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EXECUTIVE PARTIAL VETO OF SENATE BILL 40

Executive Budget Bill Passed by the 2007 Wisconsin Legislature

(2007 Wisconsin Act 20)

I. INTRODUCTION

This brief contains the veto message of Governor Jim Doyle for the partial veto of 2007 Senate Bill 40 (2007 Wisconsin Act 20), the “Executive Budget Bill” passed by the 2007 Wisconsin Legislature. Subsequent editions of *Wisconsin Briefs* will cover the messages for other gubernatorial vetoes or partial vetoes relating to 2007 legislation.

Veto Brief Format

This brief provides the following information:

1. Background material on the veto process, including legislative review of vetoes, use of the partial veto, and judicial interpretation of the governor’s veto power.
 2. The legislative action for 2007 Senate Bill 40, including the vote for final passage in each house and the page number of the loose-leaf journals in each house referring to the vote. (“S.J.” stands for Senate Journal; “A.J.” stands for Assembly Journal.)
 3. The text of the governor’s veto message.
 4. The text of each segment of the governor’s veto message keyed to the corresponding partially vetoed sections of 2007 Wisconsin Act 20 (with the vetoed material indicated by a distinguishing shading — **like this**, and the write-downs indicated by a distinguishing reverse shading of white numerals on black background — **like this**).
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II. THE VETO PROCESS

History

Wisconsin governors have been granted the constitutional power to veto bills in their entirety since the ratification of the Wisconsin Constitution in 1848. In November 1930, the people of Wisconsin approved a constitutional amendment granting the governor the additional power to veto appropriation bills in part. This new “partial veto” authority was used immediately beginning with the 1931 session (see following table).

PARTIAL VETOES OF EXECUTIVE BUDGET BILLS 1931-2007¹

Session	Bill	Law	Number of Vetoes ²	Senate/Assembly Journal Page ³	Session	Bill	Law	Number of Vetoes ²	Senate/Assembly Journal Page ³
1931	AB-107	Ch. 67	12	A.J. p. 1134	1977	SB-77	Ch. 29	67	S.J. p. 853
1933	SB-64	Ch. 140	12	S.J. p. 1195		AB-1220 ⁶	Ch. 418	44	A.J. p. 4345
1935	AB-17	Ch. 535	0	---	1979	SB-79	Ch. 34	45	S.J. p. 617
1937	AB-74	Ch. 181	0	---		AB-1180 ⁶	Ch. 221	58	A.J. p. 3420
1939	AB-194	Ch. 142	1	A.J. p. 1462	1981	AB-66	Ch. 20	121	A.J. p. 895
1941	AB-35	Ch. 49	1	A.J. p. 770	1983	SB-83	Act 27	70	S.J. p. 276
1943	AB-61	Ch. 132	0	---	1985	AB-85	Act 29	78	A.J. p. 293
1945	AB-1	Ch. 293	1	A.J. p. 1383	1987	SB-100	Act 27	290	S.J. p. 277
1947	AB-198	Ch. 332	4 ⁴	A.J. p. 1653		AB-850 ⁸	Act 399	118	A.J. p. 1052
1949	AB-24	Ch. 360	0	---	1989	SB-31	Act 31	208	S.J. p. 325
1951	AB-174	Ch. 319	0	---		SB-542 ⁹	Act 336	73	S.J. p. 957
1953	AB-139	Ch. 251	2	A.J. p. 1419	1991	AB-91	Act 39	457	A.J. p. 404
1955	AB-73	Ch. 204	0	---		SB-483 ¹⁰	Act 269	161	S.J. p. 896
1957	AB-77	Ch. 259	2	A.J. p. 2088	1993	SB-44	Act 16	78	S.J. p. 362
1959	AB-106	Ch. 135	0	---		AB-1126 ⁸	Act 437	11	A.J. p. 960
1961	AB-111	Ch. 191	2	A.J. p. 1461	1995	AB-150	Act 27	112	A.J. p. 383
1963	SB-615	Ch. 224	0	---		AB-557 ¹¹	Act 113	11	A.J. p. 689
1965	AB-903	Ch. 163	1	A.J. p. 1902		SB-565 ¹²	Act 216	3	S.J. p. 770
1967	AB-99	Ch. 43	0	---	1997	AB-100	Act 27	152	A.J. p. 322
1969	SB-95	Ch. 154	27	A.J. p. 2615		AB-768 ¹³	Act 237	20	A.J. p. 927
1971	SB-805	Ch. 125	12 ⁵	S.J. p. 2162	1999	AB-133	Act 9	255	A.J. p. 405
	AB-1610 ⁶	Ch. 215	8	A.J. p. 4529	2001	SB-55	Act 16	315	S.J. p. 282
1973	AB-300	Ch. 90	38	A.J. p. 2409		AB-1 ¹⁴	Act 109	72	A.J. p. 894
	AB-1 ⁷	Ch. 333	19	A.J. p. 310	2003	SB-44	Act 33	131	S.J. p. 277
1975	AB-222	Ch. 39	42	A.J. p. 1521	2005	AB-100	Act 25	139	A.J. p. 373
	SB-755 ⁶	Ch. 224	31	S.J. p. 2257					

¹A constitutional amendment giving the governor authority to veto appropriation bills in part was ratified by the electorate in November 1930.

²As listed in the respective governor's veto message.

³Beginning journal page reference. A.J. — Assembly Journal; S.J. — Senate Journal.

⁴All 4 partial vetoes involved the Conservation Fund.

⁵Numerous "technical changes" made by the governor are counted as one partial veto.

⁶Budget Review Bills.

⁷Budget Review Bill considered in April 1974 Special Session.

⁸1988 Annual Budget Bill.

⁹1990 Agency Adjustment Bill.

¹⁰1992 Budget Adjustment Bill.

¹¹1995-97 Transportation Budget Bill.

¹²1996 Budget Adjustment Bill.

¹³1998 Budget Adjustment Bill.

¹⁴2002 Budget Adjustment Bill, January 2002 Special Session.

Source: Senate and Assembly Journals.

Section 10 of Article V of the Wisconsin Constitution grants the veto power to the governor. As printed in the 2005-06 edition of the *Wisconsin Statutes*, the section reads:

WISCONSIN CONSTITUTION [Article V] GOVERNOR TO APPROVE OR VETO BILLS; PROCEEDINGS ON VETO. Section 10 (1) (a) Every bill which shall have passed the legislature shall, before it becomes a law, be presented to the governor.

(b) If the governor approves and signs the bill, the bill shall become law. Appropriation bills may be approved in whole or in part by the governor, and the part approved shall become law.

(c) In approving an appropriation bill in part, the governor may not create a new word by rejecting individual letters in the words of the enrolled bill.

(2) (a) If the governor rejects the bill, the governor shall return the bill, together with the objections in writing, to the house in which the bill originated. The house of origin shall enter the objections at large

upon the journal and proceed to reconsider the bill. If, after such reconsideration, two-thirds of the members present agree to pass the bill notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of the members present it shall become law.

(b) The rejected part of an appropriation bill, together with the governor's objections in writing, shall be returned to the house in which the bill originated. The house of origin shall enter the objections at large upon the journal and proceed to reconsider the rejected part of the appropriation bill. If, after such reconsideration, two-thirds of the members present agree to approve the rejected part notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of the members present the rejected part shall become law.

(c) In all such cases the votes of both houses shall be determined by ayes and noes, and the names of the members voting for or against passage of the bill or the rejected part of the bill notwithstanding the objections of the governor shall be entered on the journal of each house respectively.

(3) Any bill not returned by the governor within 6 days (Sundays excepted) after it shall have been presented to the governor shall be law unless the legislature, by final adjournment, prevents the bill's return, in which case it shall not be law.

Wisconsin Supreme Court Cases

The constitutional provision granting the governor the authority to veto bills in part has come under the scrutiny of the Wisconsin Supreme Court in 8 cases: *State ex rel. Wisconsin Telephone Co. v. Henry*, 218 Wis. 302 (1935); *State ex rel. Finnegan v. Dammann*, 220 Wis. 143 (1936); *State ex rel. Martin v. Zimmerman*, 233 Wis. 442 (1940); *State ex rel. Sundby v. Adamany*, 71 Wis. 2d 118 (1976); *State ex rel. Kleczka v. Conta*, 82 Wis. 2d 679 (1978); *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988); *Citizens Utility Board v. Klauser*, 194 Wis. 2d 484 (1995); and *Risser v. Klauser*, 207 Wis. 2d 558 (1997). With 2 exceptions, the opinions have broadened the power of the governor to veto parts of appropriation bills.

In the *Henry* case, the court held that the authority granted to the governor in the Wisconsin Constitution to veto a "part" is broader than the authority of other governors to veto an "item"; that the governor could disapprove nonappropriation parts of an appropriation bill; that the parts approved after the veto must constitute a complete, entire, and workable law; and that the governor's power to disapprove separable pieces of an appropriation bill is as broad as the legislature's power to join the pieces into a single bill.

The *Finnegan* case held that, in order for the governor to exercise the partial veto, the body of the bill itself must contain an appropriation of public money not merely have an indirect bearing upon an appropriation; and that an increase in revenues that has the effect of increasing expenditures under an existing appropriation does not create an appropriation.

The *Martin* case stated that the purpose of the partial veto was to prevent, if possible, the adoption of omnibus appropriation bills "with riders of objectionable legislation attached" which would "force the governor to veto the entire bill and thus stop the wheels of government or approve the obnoxious act." The court held in *Martin* that 1) the governor may effect policy changes through the partial veto and 2) the veto is sustainable if the approved parts, taken as a whole, still provide a complete, workable law.

In the *Sundby* case, the court recognized that the governor may effect an affirmative change as well as negate legislative action through the veto, and it reiterated that the veto may be applied to nonappropriation language.

In the *Kleczka* case, the court rejected any implication in the earlier cases that a legislative proviso or condition on an appropriation was inseverable from the appropriation and thus could be vetoed only if the appropriation itself was vetoed.

In the *Thompson* case, decided prior to the 1990 constitutional amendment (which prohibited the governor from using his partial veto authority to create new words by rejecting individual letters), the court reiterated that the governor's authority to veto appropriation bills in part is very broad, that the governor may exercise the partial veto authority on conditions or provisos attached to appropriations, that a partial veto may be affirmative as well as negative in effect, and that the material remaining after the veto must be a complete and workable law. The court let stand vetoes that created new words and sentences by striking words, letters and punctuation. It held that the governor may reduce dollar amounts by striking individual digits and that any text remaining after the governor's use of the partial veto must be "germane to the topic or subject matter of the vetoed provisions" contained in the enrolled bill.

In *Citizens Utility Board*, the court held that the governor may exercise the partial veto power by striking a numerical sum in an appropriation and writing in a different smaller number as the appropriated sum.

The *Risser* court held that the governor’s write-in veto may be exercised only on a monetary figure which is an appropriation amount.

Federal Cases

The federal courts have also addressed the Wisconsin veto process. Following *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988), the governor’s veto power was upheld by both the United States District Court for the Western District of Wisconsin (No. 90 C 215) and the United States District Court of Appeals for the Seventh Circuit in *Fred A. Risser and David M. Travis v. Tommy G. Thompson*, 930 F.2d 549 (7th Cir. 1991). The U.S. Court of Appeals concluded that “Wisconsin’s partial veto provision as interpreted by the state’s highest court is a rational measure for altering the balance of power between the branches. That it is unusual, even quirky, does not make it unconstitutional. It violates no federal constitutional provision because the federal Constitution does not fix the balance of power between branches of state government.” In October 1991, the U.S. Supreme Court refused to review the decision of the U.S. Court of Appeals. *Risser v. Thompson*, 502 U.S. 860 (1991).

Legislative Action and Publication of Law Supplements

Since 1973 each act vetoed in part has originally been published to show the parts approved by the governor as clear text and the parts objected to by the governor as overlaid text and beginning in 1995 as shaded text (**this is shaded text**). If the legislature overrides a partial veto, only the new law text resulting from the veto override is published. The new text is identified as a supplement to the act originally published. An explanation is published with each supplement, and it would read as follows for a 2007 act:

2007 *BILL* was approved by the governor “in part” and has become 2007 WISCONSIN ACT *NUMBER*. The parts objected to by the governor (“partial veto”) were reviewed by the senate on *DATE* and by the assembly on *DATE*. This supplement to 2007 WISCONSIN ACT *NUMBER* contains those parts of that act which had been vetoed by the governor but which have become law as the result of their approval, by two-thirds of the members of each house, notwithstanding the objections of the governor.

The supplement identifies the changes in 2007 WISCONSIN ACT *NUMBER* as follows:

(1) LAW IN EXISTENCE ON *DATE*. All text of statute law or session law which was in effect on the day preceding legislative action on the vetoes contained in 2007 *BILL*, and which is shown in this supplement as part of a SECTION of 2007 WISCONSIN ACT *NUMBER*, in which a veto override occurred, is shown as plain text (**this is plain text**).

(2) PREEXISTING LAW DELETED BY VETO OVERRIDE. In some instances the legislature, in passing 2007 *BILL*, had proposed to delete certain words contained in existing law. These deletions could not take effect with the publication of 2007 WISCONSIN ACT *NUMBER*, as the result of a veto by the governor, but they take effect now because the veto was overridden by legislative action. Such text is shown as shaded text (**this is shaded text**).

(3) NEW TEXT CREATED BY VETO OVERRIDE. All text that comes into being for the first time as the result of the veto override is shown as a special italic type (*this is the special italic type*).

III. LEGISLATIVE ACTION ON THE PASSAGE OF 2007 SENATE BILL 40

2007 Wisconsin Act 20 (Senate Bill 40): Executive Budget Act

On June 26, 2007, the senate adopted Senate Substitute Amendment 1 [as amended by Senate Amendments 1 (as amended by Senate Amendment 1) and 2] to Senate Bill 40, by a vote of 18 to 15, S.J. 06/26/07, p. 272, and passed Senate Bill 40 as amended, by a vote of 18 to 15, S.J. 06/26/07, p. 273.

On July 10, 2007, the assembly adopted Assembly Substitute Amendment 1 [as amended by Assembly Amendment 1] to Senate Bill 40, by a vote of 51 to 44, A.J. 07/10/07, p. 234, and concurred in Assembly Substitute Amendment 1 to Senate Bill 40 as amended, by a vote of 51 to 44, A.J. 07/10/07, p. 234.

On July 17, 2007, pursuant to Assembly Joint Resolution 59, the assembly and the senate agreed to a Committee of Conference and appointed the conferees.

On October 23, 2007, the assembly adopted the Committee of Conference report by a vote of 60 to 39, A.J. 10/23/07, p. 311.

On October 23, 2007, the senate received the Committee of Conference Report from the assembly as adopted, S.J. 10/23/07, p. 365, and concurred in the Committee of Conference Report by a vote of 18 to 15, S.J. 10/23/07, p. 365.

On October 26, 2007, the governor approved in part and vetoed in part Senate Bill 40, and the part approved became 2007 Wisconsin Act 20, S.J. 10/26/07, p. 373. The date of enactment is October 26, 2007, and the date of publication is October 26, 2007, and, as provided by section 991.11, Wisconsin Statutes, the effective date of all provisions of the act is October 27, 2007, except those provisions for which the act expressly provides a different date.

IV. TEXT OF THE GOVERNOR'S VETO MESSAGE

TEXT OF GOVERNOR'S VETO MESSAGE

October 26, 2007

To the Honorable Members of the Senate:

I have approved **Senate Bill 40** as 2007 Wisconsin Act 20 and deposited it in the Office of the Secretary of State.

My budget recommendations for the 2007–09 biennium were delivered to the Legislature on February 13, 2007. In that budget, I set forth goals to ensure opportunity for Wisconsin citizens and stronger management of the state's financial resources. Over eight months later, the bipartisan budget I am signing today meets those goals.

The budget is balanced and has a surplus of \$120 million by the end of the biennium. Future commitments to tax cuts and new spending total less than \$900 million. This represents a \$600 million reduction from the prior biennium, and over two-thirds lower than the gap I inherited in January 2003. Use of one-time funding in this budget is nearly 50 percent less than last budget and over \$1.5 billion less than four years ago.

Emerging from the largest budget deficit in state history required a steady and disciplined commitment to fiscal responsibility. My first two budgets cut nearly \$800 million from state agency spending. The budget I introduced in February cut state agency budget requests by over \$400 million and the budget I am signing today cuts state operations an additional \$200 million over the next two years. Implementing these reductions will require continued effective and efficient operation of state government programs. Many of the vetoes I have made to the budget seek to reduce unnecessary reporting requirements and duplicative legislative oversight that would otherwise impede the cost-effective operation of executive branch agencies.

This budget protects the taxpayer. Over \$2 billion in tax cuts are either funded in the budget or phased-in over the next four years. By continuing tough municipal levy limits, property taxes on the typical home are held in check – growing at the rate of inflation this year and at about \$14 (0.5%) next year. Residential property tax relief is further enhanced through a new “first dollar” tax credit that exempts from school property taxes the first \$4,500 of value on all improved property in the state.

Schools will see an additional \$525 million in direct state aid and school property tax credits in the biennium. Significant investments are made to support small class sizes in early grades, expand 4-year-old kindergarten, implement school breakfast programs, maintain special education services, provide additional property tax relief to school districts that serve communities with high concentrations of poverty, and recognize the unique needs of rural school districts.

One of the top priorities of my administration has been growing Wisconsin's economy. A key catalyst of our economic growth has always been the University of Wisconsin. This budget provides over \$21 million in state support for growth agenda initiatives on University of Wisconsin System campuses. These initiatives will expand our efforts in technology, health care, engineering and other areas critical to our economic success.

The success of our economy requires that all Wisconsin citizens be afforded the opportunity to expand their knowledge through education. I have always made access to higher education a priority. Initiatives in the last two budgets have doubled the amount of funding available for student financial aid. Building on those efforts, this budget implements the Wisconsin Covenant Scholars Program and provides a \$44 million increase in student financial aid, including \$12 million for the Wisconsin GI Bill veterans tuition remission program.

Wisconsin's economic success requires that we continue our efforts to diversify our economy. This budget provides \$22 million for renewable energy grants and loans, expands angel and early stage seed capital investment tax credits and creates a new tax credit for biofuel development. Ensuring our workforce and businesses can maintain a competitive edge is supported by an increase of \$3 million in Workforce Advancement Training grants administered by the Wisconsin Technical College System.

Health care access and costs are a major issue for Wisconsin businesses and families. My budget proposed to ensure that 98 percent of Wisconsin citizens had access to affordable, high-quality care. This budget implements the Badger-Care Plus proposal to cover all children and expands Medicaid coverage to childless adults. Seniors and the disabled will receive comprehensive services in the community by expanding the state's Family Care program. Health care costs are reduced for many in this budget by exempting the entire cost of health insurance premiums paid by families and individuals from state income taxes.

Tobacco-related illnesses create massive costs in our health care system. Experts agree that tax increases on tobacco of at least \$1 per pack, or the equivalent, are the minimum necessary to reduce smoking. This budget includes a \$1 increase in the tobacco tax and a 50 percent increase in funding for tobacco control and cessation efforts. This revenue increase generates over \$400 million in revenue in support of the state's Medicaid program and will ultimately lead to improved public health through reduced tobacco use.

Wisconsin's quality of life is second to none. Our outdoor recreation activities are boundless. Hunting, fishing, boating, snowmobiling, hiking – Wisconsin has it all. Those opportunities reflect a long legacy of land, natural resource and environmental protection. Holding true to that legacy, this budget reauthorizes the bipartisan Warren Knowles-Gaylord Nelson Stewardship Program for another 10 years. Over \$850 million in bonding is authorized to protect pristine natural areas, expand state parks and help local governments and conservation groups expand recreational and land protection opportunities.

There is no question that Milwaukee is Wisconsin's economic and cultural hub. It is the foundation of our state's strong manufacturing industry. Milwaukee makes Wisconsin better. I have always believed that and this budget makes significant investments toward supporting and improving our state's largest city. New funding includes \$10 million to help increase math and science achievement of Milwaukee Public Schools students, \$17 million in direct school property tax relief, \$9 million in support of increased research efforts at UW-Milwaukee, \$12 million for translational research efforts at the Medical College of Wisconsin and \$1 million for youth summer jobs. Resources are also provided to enhance public safety in Milwaukee, including law enforcement funding, offender treatment, assessment and diversion, and increased youth aids.

Transportation investments are critical to Wisconsin's economic success. Our highways and local roads move tourists, goods, machinery and workers. Our local transit systems seek to ensure everyone has access to a job. We have critical transportation infrastructure needs in our state. The soon to be completed Marquette Interchange is the best example of the ongoing commitment Wisconsin needs to make. This budget adds over \$400 million in funding for major highways, highway rehabilitation and maintenance, and local transportation and transit aids. The first phase of reconstruction of the north-south I-94 segment in Milwaukee, Racine and Kenosha counties is funded. Resources for preliminary engineering on the Zoo Interchange in Milwaukee County are included in this budget. Rail and harbor funding is provided in recognition of the diversity of means to transport goods and products to and from Wisconsin.

