

STATE OF WISCONSIN

Senate Journal

Eighty-Eighth Regular Session

10:00 A.M.

WEDNESDAY, January 28, 1987

The senate met.

The senate was called to order by Fred A. Risser, president of the senate.

The senate stood for the prayer which was offered by Reverend Fred Hallanger of St. Luke's Lutheran Church, Middleton.

The senate remained standing and Senator Ellis led the senate in the pledge of allegiance to the flag of the United States of America.

The roll was called and the following senators answered to their names:

Senators Andrea, Chilsen, Chvala, Czarnezki, Davis, Ellis, Engeleiter, Feingold, George, Harsdorf, Helbach, Jauch, Kincaid, Kreul, Lasee, Lee, Lekan, Lorman, Moen, Norquist, Plewa, Risser, Roshell, Rude, Stitt, Strohl, Te Winkle, Ulichny and Van Sistine -- 29.

Absent -- Senator Adelman -- 1.

Absent with leave -- None.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 55

Relating to regulation of firearms by counties, towns, cities and villages.

By Senators Kincaid, Van Sistine, Kreul, Roshell, Andrea, Harsdorf, Moen, Rude, Lasee and Stitt; cosponsored by Representatives Thompson, Holperin, Ourada, Volk, Vanderperren, Schneider, Hasenohrl, Matty, Bolle, Zeuske, Swoboda, Coleman, Hubler, Gronemus, Tregoning, Shoemaker, Tesmer, Ladwig, Robinson, Schultz, Lepak, Vergeront, Welch, Van Gorden, Porter, Musser, Johnsrud, Cowles, Berndt, Goetsch, Ott, Wimmer and Radtke.

To committee on Urban Affairs, Energy, Environmental Resources and Elections.

Senate Bill 56

Relating to groundwater fees for pesticide licensees.

By Senators Helbach and Plewa; cosponsored by Representatives Grobschmidt and Hasenohrl.

To committee on Urban Affairs, Energy, Environmental Resources and Elections.

Senate Bill 57

Relating to making U.S. Constitution Day a special observance day in schools.

By Senators Rude, Risser, Czarnezki, Davis, Lorman, Engeleiter, Lee, Stitt, Te Winkle, Chilsen, Van

Sistine, Andrea, Kincaid, Lekan and Feingold; cosponsored by Representatives Potter, Nelsen, Swoboda, Radtke, Medinger, Turba, Roberts, Gronemus, Walling, Wineke, Coleman, Shoemaker, Van Gorden, Carpenter, Goetsch, Porter, Vergeront, Schober, Hamilton, Seery, Tregoning, Buettner, Panzer, Schneiders, Ladwig and Fortis.

To committee on Education.

Senate Bill 58

Relating to repealing the requirement that licensed physical therapists have certain written referrals prior to practice.

By Senators Strohl, Rude, Feingold and Engeleiter; cosponsored by Representatives Robinson, Becker, Schneiders, Notestein, Vergeront, Prosser, Ourada, Ladwig, Schober, Huelsman and Musser.

To committee on Agriculture, Health and Human Services.

Senate Bill 59

Relating to various procedures concerning lakebed grants.

By Senator Adelman; cosponsored by Representative Bell.

To committee on Urban Affairs, Energy, Environmental Resources and Elections.

Senate Bill 60

Relating to directing school boards to provide an instructional program designed to give pupils an understanding of the causes of conflict between nations.

By Senators Czarnezki and Norquist; cosponsored by Representatives Krug, Notestein, M. Coggs, Medinger, Young, Linton, Boyle, Gruszynski, Seery and Fortis.

To committee on Education.

By request of Senator Kincaid, with unanimous consent, **Senate Bill 55** was withdrawn from the committee on Urban Affairs, Energy, Environmental Resources and Elections and referred to the committee on Senate Rules.

COMMITTEE REPORTS

The joint committee on Finance reports and recommends:

Senate Bill 26

Relating to permitting the secretary of administration, if requested by the governor, to change the biennial state budget process to an annual budget process in fiscal years 1987-88 and 1988-89.

Introduction and adoption of senate substitute amendment 1:

Ayes, 13 -- Senators George, Roshell, Norquist, Helbach, Chvala, Andrea and Stitt, Representatives Schneider, Kunicki, Bell, Holperin, Panzer and Prosser;

Noes, 3 -- Senator Davis, Representatives Travis and Coggs.

