such hazard exists and the premium on such insurance shall be included as a portion of such maintenance and operation costs.

Vetoed in Part

SECTION 1197m. 84.25 (3) of the statutes is amended to read: **Vetoed in Part**

84.25 (3) CONSTRUCTION; OTHER POWERS OF DEPARTMENT. In order to provide for the public safety, convenience and the general welfare, the department may use an existing highway or provide new and additional facilities for a controlled-access highway and so design the same and its appurtenances, and so regulate, restrict or prohibit access to or departure from it as the department deems necessary or desirable. ~~The~~ Subject to approval under s. 13.489 (8) and (9), where required, the department may eliminate intersections at grade of controlled-access highways with existing highways or streets, by grade separation or service road, or by closing off such roads and streets at the right-of-way boundary line of such controlled-access highway and may divide and separate any controlled-access highway into separate roadways or lanes by raised curbings, dividing sections or other physical separations or by signs, markers, stripes or other suitable devices, and may execute any construction necessary in the development of a controlled-access highway including service roads or separation of grade structures.

Vetoed in Part

SECTION 1199b. 84.29 (9) of the statutes is created to read: **Vetoed in Part**

84.29 (9) APPROVAL REQUIRED. The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1199d. 84.295 (11) of the statutes is created to read:

84.295 (11) APPROVAL REQUIRED. The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1199h. 84.51 (4) of the statutes is created to read: **Vetoed in Part**

84.51 (4) The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1199j. 84.52 (1) of the statutes is amended to read:

84.52 (1) The secretary, with the approval of the governor and subject to the limits of s. 20.866 (2) (ng), may direct that state debt be contracted for the construction of bridges as set forth in ~~sub.~~ subs. (2) and (3) and subject to the limits set therein. Said debts shall be contracted in accordance with ch. 18.

VETOED

SECTION 1199L. 84.52 (3) of the statutes is created to read:

84.52 (3) The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1199n. 84.53 (1) of the statutes is amended to read:

84.53 (1) The secretary with the approval of the governor, subject to the limits of s. 20.866 (2) (nt), may direct that state debt be contracted for the matching of federal aid as set forth in ~~sub.~~ subs. (2) and (3) and subject to the limits set therein. Said debt shall be contracted in accordance with ch. 18.

SECTION 1199p. 84.53 (3) of the statutes is created to read:

84.53 (3) The department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1223m. 85.08 (8) of the statutes is created to read: **Vetoed in Part**

85.08 (8) APPROVAL REQUIRED. The department may not authorize the expenditure of moneys under this section, except for railroad service continuation under sub. (4) and the emergency fixed facility repair loans under sub. (4m) (f), for any project requiring approval under s. 13.489 (8) and (9) until such approval is obtained.

SECTION 1224. 85.09 (2) of the statutes is amended to read: **Vetoed in Part**

85.09 (2) (title) FIRST RIGHT OF ACQUISITION. The department shall have the first right to acquire, subject to s. 13.489 (8) and (9), for present or future transportational, recreational or scenic purposes, any property used in operating a railroad or railway including ~~rights-of-way~~ land and rails, ties, switches, trestles, bridges and the like located thereon, which has been abandoned. Acquisition may be by gift, purchase or condemnation in accordance with the procedure under s. 32.05. No person owning such abandoned property, including any person to whom ownership reverts upon abandonment, may convey or dispose of any abandoned property without first obtaining a written statement from the department indicating that it does not intend to exercise its right to acquire the property. No railroad or railway may convey any such property prior to abandonment if that property is part of a rail line shown on the railroad's system map as in the process of abandonment, expected to be abandoned or under study for possible abandonment unless the conveyance or disposal is for the purpose of providing continued rail service under another company or agency. Any conveyance made without obtaining such release is void. The department's first right of acquisition under this subsection does not apply to any railroad property declared by the department to be abandoned before January 1, 1977. The department may acquire any abandoned property under this section regardless of the date of its abandonment.