The following is a brief summary of how this budget, including my vetoes, will address some of the key issues facing the citizens of Wisconsin:

K-12 Education

- Provides \$214 million in general and categorical school aid increases over the biennium which, in combination with \$311 million in increases to the school levy and first dollar tax credits and the state's residential schools, will pro-

vide school districts the revenues needed to maintain financial resources at the modest levels needed to provide a high-quality public education, maintain the state's commitment to funding two-thirds of school costs and provide property tax relief to Wisconsin's taxpayers.

- Creates a new aid program to provide Milwaukee Public Schools \$10 million to implement research-based initiatives to improve pupil academic achievement in all grades and reduce the achievement gap for economically disadvantaged students.
- Provides \$21 million over the biennium to reduce the property tax burden in high-poverty school districts where at least 50 percent of pupils qualify for free or reduced-price lunch.
- Increases special education aid by \$55.3 million over the biennium, including \$1.8 million for a new program to offset special education costs in high-need school districts. This is one of the largest biennial increases in special education aid in the state's history.
- Provides \$3.6 million in sparsity aid to low enrollment, rural school districts, where offering a comprehensive, high-quality curriculum poses greater fiscal challenges.
- Provides \$26.8 million to fully fund the state's commitment to increase per pupil payments under the Student Achievement Guarantee in Education (SAGE) small class size initiative from \$2,000 to \$2,250 beginning in the 2007-08 school year.
- Acknowledges the importance of school breakfast with increased funding of \$3.3 million over the biennium, raising the state level of reimbursement per breakfast by 50 percent and increasing the incentive for school districts to implement breakfast programs.

University of Wisconsin System and Student Financial Aid

- Recognizes the importance of the University of Wisconsin System to the state's economy by providing \$158 million GPR over the biennium to fund the cost to continue existing academic programs and support services and to initiate a \$29.4 million GPR and tuition-funded growth agenda to increase the number of Wisconsin adults with college degrees and maintain the system's role as a leader in cutting-edge research.
- Provides an additional \$10 million over the biennium to strengthen the University of Wisconsin System's ability to retain high-demand faculty.
- Strengthens Wisconsin's leadership role in medical research by providing \$2.5 million GPR in fiscal year 2008-09 to help support research on lung cancer and \$400,000 GPR over the biennium to support research on islet transplantation, a promising new treatment for Type I (juvenile) diabetes.
- Helps ensure that college remains affordable for lower income Wisconsin residents by increasing financial aid programs by \$32.2 million GPR over the biennium, including a 40 percent increase to funding for higher education grants for University of Wisconsin students.
- Assists the University of Wisconsin and Wisconsin Technical College systems in paying the cost of tuition remissions for Wisconsin veterans and eligible dependents by providing \$11.6 million GPR over the biennium.
- Increases funding to the technical college system by \$3 million GPR over the biennium for Workforce Advancement Training Grants, which help support the kinds of skill development activities that directly benefit Wisconsin workers and employers.
- Maintains the existing controls on technical college district property tax levies to ensure that these colleges can continue to provide the education and training programs critical to Wisconsin's economic vitality.

Workforce Development

- Ensures that access to affordable child care for low-income working families will be maintained by providing \$69 million in additional funding for subsidized child care.
- Ensures the continued quality of the Wisconsin Child Support Enforcement program by providing \$8.4 million GPR. The additional state contribution will offset federal disinvestment in the Child Support Enforcement program and will draw down an additional \$16.3 million in federal matching funds.

Economic Development and Transportation

- Encourages the growth of Wisconsin's renewable energy industry and energy independence by providing \$22 million over the biennium for the Renewable Energy Grant and Loan Program.

- Targets \$7 million from the Renewable Energy Grant and Loan Program for grants and loans to assist a pulp and paper mill to emerge from bankruptcy and provides \$4 million over the biennium for grants for the construction of soybean crushing facilities.
- Increases recycling grants to municipal and county governments by \$6.5 million per year to offset a portion of recycling expenses.
- Improves skilled employment opportunities for high school students by doubling funding for the Youth Apprenticeship Program, which partners local schools with businesses.
- Increases support for organizations operating homeless shelters and providing transitional housing assistance by \$2 million over the biennium.
- Improves highway safety and supports economic development by providing over \$2 billion for state highway construction and rehabilitation projects over the biennium. This includes a 9.6 percent increase in fiscal year 2007–08 and 3.1 percent in fiscal year 2008–09 for state highway rehabilitation and a 5.2 percent increase in fiscal year 2007–08 and 2.7 percent in fiscal year 2008–09 for major highway development.
- Provides funding to continue the enhancement of a crucial piece of the state’s economy, the Southeast Wisconsin freeway system. In particular, the budget provides \$181.6 million to continue preliminary engineering of and begin construction on the I–94 North–South Corridor, and \$24 million for preliminary studies of reconstruction of the Zoo Interchange.
- Increases transportation aids by 3 percent annually and transit assistance by 2.5 percent annually plus an additional \$6 million. Elderly and disabled transportation aids, the local roads improvement program and aeronautics assistance also received 2 percent increases.
- Invests in Southeast Wisconsin economic development by providing \$800,000 SEG to continue preliminary engineering on a commuter rail line in Kenosha, Racine and Milwaukee counties and by providing \$1 million over the biennium to add a passenger car to the Amtrak Hiawatha rail line.
- Ensures that Wisconsin’s highways are adequately maintained during winter months by providing an additional \$44,294,300 in funding for the state highway maintenance program.
- Allows the Department of Transportation to move forward on implementing the federally–mandated REAL ID Act so that Wisconsin residents will be able to use their driver’s licenses as identification under the federal law in 2013.

Environmental Protection and Resource Management

- Reauthorizes the Warren Knowles–Gaylord Nelson Stewardship Program at \$86 million in general obligation bonding authority per year from fiscal year 2010–11 to fiscal year 2019–20.
- Increases funding by \$1.8 million in fiscal year 2007–08 and \$2.8 million in fiscal year 2008–09, increases cost–sharing grants for projects to control aquatic invasive species, and expands eligibility for the grants to include public or private entities.
- Protects Wisconsin’s waters by providing \$25 million in general obligation bonding authority to continue funding for urban and rural nonpoint source pollution cleanup and prevention projects and \$6 million SEG to increase cost–share grants to landowners for nutrient management planning to prevent nonpoint source water pollution.
- Provides \$17 million in general obligation bonding authority to leverage \$31 million in federal funds for contaminated sediment removal from the Great Lakes and tributary rivers.
- Provides \$4.5 million over the biennium to compensate for costs of transporting PCB contaminated sediment to an out–of–state hazardous waste facility.
- Creates the Lower Fox River Remediation Authority, which would issue assessment bonds for eligible waterway improvement costs related to the cleanup of the Lower Fox River.
- As part of the Managed Forest Law program, creates a \$1 million grant program to maintain the amount of land to which the public has access for recreation and enjoyment.

Health Care

- Expands BadgerCare Plus coverage to families, children and pregnant women through reallocation of funding within the current BadgerCare program. This expansion will provide access to affordable health care to families

under 200 percent of the poverty level, and to children and pregnant women up to 300 percent of the poverty level. Families with higher incomes will be able to buy their children BadgerCare Plus benchmark health plan coverage at cost to ensure that every child in Wisconsin has access to affordable, comprehensive health care.

- Expands health care access to childless adults with family incomes at or below 200 percent of poverty.
- Provides an increase in Medicaid reimbursement rates to noninstitutional providers, with a special emphasis on rate increases for home health and personal care services.
- Identifies additional GPR savings in the Medicaid programs in fiscal year 2008-09 from increased federal financial support, improvements in the management of services, and a thorough review of potential options for modifying pharmacy services that are currently provided through managed care contracts.

Long-Term Care

- Expands the Family Care program which provides managed long-term care services to elderly and disabled recipients throughout Wisconsin.
- Provides a five percent GPR rate increase for nursing homes in fiscal year 2008-09. Implementation of this increase will provide much needed relief to nursing homes in financial distress.

Public Health

- Provides funding to the city of Racine Health Department to reduce the rate of infant mortality.
- Provides an additional \$3 million in fiscal year 2008-09 to the federally qualified community health centers which serve low-income or uninsured people.
- Increases resources for tobacco control and cessation efforts by 50 percent, to a total annual commitment of \$15 million.

Children and Families

- Creates a stronger and more coordinated focus on the needs of Wisconsin's families by creating a new Department of Children and Families that will consolidate the state's child welfare and family support programs in one agency.
- Provides over \$1.7 million GPR funding to increase foster care rates by ten percent over the biennium. Payments to foster families support basic food, clothing and living expenses for children in foster care.
- Provides \$10.6 million GPR to fully fund projected costs of child welfare efforts in Milwaukee County, including support for case manager retention, training and education.
- Provides \$500,000 GPR to support a comprehensive early childhood initiative in Dane County that links low-income families to employment and family support services.
- Provides \$1 million in tribal gaming funds to support the needs of tribal children living in foster care or other costly out-of-home care placements.
- Increases domestic abuse grants by providing an additional \$1,673,700 GPR for shelter, counseling and education services.
- Provides additional funding and positions to staff new beds in the expansion at the Sand Ridge Secure Treatment Center for sexual predators.

Public Safety

- Provides \$5.8 million GPR and 71.10 GPR FTE positions to implement 2005 Wisconsin Act 431, pertaining to global positioning tracking of serious child sex offenders.
- Increases state funding to counties for Youth Aids by \$23 million GPR over the biennium.
- Provides over \$15 million GPR over the biennium to address criminal justice issues in Milwaukee.
- Provides additional resources for the Taycheedah Correctional Institution to improve medical and mental health treatment.
- Provides 31.0 FTE positions, \$6.9 million GPR and \$845,000 PR to address the backlog of processing DNA evidence at the state crime labs.

- Increases staffing for the Internet Crimes Against Children Task Force by 5.0 FTE positions and funding by \$350,000 GPR in each year.
- Provides funding for civil legal services to indigent persons to help on targeted issues, including guardian ad litem and obtaining child support.
- Provides 2.75 FTE district attorney positions in fiscal year 2007–08 and 5.75 FTE district attorney positions in fiscal year 2008–09.
- Adds two new circuit court branches as follows: one in Juneau County with an effective term date of August 1, 2008, and one in Kenosha County with an effective term date of August 1, 2009.

Government Efficiency

- Lapses \$100 million annually from state agencies to account for ongoing savings from state administrative efficiency efforts.
- Provides funding to upgrade state accounting, payroll, procurement and human resources systems in support of more effective use of existing state resources.
- Deposits an estimated \$40 million in net proceeds from the sale of state-owned buildings and land into the general fund.

Veterans

- Provides 15.0 FTE positions (including 4.0 FTE registered nurse positions) and \$1,511,900 PR for direct care needs at the Veterans Home at King.
- Approves \$300,000 SEG for capital projects planning and feasibility studies relating to possible future development of new veterans nursing care facilities and cemeteries in Outagamie County, Douglas County and Chippewa Falls.
- Approves \$159,000 GPR for funds to continue Mission Welcome Home outreach and for assistance to returning veterans suffering from posttraumatic stress disorder.
- Provides \$192,000 SEG biennially for assistance to needy veterans for subsistence aid and health care costs.
- Provides \$15,000 GPR in each year for grants to the Center for Veterans Issues to offer outreach services to homeless veterans in the Milwaukee area.
- Increases grants by \$55,400 SEG for County Veterans Service Officers in Jackson, Taylor, Calumet, Polk, Dunn, Monroe and Sheboygan counties.
- Provides \$85 million of additional bonding authority for the Veterans Primary Mortgage Loan Program.
- Provides \$165,000 GPR for Korean War Memorial Refurbishment in Plover.

Building Program

- Enumerates the acquisition of \$12 million in translational research program equipment in Wauwatosa at the Medical College of Wisconsin. Approves \$10 million in general fund supported bonding for installation.
- Authorizes \$2,250,000 in general fund supported bonding for Hmong Cultural Centers in Dane County (\$2 million) and La Crosse County (\$250,000).
- Approves \$500,000 in general fund supported bonding for a Civil War Exhibit at the Kenosha Public Museum.
- Approves \$1 million in general fund supported bonding for the Oconto Bond Health Center Project.
- Authorizes \$710,988,000 from all funds for 31 projects at University of Wisconsin System campuses.

Employment Relations Commission

- Broadens provisions of the budget to make alternate disciplinary appeals procedures available to both law enforcement officers and firefighters.

Property Tax Relief

- Creates a new \$75 million first dollar property tax credit to pay school property taxes on the first \$4,498 of the value of Wisconsin homes and businesses.

- Caps county and municipal levy increases at the greater of 3.86 percent or the gain in value from net new construction in the first year of the biennium and 2 percent or net new construction in the second. Extends county and municipal levy limits for an additional two years.

Revenue and General Fund Taxes

- Funds over \$600 million in tax reductions enacted in previous biennia that take effect in the 2007-09 biennium, including full exemption of Social Security income (\$145.6 million), full implementation of the single sales factor apportionment in the corporate income tax (\$41 million) and the school levy tax credit (\$247.6 million).
- Increases the cigarette tax by \$1.00 to \$1.77 per pack and creates a weight-based tobacco products tax, increasing state revenue by \$163 million in fiscal year 2007-08 and \$247.9 million in fiscal year 2008-09.
- Expands the income tax deduction for health insurance premiums paid by employees who pay part of their premiums. This expansion will be phased-in over four years beginning in tax year 2008, reducing income taxes by \$11.8 million in fiscal year 2008-09.
- Supports investment in Wisconsin's dairy industry through a dairy manufacturing facility investment tax credit in the 2007-09 biennium.
- Cuts taxes for Wisconsin's seniors by excluding a portion of retirement income from state income taxes.
- Provides additional targeted tax relief and credits for families, individuals and businesses for college tuition, child and dependent care expenses, E-health care investment, biodiesel production, and community rehabilitation.

This budget embraces many of the key goals I set forth back in February. Unfortunately, several key initiatives were dropped from my budget as part of the Legislature's efforts to reach compromise. Those items include:

Insurance mandate for autism services: My budget included a requirement that insurance companies cover autism services. Having an autistic child presents many challenges for parents. Families living with autism should not face needless hurdles in getting the services their children need to thrive. That is what insurance is meant to do – meet the health care needs of those who own the insurance. I will continue to work tirelessly to secure passage of legislation that makes sure insurance companies treat autistic children and their families with fairness and dignity.

Additional federal Medicaid revenues for hospital rate increases: My budget proposed securing over \$400 million in new federal Medicaid revenues through adoption of an assessment of less than 1 percent on hospital revenues. Used by at least 17 states and approved by the federal government for implementation in Wisconsin, the hospital assessment would have increased Medicaid rate payments to hospitals by over 20 percent. Hospitals, in turn, could have used this revenue to reduce health care costs for individuals, insurance companies and businesses. Opposition to this proven financing mechanism is shortsighted and shortchanges Wisconsin. Our state ranks near the bottom nationally in the amount of federal dollars returned to the state. I will continue to push for this proposal – new federal dollars help to reduce the tax burden on Wisconsin citizens.

Shared revenue and homestead tax relief: My budget included a \$15 million increase in shared revenue payments to local governments. This would have been the first increase in five years. I will continue to seek an increase in shared revenue and have partially vetoed the municipal levy limits for calendar year 2008 to provide some limited relief to local governments in the absence of a shared revenue increase. My budget also included \$26 million to begin indexing the homestead tax credit to inflation. This tax credit helps low income home owners, primarily seniors, by reducing income taxes to offset property taxes paid by an individual. Income levels in the homestead tax credit program have not been increased in eight years. I will continue to seek an indexing factor in the formula for this program as a means of reducing the property tax burden on Wisconsin's seniors.

In addition to the items removed from my original budget, there was one item that I could not veto that warrants discussion. This budget expands the amount of tax credits available to angel and early stage seed capital investors. The intent of the provision was to make it easier for companies to raise funds from angel investors. There may need to be corrective legislation to ensure these tax credits are as effective as possible at stimulating investment in high-growth companies.

While this budget includes many positive elements, it was forged in a process that left much to be desired. Wisconsin is ill-served by legislators who believe that a better deal can be achieved simply by waiting one more day or that operating without a budget is a realistic alternative. A budget is a financial plan. It needs to get done and get done on time.

I signed my first two budgets by the third week of July. Signing the budget in the third month after July is unacceptable. Wisconsin has always prided itself on the effective operation of its government services compared to other states. I was four days away from starting to shut down those services of government not directly related to health and safety so that we would not exhaust our revenues before the end of the fiscal year.

This should never happen again. Ultimately, the timetable for adopting a budget is up to the Legislature. I urge its leaders to establish the measures necessary to avoid this situation in the future.

Creating opportunity and strengthening our fiscal management. Those were my simple goals when I introduced the budget, and the goals that have been met through my vetoes in signing the budget. This budget continues to deliver property tax relief, invests in our schools and university system, expands health care, protects the environment and our citizens, and promotes economic growth.

This is the third budget I have signed into law. I witnessed the darkest fiscal crisis in the state's history in my first budget. Today, in my third budget, we have made great progress. Our fiscal house is in the strongest shape in years. For the first time, our rainy day fund has a meaningful balance – over \$55 million. We will finish the biennium with \$120 million in the bank.

Wisconsin has always been a great state. This budget takes great strides toward making it great for every citizen. We all share in Wisconsin's future. The budget I sign today, after vetoes, creates that opportunity for everyone.

On Wisconsin.

Respectfully submitted,

JIM DOYLE

Governor

V. VETOED ITEMS

A. EDUCATION AND WORKFORCE DEVELOPMENT

HIGHER EDUCATIONAL AIDS BOARD AND DEPARTMENT OF ADMINISTRATION

Item A-1. The Wisconsin Covenant Scholars Program

Governor's written objections

Sections 78, 177 [as it relates to s. 20.505 (4) (bm)], 520 and 748

Section 748 creates the Wisconsin Covenant Scholars Program. The language also establishes eligibility criteria that students must meet to receive Wisconsin Covenant Scholars grants, including a determination of financial need. I am partially vetoing section 748 to remove references to eligibility criteria related to financial need because I object to establishing specific financial need eligibility criteria at this time.

The Covenant program is intended to encourage all Wisconsin eighth graders to make a commitment to good grades, good behavior and public service in return for a guarantee that there will be an affordable place for them within Wisconsin's public or private higher education system. The first class of Covenant scholars will be entering college in the fall of 2011. I support the provisions established in section 748 requiring that Covenant grant recipients be Wisconsin residents, enroll at least half-time at an eligible campus, are not in default on child support payments and receive a grant for no more than ten semesters of undergraduate education.

I also agree that financial need must be factored into grant decisions. However, it is premature to establish explicit financial eligibility criteria four years before the first class of Covenant scholars enters college. These criteria will depend on a number of factors, such as the level of federal aid available. It is more appropriate and realistic to wait until the 2009-11 biennium to determine what financial need criteria will best serve the Covenant program. Over the next 20 months, I will work with the Legislature to develop financial need criteria that reflect the level of Covenant program participation, the status of existing need-based financial aid programs and the condition of state revenues.

Section 78 provides for the coordination of promotional services related to the Covenant program between the Department of Administration and the Wisconsin Covenant Foundation, Incorporated. Sections 177 [as it relates to s. 20.505 (4) (bm)] and 520 create a new annual GPR appropriation, s. 20.505 (4) (bm) which provides aid to the foundation to help pay for promotional activities once the foundation is operational. I support the coordination of state and private efforts related to the Wisconsin Covenant. However, as drafted, these sections do not reflect the original intent of supporting operation of the Covenant program. While the new appropriation includes funding and positions to address the department's administrative responsibilities for the Covenant program, the language only authorizes payments to the foundation for promotional activities.

I am partially vetoing these sections to allow the department to pay the costs of operating the Office of the Wisconsin Covenant. Furthermore, I direct the Department of Administration secretary to request annual reports from the Wisconsin Covenant Foundation on its activities.

Cited segments of 2007 Senate Bill 40:

SECTION 78. 16.257 of the statutes is created to read:

16.257 Postsecondary education promotion.

Vetoed In Part (2) (a) Contract with The Wisconsin Covenant Foundation, Inc., if the secretary determines it appropriate, to pay The Wisconsin Covenant Foundation, Inc., an amount not to exceed the amount appropriated under s. 20.505 (4) (bm), to establish and implement a campaign to promote attendance at nonprofit postsecondary educational institutions in this state. Funds may be expended to carry out the contract only as provided in pars. (b) and (c).

