



State of Wisconsin
1997 - 1998 LEGISLATURE

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**SENATE SUBSTITUTE AMENDMENT 1,
TO 1997 SENATE BILL 199**

May 13, 1997 – Offered by COMMITTEE ON JUDICIARY, CAMPAIGN FINANCE REFORM AND
CONSUMER AFFAIRS.

1 **AN ACT to repeal** 13.94 (1) (em), 13.94 (1s) (b), 15.433, 16.71 (3), 16.72 (4m), 16.84
2 (3), 20.003 (5), 20.197 (1) (q), 20.455 (2) (r), 20.566 (2) (r), 20.566 (8), 20.835 (3)
3 (q), 20.835 (3) (r), 25.17 (1) (jr), 25.75, 66.058 (3) (c) 8., 71.67 (4), 71.78 (4) (L),
4 74.09 (3) (b) 6., 74.09 (3) (b) 7., 77.61 (5) (b) 9., 79.10 (1) (f) and (g), 79.10 (1m),
5 79.10 (5), 79.10 (7m) (b), 79.10 (7r), 79.10 (9) (bm), 79.10 (10), 79.10 (11), 79.11
6 (3) (b), 227.01 (13) (ze), 561.02 (2), chapter 565 and 945.01 (1) (e); **to renumber**
7 561.02 (1); **to renumber and amend** 20.835 (2) (q); **to amend** 16.72 (2) (b),
8 16.75 (3m) (c) 4., 20.002 (11) (a), 20.505 (5) (ka), 20.566 (1) (h), 20.765 (3) (ka),
9 71.02 (1), 71.04 (1) (a), 74.29, 77.22 (2) (intro.), 77.23, 79.10 (2), 79.10 (6m), 79.10
10 (9) (c), 165.25 (4) (a), 561.03, 561.06 (1), 945.01 (3) (b) 1., 945.01 (4) (am), 945.01
11 (5) (am) and 973.05 (5) (a); and **to create** 71.07 (3m) (e), 71.28 (2m) (e) and 71.47
12 (2m) (e) of the statutes; **relating to:** the elimination of the state lottery,

1 prohibiting new claims under the farmland relief tax credit, providing a penalty
2 and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 13.94 (1) (em) of the statutes is repealed.

4 **SECTION 2.** 13.94 (1s) (b) of the statutes is repealed.

5 **SECTION 3.** 15.433 of the statutes is repealed.

6 **SECTION 4.** 16.71 (3) of the statutes is repealed.

7 **SECTION 5.** 16.72 (2) (b) of the statutes is amended to read:

8 16.72 (2) (b) ~~Except as provided in s. 565.25 (2) (a) 4., the~~ The department shall
9 prepare or review specifications for all materials, supplies, equipment, other
10 permanent personal property and contractual services not purchased under
11 standard specifications. Such “nonstandard specifications” may be generic or
12 performance specifications, or both, prepared to describe in detail the article which
13 the state desires to purchase either by its physical properties or programmatic
14 utility. When appropriate for such nonstandard items or services, trade names may
15 be used to identify what the state requires, but wherever possible 2 or more trade
16 names shall be designated and the trade name of any Wisconsin producer, distributor
17 or supplier shall appear first.

18 **SECTION 6.** 16.72 (4m) of the statutes is repealed.

19 **SECTION 7.** 16.75 (3m) (c) 4. of the statutes is amended to read:

20 16.75 (3m) (c) 4. The department shall annually prepare and submit a report
21 to the governor and to the chief clerk of each house of the legislature, for distribution
22 to the appropriate standing committees under s. 13.172 (3), on the total amount of
23 money paid to and of indebtedness or other obligations underwritten by minority

1 businesses, minority financial advisers and minority investment firms under the
2 requirements of this subsection and ss. 16.855 (10m), 16.87 (2), 25.185, and 84.075
3 ~~and 565.25 (2) (a) 3.~~ and on this state's progress toward achieving compliance with
4 par. (b) and ss. 16.855 (10m) (a), 16.87 (2), 25.185 and 84.075 (1).