SECTION 1230m. 85.095 (2) (intro.) of the statutes is amended to read: **Vetoed in Part**

85.095 (2) ADMINISTRATION. (intro.) The department, in consultation with the Wisconsin coastal management council created under s. 14.019, shall administer the harbor assistance program and shall have the following powers, subject to project approval under s. 13.489 (8) and (9), where required:

SECTION 1325b. 114.32 (6) of the statutes is created to read:

114.32 (6) APPROVAL REQUIRED. The secretary or department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) or (9) until such approval is obtained.

SECTION 1325c. 114.33 (13) of the statutes is created to read:

114.33 (13) The secretary or department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) or (9) until such approval is obtained.

SECTION 1325d. 114.34 (4) of the statutes is created to read:

114.34 (4) The secretary or department may not authorize the expenditure of moneys under this section for any project requiring approval under s. 13.489 (8) or (9) until such approval is obtained.

SECTION 1325e. 114.35 of the statutes is amended to read:

114.35 Federal aid; state and local funds. It is declared to be the policy of the state to promote the development of an airport system in this state and to promote the development of joint airports in this state and in adjoining states which mutually benefit citizens of this state and those of adjoining states. The Subject to approval under s. 13.489 (8) and (9) where required, the secretary shall use the amount provided by the state to assist sponsors in matching the federal aid that may become available to the state or available for specific projects or joint projects within this state or in an adjoining state and to aid sponsors in the development of approved projects on the state system or said joint projects independent of federal aid and for airmarking and air navigation facilities.

SECTION 1504m. 195.28 (5) of the statutes is created to read: **Vetoed in Part**

195.28 (5) APPROVAL REQUIRED. If an order of the transportation commission affecting a transportation project requires approval under s. 13.489 (8) and (9), the order is not effective unless approved under s. 13.489 (8) and (9).

SECTION 1504s. 195.29 (9) of the statutes is created to read:

195.29 (9) APPROVAL REQUIRED. If an order of the transportation commission affecting a transportation project requires approval under s. 13.489 (8) and (9), the order is not effective unless approved under s. 13.489 (8) and (9).

SECTION 2201. **Program responsibility changes.**

(51) TRANSPORTATION.

(b) *Transportation projects commission assistance.* **Vetoed in Part**

A	B	C
Statute Sections	References Deleted	References Inserted
15.461 (intro.)	none	13.489

SECTION 2203. **Initial applicability.**

(51) TRANSPORTATION.

(u) *Transportation projects approval.* Section 13.489 (8) and (9) of the statutes, as created by this act, first applies to approval of transportation projects for the 1983-85 fiscal biennium. **Vetoed in Part**

(v) *Transportation projects, approval required.* The treatment of sections 84.01 (2), (15), (17), (18) (d) and (27), 84.03 (3), (a) and (9) (a), 84.05, 84.06 (1) to (4), and (6), 84.09 (8), 84.11 (7), 84.12 (7), (9) (b) (intro.), 84.13 (intro.), 84.135 (7), 84.14 (1), 84.15 (1), 84.25 (3), 84.29 (9), 84.295 (11), 84.31 (1) and (4), 84.32 (1) and (3), 84.53 (1) and (3), 85.08 (8), 85.09 (2), 85.095 (2) (intro.), 114.32 (6), 114.33 (13), 114.34 (4), 114.35, 195.28 (5) and 195.29 (9) of the statutes by this act first applies to transportation projects for the 1983-85 biennium.

Subject Area 15. UNIVERSITY OF WISCONSIN

Item 15-A: Center System Custodial Transfer

Governor's written objections.

Section 2053 (4)

This veto deletes the authority of the University of Wisconsin System to transfer 29.4 Center System custodial positions from county to state employment. These employes have been designated as county employes since the UW merger years ago. There is no compelling reason for changing them to state employes now.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 2053 (4) of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

15-A: *Center System Custodial Transfer* [Chapter 20 Sections: 2053 (4)].