Vetoed In Part (b) No funds appropriated under s. 20.505 (4) (bm) may be expended until the The Wisconsin Covenant Foundation, Inc., submits to the secretary a report setting forth the amount of private contributions received by The Wisconsin Covenant Foundation, Inc., since the date on which The Wisconsin Covenant Foundation, Inc., last

submitted a report under this paragraph. After receiving the report, the secretary may approve the expenditure of funds up to the amount set forth in the report. Total funds expended in any fiscal year may not exceed the amounts in the schedule under s. 20.505 (4) (bm).

(c) The Wisconsin Covenant Foundation, Inc., shall expend funds appropriated under s. 20.505 (4) (bm) in adherence with the uniform travel schedule amounts approved under s. 20.916 (8). The Wisconsin Covenant Foundation, Inc., may not expend funds appropriated under s. 20.505 (4) (bm) on entertainment, foreign travel, payments to persons not providing goods or services to The Wisconsin Covenant Foundation, Inc., or for other purposes prohibited by contract between The Wisconsin Covenant Foundation, Inc., and the department.

Vetoed In Part

SECTION 177. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	2007-08	2008-09
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20.505 Administration, department of

(4) ATTACHED DIVISIONS AND OTHER BODIES

(bm) Aid to the Wisconsin covenant foundation, inc.

GPR	A	180,200	180,200
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Vetoed In Part

SECTION 520. 20.505 (4) (bm) of the statutes is created to read:

Vetoed In Part 20.505 (4) (bm) *Aid to The Wisconsin Covenant Foundation, Inc.* The amounts in the schedule for aids to The Wisconsin Covenant Foundation, Inc., to be used for promoting attendance at nonprofit postsecondary educational institutions in this state and for salary, travel, and other expenses directly incurred by The Wisconsin Covenant Foundation, Inc., in its postsecondary education promotional activities, subject to s. 16.257 (2).

SECTION 748. 39.437 of the statutes is created to read:
39.437 Wisconsin covenant scholars grants.

Vetoed In Part (2) ELIGIBILITY. (a) Except as provided in par. (b), a student is eligible for a grant under this section if the student meets all of the following criteria :

1. The student is a resident of this state and is enrolled at least half time and registered as a freshman, sophomore, junior, or senior in a public or private,

nonprofit, accredited institution of higher education or in a tribally controlled college in this state.

2. The student is eligible for a Federal Pell Grant under 20 USC 1070a, the federal adjusted gross income of a parent of the student, as shown on the student's application for student financial assistance, does not exceed the income guidelines prescribed under 42 USC 1758 (b) for determining eligibility for reduced-price lunches under the federal National School Lunch Act, 42 USC 1751 to 1769i, or, if the student is an independent student, as defined in 20 USC 1087vv, the federal adjusted gross income of the student, as shown on the student's application for student financial assistance, does not exceed those income guidelines.

Vetoed In Part

(3) AMOUNT OF GRANT. The amount of a grant shall be based on financial need, as determined by the board, and shall be paid from the appropriation account under s. 20.235 (1) (fm).

Vetoed In Part

UNIVERSITY OF WISCONSIN HOSPITAL AND CLINICS AUTHORITY

Item A-2. Modify Board Membership, Eliminate Limit on Bonding and Other Changes

Governor’s written objections

Sections 3w, 28e, 28m, 30c, 30g, 68k, 68L, 68m, 68n, 235m, 1799m, 2710e, 2710m, 2710s, 2875e, 2898g, 2898r, 3023a, 3023b, 3023c, 3023d, 3023e, 3023f, 3023g, 3023h, 3023i, 3023j, 3023k, 3023L, 3023m, 3023n, 3023o, 3023p, 3023q, 3023r, 3023s, 3023t, 3023u, 3036m, 9150, 9151, 9350, 9351 and 9451

These sections reduce the ability of the Governor and the Legislature to provide oversight and accountability over the University of Wisconsin Hospitals and Clinics Authority in relation to bonding authority, board membership and lease agreements. These sections also relieve the University of Wisconsin Hospitals and Clinics Authority of responsibilities relating to disabled children, public safety and health care regulation.

Specifically, these sections delete the authority of the Superintendent of the Department of Public Instruction to apply to the board of directors of the University of Wisconsin Hospitals and Clinics Authority for admission to the University of Wisconsin Hospitals and Clinics of any pupil at the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing or the school operated by the Wisconsin Center for the Blind and Visually Impaired.

In addition, these sections delete the authority of the Joint Committee on Finance to review and make recommendations concerning the University of Wisconsin Hospitals and Clinics Authority lease agreements; remove the phrase “comprehensive, high quality” from language describing the purpose of the University of Wisconsin Hospitals and Clinics Authority; delete references to one-time transfer of funds; delete prohibitions that prevent the University of Wisconsin Hospitals and Clinics Authority from accepting research grants in which the investigator is an employee of the University of Wisconsin Board of Regents; delete the requirement that the University of Wisconsin Hospitals and Clinics Authority use the Building Commission as the financial consultant when issuing bonds; delete a requirement that the University of Wisconsin Hospitals and Clinics Authority operates a poison control center; delete a requirement that the University of Wisconsin Hospitals and Clinics Authority is subject to state law under Chapter 150, Wisconsin Statutes, that regulates health care providers; and clarify current law relating to collective bargaining as it applies to the University of Wisconsin Hospitals and Clinics Authority.

The sections also modify current law relating to the appointment, terms, membership and quorum requirements for the University of Wisconsin Hospitals and Clinics Authority Board of Directors. The sections remove limits on the amount of bonds the University of Wisconsin Hospitals and Clinics Authority can issue and restrict issuance of bonds unless certain conditions related to refinancing and rating are met, the Joint Committee on Finance has approved issuance of bonds and the secretary of the Department of Administration has issued written approval.

I am vetoing these provisions because I object to the placement of these nonfiscal policy items in the budget. These provisions, taken together, constitute major changes to the operations of the University of Wisconsin Hospitals and Clinics Authority and should be subject to the full legislative process where the merits of these provisions can be fully and openly debated. Furthermore, I am concerned that the requirements, if enacted, would adversely affect students at the schools for the Deaf and Hard of Hearing and the Blind and Visually Impaired. While I am vetoing all of these provisions, I am willing to consider more narrowly focused legislation that protects services for disabled children and maintains executive and legislative oversight.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part SECTION 3w. 13.094 of the statutes is repealed. SECTION 28e. 15.07 (1) (a) 5m. of the statutes is created to read: SECTION 15.07 (1) (a) 5m. Members of the University of Wisconsin Hospitals and Clinics Board appointed under

s. 15.96 (1) (ag) shall be appointed as provided in that section. SECTION 28m. 15.07 (1) (a) 6. of the statutes is amended to read:

Vetoed In Part

Vetoed In Part 15.07 (1) (a) 6. Members of the University of Wisconsin Hospitals and Clinics Board appointed under s. 15.96 (8) (1) (h) shall be appointed by the governor without senate confirmation.

Vetoed In Part SECTION 30c. 15.07 (4) of the statutes is amended to read:

15.07 (4) QUORUM. A majority of the membership of a board constitutes a quorum to do business and, unless a more restrictive provision is adopted by the board, a majority of a quorum may act in any matter within the jurisdiction of the board. This subsection does not apply to actions of the University of Wisconsin Hospitals and Clinics Board, the ethics board, or the school district boundary appeal board as provided in ss. 15.96 (2), 19.47 (4) and 117.05 (2) (a).

SECTION 30g. 15.07 (4) of the statutes, as affected by 2007 Wisconsin Act 1 and 2007 Wisconsin Act ... (this act), is repealed and recreated to read:

15.07 (4) QUORUM. A majority of the membership of a board constitutes a quorum to do business and, unless a more restrictive provision is adopted by the board, a majority of a quorum may act in any matter within the jurisdiction of the board. This subsection does not apply to actions of the government accountability board, the University of Wisconsin Hospitals and Clinics Board, or the school district boundary appeal board as provided in ss. 5.05 (1e), 15.96 (2), and 117.05 (2) (a).

Vetoed In Part SECTION 68k. 15.96 (title) of the statutes is amended to read:

15.96 (title) University of Wisconsin Hospitals and Clinics Board; creation.

SECTION 68L. 15.96 of the statutes is renumbered 15.96 (1), and 15.96 (1) (a) and (am), as renumbered, are amended to read.

15.96 (1) (a) Three members nominated by the governor, and with the advice and consent of the senate appointed, for 3-year 5-year terms.

(am) Each cochairperson of the joint committee on finance or a member of the committee legislature designated by that cochairperson.

SECTION 68m. 15.96 (1) (ag) of the statutes is created to read:

15.96 (1) (ag) Three members nominated by the board and appointed by the governor, with the advice and consent of the senate, for 5-year terms.

SECTION 68n. 15.96 (2) of the statutes is created to read:

15.96 (2) Eight voting members of the University of Wisconsin Hospitals and Clinics Board constitute a quorum for the purpose of conducting the business and exercising the powers of the board, notwithstanding the existence of a vacancy.

Vetoed In Part SECTION 235m. 20.255 (1) (gh) of the statutes is repealed.

Vetoed In Part SECTION 1799m. 50.135 (3) of the statutes is amended to read:

50.135 (3) EXEMPTION. The inpatient health care facilities under ss. 45.50, 48.62, 51.05, 51.06, 233.40, 233.41, 233.42 and 252.10 are exempt from this section.

SECTION 2710e. 115.53 (3) (a) of the statutes is amended to read:

115.53 (3) (a) Arrange for otological or ophthalmic examination of any pupil or prospective pupil of the Wisconsin Educational Services Program for the Deaf and Hard of Hearing. The examination shall be paid for from the appropriation in s. 20.255 (1) (b), (gh) or (gs).

SECTION 2710m. 115.53 (3) (b) of the statutes is amended to read:

115.53 (3) (b) Arrange for ophthalmic or otological examination of any pupil or prospective pupil of the school operated by the Wisconsin Center for the Blind and Visually Impaired. The examination shall be paid from the appropriation in s. 20.255 (1) (b), (gh), (gL), or (gs).

SECTION 2710s. 115.53 (4) of the statutes is repealed.

SECTION 2875e. 146.997 (1) (c) of the statutes is amended to read:

146.997 (1) (c) "Health care facility" means a facility, as defined in s. 647.01 (4), or any hospital, nursing home, community-based residential facility, county home, county infirmary, county hospital, county mental health complex or other place licensed or approved by the department of health and family services under s. 49.70, 49.71, 49.72, 50.03, 50.35, 51.08 or 51.09 or a facility under s. 45.50, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

SECTION 2898g. 150.84 (2) of the statutes is amended to read:

150.84 (2) "Health care facility" means a facility, as defined in s. 647.01 (4), or any hospital, nursing home, community-based residential facility, county home, county infirmary, county hospital, county mental health center or other place licensed or approved by the department under s. 49.70, 49.71, 49.72, 50.02, 50.03, 50.35, 51.08 or 51.09 or a facility under s. 45.50, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

SECTION 2898r. 155.01 (6) of the statutes is amended to read:

155.01 (6) "Health care facility" means a facility, as defined in s. 647.01 (4), or any hospital, nursing home, community-based residential facility, county home, county infirmary, county hospital, county mental health center or other place licensed or approved by the department under s. 49.70, 49.71, 49.72, 50.02, 50.03, 50.35, 51.08 or 51.09 or a facility under s. 45.50, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

SECTION 3023a. 233.02 (1) (a) of the statutes is amended to read:

233.02 (1) (a) Three members nominated by the governor, and with the advice and consent of the senate appointed, for 3-year 5-year terms.

Vetoed In Part

Vetoed In Part

Vetoed In Part

Vetoed In Part

Vetoed In Part

Vetoed In Part

Vetoed
In Part

SECTION 3023b. 233.02 (1) (ag) of the statutes is created to read:

233.02 (1) (ag) Three members nominated by the board of directors and appointed by the governor, with the advice and consent of the senate, for 5-year terms.

SECTION 3023c. 233.02 (1) (am) of the statutes is amended to read:

233.02 (1) (am) Each cochairperson of the joint committee on finance or a member of the committee legislature designated by that cochairperson.

SECTION 3023d. 233.02 (8) of the statutes is amended to read:

233.02 (8) The members of the board of directors shall annually elect a chairperson and may elect other officers as they consider appropriate. Six ~~Eight~~ voting members of the board of directors constitute a quorum for the purpose of conducting the business and exercising the powers of the authority, notwithstanding the existence of any vacancy. The members of the board of directors specified under sub. (1) (c) and (g) may not be the chairperson of the board of directors for purposes of 1995 Wisconsin Act 27, section 9159 (2). The board of directors may take action upon a vote of a majority of the members present, unless the bylaws of the authority require a larger number.

SECTION 3023e. 233.03 (2) of the statutes is amended to read:

233.03 (2) Sue and be sued; have a seal and alter the seal at pleasure; have perpetual existence; maintain an office; negotiate and enter into leases; accept gifts or grants, ~~but not including research grants in which the grant investigator is an employee of the board of regents;~~ accept bequests or loans; accept and comply with any lawful conditions attached to federal financial assistance; and make and execute other instruments necessary or convenient to the exercise of the powers of the authority.

SECTION 3023f. 233.03 (11) of the statutes is amended to read:

233.03 (11) Issue bonds in accordance with ss. 233.20 to ~~233.27~~ 233.26.

SECTION 3023g. 233.04 (1) of the statutes is amended to read:

233.04 (1) By October 1, 1997, and annually thereafter, submit to the chief clerk of each house of the legislature under s. 13.172 (2), the president of the board of regents, the secretary of administration and the governor a report on the patient care, education, research and community service activities and accomplishments of the authority and an audited financial statement, certified by an independent auditor, of the authority's operations. ~~The financial statement shall include a separate accounting of the use of the payment under sub. (7) (f).~~

SECTION 3023h. 233.04 (3b) (a) 1. of the statutes is amended to read:

233.04 (3b) (a) 1. Delivering comprehensive, high-quality health care to patients using the hospitals and to those seeking care from its programs, including a commitment to provide such care for the medically indigent.

SECTION 3023i. 233.04 (7) (f) of the statutes is repealed.

SECTION 3023j. 233.04 (8) of the statutes is repealed.

SECTION 3023k. 233.04 (10) of the statutes is repealed.

SECTION 3023L. 233.05 (3) of the statutes is repealed.

SECTION 3023m. 233.10 (2) (intro.) of the statutes is amended to read:

233.10 (2) (intro.) Subject to subs. (3), (3m), (3r) and (3t) and ch. 40 and the duty to engage in collective bargaining with employees in a collective bargaining unit for which a representative is recognized or certified under subch. I of ch. 111, the authority may establish any of the following:

SECTION 3023n. 233.10 (3) of the statutes is repealed.

SECTION 3023o. 233.10 (3m) of the statutes is repealed.

SECTION 3023p. 233.10 (3r) of the statutes is repealed.

SECTION 3023q. 233.10 (3t) of the statutes is repealed.

SECTION 3023r. 233.10 (4) of the statutes is repealed.

SECTION 3023s. 233.20 (3m) of the statutes is created to read:

233.20 (3m) The authority may not issue bonds or incur indebtedness described under s. 233.03 (12) unless one of the following applies:

(a) The bonds or indebtedness are a refinancing of existing bonds or indebtedness.

(b) If the authority has a bond rating from Moody's Investor Service, Inc., of better than A, or from Standard & Poor's Corporation of better than A, or equivalent ratings from those or comparable rating agencies when such rating systems or rating agencies no longer exist, the authority has provided notice to the joint committee on finance and the secretary of the department of administration of the bond rating of the authority, the amount of the proposed bonds or indebtedness, and the proposed use of the proceeds, and the joint committee on finance has not notified the authority within 30 working days after receipt of the notice that the joint committee on finance has scheduled a meeting to review the proposed bonds or indebtedness and the secretary of the department of administration has not notified the authority within 30 working days after receipt of the notice that the secretary will conduct further review of the proposed bonds or indebtedness.

Vetoed
In Part

Vetoed In Part (c) The joint committee on finance votes to approve the amount of the bonds or indebtedness and the secretary of the department of administration, or his or her designee, has issued written approval of the bonds or indebtedness.

SECTION 3023t. 233.27 of the statutes is repealed.

SECTION 3023u. 233.42 of the statutes is repealed.

Vetoed In Part **SECTION 3036m.** 252.14 (1) (d) of the statutes is amended to read:

252.14 (1) (d) "Inpatient health care facility" means a hospital, nursing home, community-based residential facility, county home, county mental health complex or other place licensed or approved by the department under s. 49.70, 49.71, 49.72, 50.02, 50.03, 50.35, 51.08 or 51.09 or a facility under s. 45.50, 48.62, 51.05, 51.06, 233.40, 233.41, 233.42 or 252.10.

Vetoed In Part **SECTION 9150. Nonstatutory provisions; University of Wisconsin Hospitals and Clinics Authority.**

(1f) NEW MEMBERS. Notwithstanding section 233.02 (1) (ag) of the statutes, as created by this act, of the initial terms of the members of the board of directors of the University of Wisconsin Hospitals and Clinics Authority appointed under section 233.02 (1) (ag) of the statutes, as created by this act, one term shall expire on July 1, 2010, one term shall expire on July 1, 2011, and one term shall

expire on July 1, 2012.

SECTION 9151. Nonstatutory provisions; University of Wisconsin Hospitals and Clinics Board.

(1f) NEW MEMBERS. Notwithstanding section 15.96 (1) (ag) of the statutes, as created by this act, of the initial terms of the members of the University of Wisconsin Hospitals and Clinics Board appointed under section 15.96 (1) (ag) of the statutes, as created by this act, one term shall expire on July 1, 2010, one term shall expire on July 1, 2011, and one term shall expire on July 1, 2012.

SECTION 9350. Initial applicability; University of Wisconsin Hospitals and Clinics Authority.

(1f) NEW MEMBERS. The treatment of section 233.02 (1) (a) of the statutes first applies to appointments made on the effective date of this subsection.

SECTION 9351. Initial applicability; University of Wisconsin Hospitals and Clinics Board.

(1f) NEW MEMBERS. The treatment of section 15.96 (1) (a) of the statutes first applies to appointments made on the effective date of this subsection.

SECTION 9451. Effective dates; University of Wisconsin Hospitals and Clinics Board.

(1f) NEW MEMBERS. The repeal and recreation of section 15.07 (4) of the statutes takes effect on the initiation date specified in 2007 Wisconsin Act 1, section 209 (1), or on the day after publication, whichever is later.

Vetoed In Part

Vetoed In Part

Vetoed In Part

UNIVERSITY OF WISCONSIN SYSTEM

Item A-3. Independent Purchase of Telecommunications Services

.....

Governor's written objections

Section 2929v

This section allows the University of Wisconsin System to use funding from the universal service fund to pay for telecommunications services at any campus and allows the system to use universal service fund revenue to purchase its own telecommunications services apart from those provided by the Department of Administration. Under current law, these funds may only be used by the River Falls, Stout, Superior and Whitewater campuses, and telecommunications services must be purchased from the Department of Administration under the unified state BadgerNet contract.

While I support allowing the University of Wisconsin System to spend universal service fund moneys at any campus, I object to creating a possible exemption for the system from the state telecommunications contract. The use of a state-wide telecommunications network ensures the coordination and efficient delivery of telecommunications services among all state agencies and institutions.

.....

Cited segments of 2007 Senate Bill 40:

SECTION 2929v. 196.218 (5) (a) 6. of the statutes is amended to read:

196.218 (5) (a) 6. To pay ~~the department of administration~~ for telecommunications services

Vetoed In Part

Vetoed In Part provided under s. 16.972 (1) to the campuses of the University of Wisconsin System at River Falls, Stout,

Superior and Whitewater.

Item A-4. Information on Instructors

Governor's written objections

Section 732p

This section requires the University of Wisconsin System to provide information to students when they register for a class regarding who will be teaching the class on a daily basis and whether the teacher will be a tenured or probationary faculty member, a member of the academic staff, or a teaching assistant. I am vetoing this section in its entirety because it provides system campuses with too little flexibility to address the realities of providing instructional services.

At the time of registration, which is several months before classes actually begin, system campuses are often unable to assign specific individuals to teach every course section. In addition, circumstances such as retirements, faculty accepting positions at other universities and illness that were not anticipated during the registration period can require the assignment of academic staff and teaching assistants to teach course sections.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part

SECTION 732p. 36.11 (55) of the statutes is created to read:
36.11 (55) INFORMATION ON INSTRUCTORS. The board shall ensure that each institution provides information to a student when he or she registers for a class about who

will be teaching the class on a daily basis and whether the teacher has an academic staff appointment or tenure or probationary faculty appointment or is a teaching assistant.

Vetoed In Part

WISCONSIN TECHNICAL COLLEGE SYSTEM

Item A-5. Levy Limits on Technical College Districts

Governor's written objections

Sections 737m, 737r and 9446

This provision limits, for calendar years 2007 and 2008, the increase in property taxes that a technical college district may levy. Under this provision, technical college districts are limited to an annual increase in property tax levies of four percent. This provision also establishes adjustments to the limits for debt service and allows for the limits to be exceeded by referenda. This provision would sunset on November 30, 2009.