5 **SECTION 8.** 16.84 (3) of the statutes is repealed.

6 **SECTION 9.** 20.002 (11) (a) of the statutes is amended to read:

7 20.002 (11) (a) All appropriations, special accounts and fund balances within
8 the general fund or any segregated fund may be made temporarily available for the
9 purpose of allowing encumbrances or financing expenditures of other general or
10 segregated fund activities which do not have sufficient moneys in the accounts from
11 which they are financed but have accounts receivable balances or moneys
12 anticipated to be received from lottery proceeds, as defined in s. 25.75 (1) (e), tax
13 revenues, gifts, grants, fees, sales of service, or interest earnings recorded under s.
14 16.52 (2). The secretary of administration shall determine the composition and
15 allowability of the accounts receivable balances and anticipated moneys to be
16 received for this purpose in accordance with s. 20.903 (2) and shall specifically
17 approve the use of surplus moneys from the general or segregated funds after
18 consultation with the appropriate state agency head for use by specified accounts or
19 programs. The secretary of administration shall reallocate available moneys from
20 the budget stabilization fund under s. 16.465 prior to reallocating moneys from any
21 other fund.

22 **SECTION 10.** 20.003 (5) of the statutes is repealed.

23 **SECTION 11.** 20.197 (1) (q) of the statutes is repealed.

24 **SECTION 12.** 20.455 (2) (r) of the statutes is repealed.

25 **SECTION 13.** 20.505 (5) (ka) of the statutes is amended to read:

1 20.505 (5) (ka) *Facility operations and maintenance; police and protection*
2 *functions.* The amounts in the schedule for the purpose of financing the costs of
3 operation of state-owned or operated facilities that are not funded from other
4 appropriations, including custodial and maintenance services; minor projects;
5 utilities, fuel, heat and air conditioning; costs incurred under s. 16.895 by or on behalf
6 of the department; repayment to the energy efficiency fund loans made to the
7 department under s. 16.847 (6); and supplementing the costs of operation of child
8 care facilities for children of state employes under s. 16.841; and for police and
9 protection functions under s. 16.84 (2) and (3). All moneys received from state
10 agencies for the operation of such facilities, parking rental fees established under s.
11 16.843 (2) (bm) and miscellaneous other sources, all moneys received from
12 assessments under s. 16.895, all moneys received for the performance of gaming
13 protection functions under s. 16.84 (3), and all moneys transferred from the
14 appropriation account under s. 20.865 (2) (e) for this purpose shall be credited to this
15 appropriation account.

16 **SECTION 14.** 20.566 (1) (h) of the statutes is amended to read:

17 20.566 (1) (h) *Debt collection.* From moneys received from the collection of
18 debts owed to state agencies under ~~ss. s. 71.93 and 565.30 (5)~~ and from moneys
19 received from the collection of debts owed to municipalities and counties under s.
20 71.935, the amounts in the schedule to pay the administrative expenses of the
21 department of revenue for the collection of those debts.

22 **SECTION 15.** 20.566 (2) (r) of the statutes is repealed.

23 **SECTION 16.** 20.566 (8) of the statutes is repealed.

24 **SECTION 17.** 20.765 (3) (ka) of the statutes is amended to read:

1 20.765 (3) (ka) *Audit bureau reimbursable audits.* The amounts in the
2 schedule for the provision of auditing services requested by state agencies or by the
3 federal government, for audits specified in s. 13.94 (1s) (c) ~~and for audits of the~~
4 ~~department of revenue relating to the state lottery and verifications of the odds of~~
5 ~~winning a lottery game under s. 565.37 (5).~~ All moneys received by the legislative
6 audit bureau from charges assessed to departments under s. 13.94 (1s) shall be
7 credited to this appropriation.

8 **SECTION 18.** 20.835 (2) (q) of the statutes is renumbered 20.835 (2) (er) and
9 amended to read:

10 20.835 (2) (er) *Farmland tax relief credit.* ~~From the lottery fund, a~~ A sum
11 sufficient to pay the aggregate claims approved under ss. 71.07 (3m) (c), 71.28 (2m)
12 (c) and 71.47 (2m) (c).