As passed by the Legislature, the biennial budget authorized the transfer of 29.4 custodial positions at the Baraboo, Manitowoc, Sheboygan and Waukesha campuses from county to state employment and specified that service in county employment be treated as state service. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 2053. **Nonstatutory provisions; University of Wisconsin system.**

Vetoed in Part

(4) CENTER SYSTEM CUSTODIAL POSITIONS. The 29.4 county custodial positions at the university of Wisconsin system centers at Baraboo, Manitowoc, Sheboygan and Waukesha, funded on the effective date of this act on a contract basis with the university of Wisconsin system, may be transferred to the state classified service under section 230.15 (1) of the statutes. The administrator of the division of personnel in the department of employment relations shall determine eligibility, pay, benefits and status for those employes who choose to transfer by considering their years of service under contract to the university of Wisconsin system as years of service in the state classified service, but no cash payments may be made by the state to or on behalf of the employes for accrued benefits under county employment. The authority to transfer under this subsection extends only until June 30, 1982.

Subject Area 15. UNIVERSITY OF WISCONSIN

Item 15-B: LaFollette Institute

Governor's written objections.

Sections 674g, 2052 (5)

This veto deletes the mandate that the Board of Regents create a Robert M. LaFollette Institute of Public Affairs at the University of Wisconsin — Madison. Instead it requires the University of Wisconsin, rather than the Madison Chancellor to study and report to the Legislature on the creation of a LaFollette School of Public Affairs. It also deletes the requirement that the report be submitted by September 1, 1982. It is, I believe, inappropriate for the Legislature to mandate programs at specific campuses without consultation with the Board of Regents. The Regents have a process for reviewing and developing academic programs. That process should be respected.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 674g and 2052 (5) of the Bill. However, no language was vetoed in SEC. 2052 in the Act delivered to the Secretary of State. It appears that the language vetoed in SEC. 2053 (5) was meant to be included in this item.

Referred to the Committee on Rules.

Fiscal Bureau summary.

15-B: *La Follette Institute* [Chapter 20 Sections: 674g and 2053 (5)].

As passed by the Legislature, the biennial budget directed the board of Regents to establish a Robert M. La Follette Institute of Public Affairs and provided $142,000 ($102,200 GPR, $39,800 PR) to fund the Institute. In addition, the chancellor of the Madison campus was directed to study the establishment of a Robert M. La Follette school of public affairs at the Madison campus and to report to the Legislature and the Governor by September 1, 1982. The Governor's item vetoes deleted the provision establishing an Institute of Public Affairs and modified the study provisions by deleting reference to the Madison campus and chancellor and the study reporting date, thereby, delegating determination of those items to the Board of Regents. GPR funding provided for the Institute would lapse to the general fund in the amounts of $25,200 in 1981-82 and $77,000 in 1982-83.

FISCAL CHANGE TO ENROLLED AB 66: -$102,200 GPR

Cited segments of 1981 AB-66.

~~SECTION 674g. 36.25 (23) of the statutes is created to read:~~ **Vetoed in Part**

~~36.25 (23) ROBERT M. LA FOLLETTE INSTITUTE OF PUBLIC AFFAIRS. The board shall create the Robert M. La Follette institute of public affairs at the university of Wisconsin-Madison to promote the study of government and public policy in this state.~~

SECTION 2053. **Nonstatutory provisions; university of Wisconsin system.**

(5) ROBERT M. LA FOLLETTE SCHOOL OF PUBLIC AFFAIRS. The ~~chancellor of the~~ university of Wisconsin~~-Madison~~ shall conduct a study regarding the establishment of a Robert M. La Follette school of public affairs ~~at the university of Wisconsin-Madison to promote the study of government and public policy in this state. The chancellor shall~~ report ~~his or her~~ findings and recommendations to the governor and the appropriate standing committees of the legislature, as determined by the presiding officer of each house~~, by September 1, 1982~~. **Vetoed in Part**

Subject Area 15. UNIVERSITY OF WISCONSIN

Item 15-C: Law School

Governor's written objections.

Section 674b

This veto deletes the requirement that the University of Wisconsin — Madison Law School admit special, non-degree students to any law school course if the instructor permits. Admission requirements to the Law School or any school in the University System is the proper function of the Board of Regents.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 674b of the Bill.