Wisconsin's technical colleges have had levy restraints in place longer than any other unit of local government. In total, technical college levies comprise less than eight percent of the average property tax bill. Collectively, the state's technical colleges do not even use the full levy authority provided under current law. Property taxes can be controlled without placing limits on technical colleges because this budget increases funding for K-12 education and the school levy tax credit, and retains the existing 1.5 mill rate limit on technical college levies.

I am vetoing this provision because it restricts economic development and hinders educational attainment and job training. These restrictive limits threaten the ability of the Wisconsin Technical College System to help Wisconsin's economy thrive. If technical colleges do not have the ability to respond to the rapidly changing needs of businesses in Wisconsin, economic growth will suffer.

These levy limits also hinder educational attainment and job training. The limits on technical college levies will require students to pay more for classes or reduce the course availability at the technical colleges. In either case, this diminishes the state's ability to provide individuals with the skills necessary to improve their earnings and compete for better paying jobs.

Cited segments of 2007 Senate Bill 40:

Vetoed
In Part

SECTION 737m. 38.17 of the statutes is created to read:

38.17 Levy limit. (1) DEFINITION. In this section, "debt service" includes debt service on debt issued or reissued to fund or refund outstanding municipal obligations, interest on outstanding municipal obligations, and related issuance costs and redemption premiums.

(2) LIMIT. Except as provided in subs. (3) and (4), no district board may levy in 2007 or 2008 more than it levied in the previous year increased by 4 percent.

(3) ADJUSTMENTS. (a) 1. If a district board transfers to another governmental unit responsibility for providing any service that it provided in the preceding fiscal year, the limit otherwise applicable under sub. (2) in the current fiscal year is decreased by the cost that it would have incurred to provide that service, as determined by the department of revenue.

2. If a district board increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the previous fiscal year, the limit otherwise applicable under sub. (2) in the current fiscal year is increased by the cost of that service, as determined by the department of revenue.

(b) The limit otherwise applicable under this section does not apply to amounts levied by a district board for the payment of any general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding municipal obligations, interest on outstanding municipal obligations, or the payment of related issuance costs or redemption premiums.

(4) REFERENDUM. (a) 1. A district board may exceed the levy limit under sub. (2) if it adopts a resolution to that effect and the resolution is approved in a referendum. The resolution shall specify the proposed amount of increase in the levy beyond the amount that is allowed under sub. (2), and shall specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis.

2. Except as provided in subd. 3., the district board may call a special referendum for the purpose of

submitting the resolution to the electors of the district for approval or rejection.

3. A referendum to exceed the limit under sub. (2) for the 2008 levy shall be held at the spring primary or election or September primary or general election in 2008.

(b) The district board shall publish type A, B, C, D, and E notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to comply with the notice requirements of this paragraph.

(c) The referendum shall be held in accordance with chs. 5 to 12. The district board shall provide the election officials with all necessary election supplies. The form of the ballot shall correspond substantially with the standard form for referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a). The question shall be submitted as follows: "Under state law, the percentage increase in the levy of the (name of district) for the (next) fiscal year is limited to percent, resulting in a levy of \$.... Shall the (name of district) be allowed to exceed this limit such that the percentage increase for the (next) fiscal year will be percent, resulting in a levy of \$....?"

(d) Within 14 days after the referendum, the district board shall certify the results of the referendum to the department of revenue. The limit otherwise applicable to the district under sub. (2) is increased for the next fiscal year by the amount approved by a majority of those voting on the question. If the resolution specifies that the increase is for one year only, the amount of the increase shall be subtracted from the base used to calculate the limit for the 2nd succeeding fiscal year.

(5) PENALTY. The department of revenue shall notify the board of any amount levied by a district board that exceeds the district's limit under this section. The board shall reduce the district's state aid under s. 38.28 in the same fiscal year in which the excess levy occurred by an amount equal to the amount of the excess levy. The amount of the reduction shall lapse to the general fund.

SECTION 737r. 38.17 of the statutes, as created by 2007 Wisconsin Act (this act), is repealed.

SECTION 9446. Effective dates; Technical College System.

Vetoed
In Part

Vetoed
In Part

Vetoed In Part (1d) LEVY LIMIT. The repeal of section 38.17 of the statutes takes effect on November 30, 2009.

Item A-6. Limitations on Workforce Advancement Training Grants to Small Businesses

Governor’s written objections

Section 743m [as it relates to s. 38.41 (2) (a) (intro.) and 7.]

This provision creates a limit of \$20,000 for Workforce Advancement Training Grants to small businesses and requires small businesses to provide a 50 percent match on all grant funding received.

I am vetoing this provision because I object to setting different criteria for grants to small businesses than for other grants distributed under the Workforce Advancement Training Grant program. The 50 percent statutory match requirement for grants to small businesses stands out in contrast to the 25 percent match established by administrative rule for all other Workforce Advancement Training grants. I am directing the Technical College System Board to address this discrepancy by including a match requirement for small businesses that is comparable to the requirement for other grants under this program.

In addition, I am vetoing the proposed \$20,000 statutory grant ceiling because it creates an inequitable situation for small businesses compared with other grant awards under this program for which no statutory ceiling exists. The Technical College System Board needs the flexibility to adjust the size of grants to small businesses within a reasonable range to ensure that the recipients can achieve meaningful workforce advancement goals. I am also directing the Technical College System Board to set reasonable guidelines for the maximum grant award to small businesses.

Cited segments of 2007 Senate Bill 40:

SECTION 743m. 38.41 (2) and (3) of the statutes are created to read:

Vetoed In Part 38.41 (2) (a) The board may award a grant of up to \$20,000 to a district board to provide skills training or other education to a business if all of the following apply:

7. The business provides matching funds at least equal to the amount of the grant. The board may waive the requirement under this subdivision if the board determines that the business is subject to extreme financial hardship.

Vetoed In Part

B. ENVIRONMENTAL AND COMMERCIAL RESOURCES

COMMERCE

Item B-1. Loans for Pulp and Paper Mill

Governor’s written objections

Sections 198 [as it relates to loans for a pulp and paper mill] and 9108 (5x)

These provisions require the Department of Commerce to make two loans of \$1,000,000 each from the Wisconsin development fund repayments appropriation under s. 20.143 (1) (ie), Wisconsin Statutes, to a paper mill in this state to emerge from bankruptcy.

I am partially vetoing section 198 to remove a cross reference related to the repayments appropriation. I am partially vetoing section 9108 (5x) to remove the requirement that the loans come from the Wisconsin development fund repayments appropriation. I object to requiring that the loans be made from the repayments appropriation because funds are limited in that program. I am requesting the secretary of the Department of Commerce to make these loans from the Wisconsin development fund grants and loans; recycling fund appropriation under s. 20.143 (1) (tm), Wisconsin Statutes.

Cited segments of 2007 Senate Bill 40:

SECTION 198. 20.143 (1) (ie) of the statutes is amended to read:

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2005 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.275 (2), 2005 stats., s. 560.62, 2005 stats., s. 560.63, 2005 stats., and s. 560.66, 2005 stats., subch. V of ch. 560 except s. 560.65, and 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4), and 2007 Wisconsin Act ... (this act), section 9108 (5x), to be used for grants and loans under s. 560.275 (2) and subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under ss. 560.16 and 560.175, for assistance under s. 560.06 (2), for the loan under 1999 Wisconsin Act 9, section 9110

(4), and the loans under 2007 Wisconsin Act ... (this act), section 9108 (5x), for the grant under 2001 Wisconsin Act 16, section 9110 (7g), for the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), and for reimbursements under s. 560.167.

**Vetoed
In Part**

SECTION 9108. Nonstatutory provisions; Commerce.

(5x) LOANS FOR PULP AND PAPER MILL. Notwithstanding section 560.61 of the statutes, as affected by this act, the department of commerce shall make 2 loans, each in an amount not to exceed \$1,000,000, in the 2007-09 fiscal biennium from the appropriation account under section 20.143 (1) (ie) of the statutes, as affected by this act, to a paper mill in this state to emerge from bankruptcy. The department of commerce shall enter into an agreement with the recipient of the loan under this subsection that specifies the uses for the loan proceeds and reporting and auditing requirements.

**Vetoed
In Part**

Item B-2. Petroleum Environmental Cleanup Fund Award (PECFA) Program Sunset

Governor's written objections

Sections 2616c, 2616e, 2616g, 2616i, 2622e, 2622j, 2622L, 2622p and 9308 (2f)

These sections authorize the Department of Commerce and the Department of Natural Resources to determine that no further action is necessary at a site, even if the site owner does not request the agencies to make the determination, and identifies conditions under which a site would not be eligible for PECFA reimbursement, thereby beginning the phaseout of the program.

I am vetoing these sections because it is premature to require phaseout of the program. The departments are actively monitoring activity in the program and are best equipped to determine when the program has met its goals. To impose a sunset on the program could potentially leave many sites unnoticed and contaminated, creating potential threats to the environment and prohibiting further development at those sites.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 2616c. 101.143 (2) (m) of the statutes is created to read:

101.143 (2) (m) At the request of an owner or operator or person owning a home oil tank system or on

its own initiative, the department of natural resources or, if the site is covered under s. 101.144 (2) (b), the department of commerce may determine whether no further remedial action is necessary with respect to a

**Vetoed
In Part**

**Vetoed
In Part**

petroleum product discharge from a petroleum product storage system or home oil tank system and may notify the owner or operator or person of the results of its determination.

SECTION 2616e. 101.143 (3) (a) (intro.) of the statutes is amended to read:

101.143 (3) (a) *Who may submit a claim.* (intro.) Subject to pars. (ab), (ac), (ae), (ah), (am) and (ap), an owner or operator or a person owning a home oil tank system may submit a claim to the department for an award under sub. (4) to reimburse the owner or operator or the person for the eligible costs under sub. (4) (b) that the owner or operator or the person incurs because of a petroleum products discharge from a petroleum product storage system or home oil tank system if all of the following apply:

SECTION 2616g. 101.143 (3) (ab) of the statutes is created to read:

101.143 (3) (ab) *Deadline for notifying department.* An owner or operator or person owning a home oil tank system is not eligible for an award under this section for costs incurred because of a petroleum product discharge if the owner or operator or person does not notify the department of the discharge under par. (a) 3. before January 1, 2009.

SECTION 2616i. 101.143 (3) (ac) of the statutes is created to read:

101.143 (3) (ac) *Deadline for beginning investigation.* An owner or operator or person owning a home oil tank system is not eligible for an award under this section for costs incurred because of a petroleum product discharge if the owner or operator or person does not begin a site investigation or remedial action related to the discharge before December 30, 2009.

SECTION 2622e. 101.143 (4) (b) (intro.) of the statutes is amended to read:

101.143 (4) (b) *Eligible costs.* (intro.) Except as provided in par. (c) ~~or~~ (cc), or (cd), eligible costs for an award under par. (a) include actual costs or, if the department establishes a usual and customary cost under par. (cm) for an item, usual and customary costs for the following items:

SECTION 2622j. 101.143 (4) (c) 13. of the statutes is created to read:

101.143 (4) (c) 13. Costs that are incurred because of a petroleum product discharge after the applicant received written notification from the department of natural resources or the department of commerce that no further remedial action is necessary with respect to the discharge.

SECTION 2622L. 101.143 (4) (c) 14. of the statutes is created to read:

101.143 (4) (c) 14. Costs that are incurred because of a petroleum product discharge for which the claimant does not submit a claim under sub. (3) (a) within 365 days after receiving written notification from the department of natural resources or the department of commerce that no further remedial action is necessary with respect to the discharge.

SECTION 2622p. 101.143 (4) (cd) of the statutes is created to read:

101.143 (4) (cd) *Prohibition on reimbursement due to delay in submitting claim.* 1. If at the end of the month in which the effective date of this subdivision [revisor inserts date], falls, an applicant has incurred at least \$50,000 in eligible costs for which the applicant has not submitted a claim and the applicant does not submit a claim for those costs by the first day of the 13th month beginning after the effective date of this subdivision [revisor inserts date], the department may not reimburse the claimant for those costs.

2. If an applicant does not submit a claim for eligible costs by the first day of the 13th month beginning after the month in which the eligible costs first exceed \$50,000 and the month in which the eligible costs first exceed \$50,000 begins after the effective date of this subdivision ... [revisor inserts date], the department may not reimburse the claimant for those costs.

SECTION 9308. Initial applicability; Commerce.

(2f) PETROLEUM STORAGE REMEDIAL ACTION REIMBURSEMENT LIMITATION. The treatment of section 101.143 (4) (c) 14. of the statutes first applies to claimants who receive written notification that no further

**Vetoed
In Part**

**Vetoed
In Part**

Vetoed In Part remedial action is necessary on the effective date of this subsection.

NATURAL RESOURCES

Item B-3. Chronic Wasting Disease (CWD) and Wildlife Damage Funding

Governor's written objections

Sections 707d and 9135 (3k)

Section 707d prohibits the Department of Natural Resources from expending more than \$2,360,000 from nonfederal funds in the conservation fund for chronic wasting disease, thereby limiting the department's ability to manage and test for the disease. Section 9135 (3k) requires the department to prepare a plan by January 1, 2008, that describes methods for administering the Wildlife Damage Abatement and Claims Program in fiscal year 2008-09 so that the amounts expended by the department for those programs, as authorized under s. 29.889, Wisconsin Statutes, do not exceed the revenues received by the department.

I am partially vetoing section 707d because I object to the limitation on the department's ability to determine how best to use limited resources. The effect of this veto is to eliminate the provision's restriction on the use of nonfederal funds in the conservation fund for management of and testing for chronic wasting disease.

I am also partially vetoing section 9135 (3k) because the language inhibits the department from pursuing alternative solutions to the deficit facing the wildlife damage program. I understand the need to address the deficit, but the department needs the flexibility to explore alternative feasible options and not be constrained by the January 1, 2008, report requirement.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part SECTION 707d. 29.063 (1m) of the statutes is created to read:

29.063 (1m) The department may not expend more than \$2,360,000 from nonfederal funds in the conservation fund in any fiscal year for the management of, and testing for, chronic wasting disease.

SECTION 9135. Nonstatutory provisions; Natural Resources.

Vetoed In Part (3k) WILDLIFE DAMAGE PLAN. The department of natural resources shall prepare a plan that describes

methods for administering the wildlife damage abatement and wildlife damage claim programs in fiscal year 2008-09 so that the amounts expended by the department for those programs, as authorized under section 29.889 of the statutes, do not exceed the revenues received by the department for expenditure under section 29.889 of the statutes. The department of natural resources shall submit the plan to the members of the joint committee on finance no later than January 1, 2008.

Vetoed In Part

Item B-4. Stewardship Review

Governor's written objections

Sections 9335 (2c), 9336 (1) and 9337 (1)

Section 9335 (2c) relates to initial applicability of Stewardship appraisals. Section 9336 (1) relates to initial applicability of public defender representation in civil commitment, protective placement and involuntary medication cases. Section 9337 (1) relates to initial applicability of Department of Public Instruction school breakfast programs.

I am partially vetoing these sections because the provisions related to review of certain land acquisitions by the Joint Committee on Finance should become effective with the reauthorized Stewardship program, which begins July 1, 2010.

Cited segments of 2007 Senate Bill 40:

SECTION 9335. Initial applicability; Natural Resources.

Vetoed In Part (2c) STEWARDSHIP APPRAISALS. The treatment of section 23.0917 (7) (e) of the statutes first applies to estimates made by the department of natural resources on the effective date of this subsection.

SECTION 9336. Initial applicability; Public Defender Board.

Vetoed In Part (1) REPRESENTATION IN CIVIL COMMITMENT, PROTECTIVE PLACEMENT, AND INVOLUNTARY MEDICATION CASES. The treatment of sections 20.550 (1) (L), 51.15 (9), 51.20 (3) and (18) (c), 51.35 (1) (e) 1. and 2. c., 51.45 (12) (b) (intro.), 1., 2., and 3. and (c) 2., 51.45 (13) (b) 2., (d), and (j) and (16) (c), 51.60, 51.605, 55.10 (4) (a), 55.105, 55.107, 55.135 (1), 55.14 (7), 55.15 (7) (cm), 55.18 (3)

(c) (intro.), 55.19 (3) (c) (intro.), 809.30 (2) (d), 967.06 (2) (a) and (b), 977.02 (2m), 977.05 (4) (gm), (h), and (i) 8., 977.06 (2) (a) and (am), 977.07 (1) (a) and (c), 977.075 (1g), (3), (3m), and (4), and 977.08 (1) and (2) (intro.) and (d) of the statutes first applies to civil proceedings commencing, emergency detentions or emergency placements occurring, placement transfers occurring, or petitions for, or annual reviews of, court orders for involuntary administration of psychotropic medication commencing on July 1, 2008.

SECTION 9337. Initial applicability; Public Instruction.

(1) SCHOOL BREAKFAST PROGRAMS. The treatment of section 115.341 (1) of the statutes first applies to breakfasts served during the 2007-08 school year.

Vetoed In Part

Vetoed In Part

Vetoed In Part

Vetoed In Part

Item B-5. Muskellunge Fishing Season and Catch and Release Bass Fishing

Governor's written objections

Sections 712m and 712r

Section 712m prohibits a person from using any hook, bait or lure, other than an artificial lure that has a barbless hook, while fishing during a catch and release bass fishing season established by the Department of Natural Resources. Section 712r requires the department to establish a fishing season that authorizes catch and release muskellunge fishing on inland waters north of U.S. Highway 10 other than the boundary waters between this state and the state of Michigan. It also prohibits a person from using any hook, bait or lure, other than an artificial lure that has a barbless hook, while fishing during the catch and release muskellunge fishing season established by the department.

I am partially vetoing sections 712m and 712r because they would apply to more people than those who are only fishing catch and release for bass and muskellunge.

Cited segments of 2007 Senate Bill 40:

SECTION 712m. 29.426 of the statutes is created to read:

Vetoed In Part **29.426 Catch and release bass fishing.** No person may use any hook, bait, or lure, other than an artificial lure that has a barbless hook, while fishing during a catch and release bass fishing season established by the depart-

ment.

SECTION 712r. 29.428 of the statutes is created to read:

29.428 Catch and release muskellunge fishing.
(2) No person may use any hook, bait, or lure, other than an artificial lure that has a barbless hook, while fish-

Vetoed In Part ing during the catch and release muskellunge fishing season established by the department under sub. (1).

STATE FAIR PARK BOARD

Item B-6. Quarterly and Annual Reports

Governor's written objections

Section 781v

This section requires the State Fair Park Board to submit quarterly reports to the Department of Administration and the Joint Committee on Finance, projecting revenues and expenditures for the coming quarterly period for the park's program revenue appropriations. This section also requires the board to submit an annual plan to the Department of Administration, for bringing park expenditures in line with revenues and reducing the existing deficit. The plan must then be submitted, with or without modifications by the Department of Administration, to the Joint Committee on Finance, under 14-day passive review procedures, by November 15th of each year. These requirements would sunset on December 31, 2013.

I am vetoing this section because I object to the infringement on executive branch authority to manage programs and because it is unnecessary. The board must have flexibility to operate the State Fair and other nonfair events. While I am concerned with the status of the board's finances, the board and its staff have taken several measures to address factors that are not under the board's control and to better manage the operations that the board does control.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part

SECTION 781v. 42.13 of the statutes is created to read:
42.13 Financial reports. (1) The state fair park board shall make quarterly reports to the department of administration and the joint committee on finance projecting the revenues and expenditures for the ensuing quarter for each of the board's program revenue appropriation accounts.

(2) (a) The state fair park board shall annually submit to the department of administration a plan to ensure that there are sufficient revenues to meet projected expenditures under the board's program revenue appropriation accounts and to eliminate any deficits that have developed in those accounts.

(b) The department of administration may approve or approve with modifications each plan submitted by the state fair park board under par. (a). The department shall forward the plan as approved to the joint committee on

finance by November 15 of each year. If the cochairpersons of the joint committee on finance do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed plan within 14 working days after the date of the secretary's submittal, any portion of the plan that does not require the action of the legislature or the action of the committee under another law may be implemented. If, within 14 working days after the date of the secretary's submittal, the cochairpersons of the joint committee on finance notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed plan, no part of the plan may be implemented without the approval of the committee.

(3) Subsections (1) and (2) do not apply after December 31, 2013.