13 **SECTION 19.** 20.835 (3) (q) of the statutes is repealed.

14 **SECTION 20.** 20.835 (3) (r) of the statutes is repealed.

15 **SECTION 21.** 25.17 (1) (jr) of the statutes is repealed.

16 **SECTION 22.** 25.75 of the statutes is repealed.

17 **SECTION 23.** 66.058 (3) (c) 8. of the statutes is repealed.

18 **SECTION 24.** 71.02 (1) of the statutes is amended to read:

19 71.02 (1) For the purpose of raising revenue for the state and the counties,
20 cities, villages and towns, there shall be assessed, levied, collected and paid a tax on
21 all net incomes of individuals and fiduciaries, except fiduciaries of nuclear
22 decommissioning trust or reserve funds subject to the tax under s. 71.23 (2), by every
23 natural person residing within the state or by his or her personal representative in
24 case of death, and trusts administered within the state; by every nonresident natural
25 person and trust of this state, upon such income as is derived from property located

1 or business transacted within the state including, but not limited by enumeration,
2 income derived from a limited partner's distributive share of partnership income,
3 income derived from a limited liability company member's distributive share of
4 limited liability company income, ~~the state lottery under ch. 565, any multistate~~
5 ~~lottery under ch. 565 if the winning lottery ticket or lottery share was purchased from~~
6 ~~a retailer, as defined in s. 565.01 (6), located in this state or from the department and~~
7 ~~pari-mutuel wager winnings or purses under ch. 562, and also by every nonresident~~
8 ~~natural person upon such income as is derived from the performance of personal~~
9 ~~services within the state, except as exempted under s. 71.05 (1) to (3). Every natural~~
10 ~~person domiciled in the state shall be deemed to be residing within the state for the~~
11 ~~purposes of determining liability for income taxes and surtaxes.~~

12 **SECTION 25.** 71.04 (1) (a) of the statutes is amended to read:

13 71.04 (1) (a) All income or loss of resident individuals and resident estates and
14 trusts shall follow the residence of the individual, estate or trust. Income or loss of
15 nonresident individuals and nonresident estates and trusts from business, not
16 requiring apportionment under sub. (4), (10) or (11), shall follow the situs of the
17 business from which derived. All items of income, loss and deductions of nonresident
18 individuals and nonresident estates and trusts derived from a tax-option
19 corporation not requiring apportionment under sub. (9) shall follow the situs of the
20 business of the corporation from which derived. Income or loss of nonresident
21 individuals and nonresident estates and trusts derived from rentals and royalties
22 from real estate or tangible personal property, or from the operation of any farm,
23 mine or quarry, or from the sale of real property or tangible personal property shall
24 follow the situs of the property from which derived. Income from personal services
25 of nonresident individuals, including income from professions, shall follow the situs

1 of the services. A nonresident limited partner's distributive share of partnership
2 income shall follow the situs of the business. A nonresident limited liability company
3 member's distributive share of limited liability company income shall follow the situs
4 of the business. ~~Income of nonresident individuals, estates and trusts from the state
5 lottery under ch. 565 is taxable by this state. Income of nonresident individuals,
6 estates and trusts from any multistate lottery under ch. 565 is taxable by this state,
7 but only if the winning lottery ticket or lottery share was purchased from a retailer,
8 as defined in s. 565.01 (6), located in this state or from the department. Income of
9 nonresident individuals, nonresident trusts and nonresident estates from
10 pari-mutuel winnings or puses under ch. 562 is taxable by this state. All other
11 income or loss of nonresident individuals and nonresident estates and trusts,
12 including income or loss derived from land contracts, mortgages, stocks, bonds and
13 securities or from the sale of similar intangible personal property, shall follow the
14 residence of such persons, except as provided in par. (b) and sub. (9).~~

15 **SECTION 26.** 71.07 (3m) (e) of the statutes is created to read:

16 71.07 (3m) (g) *New claims.* No claim may be filed under this subsection for a
17 taxable year that begins after December 31, 1998, based on property taxes accrued
18 in the previous year.