Referred to the Committee on Rules.

Fiscal Bureau summary.

15-C: *Law School* [Chapter 20 Sections: 674b].

As passed by the Legislature, the biennial budget required the Law School to admit special, nondegree students to any of its courses if the instructor of the course approves their admission. The Governor's item veto deletes this provision.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 674b. 36.25 (21) (d) of the statutes is created to read. **Vetoed in Part**

36.25 (21) (d) Admit special, nondegree students to any course if the course instructor approves their admission.

Subject Area 16. VTAE

Item 16-A: Certification of District Budgets

Governor's written objections.

Sections 679, 679g, 679h

This veto deletes the requirement that the State VTAE Board certify that local vocational budgets are within cost controls before the local boards may levy a property tax. It is an administratively burdensome requirement that will not really achieve the goal sought because the State Board is no better able than are local boards to estimate FTE counts at the time certification is required. The State Board is given new authority in other sections of the bill which will permit better supervision of district expenditures so that districts do not exceed cost control limits.

Speaker's referral.

According to the Governor's veto message, this item is comprised of the language vetoed in SECS. 679, 679g and 679h. However, there is no SEC. 679h. It appears that this item should include instead the language vetoed in SEC. 682h.

Referred to the Committee on Education.

Fiscal Bureau summary.

16-A: *Certification of District Budgets* [Chapter 20 Sections: 679, 679g, 682h].

As passed by the Legislature, the biennial budget prohibited district vocational boards from certifying the property tax levy unless the budget on which the levy is based is within the cost control limitation. The budget provisions specified a process whereby the State Board would review updated budget and enrollment data submitted by the districts and determine whether each vocational district budget complied with cost controls. The Governor's item veto deleted these provisions from the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 679. 38.16 (1) of the statutes is amended to read: **Vetoed in Part**

38.16 (1) ~~Annually~~ [Annually] ~~Subject to sub. (3), annually~~ by October 31, or within 10 days after receipt of the equalized valuations from the department of revenue, whichever is later, the district board may levy a tax, not exceeding 1.5 mills on the full value of the taxable property of the district, for the purpose of making capital improvements, acquiring equipment and operating and maintaining the schools of the district, except that the mill limitation is not applicable to taxes levied for the purpose of paying principal and interest on valid bonds or notes now or hereafter outstanding as provided in s. 67.035. The district board secretary shall file with the clerk of each city, village and town, any part of which is located in the district, a certified statement showing the amount of the levy and the proportionate amount of the tax to be spread upon the tax rolls for collection in each city, village and town. Such proportion shall be ascertained on the basis of the ratio of full value of the taxable property of that part of the city, village or town located in the district to the full value of all taxable property in the district, as certified to the district board secretary by the department of revenue. ~~The valuations certified by the department shall include the adjustments for merchants' stock-in-trade, manufacturers' materials and finished products and livestock under s. 70.57 (5).~~ Upon receipt of the certified statement from the district board secretary, the clerk of each city, village and town shall spread the amounts thereof upon the tax rolls for collection. When the taxes are collected, such amounts shall be paid by the treasurer of each city, village and town to the district board treasurer.

~~SECTION 679g. 38.16 (3) of the statutes is created to read:~~ **Vetoed in Part**

~~38.16 (3) No district board may levy a tax under this section until the board has reviewed the district's allowable budget under s. 38.29 and determined that the budget on which the levy is to be based is within district budget limitations under s. 38.29.~~

~~SECTION 682h. 38.29 (1m) of the statutes is created to read:~~ **Vetoed in Part**

~~38.29 (1m) Annually by September 15, the district board secretary shall submit to the board the approved budget, revised full-time equivalent enrollment projections and data necessary for the~~

~~calculation of the district's allowable budget under this section. The current school year summer and fall enrollment shall be included in this report to assist the board in determining whether the enrollment projections are reasonable for district budgeting. Annually by October 5, the board shall review each district's allowable budget limit, determine whether the district budget is within the requirements under s. 38.29 and notify the district board of its findings.~~

Subject Area 16. VTAE

Item 16-B: Contracting for Services — Private

Governor's written objections.