Vetoed In Part

C. GENERAL GOVERNMENT AND JUSTICE

ADMINISTRATION AND UNIVERSITY OF WISCONSIN SYSTEM

Item C-1. Information Technology Requirements

Governor's written objections

Sections 9p, 9rg, 128t [as it relates to s. 16.973 (10) and (11)], 128u, 128w, 736x [as it relates to s. 36.59 (1) (d), (2) and (3)], 9101 (8i), 9101 (8j), 9101 (9q), 9152 (2v) and 9152 (2w)

This budget makes several positive changes in the way the State of Wisconsin will conduct its information technology business. Incorporating improvements suggested by the Legislative Audit Bureau and affirmed by the secretary of the Department of Administration and the state's Chief Information Officer to the Joint Legislative Audit Committee, the Legislature has established concrete guidelines that will ensure a stronger project planning process and accountability. A partnership has been defined and established that will help ensure that proper oversight and control of large information technology projects occur and that decision makers in both branches of government understand what is involved.

I am singling out a few of the many modifications for attention in my partial veto considerations. These provisions are well-intended. However, I am vetoing the following sections because these provisions will significantly burden the implementation of more efficient and transparent information technology management.

- Section 9p assigns a default advisory responsibility to the Joint Legislative Audit Committee, should the statutory Joint Committee on Information Policy and Technology not be organized.
- Section 9rg adds to the required duties of the Joint Committee on Information Policy and Technology the review of any executive branch information technology project identified in a new report required to be submitted by the Department of Administration.
- Provisions under paragraphs of sections 128t, 128u, 128w and 736x require the Department of Administration and University of Wisconsin Board of Regents to promulgate administrative rules in order to use commercially available information products; the Department of Administration to post on the Internet detailed cost and billing information for any services provided, managed or supervised by the department; and setting a limit of 110 percent of cost basis on the methodology used to determine project cost recovery charges.
- Three provisions under sections 9101 (8i), 9101 (8j) and 9101(9q) and two provisions under sections 9152 (2v) and 9152 (2w) require approval by the Joint Legislative Audit Committee of reports on written policies for information technology projects that the Department of Administration and University of Wisconsin Board of Regents separately must submit to the Joint Committee on Information Policy and Technology; the promulgation of administrative rules pertaining to high-risk information technology projects undertaken by the Department of Administration and University of Wisconsin Board of Regents; and prior completion by the Department of Administration of another study to consolidate network servers in state agencies.

I believe that the value added by fulfillment of these enumerated requirements will be far outweighed by the costs and delays of compliance. I welcome and look forward to working with the statutory joint committee created by the Legislature to represent its interests in the oversight of state information technology projects. The many remaining provisions added in this budget to improve the understanding, authorization and accountability in the management of information technology projects will be a source of state government efficiency that I have been committed to achieving since my first budget.

Cited segments of 2007 Senate Bill 40:

Vetoed
In Part

SECTION 9p. 13.53 (2) (intro.) of the statutes is amended to read:

13.53 (2) RESPONSIBILITIES. (intro.) The joint legislative audit committee shall have advisory responsibilities for the legislative audit bureau. The committee's responsibility is subject to general supervision of the joint committee on legislative organization. If the joint committee on information policy and technology is not organized, the joint legislative audit committee shall assume the responsibilities assigned to the joint committee on information policy and technology under ss. 13.58 (5) (b) 5. and 6., 16.971 (2) (Lg), 16.973 (10) to (16), and 36.59. The joint legislative audit committee may:

SECTION 9rg. 13.58 (5) (b) 5. of the statutes is created to read:

13.58 (5) (b) 5. Review any executive branch information technology project identified in a report submitted to the committee by the department of administration under s. 16.973 (15) to determine whether the project should be continued or implemented. The committee may forward any recommendations regarding the project to the governor and to the legislature under s. 13.172 (2).

SECTION 128t. 16.973 (10) to (14) of the statutes are created to read:

Vetoed
In Part
Vetoed
In Part

16.973 (10) In consultation with the legislative audit bureau and the joint legislative audit committee, promulgate administrative rules applicable to each executive branch agency, other than the Board of Regents of the University of Wisconsin System, pertaining to large, high-risk information technology projects that shall include :

Vetoed
In Part

(11) Promulgate administrative rules applicable to each executive branch agency, other than the Board of Regents of the University of Wisconsin System, pertaining to the use of commercially available information technology products, which shall include all of the following :

Vetoed
In Part

SECTION 128u. 16.973 (15) of the statutes is created to read:

16.973 (15) Post on its Internet site and periodically revise as necessary all of the following pertaining to information technology services and projects provided, managed, or supervised by the department:

(a) The total anticipated cost of each information technology service or project.

(b) The total amount that will be assessed by the department for the information technology service or project.

(c) Whether a flat rate or fee-for-service billing method will be utilized by the department for the

information technology service or project and the amount that will be assessed to any agency, any authority, any unit of the federal government, any local governmental unit, or any entity in the private sector that receives information technology services or enters into an information technology project with the department using that billing method.

Vetoed
In Part

SECTION 128w. 16.974 (2) of the statutes is amended to read:

16.974 (2) Subject to s. 16.972 (2) (b), enter into and enforce an agreement with any agency, any authority, any unit of the federal government, any local governmental unit, or any entity in the private sector to provide services authorized to be provided by the department to that agency, authority, unit, or entity at a cost specified in the agreement. Assessments and charges for information technology projects may not exceed 110 percent of the amount appropriated for the project or the estimated costs of the project, whichever is less.

SECTION 736x. 36.59 of the statutes is created to read:

36.59 Information technology. (1) STRATEGIC PLAN.

(d) The Board of Regents shall submit for review by the joint legislative audit committee and for approval by the joint committee on information policy and technology any proposed policies required under par. (c) and any proposed revisions to the policies.

Vetoed
In Part

(2) LARGE, HIGH-RISK PROJECTS. In consultation with the legislative audit bureau and the joint legislative audit committee, the Board of Regents shall promulgate administrative rules applicable to the system and each institution and college campus pertaining to large, high-risk information technology projects that shall include :

Vetoed
In Part

Vetoed
In Part

(3) COMMERCIALLY AVAILABLE PRODUCTS. The Board of Regents shall promulgate administrative rules applicable to the system and each institution and college campus pertaining to the use of commercially available information technology products, which shall include all of the following :

Vetoed
In Part

SECTION 9101. Nonstatutory provisions; Administration.

(8i) WRITTEN POLICIES FOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS. No later than January 1, 2008, the department of administration shall submit for review by the joint legislative audit committee and for approval by the joint committee on information policy and technology a preliminary draft of the policies required under section 16.971 (2) (Lg) 1. of the statutes, as created by this act.

Vetoed
In Part

Vetoed
In Part

(8j) RULES PERTAINING TO LARGE, HIGH-RISK INFORMATION TECHNOLOGY PROJECTS. The department of

Vetoed
In Part

**Vetoed
In Part**

administration shall submit in proper form the rules required under section 16.973 (10) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than June 30, 2008.

(9q) INFORMATION TECHNOLOGY SERVER CONSOLIDATION STUDY AND SUPPLEMENTAL APPROPRIATION.

(a) The department of administration may not request the joint committee on finance to supplement, from the appropriation under section 20.865 (4) (g) of the statutes, the appropriation under section 20.505 (1) (kL) of the statutes, as affected by this act, for the purpose of continuing the consolidation of certain executive branch agency information technology functions until all of the following occur:

1. The department of administration completes, in consultation with other executive branch agencies, a study of the ongoing information technology server consolidation project which includes all of the following information:

a. A revised timeline for completion of server consolidation.

b. A revised analysis of the costs and benefits of proceeding with the server consolidation project, including a full-cost estimate which identifies the costs associated with leasing the existing space for the server consolidation project, any costs or savings which could be realized by leasing less space for the server consolidation project were the project to be scaled back, the costs of moving the server consolidation project to an alternate location, and the cost of retaining independent servers at executive branch agencies.

2. The department of administration submits the consolidation study required under subdivision 1. for review by the joint committee on finance and the joint committee on information policy and technology or, if the joint committee on information policy and technology is not organized, the joint legislative audit committee.

**Vetoed
In Part**

(b) For the purpose under paragraph (a), the joint committee on finance may not supplement the appropriation under section 20.505 (1) (kL) of the statutes, as affected by this act, in fiscal year 2007-08, and may not supplement the appropriation under section 20.505 (1) (kL) of the statutes, as affected by this act, by more than \$2,352,800 in fiscal year 2008-09.

SECTION 9152. Nonstatutory provisions; University of Wisconsin System.

(2v) WRITTEN POLICIES FOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS. No later than January 1, 2008, the Board of Regents of the University of Wisconsin System shall submit for review by the joint legislative audit committee and for approval by the joint committee on information policy and technology a preliminary draft of the policies required under section 36.59 (1) (c) of the statutes, as created by this act.

**Vetoed
In Part
Vetoed
In Part**

(2w) RULES PERTAINING TO LARGE, HIGH-RISK INFORMATION TECHNOLOGY PROJECTS. The Board of Regents of the University of Wisconsin System shall submit in proper form the rules required under section 36.59 (2) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than June 30, 2008.

**Vetoed
In Part**

CIRCUIT COURTS

Item C-2. Technical Modification to Kenosha County Circuit Court Branch 8

.....

Governor's written objections

Section 9107 (1j)

This provision establishes the initial election term for the Circuit Court judge in Branch 8 in Kenosha County and applicable term dates.

I am partially vetoing this provision because, as drafted, the language erroneously establishes the initial election for the spring of 2008, although the term commences on August 1, 2009. The Legislative Reference Bureau concurs on the necessity of this partial veto, as a revisor's correction would occur too late to fix the error. This veto is intended to establish the initial election date in the spring of 2009.

Cited segments of 2007 Senate Bill 40:

SECTION 9107. Nonstatutory provisions; Circuit Courts.
(1j) CIRCUIT JUDGE ELECTION. The initial election for

circuit judge for branch 8 of the circuit court for Kenosha County shall be at the spring election of 2008 for terms commencing August 1, 2009, and ending July 31, 2015.

**Vetoed
In Part**

CORRECTIONS

Item C-3. Juvenile Correctional Services Deficit

Governor's written objections

Sections 324g, 324h, 3114m and 9409 (2f)

These provisions require:

- The Department of Corrections, prior to the end of each odd-numbered fiscal year, to estimate projected balances that will remain in the juvenile correctional services appropriation on June 30 of that year.
- If the estimated balance is projected to be negative, the Department of Administration must include the amount of the estimated deficit in the cost basis for the calculation of the proposed secured correctional facilities' daily rates for the subsequent biennium.
- The Department of Administration must include 50 percent of any projected deficit in the cost basis for the calculation of daily rates for each year of the subsequent biennium.
- The Department of Administration secretary must reserve, for the purpose of retiring the deficit, the share of the daily rate revenue that is proportionate to the share of the increased cost basis associated with the estimated deficit. Any revenue reserved for this purpose that exceeds the amount of the deficit must be reimbursed to the counties and the state in a manner proportionate to the total number of days of juvenile placements at the facilities for each county and the state.

I am vetoing sections 324h and 3114m and partially vetoing sections 324g and 9409 (2f) because these sections limit the Department of Corrections' flexibility to effectively manage juvenile corrections programs over time. As I stated when I vetoed these provisions in the 2005-07 biennial budget, these provisions would place an undue burden on counties by requiring the department to charge counties to recover deficits in the appropriation.

Cited segments of 2007 Senate Bill 40:

SECTION 324g. 20.410 (3) (hm) of the statutes is amended to read:

20.410 (3) (hm) *Juvenile correctional services.* Except as provided in pars. (ho) and (hr), the amounts in the schedule for juvenile correctional services specified in s. 301.26 (4) (c) and (d). All moneys received from the sale of surplus property, including vehicles, from juvenile correctional institutions operated by the department, all moneys received as payments in restitution of property damaged at juvenile correctional institutions operated by the department, all moneys received from miscellaneous services provided at a

juvenile correctional institution operated by the department, all moneys transferred from the appropriation account under pars. (ho) and (hr) as provided in ~~2005 Wisconsin Act 25, section 9209 (1x)~~ 2007 Wisconsin Act ... (this act), section 9209 (1f), all moneys transferred under s. 301.26 (4) (cm), and, except as provided in par. (hr), all moneys received in payment for juvenile correctional services specified in s. 301.26 (4) (d), (dt), and (g) shall be credited to this appropriation account. If moneys generated by the daily rate under s. 301.26 (4) (d), other than moneys generated under s. 301.26 (5) (b), exceed actual fiscal year institutional

**Vetoed
In Part**

costs by 2% or more, all moneys in excess of that 2% shall be remitted to the counties during the subsequent calendar year or transferred to the appropriation account under par. (kx) during the subsequent fiscal year. Each county and the department shall receive a proportionate share of the remittance and transfer depending on the total number of days of placement at juvenile correctional institutions including the Mendota Juvenile Treatment Center. Counties shall use the funds for purposes specified in s. 301.26. The department shall deposit in the general fund the amounts transferred under this paragraph to the appropriation account under par. (kx). Notwithstanding ss. 16.50 (2), 16.52, 20.002 (11), and 20.903, the department may project a deficit in this appropriation account on June 30 of any odd-numbered year as provided in s. 301.26 (5) (a), and any such projected deficit shall be recouped during the next fiscal biennium as provided in s. 301.26 (5) (b).

**Vetoed
In Part**

**Vetoed
In Part**

SECTION 324h. 20.410 (3) (hm) of the statutes, as affected by 2007 Wisconsin Act ... (this act), is amended to read:

20.410 (3) (hm) Juvenile correctional services. Except as provided in pars. (ho) and (hr), the amounts in the schedule for juvenile correctional services specified in s. 301.26 (4) (c) and (d). All moneys received from the sale of surplus property, including vehicles, from juvenile correctional institutions operated by the department, all moneys received as payments in restitution of property damaged at juvenile correctional institutions operated by the department, all moneys received from miscellaneous services provided at a juvenile correctional institution operated by the department, all moneys transferred from the appropriation account under pars. (ho) and (hr) as provided in 2007 Wisconsin Act (this act), section 9209 (1f), all moneys transferred under s. 301.26 (4) (cm), and, except as provided in par. (hr), all moneys received in payment for juvenile correctional services specified in s. 301.26 (4) (d), (dt), and (g) shall be credited to this appropriation account. If moneys generated by the daily rate under s. 301.26 (4) (d), other than moneys generated under s. 301.26 (5) (b), exceed actual fiscal year institutional costs by 2% or more, all moneys in excess of that 2% shall be remitted to the counties during the subsequent calendar year or transferred to the appropriation account under par. (kx) during the subsequent fiscal year. Each county and the department shall receive a proportionate share of the remittance and transfer depending on the total number of days of placement at juvenile correctional institutions including the Mendota Juvenile Treatment Center. Counties shall use the funds for purposes specified in s. 301.26. The department shall deposit in the general fund the amounts transferred under this paragraph to the appropriation account under par. (kx). Notwithstanding ss. 16.50 (2), 16.52, 20.002 (11), and 20.903, the

department may project a deficit in this appropriation account on June 30 of any odd-numbered year as provided in s. 301.26 (5) (a), and any such projected deficit shall be recouped during the next fiscal biennium as provided in s. 301.26 (5) (b).

**Vetoed
In Part**

SECTION 3114m. 301.26 (5) of the statutes is created to read:

**Vetoed
In Part**

301.26 (5) REVENUE SUFFICIENCY. (a) Before the close of each odd-numbered fiscal year, the department of corrections shall project the balance that will remain in the appropriation account under s. 20.410 (3) (hm) on June 30 of that fiscal year and provide that information to the department of administration.

(b) 1. If the department of corrections projects under par. (a) that there will be a deficit in the appropriation account under s. 20.410 (3) (hm) on June 30 of an odd-numbered year, the department of administration shall include the amount of that projected deficit in the cost basis used to calculate the per person daily cost assessments under sub. (4) (d) 2. and 3. for care in a Type 1 juvenile correctional facility, as defined in s. 938.02 (19), for the next fiscal biennium by adding 50 percent of that projected deficit to the cost basis used to determine the per person daily cost assessment under sub. (4) (d) 2. for care in a Type 1 juvenile correctional facility for the first year of the next fiscal biennium and by adding 50 percent of that projected deficit to the cost basis used to determine the per person daily cost assessment under sub. (4) (d) 3. for care in a Type 1 juvenile correctional facility for the 2nd year of the next fiscal biennium.

2. The secretary of administration shall use to recoup the projected deficit specified in subd. 1. all moneys generated by the increases in the per person daily cost assessments specified in subd. 1. that result from adding that projected deficit to the cost basis specified in subd. 1.

(c) If on June 30 of the odd-numbered year of the next fiscal biennium the moneys described in par. (b) 2. exceed the amount of the actual deficit on June 30 of the odd-numbered year of the fiscal biennium in which that deficit was incurred, all moneys in excess of that actual deficit shall be remitted to the counties or transferred to the appropriation account under s. 20.410 (3) (kx) by September 30 of that odd-numbered year. Each county and the department shall receive a proportionate share of the remittance and transfer depending on the total number of days of placement at Type 1 juvenile correctional facilities, as defined in s. 938.02 (19), for each county and the state during that next fiscal biennium. Counties shall use any amounts remitted under this paragraph for the purposes specified in this section. The department shall deposit in the general fund the amounts transferred under this paragraph to the appropriation account under s. 20.410 (3) (kx).

SECTION 9409. Effective dates; Corrections.

Vetoed In Part (2f) JUVENILE CORRECTIONAL SERVICES TRANSFER. **Vetoed In Part** 324h) and 20.410 (3) (ho) (by SECTION 324k) of the statutes takes effect on July 1, 2008.

The treatment of sections 20.410 (3) (hm) (by SECTION

D. HEALTH AND FAMILY SERVICES AND INSURANCE

HEALTH AND FAMILY SERVICES

Item D-1. Demonstration Waiver for Health Opportunity Accounts Under BadgerCare

Governor's written objections

Section 1559e

This section requires the Department of Health and Family Services to request a federal waiver in order to offer health opportunity accounts to BadgerCare recipients and to provide the Joint Committee on Finance an implementation plan upon receipt of federal approval of the waiver. The Committee must approve the plan prior to implementation.

I am vetoing this section because I object to this limitation on the department's ability, in collaboration with a wide array of health care experts, to develop reforms that are in the best interest of providers, recipients and the state. Under current law, the department may request a waiver to offer health opportunity accounts under BadgerCare if it is determined to be beneficial by the department, with the advice of the BadgerCare Plus Advisory Committee.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part	SECTION 1559e. 49.45 (55) of the statutes is created to read:	health opportunity accounts and receive certain alternative benefits under medical assistance. If the Centers for Medicare and Medicaid Services approve the department's request, the department shall submit a proposed plan for implementation of the demonstration program to the joint committee on finance. The department may not implement the plan until it is approved by the committee, as submitted or as modified.	Vetoed In Part
	49.45 (55) HEALTH OPPORTUNITY ACCOUNTS DEMONSTRATION PROGRAM. The department shall request from the federal Centers for Medicare and Medicaid Services approval to participate in a demonstration program under 42 USC 1396u-8, under which Badger Care recipients may voluntarily enroll to contribute to		

Item D-2. Disease Management Program

Governor's written objections

Sections 1559g and 1641d

These sections require the Department of Health and Family Services to develop and implement disease management programs for conditions identified by health risk assessments for recipients and requires that the programs be similar to programs developed and used by the Marshfield Clinic under the Physician Group Practice Demonstration.

While I support the intent of encouraging the appropriate use of preventive care and expanding disease management, I am partially vetoing these sections because they are excessively prescriptive on the design of the programs. Many physicians and other health care providers that participate in the Medical Assistance program have existing disease manage-

ment programs and health screening tools in place that meet the intent of the program. Requiring all providers to use a single program model would hinder further development and innovation in the design of disease management programs. Therefore, I am deleting the reference to the Marshfield Clinic Physician Group Practice Demonstration.

Cited segments of 2007 Senate Bill 40:

SECTION 1559g. 49.45 (56) of the statutes is created to read:

49.45 (56) DISEASE MANAGEMENT PROGRAM. Based on the health conditions identified by the physical health risk assessments, if performed under sub. (57), the department shall develop and implement, for Medical Assistance recipients, disease management programs that are similar to that developed and followed by the Marshfield Clinic in this state under the Physician Group Practice Demonstration Program authorized under 42 USC 1315 (e) and (f) . These programs shall have at least the following characteristics:

**Vetoed
In Part**

SECTION 1641d. 49.665 (4g) of the statutes is created to read:

49.665 (4g) DISEASE MANAGEMENT PROGRAM. Based on the health conditions identified by the physical health risk assessments, if performed under sub. (4m), the department shall develop and implement, for individuals who are eligible under sub. (4), disease management programs that are similar to that developed and followed by the Marshfield Clinic in this state under the Physician Group Practice Demonstration Program authorized under 42 USC 1315 (e) and (f) . These programs shall have at least the following characteristics:

**Vetoed
In Part**

Item D-3. Dispensing Fee Increase for Certain Generic Prescriptions

Governor’s written objections

Section 9121 (7j)

This section requires the Department of Health and Family Services to provide supplemental reimbursement to pharmacies participating in the Medicaid, BadgerCare and SeniorCare programs to compensate for any reduction in drug product cost reimbursement resulting from the implementation of the federal Deficit Reduction Act of 2005. The supplemental reimbursement is contingent on receiving federal approval, and the section further requires the department to apply for an amendment to the Medicaid State Plan in order to implement this change.