Passed as amended:

Ayes, 9 -- Senators George, Roshell, Helbach, Andrea, Stitt and Davis, Representatives Holperin, Panzer and Prosser;

Noes, 7 -- Senators Norquist and Chvala, Representatives Schneider, Kunicki, Travis, Coggs and Bell.

GARY R. GEORGE
Senate Chair

The committee on Senate Organization reports and recommends:

Senate Resolution 3

Relating to corrections in the rules of the senate.

Adoption:

Ayes, 5 -- Senators Risser, Strohl, Norquist, Engeleiter and Ellis;

Noes, 0 -- None.

Senate Joint Resolution 10

Relating to commending Miss Patricia V. Robbins on her service to the Wisconsin State Legislature.

Adoption:

Ayes, 5 -- Senators Risser, Strohl, Norquist, Engeleiter and Ellis;

Noes, 0 -- None.

FRED A. RISSER
Chair

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Radiation Protection Council

January 5, 1987

To the Honorable, the Senate:

Enclosed is a copy of the Midwest Interstate Low-Level Radioactive Waste Commission's third Annual Report, as required by the Midwest Compact and the Midwest Commission's Bylaws. The Annual Report covers the activities and actions of the Commission during the 1986 calendar year.

The Midwest Compact and the Commission's Bylaws also require that an annual audit be conducted by an independent certified accountant and that the audit report be included in the Annual Report. A copy of the annual audit for the Commission's 1986 fiscal year is appended to the Annual Report.

If you have any questions about the report or the activities of the Midwest Commission, please feel free to contact me.

Sincerely,
TERI L. VIERIMA

Wisconsin Commissioner

State of Wisconsin
Wisconsin State Senate

January 28, 1987

To the Honorable, the Senate:

Pursuant to section 13.15 of the Wisconsin Statutes and Senate Rule 5, I hereby appoint Donna J. Doyle as Assistant Chief Clerk of the Senate, giving her all powers as are derived from and inherent in said position and to perform the duties and functions of the office in the absence of the Chief Clerk.

Sincerely,
DONALD J. SCHNEIDER
Senate Chief Clerk

MESSAGE FROM THE ASSEMBLY

By Thomas T. Melvin, chief clerk.

Mr. President:

I am directed to inform you that the assembly has concurred in:

Senate Joint Resolution 7

Adopted and asks concurrence in:

Assembly Joint Resolution 9

Assembly Joint Resolution 10

Assembly Joint Resolution 11

Passed and asks concurrence in:

Assembly Bill 16

**MESSAGE FROM THE ASSEMBLY
CONSIDERED**

Assembly Joint Resolution 9

Relating to the outstanding public service and dedication of David D. O'Malley.

By Representatives Travis and Loftus.

By request of Senator Feingold, with unanimous consent, he was made a co-author of Assembly Joint Resolution 9.

Read.

Considered as privileged and taken up.

Adopted by unanimous rising vote.

Assembly Joint Resolution 10

Relating to the life and public service of former Representative to the Assembly Lowell Nelson.

By Representative Paulson, cosponsored by Senator Harsdorf.

Read.

Considered as privileged and taken up.

Adopted by unanimous rising vote.

Assembly Bill 16

Relating to the salaries of certain elected state officials.

By Joint Committee on Employment Relations.

Read first time and referred to committee on Senate Rules.

Assembly Joint Resolution 11

Declaring January 1987 to be 'Wisconsin Volunteer Blood Donor Month'.

By Representatives Robinson, Vanderperren, Antaramian, Mark Lewis, Merkt, Byers, Nelsen, Bock, Hauke, Loftus, Gruszynski, Prosser, Young, Zweck, Hasenohrl, Becker, Barrett, Seery, Potter, Grobschmidt, Medinger, Johnsrud, Farrow, Rosenzweig and Welch, cosponsored by Senators Helbach, Moen, Ulichny and Van Sistine.

Read and referred to committee on Senate Organization.

CALENDAR OF JANUARY 28, 1987

Senate Bill 32

Relating to operating a motor vehicle while under the influence of an intoxicant, drugs or both, administrative suspension and court-ordered revocation of operating privileges, chemical tests for intoxication, occupational licenses, granting rule-making authority and providing penalties.

Read a second time.

By request of Senator George, with unanimous consent, **Senate Bill 32** was referred to joint committee on Finance.

By request of Senator Strohl, with unanimous consent, all action was ordered immediately messaged.

By request of Senator George, with unanimous consent, the senate adjourned in honor of Ken Ohst, the voice of Chapter a Day on WHA radio. He was also the host and producer of Jazz Classics for 25 years.