Section 678m

This section deals with the costs the VTAE system must charge businesses for consulting and training services. My veto returns us to current law which allows the instructional resources of the VTAE system to be used to assist and attract new business and industry to Wisconsin at less than full cost of the services provided. This is advisable both to insure VTAE flexibility to address local needs and as an economic development tool available to local governments to help assure a trained work force.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 678m. However, this SECTION is also affected by **Item 16-C** (Contracting for Services — Public Schools). Consequently, it appears that this item is limited to the language vetoed in s. 38.14 (3) (b) as shown in SEC. 678m.

Referred to the Committee on Education.

Fiscal Bureau summary.

16-B: *Contracting for Services — Private* [Chapter 20 Sections: 678m (s. 38.14 (3) (b)].

As passed by the Legislature, the biennial budget granted specific statutory authority for vocational districts to enter into contracts with private educational institutions, industries and businesses to provide consulting and services but required that the vocational system recover the full direct cost of such services from these institutions. The Governor's item veto deleted the requirement for these contracts to provide for the payment of full direct costs. The effect of the Governor's veto is to permit vocational districts discretion on the cost sharing ratio between user fees and the property tax subsidy for each contract with private institutions.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 678m. 38.14 (3) of the statutes is repealed and recreated to read:

38.14 (3)

Vetoed in Part

(b) The district board may enter into contracts to provide services to private educational institutions, industries and businesses ~~if the contracts provide for the payment of full direct costs of the services. Full direct costs include instructional, instructional resources and student services function costs~~.

Subject Area 16. VTAE

Item 16-C: Contracting for Services — Public Schools

Governor's written objections.

Section 678m

This deletion permits local VTAE districts to provide services to public schools at cost rates agreed upon between the public school and the VTAE district. There is no reason for the state to impose arbitrary standards which inhibit local school and VTAE district contracting.

Speaker's referral.

According to the Governor's veto message, this item is comprised of SEC. 678m. As noted above, however, this SECTION is affected by two items. Consequently, it appears that this item is intended to be comprised only of the language vetoed in s. 38.14 (3) (a) as shown in SEC. 678m of the Bill.

Referred to the Committee on Education.

Fiscal Bureau summary.

16-C: *Contracting for Services — Public Schools* [Chapter 20 Sections: 678m (s. 38.14 (3) (a)].

As passed by the Legislature, the biennial budget enacted a statutory minimum cost recovery rate, at 50% of instructional cost, for contracts between vocational districts and public school districts, which are primarily for the instruction of high school students. The Governor's item veto deleted references to a cost recovery rate for these types of contracts for services, thereby permitting the school and vocational districts to negotiate these rates. Since the vocational programs covered under these contracts are not eligible for state vocational aid, changes in the cost recovery rate would effect vocational property tax levels.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 678m. 38.14 (3) of the statutes is repealed and recreated to read: **Vetoed in Part**

38.14 (3) CONTRACTS FOR SERVICES. (a) The district board may enter into contracts to provide services to public educational institutions and local governmental bodies ~~if the contracts provide for the payment of at least 50% of the instructional function costs of the services~~.

Subject Area 16. VTAE

Item 16-D: Deputy Director

Governor's written objections.

Section 1521

This is a technical veto to delete all references to a deputy director position in VTAE. The authorization for the position was deleted in the bill. This reference in DER was missed in drafting.

Speaker's referral.

This item is comprised of the language vetoed in SEC. 1521 of the Bill.

Referred to the Committee on Education.

Fiscal Bureau summary.

16-D: *Deputy Director* [Chapter 20 Sections: 1521].