I am vetoing this section because it is administratively burdensome on the department. Furthermore, the federal Centers for Medicare and Medicaid Services is unlikely to approve such a state plan amendment as the intent of the federal Deficit Reduction Act was to set reasonable limits on drug product cost reimbursement and substituting decreases in product costs with increases in dispensing reimbursements is in conflict with the intent of the Act.

Cited segments of 2007 Senate Bill 40:

SECTION 9121. Nonstatutory provisions; Health and Family Services.

(7j) MEDICAL ASSISTANCE PHARMACY DISPENSING FEE.
(a) In this subsection, “public assistance programs” means medical assistance, as defined in section 49.43 (8) of the statutes, and the programs under sections 49.665 and 49.688 of the statutes, as affected by this act.

(b) The department of health and family services shall determine the amount by which reimbursement to pharmacies for multisource generic drug products under public assistance programs will be reduced as a result of implementation of average manufacturing price reimbursement standards in accordance with the federal

**Vetoed
In Part**

Deficit Reduction Act of 2005, and shall determine the amount by which the pharmacy dispensing fee under public assistance programs must be increased to compensate for that reduction in reimbursement.

(c) The department of health and family services shall submit to the U.S. department of health and human services an amendment to the state plan for medical assistance that authorizes the department of health and family services to increase the pharmacy dispensing fee under public assistance programs by the amount determined under paragraph (b), and, if the U.S. department of health and human services approves the

**Vetoed
In Part**

Vetoed In Part amendment, shall increase the dispensing fee upon approval.

Item D-4. Report on FoodShare Employment and Training Program Participation

Governor's written objections

Section 9121 (7k)

This section requires the Department of Health and Family Services by January 1, 2009, to deliver a report to the Joint Committee on Finance analyzing the changes in participation in the FoodShare Employment and Training Program after participation becomes voluntary.

I am vetoing this section because it creates a burdensome, unnecessary reporting requirement since the department already collects and publishes data on FoodShare participation. Given the unclear need for this additional data, I am vetoing this reporting requirement.

Cited segments of 2007 Senate Bill 40:

SECTION 9121. Nonstatutory provisions; Health and Family Services.

(7k) REPORT ON FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM PARTICIPATION. The department of health and family services shall submit to the joint

committee on finance, no later than January 1, 2009, a report that compares participation in the food stamp employment and training program after participation becomes voluntary with participation in the program before participation became voluntary.

Vetoed In Part

Vetoed In Part

Item D-5. Reducing Fetal and Infant Mortality and Morbidity

Governor's written objections

Sections 405f, 9121 (6d) and 9421 (8c)

These sections sunset, at the end of the 2008-09 biennium, a new appropriation that aims to reduce fetal and infant mortality and morbidity. The biennial budget provides \$250,000 GPR in each fiscal year to the city of Racine Health Department to collaborate with health care staff, and identify, develop and promote models of care to address and improve services and birth outcomes for high-risk pregnancies.

I am vetoing sections 405f and 9421 (8c) to delete the sunset of this important program. It is my intent that the program continue beyond the 2007-09 biennium, and retaining the appropriation for this purpose will facilitate the retention of this program.

I am partially vetoing section 9121 (6d) to remove specific references to fiscal years 2007-08 and 2008-09 consistent with my intent to make the funding ongoing. I am also vetoing the dates in this section that require a report in each fiscal year of this biennium, so that the health department would report on its progress each year that it receives funding.

Cited segments of 2007 Senate Bill 40:

SECTION 405f. 20.435 (5) (eu) of the statutes, as created by 2007 Wisconsin Act (this act), is repealed.

SECTION 9121. Nonstatutory provisions; Health and Family Services.

Vetoed In Part

(6d) REDUCING FETAL AND INFANT MORTALITY AND MORBIDITY.

(b) In a county with a population of at least 190,000 but less than 230,000, from the appropriation under section 20.435 (5) (eu) of the statutes, as created by this act, the department of health and family services shall distribute \$250,000 in each of state fiscal years 2007-08 and 2008-09 to the city health department to provide a program of services to reduce fetal and infant mortality and morbidity.

Vetoed
In Part

Vetoed
In Part

(d) In 2008 and 2009, the city health department shall prepare a report on fetal and infant mortality and

morbidity in areas of the county that are encompassed by the zip codes 53402 to 53406. The report shall be derived, at least in part, from a multidisciplinary review of all fetal and infant deaths in the relevant year and shall specify causation found for the mortality and morbidity. The city health department shall submit the report to all of the following:

SECTION 9421. Effective dates; Health and Family Services.

(8c) REDUCING FETAL AND INFANT MORTALITY AND MORBIDITY. The repeal of section 20.435 (5) (eu) of the statutes takes effect on July 1, 2009.

Vetoed
In Part

Item D-6. Council on Developmental Disabilities

Governor's written objections

Sections 9221 (1q) and 9255

Section 9221 (1q) would decrease expenditure authority in the Department of Health and Family Services by \$728,200 PR-F in fiscal year 2007-08 to reflect a reduction in authorized positions. Section 9255 would decrease expenditure authority in the Department of Children and Families by \$728,200 PR-F in fiscal year 2008-09 to reflect a reduction in authorized positions.

I am vetoing these provisions because the language duplicates expenditure and position authority changes that are accomplished elsewhere in the budget bill. These changes reflect the creation of the Board for People with Developmental Disabilities.

Cited segments of 2007 Senate Bill 40:

SECTION 9221. Fiscal changes; Health and Family Services.

Vetoed
In Part

(1q) COUNCIL ON DEVELOPMENTAL DISABILITIES. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health and family services under section 20.435 (6) (m) of the statutes, as affected by the acts of 2007, the dollar amount is decreased by \$728,200 for fiscal year 2007-08 to decrease the authorized FTE positions for the department by 7.75 FED positions for the council on developmental disabilities.

SECTION 9255. Fiscal changes; other.

(1q) COUNCIL ON DEVELOPMENTAL DISABILITIES. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of children and families under section 20.437 (3) (mg) of the statutes, as affected by the acts of 2007, the dollar amount is decreased by \$724,600 for fiscal year 2008-09 to decrease the authorized FTE positions for the department by 7.75 FED positions for the council on developmental disabilities.

Vetoed
In Part

E. STATE GOVERNMENT OPERATIONS

EMPLOYMENT RELATIONS COMMISSION

Item E-1. Disciplinary Procedures for Law Enforcement Officers and Firefighters

Governor's written objections

Sections 1867, 2666f, 2679i, 9315 (1f) and 9355 (1f)

These sections make changes to appeals procedures which firefighters may use to appeal disciplinary decisions made by the fire or police board, expand collective bargaining rights of firefighters to include alternative disciplinary procedures, and define prohibited subjects of bargaining between municipal employers and firefighters. Under current law, all disciplinary decisions made by a police or fire commission may only be appealed to a Circuit Court and the decision of the court is final. Sections 2666f and 2679i permit collective bargaining agreements between firefighters and municipal employers to contain dispute resolution procedures as an alternative to the Circuit Court appeals process. In addition, municipal employers are prohibited from refusing to collectively bargain with firefighters over arbitration, or attempting to bargain over disciplinary due process and compensation rules pertaining to discipline which are currently included in state statutes. Section 1867 amends current law to preclude law enforcement officers from these alternative appeal procedures to a Circuit Court.

I am partially vetoing the language contained in these sections to restore my original intent of allowing both firefighters and law enforcement officers the opportunity to use collectively bargained alternative disciplinary appeal procedures instead of Circuit Court, and to extend the prohibited collective bargaining subjects in the bill to be applied to contracts between municipal employers and law enforcement officers. Permitting both law enforcement officers and firefighters to use alternative disciplinary appeal procedures will help relieve the court system work load, expand the opportunities of law enforcement officers and firefighters to select appeals procedures, and allow employers and employees to settle their disputes quickly and effectively.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 1867. 62.13 (5) (i) of the statutes is amended to read:

62.13 (5) (i) Any person suspended, reduced, suspended and reduced, or removed by the board may appeal from the order of the board to the circuit court by serving written notice of the appeal on the secretary of the board within 10 days after the order is filed. Within 5 days after receiving written notice of the appeal, the board shall certify to the clerk of the circuit court the record of the proceedings, including all documents, testimony and minutes. The action shall then be at issue and shall have precedence over any other cause of a different nature pending in the court, which shall always be open to the trial thereof. The court shall upon application of the accused or of the board fix a date of trial, which shall not be later than 15 days after such application except by agreement. The trial shall be by the court and upon the return of the board, except that the

court may require further return or the taking and return of further evidence by the board. The question to be determined by the court shall be: Upon the evidence is there just cause, as described under par. (em), to sustain the charges against the accused? No costs shall be allowed either party and the clerk's fees shall be paid by the city. If the order of the board is reversed, the accused shall be forthwith reinstated and entitled to pay as though in continuous service. If the order of the board relating to a police officer is sustained it shall be final and conclusive.

**Vetoed
In Part**

SECTION 2666f. 111.70 (4) (c) 2. b. of the statutes is created to read:

111.70 (4) (c) 2. b. A collective bargaining agreement entered into between fire fighting personnel and a municipal employer may, notwithstanding s. 62.13 (5), contain dispute resolution procedures, including arbitration, that address the suspension, reduction in

**Vetoed
In Part**

rank, suspension and reduction in rank, or removal of such personnel. If the procedures include arbitration, the arbitration hearing shall be public and the decision of the arbitrator shall be issued within 180 days of the conclusion of the hearing.

SECTION 2679i. 111.70 (4) (mc) of the statutes is created to read:

**Vetoed
In Part
Vetoed
In Part** 111.70 (4) (mc) *Prohibited subjects of bargaining ; fire fighting personnel*. In a bargaining unit containing fire fighting personnel, the municipal employer is prohibited from bargaining collectively with respect to:

SECTION 9315. Initial applicability; Employment Relations Commission.

(1f) DISPUTE RESOLUTION; FIRE FIGHTERS. The treatment of section 111.70 (4) (c) 2. b. and (mc) of the statutes first applies to fire fighters who are affected by a collective bargaining agreement that contains provisions that are inconsistent with that treatment on the day on which the agreement expires, or is extended, modified, or renewed, whichever occurs first.

**Vetoed
In Part
Vetoed
In Part**

SECTION 9355. Initial applicability; other.
(1f) FIRE FIGHTERS; APPEAL OF DISCIPLINE. The treatment of section 62.13 (5) (i) of the statutes first applies to a fire fighter who is suspended, reduced, suspended and reduced, or removed on the effective date of this subsection.

**Vetoed
In Part**

F. TAX, LOCAL GOVERNMENT AND TRANSPORTATION

REVENUE

Item F-1. Three-Tier Liquor Distribution System

Governor's written objections

Sections 2757r, 2759c, 2759cm, 2759d, 2759e, 2759em, 2759f, 2759g, 2759h, 2759i, 2759j, 2759k, 2759kc, 2759kg, 2759kh, 2759ki, 2759km, 2759L, 2759m, 2759mm, 2759n, 2759o, 2759p, 2759pg, 2759pr, 2759q, 2759r, 2759s, 2759t, 2759u, 2759v, 2759w, 2759x, 2780b, 2780d, 2780e, 2780em, 2780f and 9441 (13d) [as it relates to s. 139.11 (4) (a)]

These provisions replace the current law distribution system for wine with a three-tier distribution system which requires the sale of wine through a wholesaler in most cases. The provisions also create a "direct wine shipper's permit" that authorizes holders to ship wine directly to individuals of legal drinking age. Each individual may receive up to 108 liters of wine in a year and may not resell the wine. In addition, the provisions authorize the holders of "Class A" licenses and manufacturers or rectifiers, with the consent of a "Class A" licensee to offer free shots of alcohol, other than wine, to customers and visitors. Finally, the provisions modify requirements relating to the publication of production and sales statistics by the Department of Revenue.

I am vetoing sections 2757r, 2759c, 2759cm, 2759d, 2759e, 2759em, 2759f, 2759g, 2759h, 2759i, 2759j, 2759k, 2759kc, 2759kg, 2759kh, 2759ki, 2759km, 2759L, 2759m, 2759mm, 2759n, 2759o, 2759p, 2759pg, 2759pr, 2759q, 2759r, 2759s, 2759t, 2759u, 2759v, 2759w, 2759x, 2780b, 2780d, 2780e, 2780em and 2780f, and partially vetoing section 9441 (13d) [as it relates to s. 139.11 (4) (a)] because I object to the inclusion of policy of this nature in a budget bill. While the changes to the distribution system included in these sections may help address some concerns with sales of alcohol to minors, they also may have stifling economic effects on the small wineries around the state, forcing them out of business. Also, I strongly object to permitting free shots of alcohol to be distributed in places such as grocery stores.

While I am vetoing these provisions, I support the concept of a three-tier distribution system. The language included in the bill, however, does not adequately address the needs of small entrepreneurial wineries. Therefore, I am directing the appropriate agency secretaries to begin immediately to work with the Legislature to adopt a new version of this proposal that provides a workable and equitable approach that meets the intent of the three-tier distribution system while supporting new and small businesses.

Cited segments of 2007 Senate Bill 40:

Vetoed
In Part

SECTION 2757r. 125.01 of the statutes is amended to read:

125.01 Legislative intent. This chapter shall be construed as an enactment of the legislature’s support for the 3–tier system for alcohol beverages production, distribution, and sale that, through uniform statewide regulation, provides this state regulatory authority over the production, storage, distribution, transportation, sale, and consumption of alcohol beverages by and to its citizens, for the benefit of the public health and welfare and this state’s economic stability. Without the 3–tier system, the effective statewide regulation and collection of state taxes on alcohol beverages sales would be seriously jeopardized. It is further the intent of the legislature that without a specific statutory exception, all sales of alcohol beverages shall occur through the 3–tier system, from manufacturers to licensed wholesalers to retailers to consumers. Face–to–face retail sales at licensed premises directly advance the state’s interest in preventing alcohol sales to underage or intoxicated persons.

Vetoed
In Part

SECTION 2759c. 125.12 (5) of the statutes is amended to read:

125.12 (5) REVOCATIONS OR SUSPENSIONS OF, OR REFUSALS TO RENEW, PERMITS BY THE DEPARTMENT. The department may, after notice and an opportunity for hearing, revoke, suspend or refuse to renew any retail permit issued by it for the causes provided in sub. (4) and any other permit issued by it under this chapter for any violation of this chapter or ch. 139, except that, for a violation of sub. (4) (ag) 6. with respect to a license issued under s. 125.51 (4) (v) or a violation of s. 125.535 or 139.035, the department shall revoke the license or permit. A revocation, suspension or refusal to renew is a contested case under ch. 227.

Vetoed
In Part

SECTION 2759cm. 125.51 (2) (am) of the statutes is created to read:

125.51 (2) (am) In addition to the authorization under par. (a), a “Class A” license also authorizes the licensee to provide, free of charge, to customers and visitors who have attained the legal drinking age, taste samples of intoxicating liquor, other than wine, that are not in original packages or containers and that do not exceed 0.5 fluid ounces each, for consumption on the “Class A” premises. No “Class A” licensee may provide, under this paragraph, more than 3 taste samples per day to any one person. Taste samples may be provided under this paragraph only between the hours of 11 a.m. and 7 p.m. Any other provision of this chapter applicable to retail sales of intoxicating liquor, other than wine, by a “Class A” licensee also applies to the provision of taste samples under this paragraph. No “Class A” license may provide

taste samples under this paragraph that the “Class A” licensee did not purchase from a wholesaler. The authorization provided to a “Class A” licensee under this paragraph is in addition to the exception for a “Class A” licensee specified in s. 125.06 (13).

Vetoed
In Part

SECTION 2759d. 125.51 (6) of the statutes is created to read:

125.51 (6) FACE-TO-FACE RETAIL SALES. Except as provided in sub. (3) (bm) and (bs) and except with respect to caterers, a retail license issued under this section authorizes only face–to–face sales to consumers at the licensed premises.

SECTION 2759e. 125.52 (1) of the statutes is amended to read:

125.52 (1) AUTHORIZED ACTIVITIES. The department shall issue manufacturers’ and rectifiers’ permits which authorize the manufacture or rectification, respectively, of intoxicating liquor on the premises covered by the permit. A person holding a manufacturer’s or rectifier’s permit may manufacture, ~~and bottle or wholesale~~ wine, pursuant to the terms of the permit, without procuring a winery permit. A manufacturer’s or rectifier’s permit entitles the permittee to sell intoxicating liquor to wholesalers holding a permit under s. 125.54, and to other manufacturers and rectifiers holding a permit under this section, from the premises described in the permit. Holders of rectifiers’ permits may sell intoxicating liquor rectified by the permittee to retailers without any other permit. No sales may be made for consumption on the premises of the permittee. Possession of a permit under this section does not authorize the permittee to sell tax–free intoxicating liquor and wines brought into this state under s. 139.03 (5).

SECTION 2759em. 125.52 (4) of the statutes is created to read:

125.52 (4) PROVIDING TASTE SAMPLES. A manufacturer or rectifier, or an individual representing a manufacturer or rectifier, may provide taste samples on “Class A” premises as authorized under s. 125.69 (8).

SECTION 2759f. 125.52 (6) of the statutes is repealed.

SECTION 2759g. 125.52 (8) of the statutes is repealed.

SECTION 2759h. 125.53 (1) of the statutes is amended to read:

125.53 (1) The department shall issue only to a manufacturing winery in this state that holds a valid certificate issued under s. 73.03 (50) a winery permit authorizing the manufacture and bottling of wine on the premises covered by the permit for sale at ~~wholesale to other licensees or permittees to wholesalers holding a permit under s. 125.54.~~ A permittee winery holding a permit under this section may offer on the premises taste samples of wine manufactured on the premises to persons

**Vetoed
In Part**

who have attained the legal drinking age. A permittee under this section may also have either a "Class A" or "Class B" license, but not both. If a "Class A" or "Class B" liquor license has also been issued to the winery, the winery may offer the taste samples on the "Class A" or "Class B" premises.

SECTION 2759i. 125.53 (3) of the statutes is repealed.

SECTION 2759j. 125.535 of the statutes is created to read:

125.535 Direct wine shippers' permits. (1) AUTHORIZED ACTIVITIES. The department shall issue direct wine shippers' permits authorizing the permittee to ship wine directly to an individual in this state who is of the legal drinking age, who acknowledges receipt of the wine shipped, and who is not intoxicated at the time of delivery.

(2) ANNUAL PERMIT FEE. The department shall charge the following annual fee for each permit issued under this section:

(a) For a permittee that ships more than 90 liters of wine annually to individuals in this state, \$100.

(b) For a permittee that ships not less than 27 liters nor more than 90 liters of wine annually to individuals in this state, \$50.

(c) For a permittee that ships less than 27 liters of wine annually to individuals in this state, \$10.

(3) PERSONS ELIGIBLE. (a) A direct wine shipper's permit may be issued under this section to any person that manufactures and bottles wine on premises covered by any of the following:

1. A manufacturer's or rectifier's permit under s. 125.52.

2. A winery permit under s. 125.53.

3. A winery license, permit, or other authorization issued to the winery by any state from which the winery will ship wine into this state.

(b) A winery located outside of this state is eligible for a direct wine shipper's permit under par. (a) 3. if all of the following apply:

1. The winery holds a valid business tax registration certificate issued under s. 73.03 (50).

2. The winery submits to the department, with any initial application or renewal for a certificate under s. 73.03 (50) or a permit under par. (a) 3., a copy of any current license, permit, or authorization issued to the winery by the state from which the winery will ship wine into this state.

(c) Notwithstanding s. 125.04 (5) (a), natural persons obtaining direct wine shippers' permits are not required to be residents of this state. Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server training course to be eligible for a permit under this section. Notwithstanding s. 125.04 (6), corporations or limited liability companies obtaining direct wine shippers' permits are not required to appoint agents.

(4) ANNUAL REPORT REQUIRED. A permittee under this section shall submit a report to the department, by January 31 of each year, on forms furnished by the department, providing the identity, quantity, and price of all products shipped to individuals in this state during the previous calendar year, along with the name, address, and birthdate of each person who purchased these products and each person to whom these products were shipped.

(5) LABELS. Containers of wine shipped to an individual in this state under this section shall be clearly labeled to indicate that the package may not be delivered to an underage person or to an intoxicated person.

(6) RESTRICTIONS. No individual may resell, or use for a commercial purpose, wine received by the individual that is shipped under authority of this section.