19 **SECTION 27.** 71.28 (2m) (e) of the statutes is created to read:

20 71.28 (2m) (e) *New claims.* No claim may be filed under this subsection for a
21 taxable year that begins after December 31, 1998, based on property taxes accrued
22 in the previous year.

23 **SECTION 28.** 71.47 (2m) (e) of the statutes is created to read:

1 71.47 **(2m)** (e) *New claims*. No claim may be filed under this subsection for a
2 taxable year that begins after December 31, 1998, based on property taxes accrued
3 in the previous year.

4 **SECTION 29.** 71.67 (4) of the statutes is repealed.

5 **SECTION 30.** 71.78 (4) (L) of the statutes is repealed.

6 **SECTION 31.** 74.09 (3) (b) 6. of the statutes is repealed.

7 **SECTION 32.** 74.09 (3) (b) 7. of the statutes is repealed.

8 **SECTION 33.** 74.29 of the statutes is amended to read:

9 **74.29 August settlement.** On or before August 20, the county treasurer shall
10 pay in full to the proper treasurer all real property taxes, ~~including taxes offset by~~
11 ~~the credit under s. 79.10 (5)~~, and special taxes included in the tax roll which have not
12 previously been paid to, or retained by, the proper treasurer. A county may, by
13 resolution adopted by the county board, direct the county treasurer to pay in full to
14 the proper treasurer all special assessments and special charges included in the tax
15 roll which have not previously been paid to, or retained by, the proper treasurer.

16 **SECTION 34.** 77.22 (2) (intro.) of the statutes is amended to read:

17 77.22 **(2)** (intro.) The secretary of revenue shall prescribe the form required
18 under sub. (1). The form shall ~~include an application for a credit under s. 79.10 (5)~~
19 ~~and shall provide for the submission of the following:~~

20 **SECTION 35.** 77.23 of the statutes is amended to read:

21 **77.23 Disposition of fees and returns.** On or before the 15th day of each
22 month the register shall submit to the county treasurer transfer fees collected
23 together with the returns filed in the office during the preceding month for the
24 treasurer's transmission to the department of revenue under s. 77.24 ~~and shall~~
25 ~~submit to the county treasurer, or to the city treasurer if the property is located in~~

1 a city that collects taxes under s. 74.87, all applications for credits under s. 79.10 (5)
2 that the county register of deeds receives during the preceding month.

3 **SECTION 36.** 77.61 (5) (b) 9. of the statutes is repealed.

4 **SECTION 37.** 79.10 (1) (f) and (g) of the statutes are repealed.

5 **SECTION 38.** 79.10 (1m) of the statutes is repealed.

6 **SECTION 39.** 79.10 (2) of the statutes is amended to read:

7 79.10 (2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year
8 preceding the distribution under sub. (7m) (a), the department of revenue shall
9 notify the clerk of each town, village and city of the estimated fair market value, as
10 determined under sub. (11), to be used to calculate the lottery credit under sub. (5)
11 and of the amount to be distributed to it under sub. (7m) (a) on the following 4th
12 Monday in July. The anticipated receipt of such distribution shall not be taken into
13 consideration in determining the tax rate of the municipality but shall be applied as
14 tax credits.

15 **SECTION 40.** 79.10 (5) of the statutes is repealed.