AMENDMENTS OFFERED

Senate amendment 1 to **Senate Bill 32** by Senators Adelman and Chvala, by request of the Act 337 Technical Revision Committee.

The chair appointed Senators Engeleiter and Strohl to await upon the Governor.

The senate proceeded in a body to the Assembly Chamber to meet in Joint Convention to receive the State of the State message.

IN ASSEMBLY CHAMBER IN JOINT CONVENTION

The President of the Senate in the chair.

The committee to await upon the Governor appeared with his excellency the Governor, who delivered his message as follows:

Chief Justice Heffernan, members of the Supreme Court, Lieutenant Governor McCallum, constitutional officers, Speaker Loftus, President Risser, members of the Senate, members of the Assembly, members of the Cabinet, distinguished guests and the people of Wisconsin.

This is my first opportunity to be back "home" in the Assembly since the people of Wisconsin gave me the privilege of being their governor.

Speaker Loftus, you and I are in a unique situation. For twenty years I wanted the position you now hold...and some people would say that you want the position I now hold.

However, that doesn't mean I want to switch with you!

Being the governor of this great state is a wonderful challenge and I can certainly understand why many people want the job. It's the best job there is in Wisconsin...because a governor has the unique opportunity to accomplish much for people of Wisconsin...in partnership with the Legislature, of course.

I have tremendous respect for the legislative process and for each and every one of you.

Even though we come from different backgrounds, have different philosophies and are members of different political parties, we are all united in our commitment and dedication to Wisconsin. This is our home.

This is where we have decided to live and work.

This is where we want to raise our families and educate our children.

This is where we hope our children can find productive jobs and where we hope our parents can retire in their own homes.

The only way all of this can happen is if we work together as partners for a better Wisconsin.

Teamwork, cooperation and hard work will be the driving forces of my administration.

I know that we are going to disagree sometimes. There's nothing wrong with that.

There is a time for partisan debate.

There is a time for genuine disagreement.

No one understands better than I the need for the majority and the minority to vigorously voice their differences.

But, after the arguing is over, I hope we can work together as partners to pick the best solution and implement it.

I believe our biggest challenge is to create more jobs in Wisconsin.

We've read all the studies, we've seen all the reports and we've argued about their accuracy. But, the bottom line is that we haven't done well in comparison to other states in the creation and retention of jobs.

Yes, we've had increases in some segments of our state economy, but too many of those new jobs are for lower wages than the jobs we lost.

In recent years, our economic growth has been only one-half the national average.

In 1985, Wisconsin ranked 46th out of 50 states in its entrepreneurial climate.

Just a few days ago, the National Commission on Jobs and Small Business reported that since 1980 the United States has lost one million jobs that paid an average of \$13 an hour and gained 5.5 million jobs that now pay only \$5 to \$7 an hour.

That same report projected that for the first time in history, Americans face the very real threat that their children's standard of living will be less than their own.

We can't let that happen in Wisconsin.

Of course, some of our problems have been caused by forces beyond our borders...but some of them are the result of situations within our borders.

To make our state a leader in business and job creation, we must change attitudes -- our own and especially the attitudes that others have about Wisconsin.

And, I believe that together we're already doing that.

I am very grateful for the bipartisan efforts that many of you have made to improve Wisconsin's business climate.

People are already becoming more optimistic about doing business in Wisconsin. They know that the Thompson administration and both the Democrats and the Republicans in our Legislature are more interested in cooperation instead of confrontation.

Now, I would like to give you an update on American Motors Corporation.

Today we've acquired the options to purchase the necessary land. The local and the international unions are meeting today with company officials. Bear-Stearns is doing a study of American Motors' financial condition as far as being able to pay the lease. If American Motors and Chrysler conclude a satisfactory agreement for the assembly of Chrysler's Omni and Horizon, Chrysler will provide substantial direct dollar support for the project for the first five years to the State of Wisconsin.

Obviously, the auto industry has dominated my agenda these first three weeks. However, economic development is more than just two automobile companies.

It's the forest industry and paper products of the north.

It's the heavy manufacturing areas of the southeast.

It's the farms and agri-businesses of our rural areas.

It's the emerging high-tech entrepreneurs in our cities that are really by-products of our colleges and universities.

...and, it's the main street merchants and grocers of our small towns like Elroy.

It's also an emphasis on keeping jobs in Wisconsin like the 105 jobs at Hamilton Industries in Elkhorn that could have gone to Illinois if we hadn't stepped in to save them.