(7) ANNUAL LIMIT. No individual in this state may receive more than 108 liters of wine annually shipped under authority of the section. Each individual shall be responsible for compliance with this annual limit. An individual who violates this annual limit is subject to a warning issued by the department for the individual's first violation and a \$500 fine for each violation by the individual that occurs after a warning has been issued by the department. This subsection does not apply to purchases made under a permit issued under s. 125.61.

SECTION 2759k. 125.54 (1) of the statutes is amended to read:

125.54 (1) AUTHORIZED ACTIVITIES. The department shall issue wholesalers' permits authorizing the permittee to sell intoxicating liquor at wholesale from the premises described in the permit. ~~Except as provided under s. 125.69 (1) (b) 3., the~~ The permittee may not sell intoxicating liquor for consumption on the premises. ~~If a wholesale permit is issued to a brewery that holds a "Class B" license, the permit shall authorize the wholesale sale of wine only.~~ Possession of a permit under this section does not authorize the permittee to sell tax-free intoxicating liquor and wine brought into this state under s. 139.03 (5).

SECTION 2759kc. 125.54 (4) of the statutes is created to read:

125.54 (4) TASTE SAMPLING PROHIBITED. Wholesalers holding a permit under this section, employees of such wholesalers, and individuals representing such wholesalers may not provide or participate in providing taste samples under ss. 125.51 (2) (am) and 125.69 (8).

SECTION 2759kg. 125.55 (1) (intro.) and (a) of the statutes are consolidated, renumbered 125.55 (1) and amended to read:

125.55 (1) The department may issue the following combination permits: ~~(a) A~~ a combination manufacturer's and rectifier's permit.

SECTION 2759kh. 125.55 (1) (b) of the statutes is repealed.

SECTION 2759ki. 125.55 (2) of the statutes is amended to read:

**Vetoed
In Part**

**Vetoed
In Part**

~~125.55 (2) A combination manufacturer's and wholesaler's permit may not be issued. A combination rectifier's and wholesaler's permit may not be issued.~~

~~SECTION 2759km. 125.58 (1) of the statutes is amended to read:~~

~~125.58 (1) The department shall issue out-of-state shippers' permits which authorize persons located outside this state to sell or ship intoxicating liquor into this state. Except as provided under sub. (4), intoxicating liquor may be shipped into this state only to a person holding a manufacturer's, rectifier's, wholesaler's, industrial alcohol or medicinal alcohol permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under this section, to a person holding a manufacturer's or rectifier's permit under s. 125.52. Except as provided under sub. (4), a separate out-of-state shipper's permit is required for each location from which any intoxicating liquor is sold or shipped into this state, including the location from which the invoices are issued for the sales or shipments. Any person holding an out-of-state shipper's permit issued under this section may solicit orders for sales or shipments by the permittee without obtaining the sales solicitation permit required by s. 125.65, but every agent, salesperson or other representative who solicits orders for sales or shipments by an out-of-state shipper shall first obtain a permit for soliciting orders under s. 125.65. No holder of an out-of-state shipper's permit issued under this section may sell intoxicating liquor in this state or ship intoxicating liquor into this state unless the out-of-state shipper is the primary source of supply for that intoxicating liquor.~~

~~SECTION 2759L. 125.58 (4) (a) (intro.) of the statutes is renumbered 125.58 (4) and amended to read:~~

~~125.58 (4) A winery located outside of this state may ship wine into this state as provided under s. 125.68 (10) (bm) if all of the following apply: 125.535 and is not required to hold an out-of-state shipper's permit under this section.~~

~~SECTION 2759m. 125.58 (4) (a) 1. to 4. of the statutes are repealed.~~

~~SECTION 2759mm. 125.58 (4) (b) of the statutes is repealed.~~

~~SECTION 2759n. 125.68 (10) (a) of the statutes is amended to read:~~

~~125.68 (10) (a) Except as provided in par. (bm) s. 125.535, no intoxicating liquor may be shipped into this state unless consigned to a person holding a wholesaler's permit for the sale of intoxicating liquor, other than a retail "Class B" permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under s. 125.58, consigned to a person holding a manufacturer's or rectifier's permit under s. 125.52.~~

~~SECTION 2759o. 125.68 (10) (b) of the statutes is amended to read:~~

**Vetoed
In Part**

~~125.68 (10) (b) Except as provided in par. (bm) s. 125.535, no common carrier or other person may transport into and deliver within this state any intoxicating liquor unless it is consigned to a person holding a wholesaler's permit for the sale of intoxicating liquor, other than a retail "Class B" permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under s. 125.58, consigned to a person holding a manufacturer's or rectifier's permit under s. 125.52. Any common carrier violating this paragraph shall forfeit \$100 for each violation.~~

~~SECTION 2759p. 125.68 (10) (bm) of the statutes is repealed.~~

~~SECTION 2759pg. 125.68 (10) (bs) of the statutes is repealed.~~

~~SECTION 2759pr. 125.68 (10) (c) of the statutes is repealed.~~

~~SECTION 2759q. 125.69 (1) (a) of the statutes is amended to read:~~

~~125.69 (1) (a) No intoxicating liquor manufacturer, rectifier, winery, out-of-state shipper permittee, or wholesaler may hold any direct or indirect interest in any "Class A" license or establishment and no "Class A" licensee may hold any direct or indirect interest in a wholesale permit or establishment, except that a winery that has a permit under s. 125.53 may have an ownership interest in a "Class A" license.~~

~~SECTION 2759r. 125.69 (1) (b) 1. of the statutes is amended to read:~~

~~125.69 (1) (b) 1. Except as provided under subds. 2. to subd. 4., no intoxicating liquor manufacturer, rectifier, winery, out-of-state shipper permittee, or wholesaler may hold any direct or indirect interest in any "Class B" license or permit or establishment or "Class C" license or establishment and no "Class B" licensee or permittee or "Class C" licensee may hold any direct or indirect interest in a wholesale permit or establishment.~~

~~SECTION 2759s. 125.69 (1) (b) 2. and 3. of the statutes are repealed.~~

~~SECTION 2759t. 125.69 (1) (c) (intro.) of the statutes is renumbered 125.69 (1) (c) and amended to read:~~

~~125.69 (1) (c) No manufacturer, rectifier, winery, or out-of-state shipper permittee, whether located within or without this state, may hold any direct or indirect interest in any wholesale permit or establishment, except as provided in s. 125.53, and except that a manufacturer that is also a brewer may hold a permit issued under s. 125.54 for the wholesale sale of wine only. This paragraph does not prohibit any of the following persons from obtaining a permit under s. 125.65: Except as provided in s. 125.53, no retail licensee may hold any direct or indirect interest in any manufacturer, rectifier, winery, or out-of-state shipper permittee.~~

~~SECTION 2759u. 125.69 (1) (c) 1. to 3. of the statutes are repealed.~~

Vetoed
In Part

SECTION 2759v. 125.69 (4) (c) of the statutes is repealed.

SECTION 2759w. 125.69 (6) (a) of the statutes is amended to read:

125.69 (6) (a) No campus or retail licensee or permittee may purchase or possess intoxicating liquor purchased from any person other than a manufacturer, rectifier or wholesaler holding a permit under this chapter for the sale of intoxicating liquor.

SECTION 2759x. 125.69 (8) of the statutes is created to read:

125.69 (8) PROVIDING TASTE SAMPLES ON "CLASS A" PREMISES. (a) With the consent of the "Class A" licensee, a manufacturer or rectifier may provide, free of charge, on "Class A" premises, taste samples of intoxicating liquor, other than wine, to any person who has attained the legal drinking age, for consumption on the premises during hours in which the "Class A" licensee is authorized under s. 125.51 (2) (am) to provide taste samples. The provision of taste samples under this subsection shall be subject to the same limitations that apply to taste samples provided by a "Class A" licensee under s. 125.51 (2) (am). No manufacturer or rectifier may provide as taste samples under this subsection any intoxicating liquor that the manufacturer or rectifier did not purchase from the "Class A" licensee on whose premises the taste samples are provided.

(b) 1. A manufacturer or rectifier may provide taste samples under par. (a) through an individual representing the manufacturer or rectifier if all of the following apply:

a. The individual is hired by the manufacturer or rectifier.

b. The individual is not employed by, or an agent of, a wholesaler.

2. All provisions of par. (a) that apply to a manufacturer or rectifier apply equally to any individual representing a manufacturer or rectifier.

Vetoed
In Part

SECTION 2780b. 139.035 of the statutes is repealed and recreated to read:

139.035 Wine shipped directly to individuals in this state. (1) All wine shipped directly to an individual located in Wisconsin by a person holding a direct wine shipper's permit under s. 125.535 shall be sold with the occupational tax imposed under s. 139.03 included in the selling price. As directed by the department, the taxes imposed under s. 139.03 shall be paid to, and a quarterly return filed with, the department once every quarter. In addition to filing a quarterly liquor tax return, each person holding a direct wine shipper's permit under s. 125.535 shall be required to file an addendum, on forms furnished by the department, that provides, at minimum, the identity, quantity, and price of all wine shipped to individuals in this state during the previous quarter, along with the name, address, and birthdate of each person who purchased the wine as well as the name of the person of legal drinking age who acknowledged delivery of the

Vetoed
In Part

wine. Working with permittees under s. 125.535, the department shall develop forms, in both paper and electronic format, for use by such permittees in obtaining this information and complying with any other requirement under this state's law in connection with the direct shipment of wine.

(2) Any failure of a person holding a direct wine shipper's permit under s. 125.535 to pay the occupational tax or file the addendum required under sub. (1) within 30 days of its due date constitutes grounds for revocation or suspension of the permit. The provisions on timely filing under s. 71.80 (18) apply to the tax and addendum required under this section.

SECTION 2780d. 139.11 (4) (title) of the statutes is amended to read:

139.11 (4) (title) CONFIDENTIALITY AND PUBLICATIONS.

SECTION 2780e. 139.11 (4) of the statutes is renumbered 139.11 (4) (a) and amended to read:

139.11 (4) (a) Sections 71.78 (1) and (4) to (9) and 71.83 (2) (a) 3., relating to confidentiality of income, franchise and gift tax returns, apply to any information obtained from any person on a fermented malt beverage or intoxicating liquor tax return, report, schedule, exhibit or other document or from an audit report relating to any of those documents, except that the department of revenue shall publish brewery production and sales statistics and shall publish or permit the publication of statistics on the total number of gallons of the types and brands of intoxicating liquor sold in this state.

SECTION 2780em. 139.11 (4) (a) of the statutes, as affected by 2007 Wisconsin Act (this act), is amended to read:

139.11 (4) (a) Sections 71.78 (1) and (4) to (9) and 71.83 (2) (a) 3., relating to confidentiality of income, franchise and gift tax returns, apply to any information obtained from any person on a fermented malt beverage tax return, report, schedule, exhibit or other document or from an audit report relating to any of those documents, except that the department of revenue shall publish brewery brewer and brewpub production and sales statistics.

SECTION 2780f. 139.11 (4) (b) of the statutes is created to read:

139.11 (4) (b) Sections 71.78 (1) and (4) to (9) and 71.83 (2) (a) 3., relating to confidentiality of income, franchise and gift tax returns, do not apply to any information obtained from any person on an intoxicating liquor tax return, report, schedule, exhibit or other document or from an audit report relating to any of those documents. With the information provided to the department by any person, the department of revenue shall publish at least once each month:

1. Statistics on the total number of gallons of the types and brands of intoxicating liquor sold in this state.

**Vetoed
In Part**

2. A current and regularly updated list, made available on paper and on the department's Internet Web site, of permit holders that minimally includes detailed information on the name, address, contact person, and date of permit issuance for every manufacturer's and rectifier's permit issued under s. 125.52, winery permit issued under s. 125.53, direct wine shipper's permit issued under s. 125.535, wholesaler's permit issued under s. 125.54, and out-of-state shipper's permit issued under s. 125.58.

3. A report summarizing the identity, quantity, and price of all products sold under each winery permit issued under s. 125.53 and each direct wine shipper's permit issued under s. 125.535.

4. A report summarizing the sales quantity and product data available for all products sold under each wholesaler's permit issued under s. 125.54.

SECTION 9441. Effective dates; Revenue.

(13d) BREWERS AND BREWPUBS. The treatment of sections 125.02 (2), (2d) (intro.), (2h), (2p), (2t), and (21), 125.04 (9), 125.07 (4) (bm) 1., 125.10 (4), 125.25 (2) (b) 5., 125.26 (2) (b) 1., 125.28 (2) (b) 1. e. and 2., 125.29 (5) and (6), 125.295, 125.31 (1) (a) 1. (intro.) and a. to e., 2., 3., and 4., 125.32 (5) and (7) (a), 125.33 (title), (1), (2) (intro.), (a), (d), (j), (k), (L) 2., 3., and 4., (n) 2., and (p) 1., (2s), (6), (7) (a) 1. a. and b., (b), (c), and (d), (7m), (8), (9), (10) (a) 1. to 4., (b), and (c) 1. and 3., and (11), 125.34 (title), (1) (a) and (c), (2) (a), (bg), and (bm), (3) (a) 1. and 2., (4) (a), and (5), 125.69 (1) (d), 139.01 (1), (2), (2c), and (2e), 139.04 (2), 139.05 (2) and (7) (a) and (b), 139.08 (4), 139.09, 139.11 (2), (3), and (4) (a) (by

**Vetoed
In Part**

SECTION 2780em), 139.18 (1), 139.22, and 346.93 (1) of the statutes takes effect on the 30th day beginning after publication.

Item F-2. Inventory Tax for Moist Snuff

Governor's written objections

Section 2838d

This section requires that an inventory tax based on the new weight-based method of taxation not be levied on moist snuff.

I am partially vetoing this section because I object to exempting moist snuff from the inventory tax. This veto will make the inventory tax consistent for cigarettes and moist snuff.

Cited segments of 2007 Senate Bill 40:

SECTION 2838d. 139.76 (1) of the statutes is amended to read:

139.76 (1) An excise tax is imposed upon the sale, offering or exposing for sale, possession with intent to sell or removal for consumption or sale or other disposition for any purpose of tobacco products by any person engaged as a distributor of them at the rate, for tobacco products, not including moist snuff, of 25% 50 percent of the manufacturer's established list price to distributors without diminution by volume or other discounts on domestic products and, for moist snuff, at the rate of \$1.31 per ounce, and at a proportionate rate for any other quantity or fractional part thereof, of the moist snuff's net weight, as listed by the manufacturer. The tax imposed under this subsection on cigars shall not exceed

an amount equal to 50 cents for each cigar. On products imported from another country, not including moist snuff, the rate of tax is 25% 50 percent of the amount obtained by adding the manufacturer's list price to the federal tax, duties and transportation costs to the United States. The tax attaches at the time the tobacco products are received by the distributor in this state. The tax shall be passed on to the ultimate consumer of the tobacco products. All tobacco products received in this state for sale or distribution within this state, except tobacco products actually sold as provided in sub. (2), shall be subject to such tax. The weight-based tax imposed under this subsection on moist snuff does not apply to moist snuff that is the inventory of a distributor on the effective date of this subsection [revisor inserts date], and for

**Vetoed
In Part**

which the tax levied under this subsection, 2005, stats., has been paid.

SHARED REVENUE AND PROPERTY TAX RELIEF

Item F-3. Levy Limit

Governor's written objections

Sections 1880, 1881, 1882, 1892 and 1896

These sections reauthorize the levy limit program to apply to property taxes levied in 2007 and 2008. The sections limit a county's or municipality's levy increase to the greater of either two percent or the percentage change in its January 1 equalized value due to new construction less improvements removed between the previous year and the current year.

I am partially vetoing sections 1880, 1881, 1882 and 1892 and vetoing section 1896 because I object to the restrictiveness of the limit for 2007, which would negatively effect the provision of police and fire services. Due to the late passage of the budget bill, local governments have already made significant progress in preparing, reviewing and setting their own budgets for the upcoming year. Requiring communities to limit their levy growth to two percent at this time may result in cutbacks in necessary services. This veto will allow local governments to increase their levies for 2007 by either the percentage increase due to net new construction or 3.86 percent.

Cited segments of 2007 Senate Bill 40:

SECTION 1880. 66.0602 (1) (b) of the statutes is amended to read:

**Vetoed
In Part**

66.0602 (1) (b) "Penalized excess" means the levy, ~~in an amount that is at least \$500 over the limit under sub. (2) for the political subdivision, not including any amount that is excepted from the limit under subs. (3), (4), and (5).~~

SECTION 1881. 66.0602 (1) (d) of the statutes is amended to read:

**Vetoed
In Part
Vetoed
In Part**

66.0602 (1) (d) "Valuation factor" means a percentage equal to ~~the greater of either 2 percent or the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year, but not less than 2. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 60.85 (1) (L) or 66.1105 (2) (i).~~

SECTION 1882. 66.0602 (2) of the statutes is created to read:

**Vetoed
In Part
Vetoed
In Part**

66.0602 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in 2007 or 2008 by a percentage that exceeds the political subdivision's valuation factor. The base amount

~~in any year, to which the limit under this section applies, shall be the maximum allowable levy for the immediately preceding year. In determining its levy in any year, a city, village, town, or county shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i).~~

**Vetoed
In Part**

**Vetoed
In Part**

**Vetoed
In Part**

SECTION 1892. 66.0602 (4) (a) of the statutes is amended to read:

66.0602 (4) (a) A political subdivision may exceed the levy increase limit ~~under sub. (2)~~ if its governing body adopts a resolution to that effect and if the resolution is approved in a referendum. The resolution shall specify the proposed amount of increase in the levy beyond the amount that is allowed ~~under sub. (2)~~, and shall specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis. With regard to a referendum relating to the 2005 levy, ~~or any levy in an odd-numbered year thereafter,~~ the political subdivision may call a special referendum for the purpose of submitting the resolution to the electors of the political subdivision for approval or rejection. With regard to a referendum relating to the 2006 levy, ~~or any levy in an even-numbered year thereafter,~~ the referendum shall be held at the next succeeding spring primary or election or September primary or general election.

**Vetoed
In Part**

**Vetoed
In Part**

**Vetoed
In Part**

SECTION 1896. 66.0602 (6) (c) of the statutes is amended to read:
66.0602 (6) (c) Ensure that the amount of the

penalized excess is not included in determining the limit described under sub. (2) for the political subdivision for the following year.

**Vetoed
In Part**

TRANSPORTATION

Item F-4. Reports and Approvals

Governor's written objections

Sections 85b, 85c, 85e, 85f, 687f, 2541r [as it relates to the opening language referring to s. 16.50 (1) (c)], 2542p and 2550p

Sections 85c, 85e, 85f and 2541r [as it relates to the opening language referring to s. 16.50 (1) (c)] prohibit the Department of Administration from approving allotment adjustments to the Department of Transportation's federal appropriations unless the Joint Committee on Finance has approved the adjustment.

Sections 85b and 687f prohibit the executive budget bill from amending, repealing or otherwise drafting around the provisions of s. 25.40 (3), Wisconsin Statutes, which states that no transportation fund revenues may be transferred out of the transportation fund or used for any nontransportation-related purpose.

Section 2542p requires the Department of Transportation to submit, with each biennial budget request, a plan describing the department's bonding strategy for the upcoming ten years.

Section 2550p requires the Department of Transportation to develop a plan to eliminate a biennial deficit in the transportation fund when a deficit is estimated to exceed \$30,000,000. The plan must eliminate the deficit by reducing all transportation SEG appropriations, other than those for debt service and sum sufficient appropriations, as equitably as possible. The plan would be reviewed and approved by the Joint Committee on Finance under a 14-day passive review.

I am vetoing sections 85b, 85c, 85e, 85f, 687f and 2542p and partially vetoing section 2541r [as it relates to the opening language referring to s. 16.50 (1) (c)] because they infringe on the executive branch's authority to manage programs and are unnecessary. The existing allotment and biennial budget processes provide sufficient oversight and protection of the use of federal and state transportation monies.

In addition, I am partially vetoing section 2550p because the plan requires elimination of the deficit by reducing all transportation SEG appropriations, rather than those determined most appropriate by the Department of Transportation. This hampers the department's flexibility to address any projected deficit and protect those programs with the greatest need at any particular point in time and as such infringes on the executive branch's authority to manage agency finances.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 85b. 16.47 (1) of the statutes is amended to read:

16.47 (1) Except as provided in s. 16.529 (2) and subject to s. 25.40 (3) (c), the executive budget bill or bills shall incorporate the governor's recommendations for appropriations for the succeeding biennium. The appropriation method shown in the bill or bills 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.

**Vetoed
In Part**

SECTION 85c. 16.50 (1) (a) of the statutes is amended to read:

16.50 (1) (a) Each department except the legislature and the courts shall prepare and submit to the secretary an estimate of the amount of money which it proposes to expend, encumber or distribute under any appropriation in ch. 20. The department of administration shall prepare and submit estimates for expenditures from appropriations under ss. 20.855, 20.865, 20.866 and 20.867. The secretary may waive the submission of

**Vetoed
In Part**

estimates of other than administrative expenditures from such funds as he or she determines, but the secretary shall not waive submission of estimates for the appropriations under s. 20.285 (1) (im) and (n) nor for expenditure of any amount designated as a refund of an expenditure under s. 20.001 (5). Estimates shall be prepared in such form, at such times and for such time periods as the secretary requires. Revised Except as provided in par. (c), revised and supplemental estimates may be presented at any time under rules promulgated by the secretary.

