

2007 – 2008 LEGISLATURE
March 2008 Special Session

LRBs0378/1
ALL:all:all

CONFERENCE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 1

May 12, 2008 – Offered by COMMITTEE OF CONFERENCE ON MARCH 2008 SPECIAL
SESSION ASSEMBLY BILL 1.

1 AN ACT *to repeal* 16.526, 20.505 (1) (sd), 20.505 (1) (sh), 20.505 (1) (sm), 20.505
2 (1) (sp), 25.17 (1) (es) and 25.59; *to renumber* 40.08 (2), 71.34 (1) and 71.42 (1);
3 *to renumber and amend* 71.26 (2) (a), 79.04 (4m) and 946.42 (1) (a); *to amend*
4 13.101 (6) (a), 13.40 (3) (b), 16.50 (1) (b), 16.518 (title), 16.52 (10), 16.527 (title),
5 16.527 (1), 16.527 (3) (b) 2. and 3., 16.527 (10), 16.63 (2), 20.003 (4) (ft), 20.003
6 (4) (fv), 20.505 (1) (br), 20.505 (1) (iq), 20.835 (1) (d), 20.866 (2) (uur), 25.69,
7 49.175 (1) (p), 66.0721 (title), 66.0721 (2), 66.0721 (3), 70.11 (intro.), 70.11 (4),
8 71.05 (6) (a) 15., 71.30 (2), 71.45 (2) (a) 10., 71.80 (1) (b), 86.30 (2) (e), 100.52 (1)
9 (f), 118.14 (title), 118.153 (4) (b), 121.004 (7) (c) 1. (intro.), 121.004 (7) (cm),
10 121.007, 121.15 (1m) (a) 3., 121.15 (1m) (b), 350.12 (3j) (b), 628.348 (1) and
11 973.01 (2) (c) 2. a.; *to create* 16.518 (2m), 16.518 (3) (b) 3., 16.527 (1) (b), 16.527
12 (2) (d), 16.527 (2) (e), 16.527 (3) (c), 16.527 (8) (f), 20.255 (2) (at), 20.505 (1) (bq),
13 20.505 (1) (iw), 23.225, 23.245, 40.02 (48g), 40.05 (4r), 40.08 (2) (b), 40.80 (2t).

1 interest, from the date the eligible farmland or camp has not been devoted
2 exclusively to agricultural use or exclusively to use as a camp for a period of at least
3 one year, on the special assessment at an annual rate that does not exceed the
4 average interest rate paid by the district or town on its obligations between the time
5 the district or town first levies a special assessment for the construction of a sewerage
6 or water system in the service area in which the eligible farmland or camp is located
7 and the time it levies the special assessment on that eligible farmland or camp. This
8 paragraph does not apply to any land unless the town or special purpose district
9 records a lien on that eligible farmland or camp in the office of the register of deeds
10 within 90 days after it first levies a special assessment for the construction of a
11 sewerage or water system in the service area in which the eligible farmland or camp
12 is located, describing the exemption under sub. (2) and the potential for a special
13 assessment under this paragraph.

14 **SECTION 49.** 70.11 (intro.) of the statutes is amended to read:

15 **70.11 Property exempted from taxation.** (intro.) The property described
16 in this section is exempted from general property taxes if the property is exempt
17 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and
18 its use, occupancy or ownership did not change in a way that makes it taxable; if the
19 property was taxable for the previous year, the use, occupancy or ownership of the
20 property changed in a way that makes it exempt and its owner, on or before March 1,
21 files with the assessor of the taxation district where the property is located a form
22 that the department of revenue prescribes or if the property did not exist in the
23 previous year and its owner, on or before March 1, files with the assessor of the
24 taxation district where the property is located a form that the department of revenue
25 prescribes. ~~Leasing~~ Except as provided in sub. (4a) (e), leasing a part of the property

1 described in this section does not render it taxable if the lessor uses all of the
2 leasehold income for maintenance of the leased property or construction debt
3 retirement of the leased property, or both, and, except for residential housing, if the
4 lessee would be exempt from taxation under this chapter if it owned the property.
5 Any lessor who claims that leased property is exempt from taxation under this
6 chapter shall, upon request by the tax assessor, provide records relating to the
7 lessor's use of the income from the leased property. Property exempted from general
8 property taxes is:

9 **SECTION 50.** 70.11 (4) of the statutes is amended to read:

10 **70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;**
11 **HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES.** Property owned and used exclusively
12 by educational institutions offering regular courses 6 months in the year; or by
13 churches or religious, educational or benevolent associations, including benevolent
14 nursing homes and retirement homes for the aged but not including an organization
15 that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health
16 maintenance organization as defined in s. 609.01 (2) or a limited service health
17 organization as defined in s. 609.01 (3) or an organization that is issued a certificate
18 of authority under ch. 618 and that offers a health maintenance organization or a
19 limited service health organization and not including property owned by any
20 nonstock, nonprofit corporation which services guaranteed student loans for others
21 or on its own account, and also including property owned and used for housing for
22 pastors and their ordained assistants, members of religious orders and communities,
23 and ordained teachers, whether or not contiguous to and a part of other property
24 owned and used by such associations or churches, and also including property that
25 is low-income housing, as defined under sub. (4a) (a); or by women's clubs; or by

1 domestic, incorporated historical societies; or by domestic, incorporated, free public
2 library associations; or by fraternal societies operating under the lodge system
3 (except university, college and high school fraternities and sororities), but not
4 exceeding 10 acres of land necessary for location and convenience of buildings while
5 such property is not used for profit. Property owned by churches or religious
6 associations necessary for location and convenience of buildings, used for
7 educational purposes and not for profit, shall not be subject to the 10-acre limitation
8 but shall be subject to a 30-acre limitation. Property owned by churches or religious
9 or benevolent associations necessary for location and convenience of buildings, used
10 for a low-income housing project, as defined under sub. (4a) (b), including other
11 low-income housing projects under common control with such project, shall not be
12 subject to the 10-acre limitation but shall be subject to a limitation of 30 acres and
13 a limitation of 10 contiguous acres in any one municipality. Property that is exempt
14 from taxation under this subsection and is leased remains exempt from taxation only
15 if, in addition to the requirements specified in the introductory phrase of this section,
16 the lessee does not discriminate on the basis of race.

17 **SECTION 51.** 70.11 (4a) of the statutes is created to read:

18 70.11 **(4a)** LOW-INCOME HOUSING. (a) For purposes of sub. (4), “low-income
19 housing” means any housing project described in sub. (4b) or any residential unit
20 within a low-income housing project that is occupied by a low-income or very
21 low-income person or is vacant and is only available to such persons.

22 (b) For purposes of this subsection and sub. (4), “low-income housing project”
23 means a residential housing project for which all of the following apply:

1 1. At least 75 percent of the occupied residential units are occupied by
2 low-income or very low-income persons or are vacant and available only to
3 low-income or very low-income persons.

4 2. At least one of the following applies:

5 a. At least 20 percent of the residential units are rented to persons who are very
6 low-income persons or are vacant and are only available to such persons.

7 b. At least 40 percent of the residential units are rented to persons whose
8 income does not exceed 120 percent of the very low-income limit or are vacant and
9 only available to such persons.

10 (c) For purposes of this subsection, low-income persons and very low-income
11 persons shall be determined in accordance with the income limits published by the
12 federal department of housing and urban development for low-income and very
13 low-income families under the National Housing Act of 1937.

14 (d) For purposes of this subsection and sub. (4), all properties included within
15 the same federal department of housing and urban development contract or within
16 the same federal department of agriculture, rural development, contract are
17 considered to be one low-income housing project.

18 (e) Leasing property that is exempt from taxation under sub. (4) as low-income
19 housing does not render it taxable if the lessor uses all of the leasehold income from
20 the property for any of the following reasonable expenditures directly related to the
21 low-income housing project to which the property belongs, except that the lessor may
22 use up to 10 percent of the leasehold income for any of the following reasonable
23 expenditures directly related to any other low-income housing project under
24 common control with that project and located in this state, and except that the lessor
25 may use any of the leasehold income for debt service for any other low-income

1 housing project under common control with that project, under the same mortgage,
2 and located in this state and such amount is not considered for purposes of the 10
3 percent maximum described in this paragraph:

- 4 1. Maintenance.
- 5 2. Capital replacements.
- 6 3. Insurance premiums.
- 7 4. Project management.
- 8 5. Debt retirement.
- 9 6. Moneys reserved for project–related purposes.
- 10 7. General and administrative expenses.
- 11 8. Social services and other resident services provided at the project.
- 12 9. Utilities.
- 13 10. Financing costs.
- 14 11. Any other expenditure related to preserving and managing the project.
- 15 12. Any other similar project–related expenditure.

16 (f) 1. Annually, no later than March 1, each person who owns a low–income
17 housing project shall file with the assessor of the taxation district in which the project
18 is located a statement that specifies which units were occupied on January 1 of that
19 year by persons whose income satisfied the income limit requirements under par. (a),
20 as certified by the property owner to the appropriate federal or state agency, and a
21 copy of the federal department of housing and urban development contract or federal
22 department of agriculture, rural development, contract, if applicable.