We all know that changes in the national and state economies may cause some plant layoffs or closings.

But those events should inspire us even more to work harder and to work together and fight even harder to retain and create jobs.

In these first weeks, we have started to revitalize the Department of Development.

It is becoming a dynamic advocate for business and the driving force for state promotion.

It will be coordinating all economic development efforts in areas such as the small business development centers in conjunction with the University of Wisconsin.

It will also work closely with "Forward Wisconsin" so that we can have a unified and consistent effort.

We will also be creating a jobs action network to identify emerging new opportunities and to also seek out businesses that need help to stay in Wisconsin and expand.

And, I'm also happy to announce today that I will be re-activating the Wisconsin Forest Council. In 28 out of our 72 counties, industries dependent on wood are the largest manufacturing employers.

I see the Wisconsin Forest Council becoming a real catalyst for solving problems and developing new opportunities.

In my revenue bill, I am proposing that there be a sales tax exemption on the wood waste that is used for fuel by businesses.

In a separate action today, I am requesting that the Attorney General withdraw the state's appeal of the U.S. Forest Service plan for the national forest in Wisconsin.

Every one of these changes is important because, combined, they remove the barriers to business creation and expansion that exist in Wisconsin.

Together, as partners, we must look critically at the way that government reaches too far into the wallets and pocketbooks of our citizens and our businesses.

Together, as partners, we must also help the people of Wisconsin take full advantage of the recent changes in federal tax law.

Toward that goal, I am giving you a revenue bill that changes our tax laws in several ways to promote new growth and new economic development.

Approving a revenue bill before approving a budget is a good idea because it will give us a revenue level on which we can base our spending decisions.

The revenue bill will consolidate tax changes into one bill for easier discussion and debate.

And, it will enable taxpayers to plan their personal and business finances with a full awareness of the tax impact on them.

The revenue bill will conform the state's individual income tax in most respects to the changes in federal law except that we will retain the state's 60% deduction for income derived from long-term capital gains.

But this is not a provision for the rich. More than eighty percent of those who use capital gains have incomes of less than \$50,000.

And, one-fourth of all users are farmers.

This 60% capital gains deduction will attract more entrepreneurs into Wisconsin who will start businesses that will employ more and more people.

It will also encourage entrepreneurs already here to expand and provide even more jobs.

This proposal is so very important to the future of Wisconsin because 80% of the new jobs of the future will be with companies that employ fewer than 100 people.

Lieutenant Governor Scott McCallum has already accepted the responsibility of leading the Governor's Conference on Small Business so that we can build on our past successes and really accelerate business growth and development.

Together, as partners, the executive branch and the legislative branch of government can make Wisconsin the number one state in the Union for small business development.

Also included in my revenue bill proposal is the phasing out of the state's inheritance and gift taxes over the next four years.

In 1985, Wisconsin ranked the eighth highest among the states in per capita inheritance and gift tax collections. Our per capita inheritance/gift tax was 72% higher than the national average.

That is simply unacceptable.

This over-taxation has caused many retirees to become legal residents of other states so they could avoid the Wisconsin tax. Money that could be used for investment in Wisconsin has been flowing out of Wisconsin. We've been losing the investment capital, other revenue sources and a lot of human talent.

The passage of the "gap" tax provision in the revenue bill will solve this problem because it will result in no additional tax on people inheriting property.

The tax is designed to capture the state death tax credit against the federal estate tax. Estates less than \$600,000 would pay no tax at all. Larger estates under \$5 million would pay less tax than now.

The so-called "windfall" of revenue that will result from federal changes will be used for an across-the-board 3.5% reduction in state income tax rates.

All of these changes will allow the people of Wisconsin to keep more of their hard-earned dollars for themselves and for their families.

This revenue bill will give us a clear picture of how many tax dollars are available for state programs and, more importantly, it will encourage new business and the creation of jobs.

We must also combine forces to solve our property tax problem.

The victims who suffer the most under our current property tax system are Wisconsin's farmers and our elderly who are living on fixed incomes.

And, we find ourselves almost locked into the complexity of the problem. We've already tried several solutions, but the problem is still with us.

Wisconsin is still among the top states in property tax per acre and property tax per dollar of farm income.

However, I still think we need to be optimistic. I think that if we try again and work together on it again, we can be successful.

Therefore, I will soon be appointing the Local Property Tax Relief Commission. Dane County Executive Jonathan Barry has already agreed to be the

chairman and the Commission will report their recommendations to me by September 1, 1987.