As passed by the Legislature, the biennial budget provided no authority for a deputy director for the State Board of Vocational, Technical and Adult Education. One reference to this position, which had been included earlier in the budget process, was inadvertently drafted as part of Enrolled AB 66. The Governor's item veto removes the reference and corrects this technical error in the bill.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

~~SECTION 1521. 230.08 (2) (L) 8 of the statutes is created to read:~~
~~230.08 (2) (L) 8. Board of vocational, technical and adult education.~~ **Vetoed in Part**

Subject Area 17. VETOES NOT DESCRIBED OR EXPLAINED

Item 17 A. Unfair Trade Practices in the Home Insulation Industry

Governor's written objections.

[No information for this PART of this item.]

Speaker's referral.

In the copy of the Bill delivered to the Secretary of State, the Governor purported to veto SEC. 1274gm of the Bill. This SECTION would create s. 100.215, *Stats.*, which would require the Department of Agriculture, Trade and Consumer Protection to establish rules regulating home insulation trade practices. This SECTION number was not referenced in the Governor's veto message and the Governor's objections to the SECTION are not found in the message.

A request has been made to the Attorney General for a formal opinion on the effectiveness of vetoes which are not referenced and explained in a veto message.

Referred to the Committee on Energy.

Fiscal Bureau summary.

17-A: *Unfair Trade Practices in the Home Insulation Industry* [Chapter 20 Sections: 1274gm].

As passed by the Legislature, the 1981-83 biennial budget would have required the Department of Agriculture, Trade and Consumer Protection to establish laboratory insulation testing capabilities, including the adoption of rules to regulate home insulation trade practices. The Governor's veto of this item would delete the requirement that the Department adopt these rules.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 1274gm. 100.215 of the statutes is created to read:

100.215 Unfair trade practices in the insulation industry. The department shall establish rules regulating home insulation trade practices. The rules shall include, without limitation because of enumeration:

(1) Standards for the type and amount of insulation to be installed.

(2) Standards for measuring compliance with the contract and warranty provisions protecting a consumer.

(3) Standards for safe installation of insulation and provision for the correction of unsafe installations.

Subject Area 17. VETOES NOT DESCRIBED OR EXPLAINED

Item 17 B. Section 20.370 (1) (kr) — DNR Resource Acquisition and Development

Governor's written objections.

[No information for this PART of this item.]

Speaker's referral.

In the appropriation schedule in SEC. 120sm as shown in the copy of the Act delivered to the Secretary of State, the Governor has purported to veto the s. 20.370 (1) (kr) appropriation line. This veto does not appear to be referenced or explained in the Governor's veto message. In addition, SEC. 202p, which was not vetoed and is now law, creates this appropriation as a sum sufficient.

As noted above, a formal opinion of the Attorney General has been sought about the effectiveness of unreferenced and unexplained vetoes. Whether or not such vetoes are effective generally, this one would appear to be particularly ineffective because sum sufficient appropriations are not governed by the appropriation schedule contained in the statutes.

Referred to the Joint Committee on Finance.

Fiscal Bureau summary.

17-B: *Debt Service Appropriation for the Pheasant Propagation Facility Project Bonding Authorization* [Chapter 20 Sections: 120sm (s. 20.370 (1) (kr))].

As passed by the Legislature, the 1981-83 biennial budget creates a separate sum sufficient segregated revenue (SEG) debt service (principal repayment and interest) appropriation to retire the bonding authorization ($1,006,300 BR) provided for the Department of Natural Resources Pheasant Propagation Facility Project. The estimated debt service payment amount in the 1981-83 biennium for this project was identified as $40,000 SEG in the appropriation schedule of the budget bill under Section 120sm (s. 20.370 (1) (kr)). The Governor's veto of this item deleted the appropriation title and the $40,000 SEG amount identified in the appropriation schedule of Chapter 20, but did not veto the creation of this separate SEG debt service appropriation.

FISCAL CHANGE TO ENROLLED AB 66: None

Cited segments of 1981 AB-66.

SECTION 120sm.

STATUTE, AGENCY and PURPOSE	SOURCE TYPE	1981-82	1982-83	
20.370 NATURAL RESOURCES, DEPARTMENT OF				
(1) RESOURCE MANAGEMENT				
(kr) Resource acq. and development-principal repay. & int.	SEG	S	0	40,000 Vetoed in Part

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