23 2. The format and distribution of statements under this paragraph shall be
24 governed by s. 70.09 (3).

1 3. If the statement required under this paragraph is not received on or before
2 March 1, the taxation district assessor shall send the property owner a notice, by
3 certified mail to the owner's last known address of record, stating that failure to file
4 a statement is subject to the penalties under subd. 5.

5 4. In addition to the statement under subd. 1., the taxation district assessor
6 may require that a property owner submit other information to prove that the
7 person's property qualifies as low-income housing that is exempt from taxation
8 under sub. (4).

9 5. A person who fails to file a statement within 30 days after notification under
10 subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received
11 by the taxation district assessor, but not more than \$500.

12 **SECTION 52.** 70.11 (4b) of the statutes is created to read:

13 **70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC**
14 **DEVELOPMENT AUTHORITY.** All property of a housing project that satisfies all of the
15 following:

16 (a) It is owned by a corporation, organization, or association described in
17 section 501 (c) (3) of the Internal Revenue Code that is exempt from taxation under
18 section 501 (a) of the Internal Revenue Code.

19 (b) It is financed by the Housing and Economic Development Authority under
20 s. 234.03 (13).

21 (c) The Housing and Economic Development Authority holds a first-lien
22 mortgage security interest on it.

23 (d) It is in existence on January 1, 2008.

24 **SECTION 53.** 71.01 (1am) of the statutes is created to read:

1 during the 2009–11 fiscal biennium. This paragraph shall not apply to
2 appropriations to the Board of Regents of the University of Wisconsin System and,
3 to the technical college system board, and to the department of transportation except
4 with respect to the appropriation account under section 20.395 (3) (cq) of the statutes.
5 The amount in the current biennium from section 20.395 (3) (cq) of the statutes is
6 limited to \$50 million.

7 **SECTION 9114. Nonstatutory provisions; Employee Trust Funds.**

8 (1w) ANNUITY DEDUCTIONS. The authorized FTE positions for the department
9 of employee trust funds are increased by 2.1 SEG project positions to be funded from
10 the appropriation under section 20.515 (1) (w) of the statutes for the implementation
11 of program changes under sections 40.05 (4r) and 40.80 (2t) of the statutes, as created
12 by this act, and by 1.1 SEG positions to be funded from the appropriation under
13 section 20.515 (1) (w) of the statutes for the administration of the program changes
14 under sections 40.05 (4r) and 40.80 (2t) of the statutes, as created by this act.

15 **SECTION 9137. Nonstatutory provisions; Public Instruction.**

16 (1) EQUALIZATION AID SHIFT. For the following purposes, the department of
17 public instruction shall consider the amount appropriated under section 20.255 (2)
18 (ac) of the statutes as if the decrease in that amount under SECTION 9237 (1) of this
19 act had not occurred:

20 (a) For the purpose of calculating the payment under section 119.23 (4) (b) 2.
21 of the statutes in the 2007–08 and 2008–09 fiscal years.

22 (b) For the purpose of calculating the secondary guaranteed valuation per
23 member under section 121.07 (7) (b) of the statutes and the school aid reduction
24 under section 121.08 (4) of the statutes in the 2007–08 fiscal year.

25 **SECTION 9141. Nonstatutory provisions; Revenue.**

1 (1) RELATED ENTITY ADDBACK. The department of revenue has entered into a
2 substantial number of settlement agreements with banks and other financial
3 institutions regarding their investment subsidiaries. The intent of the legislature
4 in enacting this act is to have no effect on those settlement agreements.

5 (2) OMITTED PROPERTY. Notwithstanding section 70.44 (1) of the statutes,
6 section 70.44 (1) of the statutes does not apply to property described under section
7 70.11 (4a) of the statutes, as created in this act, for the years before 2009 during
8 which the property was omitted from assessment.

9 **SECTION 9148. Nonstatutory provisions; Transportation.**

10 (1) JOINT FINANCE COMMITTEE SUPPLEMENTAL FUNDING RELATED TO REAL ID ACT
11 IMPLEMENTATION. Notwithstanding section 13.101 (1), (3), and (5) of the statutes, the
12 joint committee on finance may not, for purposes relating to implementation of the
13 federal REAL ID Act of 2005, supplement in the 2007–09 fiscal biennium, from the
14 appropriation account under section 20.865 (4) (u) of the statutes, any appropriation
15 of the department of transportation for expenditures of the department of
16 transportation in the 2007–09 fiscal biennium relating to implementation of the
17 federal REAL ID Act of 2005.