The Commission will examine whether or not existing property tax exemptions should be modified or repealed.

The Commission will investigate alternative sources of funding for local school districts.

It will study the major state aid formulas that are currently being used to distribute funds to local governments and school districts.

It will investigate the possibility of a constitutional limit on mill rates.

And, it will examine different methods of improving assessment practices.

After their work is done, I hope we can give the Legislature a package of proposals to move us toward solving the property tax problem.

Certainly, the forces that ultimately determine farm prices and farm income may be beyond our control, but we can take action to reduce the farmer's costs by reducing the pressures that have, in the past, caused property tax increases.

That's why I will be asking the Legislature to increase the state aid to local schools so that we can achieve the goal of 50% state funding within the next four years.

To help our farmers, I am also proposing the continuation of the state CROP program. We now have 223 participating lenders who helped 1397 farm families last year.

This was Governor Earl's program and I give him credit for it. During my administration, we will continue the good programs of the past and try to make them even better.

This partnership between the state, the lending institutions and our farmers has frankly worked much better than anyone expected. The original budget two years ago assumed a 20% loan default rate.

But our farmers have worked hard and the default rate is less than 8%!

Another extremely important segment of our economy is the tourism industry.

That's why my administration has already asked the Legislature for a \$2 million special appropriation for tourism promotion.

We must become competitive with our neighbors. Michigan is spending \$11.8 million this year and Illinois is spending \$15.5 million to attract vacation travelers.

We're spending only \$1.3 million.

Frankly, we need the extra \$2 million quickly so that we can maintain our current market share and hopefully expand on it. This is a situation that has the potential for double benefits.

When people visit Wisconsin, they leave some of their money here.

But, those visits also introduce newcomers to the beauty of Wisconsin and ultimately can convince people to choose Wisconsin as their new home or as a fine place to build a second home.

Business, tourism and farming -- those are the biggest private sector components to our Wisconsin economy.

We need to be healthy and strong in all three areas.

The single subject that crosses over and through both the private and public sectors is, of course, education.

The Yankelovich study and other reports have pointed out that skilled workers and our educational system are the two greatest advantages Wisconsin has in attracting jobs.

We must maintain and also enhance the high quality in our university system, in our vocational-technical and adult system, and in our K through 12 schools.

We can be justly proud of the education system we do have, but we must also realize that we can't rest on our laurels. We must continue to improve.

Sometimes that means additional funding. But, instead of relying too heavily on more money, we must never forget that the most important improvements almost always come from better ideas and better ways of operating. It's not just money.

Making quality education happen for our youngsters is an adventure in partnership too.

State government in partnership with local schools.

Local school boards in partnership with teachers and administrators.

Parents and students in partnership with teachers.

That's the kind of partnership we need to have at every level of government -- county, city, village, township and school district.

The legislators here today know that better than anyone else because many of you have served and still continue to serve in local government too.

In your businesses and in the local level of government, many of you have also had experience with annual budgeting.

Annual budgeting is a proposal that I sincerely hope we can try because it offers us many advantages.

It allows more accurate economic predictions for the budget cycle.

It gives more opportunity for sound fiscal management.

It gives legislators a more systematic way to balance expenditures with revenues.

It allows for easier adjusting to federal changes.

It improves public understanding of the entire budget process.

And, frankly, it will probably increase legislative authority over the executive branch because it will allow for more frequent and systematic oversight.

But, I also think an annual budget will promote more cooperation between the two branches because we will be concentrating more on the actual operation of government within the framework of a systematic yearly procedure.

We can accomplish much more together than we can alone.

None of us is smarter than all of us.

The Green Bay Packers of the 1960's were a great team and the players and coaches became champions and heroes because

...they emphasized teamwork

...they were willing to work together, and because

...they had a deep respect for each other.

They sacrificed their individual goals for the common good.

That's the kind of partnership and teamwork that I hope we can have for the next four years.

When I spoke in this Assembly for twenty years, sometimes I was very partisan. You all know that.

As your governor, I imagine there might be a few times when I'll be partisan again.

But, I want you to know that I hope that our strong beliefs will never interfere with our common goal of making Wisconsin an even more tremendous place to live and work.

We will disagree; but I hope we can do so agreeably.

We can do the most good for Wisconsin during the next four years if we work together as partners.

Yes, if we work alone and at odds with each other, we can get some things done.

But, as partners we can really move Wisconsin forward.

Upon motion of Senator Strohl the senate adjourned until 10:00 a.m. Thursday, January 29.

10:57 A.M.