16 **SECTION 41.** 79.10 (6m) of the statutes is amended to read:

17 79.10 (6m) CORRECTIONS OF STATE PROPERTY TAX CREDIT PAYMENTS. If the
18 department of administration or the department of revenue determines by October
19 1 of the year of any distribution under subs. sub. (4) and (5) that there was an
20 overpayment or underpayment made in that year's distribution by the department
21 of administration to municipalities, as determined under subs. sub. (4) and (5),
22 because of an error by the department of administration, the department of revenue
23 or any municipality, the overpayment or underpayment shall be corrected as
24 provided in this subsection. Any overpayment shall be corrected by reducing the
25 subsequent year's distribution, as determined under subs. sub. (4) and (5), by an

1 amount equal to the amount of the overpayment. Any underpayment shall be
2 corrected by increasing the subsequent year's distribution, as determined under
3 ~~subs. sub.~~ sub. (4) and (5), by an amount equal to the amount of the underpayment.
4 Corrections shall be made in the distributions to all municipalities affected by the
5 error. Corrections shall be without interest.

6 **SECTION 42.** 79.10 (7m) (b) of the statutes is repealed.

7 **SECTION 43.** 79.10 (7r) of the statutes is repealed.

8 **SECTION 44.** 79.10 (9) (bm) of the statutes is repealed.

9 **SECTION 45.** 79.10 (9) (c) of the statutes is amended to read:

10 79.10 (9) (c) *Credits shown on tax bill.* The ~~lottery credit under par. (bm) shall~~
11 ~~reduce the property taxes otherwise payable for those taxpayers who are eligible to~~
12 ~~receive that credit and who furnish the information required under sub. (10) (a), and~~
13 ~~the credit under par. (b) shall reduce the property taxes otherwise payable.~~

14 **SECTION 46.** 79.10 (10) of the statutes is repealed.

15 **SECTION 47.** 79.10 (11) of the statutes is repealed.

16 **SECTION 48.** 79.11 (3) (b) of the statutes is repealed.

17 **SECTION 49.** 165.25 (4) (a) of the statutes is amended to read:

18 165.25 (4) (a) The department of justice shall furnish all legal services required
19 by the investment board, ~~the lottery division in the department of revenue,~~ the public
20 service commission, the department of transportation, the department of natural
21 resources, the department of tourism and the department of employe trust funds,
22 together with any other services, including stenographic and investigational, as are
23 necessarily connected with the legal work.

24 **SECTION 50.** 227.01 (13) (ze) of the statutes is repealed.

25 **SECTION 51.** 561.02 (1) of the statutes is renumbered 561.02.

1 **SECTION 52.** 561.02 (2) of the statutes is repealed.

2 **SECTION 53.** 561.03 of the statutes is amended to read:

3 **561.03 Executive director.** The governor shall nominate, and with the
4 advice and consent of the senate appoint, an executive director of the board, who
5 shall assist the board in performing its duties under s. 561.02 (1).

6 **SECTION 54.** 561.06 (1) of the statutes is amended to read:

7 561.06 (1) ~~Subject to s. 565.25 (1m), provide~~ Provide all of the security services
8 for the gaming operations under chs. 562 to 569.

9 **SECTION 55.** Chapter 565 of the statutes, as affected by 1997 Wisconsin Act 3,
10 is repealed.

11 **SECTION 56.** 945.01 (1) (e) of the statutes is repealed.

12 **SECTION 57.** 945.01 (3) (b) 1. of the statutes is amended to read:

13 945.01 (3) (b) 1. A device used in conducting a bingo occasion or raffle event
14 under ch. 563, ~~used in conducting a lottery under ch. 565~~ or used in conducting a race
15 under ch. 562.

16 **SECTION 58.** 945.01 (4) (am) of the statutes is amended to read:

17 945.01 (4) (am) "Gambling place" does not include a place where bingo or a
18 raffle is conducted under ch. 563, ~~where a lottery is conducted under ch. 565~~ or where
19 a race is conducted under ch. 562 and does not include a gambling vessel that is in
20 the process of construction, delivery, conversion or repair by a shipbuilding business
21 that complies with s. 945.095.

22 **SECTION 59.** 945.01 (5) (am) of the statutes is amended to read:

23 945.01 (5) (am) "Lottery" does not include bingo or a raffle conducted under ch.
24 563, or pari-mutuel wagering conducted under ch. 562 ~~or the state lottery or any~~
25 ~~multistate lottery conducted under ch. 565.~~