18 (2) ESTIMATES FOR CERTAIN DEPARTMENT OF TRANSPORTATION APPROPRIATIONS.
19 Notwithstanding section 84.03 (2) of the statutes, the secretary of administration
20 and department of transportation shall estimate additional revenues as specified in
21 paragraphs (a) to (cm), which additional revenues are not reflected in the schedule
22 under section 20.005 (3) of the statutes, as created by 2007 Wisconsin Act 20.

23 (a) The additional revenues in fiscal year 2007–08 for the appropriation
24 account under section 20.395 (3) (bx) of the statutes are \$20,000,000.

1 of 2007, the dollar amount is decreased by \$28 million for fiscal year 2008–09 to
2 decrease funding for major development of state trunk and connecting highways.

3 **SECTION 9254. Fiscal changes; Workforce Development.**

4 (1) CHILD CARE FUNDS. In the schedule under section 20.005 (3) of the statutes
5 for the appropriation to the department of workforce development under section
6 20.445 (3) (cm) of the statutes, as affected by the acts of 2007, the dollar amount is
7 increased by \$18,600,000 for fiscal year 2007–08 to increase funding for the purpose
8 for which the appropriation is made.

9 **SECTION 9255. Fiscal changes; other.**

10 (1) BUDGET STABILIZATION FUND. In the schedule under section 20.005 (3) of the
11 statutes for the appropriation under section 20.875 (2) (q) of the statutes, as affected
12 by the acts of 2007, the dollar amount is increased by \$57,000,000 for fiscal year
13 2007–08 for the purpose for which the appropriation is made.

14 (2) TRANSFER OF MONEYS FROM THE PERMANENT ENDOWMENT FUND TO THE MEDICAL
15 ASSISTANCE TRUST FUND. If appropriation obligations are issued under section 16.527
16 (3) (c) 1. of the statutes, as created by this act, before July 1, 2009, during the 2008–09
17 fiscal year, \$309,000,000 is transferred from the permanent endowment fund to the
18 Medical Assistance trust fund.

19 **SECTION 9341. Initial applicability; Revenue.**

20 (1) RELATED ENTITY ADDBACK. The renumbering of sections 71.34 (1) and 71.42
21 (1) of the statutes, the renumbering and amendment of section 71.26 (2) (a) of the
22 statutes, the amendment of sections 71.05 (6) (a) 15., 71.30 (2), 71.45 (2) (a) 10., and
23 71.80 (1) (b) of the statutes, and the creation of sections 71.01 (1am), (1t), (5s), (9ad),
24 (9am), and (9an), 71.05 (6) (a) 24. and (b) 45. and 46., 71.22 (1b), (1tm), (3m), (9ad),
25 (9am), and (9an), 71.26 (2) (a) 7., 8., and 9., 71.34 (1am), (1b), (1e), (1k) (j), (k), and

1 (L), (1L), (1p), and (1r), 71.42 (1b), (1s), (1t), (4d), (4m), and (4n), 71.45 (2) (a) 16., 17.,
2 and 18., and 71.80 (23) of the statutes first apply to taxable years beginning on
3 January 1, 2008.

4 (2) **LOW-INCOME HOUSING.** The treatment of section 70.11 (intro.), (4), (4a), and
5 (4b) of the statutes first applies to the property tax assessments as of January 1,
6 2009.

7 **SECTION 9355. Initial applicability; other.**

8 (1) **SPECIAL ASSESSMENTS ON CAMPS.** The treatment of section 66.0721 (title), (1)
9 (ae), (2), and (3) of the statutes first applies to a special assessment that is levied on
10 the first day of the 4th month beginning after the effective date of this subsection.

11 **SECTION 9400. Effective dates; general.** Except as otherwise provided in
12 SECTIONS 9401 to 9455 of this act, this act takes effect on the day after publication.

13 **SECTION 9414. Effective dates; Employee Trust Funds.**

14 (1w) **PAYMENT OF PREMIUMS FOR PUBLIC SAFETY OFFICERS.** The treatment of
15 sections 40.02 (48g), 40.05 (4r), and 40.80 (2t) of the statutes, the renumbering of
16 section 40.08 (2) of the statutes, and the creation of section 40.08 (2) (b) of the statutes
17 take effect on January 1, 2009.

18 **SECTION 9435. Effective dates; Natural Resources.**

19 (1) The treatment of section 350.12 (3j) (b) of the statutes takes effect on July
20 1, 2008.

21 **SECTION 9437. Effective dates; Public Instruction.**

22 (1) **EQUALIZATION AID SHIFT.** The treatment of section 13.101 (6) (a) of the
23 statutes takes effect on July 1, 2008.

24 **SECTION 9448. Effective dates; Transportation.**