SECTION 85e. 16.50 (1) (c) of the statutes is created to read:

16.50 (1) (c) 1. The department may not approve any revised or supplemental estimate submitted by the department of transportation under par. (a) for any appropriation of federal funds under s. 20.395 unless the department of transportation has submitted a request to revise or supplement the estimate to the joint committee on finance and the request is approved under subd. 2. or the department of transportation has submitted a plan including the revised or supplemental estimate to the joint committee on finance under s. 84.03 (2) (b) 1. and the plan is approved under s. 84.03 (2) (c).

2. If the department of transportation submits a request under subd. 1. and the cochairpersons of the joint committee on finance do not notify the department of transportation within 14 working days after the date of the submittal that the committee has scheduled a meeting for the purpose of reviewing the request, the request is approved. If, within 14 working days after the date of the submittal, the cochairpersons of the committee notify the department of transportation that the committee has scheduled a meeting for the purpose of reviewing the request, the department of administration may not revise or supplement any estimate specified in the request until it is approved by the committee, as submitted or as modified.

SECTION 85f. 16.50 (6) of the statutes is amended to read:

16.50 (6) PROPORTIONAL SPENDING. If the secretary determines that expenditures of general purpose or segregated fund revenues are utilized to match revenues received under s. 16.54 or 20.001 (2) (b) for the purposes of combined program expenditure, the secretary may require that disbursements of the general purpose revenue and corresponding segregated revenue be in direct proportion to the amount of program revenue or corresponding segregated revenue which is available or appropriated in ch. 20 or as condition of a grant or contract. If Subject to sub. (1) (c), if the secretary makes such a determination, the agency shall incorporate the necessary adjustments into the expenditure plans provided for in sub. (1).

**Vetoed
In Part**

SECTION 687f. 25.40 (3) (c) of the statutes is created to read:

25.40 (3) (c) No executive biennial budget bill introduced under s. 16.47 (1m) may include any provision that amends or repeals any provision of this subsection or that applies notwithstanding any provision of this subsection.

**Vetoed
In Part**

SECTION 2541r. 85.035 of the statutes is amended to read:

85.035 Reduction of department appropriations.

Where Subject to ss. 16.50 (1) (c) and 85.62, where the secretary deems that economic conditions warrant, the secretary, in conjunction with submission of estimates under s. 16.50, may recommend to the secretary of administration that authorized department appropriations be reduced to reflect revenue deficiencies.

**Vetoed
In Part**

SECTION 2542p. 85.045 of the statutes is created to read:

**Vetoed
In Part**

85.045 Funding plan for next 10 years. The department shall, with its submission of information under s. 16.42 for each biennial budget bill, submit to the department of administration and to the legislative fiscal bureau a plan for the following 10-year period that includes, for each fiscal year of the 10-year period, an estimate of total transportation fund revenues, the proposed types and amounts of bonds to be issued for transportation needs, the proposed expenditure amounts from bond proceeds for transportation needs, and estimated debt service related to repayment of these bonds. This 10-year plan shall include various funding scenarios for transportation needs showing different levels of transportation fund expenditures, from bond proceeds and from cash sources, and different levels of transportation fund revenues. At least one scenario shall reflect the achievement of a stable debt service percentage by the end of the 10-year period of the plan. If any scenario results in an increasing debt service percentage, the plan shall identify the estimated reduction of net revenues from this increasing debt service and the potential consequences for specific transportation-related programs resulting from these reduced net revenues.

SECTION 2550p. 85.62 of the statutes is created to read:

85.62 Transportation fund balance and appropriation reductions.

(1) During any fiscal biennium, if at any time the department determines that, at the close of the fiscal biennium, net appropriations and fund reserves from the transportation fund will exceed estimated transportation fund revenues by more than \$30,000,000, the department shall develop a plan to eliminate, by the close of the fiscal biennium, this projected deficit by reducing all state funds appropriations under s. 20.395, other than those for debt service and sum sufficient appropriations, from the transportation fund as equitably as reasonable. This plan may not include the reduction of any state funds

**Vetoed
In Part**

**Vetoed
In Part**

appropriation if the reduction would violate a condition imposed by the federal government on the receipt of federal funds or if the reduction would violate the federal

or state constitution. The secretary shall submit this plan to the joint committee on finance.

Item F-5. State Bicycle and Pedestrian Facilities Program

Governor’s written objections

Section 177 [as it relates to s. 20.395 (2) (ov) and (ox)]

This provision includes funding for grants to localities for bicycle and pedestrian transportation projects through new, dedicated appropriations. A significant portion of the federal money for the new program is from the congestion mitigation and air quality improvement program and transportation enhancement activities program.

While I believe that funding for bicycle and pedestrian projects is important, I am reducing funding in the new, dedicated appropriations by the amounts that would have been transferred out of congestion mitigation and air quality and transportation enhancement activities programs. Transferring funds out of these appropriations reduces the Department of Transportation’s ability to decide between grant applications for a variety of transportation projects in the event that bicycle and pedestrian facility grant applications decline. Further, bicycle and pedestrian facility projects also already can be funded through the existing programs.

I am lining out the dollar amounts in appropriations under s. 20.395 (2) (ov) and (ox) and writing in \$0 in fiscal year 2007-08 and \$2,720,000 SEG-F and \$680,000 SEG-L in fiscal year 2008-09, so that the congestion mitigation and air quality and transportation enhancements funds will be available for use in those programs via the allotment process. I am directing the secretary of the Department of Transportation to work with interested parties to ensure that funds from both the existing appropriations and new appropriations are used for bicycle and pedestrian facility projects to the extent possible and appropriate.

Cited segments of 2007 Senate Bill 40:

SECTION 177. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	2007-08	2008-09	
20.395 Transportation, department of					
(2) LOCAL TRANSPORTATION ASSISTANCE					
(ov) Bicycle and pedestrian facilities, local funds	SEG-L	C	2,044,500	2,724,500 680,000	Vetoed In Part
(ox) Bicycle and pedestrian facilities, federal funds	SEG-F	C	8,178,200	10,898,200 2,720,000	Vetoed In Part

Item F-6. Value Engineering for Highway Improvement Projects

Governor’s written objections

Sections 2524p, 2531c, 2531e, 9348 (1f) and 9448 (1f)

These sections require the Department of Transportation to use “value engineering” for highway projects estimated to cost \$5,000,000 (to be adjusted annually) or greater. “Value engineering” is the systematic analysis of a project to determine which course of action results in the largest net reduction of costs, essentially finding the design of a project that produces the best value. In addition to using the value engineering analysis methodology, the sections require the department to submit an annual report to the Governor and Legislature regarding the department’s use of value engineering and any instances in which the secretary of the department has waived value engineering for compelling reasons.

I am vetoing these sections because this specific value engineering mandate is overly burdensome on the department and may require the postponement of other highway projects. Value engineering analysis can be a useful tool in large projects. However, this process also requires a significant investment of time and effort that is not always appropriate for every project and may result in project delays. Project delays ultimately increase the cost of a project due to inflation. Additionally, producing an annual report regarding value engineering requires significant staff resources. My veto will allow the department to continue to exercise its well-informed judgment regarding project design without the burden of study and report requirements.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 2524p. 84.013 (4) (a) of the statutes is amended to read:

84.013 (4) (a) Subject to s. ss. 13.489 (1m) and 84.06 (1r), in preparation for future major highway projects, the department may perform preliminary engineering and design work and studies for possible major highway projects not listed under sub. (3), but no major highway may be constructed unless the project is listed under sub. (3) or approved under sub. (6).

**Vetoed
In Part**

SECTION 2531c. 84.06 (1m) of the statutes is amended to read:

84.06 (1m) PLANS. The Subject to sub. (1r), 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 2531e. 84.06 (1r) of the statutes is created to read:

84.06 (1r) VALUE ENGINEERING FOR CERTAIN PROJECTS. (a) In this subsection, “value engineering” has the meaning given in 23 CFR 627.3.

(b) The department shall employ value engineering for any highway improvement project under sub. (1m) for which the cost of construction, utilities, and

**Vetoed
In Part**

rights-of-way is in excess of \$5,000,000, as adjusted under par. (g), or that otherwise meets criteria established by the department under par. (c), and shall assure that a value engineering study and analysis is performed on each such project. Any value engineering study and analysis related to engineering work performed by a consultant under contract with the department under s. 84.01 (13) may not be performed by the same consultant unless that consultant maintains separate and distinct organizational separation of its value engineering and design sections.

(c) The department shall establish criteria for determining which projects, in addition to those having total project costs in excess of \$5,000,000, as adjusted under par. (g), on which the department will employ value engineering.

(d) After review and for compelling reasons, the secretary may waive the requirement under par. (b) for any project. Any such waiver shall be in writing, state the reasons for the waiver, and apply only to a single project.

(e) For each project for which the department performs a value engineering study and analysis under this subsection, the department shall include in the study and analysis an identification of the cost of all design elements for the project that are considered by the department to be context-sensitive design elements and the department’s justification for any increased project costs resulting from these design elements.

(f) Annually, the department shall submit a report to the governor, and to the appropriate standing committees

**Vetoed
In Part**

**Vetoed
In Part**

**Vetoed
In Part**

**Vetoed
In Part**

of the legislature under s. 13.172 (3), on the department's employment of value engineering under par. (b), the criteria established by the department under par. (c), and all waivers made under par. (d). All project information included in any report required under this paragraph shall be reported on both a cumulative basis from the inception of the project and on an updated basis for the period since the department's last report under this paragraph. The report under this paragraph shall also include all of the following information:

1. The number of value engineering studies conducted.
2. The cost of conducting the studies.
3. The estimated construction cost of the projects studied.
4. The total number of study recommendations.
5. The total estimated savings that would result from all recommendations if approved and implemented.
6. The number of recommendations approved.
7. The total savings that resulted from the approved recommendations.

8. The cost of all context-sensitive design elements included in completed projects.

(g) Beginning on the first day of the 13th month beginning after the effective date of this paragraph ... [revisor inserts date], and annually thereafter, the department shall adjust the dollar amounts specified in pars. (b) and (c) in proportion to any change in the cost of construction, utilities, and rights-of-way since the effective date of this paragraph.

SECTION 9348. Initial applicability; Transportation.

(11f) VALUE ENGINEERING. The treatment of sections 84.013 (4) (a) and 84.06 (1m) and (1r) of the statutes first applies to highway improvement projects for which engineering work is commenced on the effective date of this subsection.

SECTION 9448. Effective dates; Transportation.

(11f) VALUE ENGINEERING. The treatment of sections 84.013 (4) (a) and 84.06 (1m) and (1r) of the statutes and SECTION 9348 (11f) of this act take effect on the first day of the 3rd month beginning after publication.

**Vetoed
In Part**

**Vetoed
In Part**

**Vetoed
In Part**

Item F-7. Division of Motor Vehicles Service Centers

Governor's written objections

Section 2651r

This section requires that the Department of Transportation continue to operate a Division of Motor Vehicles service center in every municipality where one was operated as of December 1, 2006, unless the Joint Committee on Finance approves an alternate plan under 14-day passive review. Additionally, the section states that if a service center was closed between December 1, 2006, and the effective date of the section, then the department must reopen a service center in the same municipality in which it operated prior to closing.

I am vetoing this section because I object to the infringement on the executive branch's authority to manage programs. Division of Motor Vehicles service center sites require very specific space configurations, and travel center site leases must allow for the temporary nature of the operations in that location. It may be difficult to find appropriate space or negotiate leases in a particular municipality, and the department must have the flexibility to look at all available location options regardless of whether a municipality previously accommodated a service center.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 2651r. 110.08 (5) of the statutes is created to read:

110.08 (5) (a) Unless an alternative plan has been approved under par. (b), after the effective date of this paragraph ... [revisor inserts date], the department shall maintain a local examining center in each municipality in which a local examining center was located on December 1, 2006. If the department closed any local examining center in a municipality between December 1, 2006, and the effective date of this paragraph ... [revisor inserts

date], and the department maintains no other local examining center in that municipality on the effective date of this paragraph ... [revisor inserts date], the department shall, as soon as possible, open a local examining center in that municipality. Any local examining center required to be opened under this paragraph may not be closed by the department.

(b) In lieu of maintaining or opening a local examining center in a municipality under par. (a), the department may submit to the joint committee on finance

**Vetoed
In Part**

Vetoed In Part an alternative plan for providing services that would otherwise be provided at the local examining center in the municipality. If the cochairpersons of the joint committee on finance do not notify the department within 14 working days after the date of the department's submittal of the plan that the committee has scheduled a meeting for the purpose of reviewing the plan, the

department may implement the plan as proposed. If, within 14 working days after the date of the department's submittal, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed plan, the department may implement the plan only upon approval of the committee.

Vetoed In Part

Item F-8. Department of Transportation Permits for Activities Along State Trunk Highways Within Municipal Limits

Governor's written objections

Sections 2523m, 2534p, 2534r, 2550s, 2550t, and 2558d

These sections allow municipalities to permit the creation of access points, such as driveways, and the performance of certain work, activity and alterations on state highways despite a denial or failure to approve a request for such access, work, activity or alterations by the Department of Transportation.

I am vetoing these sections because I object to the infringement on the department's ability to uphold its responsibility to ensure the safety and condition of state highways. Allowing municipalities to permit access points on state highways over the objection of the department may negatively affect state highway safety or damage state highway surfaces or structures.

Cited segments of 2007 Senate Bill 40:

Vetoed In Part **SECTION 2523m.** 83.015 (2) (b) of the statutes is amended to read:

83.015 (2) (b) In any county with a highway commissioner appointed under s. 83.01 (1) (b) or (c), the county highway committee shall be only a policy-making body determining the broad outlines and principles governing administration and the county highway commissioner shall have the administrative powers and duties prescribed for the county highway committee under par. (a), sub. (3) (a) and ss. 27.065 (4) (b) and (13), 32.05 (1) (a), 82.08, 83.01 (6), 83.013, 83.018, 83.025 (1) and (3), 83.026, 83.035, 83.04, 83.05 (1), 83.07 to 83.09, 83.12, 83.14 (6), 83.17, 83.18, 83.42 (3) and (4), 84.01 (5), 84.06 (3), 84.07 (1) and (2), 84.09 (1), (3) (a) to (c) and (4), 84.10 (1), 86.04 (1) and (2), 86.07 (2) and (2m), 86.19 (3), 86.34 (1), 114.33 (5), 349.07 (2), 349.11 (4) and (10) and 349.15 (2). No statutory power, duty or function specified elsewhere for the county highway commissioner may be deemed impliedly repealed for the sole reason that reference to it has been omitted in this paragraph.

Vetoed In Part **SECTION 2534p.** 84.25 (4) of the statutes is renumbered 84.25 (4) (a) and amended to read:

84.25 (4) (a) After Except as provided in par. (b), after the establishment of any controlled-access highway, no street or highway or private driveway, shall

be opened into or connected with any controlled-access highway without the previous consent and approval of the department in writing, which shall be given only if the public interest shall be served thereby and shall specify the terms and conditions on which such consent and approval is given.

SECTION 2534r. 84.25 (4) (b) of the statutes is created to read:

84.25 (4) (b) Notwithstanding any other provision of this chapter, if the department denies approval under par. (a), or fails to provide approval under par. (a) within 60 days after a request for approval is made to the department, related to any access point to any part of a controlled-access highway located within a municipality, that municipality may approve any access point specified in the request for approval made to the department. Any approval under this paragraph shall be in writing and shall specify the terms and conditions on which the approval is given.

SECTION 2550s. 86.07 (2) of the statutes is amended to read:

86.07 (2) No Subject to sub. (2m), no person shall make any excavation or fill or install any culvert or make any other alteration in any highway or in any manner disturb any highway or bridge without a permit therefor from the highway authority maintaining the highway.

Vetoed In Part

Vetoed In Part

**Vetoed
In Part**

Such permit shall contain the statement and be subject to the condition that the work shall be constructed subject to such rules and regulations as may be prescribed by said authority and be performed and completed to its satisfaction, and in the case of temporary alterations that the highway or bridge shall be restored to its former condition, and that the permittee shall be liable to the town or county or state, as the case may be, for all damages which occur during the progress of said work or as a result thereof. Nothing herein shall abridge the right of the department or the county board or its highway committee to make such additional rules, regulations and conditions not inconsistent herewith as may be deemed necessary and proper for the preservation of highways, or for the safety of the public, and to make the granting of any such permit conditional thereon. If Subject to sub. (2m), if any culvert is installed or any excavation or fill or any other alteration is made in violation of the provisions of this subsection, the highway may be restored to its former condition by the highway authority in charge of the maintenance thereof; and any person who violates this subsection shall be punished by a fine of not less than \$5 nor more than \$100, or by imprisonment not exceeding 6 months, or both.

SECTION 2550t. 86.07 (2m) of the statutes is created to read:

86.07 (2m) Notwithstanding s. 86.073, if the department denies an application for a permit under sub. (2), or fails to approve a permit under sub. (2) within 60 days after application for the permit is made to the department, related to any part of a state trunk highway located within a municipality, that municipality may issue a permit under sub. (2) approving and authorizing the work, activity, or alteration, with respect to this state trunk highway, that was the subject of the permit application made to the department, regardless of what authority maintains the highway or whether the highway has been designated a connecting highway under s. 86.32.

**Vetoed
In Part**

SECTION 2558d. 88.68 (4) of the statutes is amended to read:

88.68 (4) Whenever the cleaning out, deepening or reconstruction of a drain crossing a public highway requires the lowering of a culvert through such highway in order to provide effective drainage, the drainage board may proceed to lower such culvert only after obtaining a permit under s. 86.07 (2) or (2m). In lieu of issuing a permit, the authority in charge of maintenance of the highway may proceed to do the work itself. Except as provided in s. 86.075, the expenses involved in such lowering shall be borne by the drainage district, or as provided by mutual agreement between the highway authority and the drainage board.

**Vetoed
In Part**

Item F-9. Vehicle Immobilization and Impoundment for Repeated Parking Violations

Governor’s written objections

Section 3435x

This section allows municipalities or counties to adopt ordinances allowing the immobilization, removal, impoundment or disposal of vehicles owned by habitual parking violators after giving notice to the vehicle’s owner. A “habitual parking violator” is a person who has three or more parking tickets that are unpaid and outstanding for 28 days and for which no court appearance is scheduled.

I am vetoing this section because it is unnecessary. Current law provides municipalities and counties with a procedure for enforcing parking regulations and collecting unpaid tickets.

Cited segments of 2007 Senate Bill 40:

**Vetoed
In Part**

SECTION 3435x. 349.132 of the statutes is created to read:

349.132 Authority to immobilize, remove, impound, and dispose of motor vehicles for nonmoving traffic violations. (1) In this section:

(a) “Habitual parking violator” means a person who has received, more than 28 days previously, 3 or more citations for nonmoving traffic violations that remain

unpaid and for which the person has not scheduled an appearance in court in response to the citations.

(b) “Immobilization device” has the meaning given in s. 341.65 (1) (a).

(c) “Nonmoving traffic violation” has the meaning given in s. 345.28 (1) (c).

(d) “Owner” has the meaning given in s. 341.65 (1) (am).

**Vetoed
In Part**

**Vetoed
In Part**

(e) "Parking enforcer" means a traffic officer or any other person who enforces nonmoving traffic violations and who is employed by a municipality or county.

(2) The governing body of any municipality or county may by ordinance provide for the immobilization or removal, impoundment, and disposal of vehicles owned by habitual parking violators as provided in this section. Any ordinance under this section shall do all of the following:

(a) Limit application of the ordinance to those motor vehicles for which all of the following apply:

1. The municipality or county has cited the owner of the motor vehicle for 3 or more nonmoving traffic violations that, at the time of the vehicle's immobilization or removal, occurred more than 28 days previously and for which the owner has neither paid the forfeiture for each of these violations nor scheduled an appearance in court in response to each of these citations.

2. a. The municipality or county has mailed to the last-known address of the owner at least one notice that specifies, for each citation counted under subd. 1., the date on which the citation was issued, the license number of the vehicle involved, the place where the citation may be paid, the amount of the forfeiture, and the means by which the citation may be contested.

b. The notice under subd. 2. a. shall also inform the owner that any motor vehicle owned by him or her may be immobilized with an immobilization device or removed and impounded if, within 28 days after the owner has received 3 or more citations and at the time the vehicle is immobilized or removed and impounded, the owner has not either paid the forfeiture for each violation that occurred more than 28 days previously or scheduled an appearance in court in response to each citation issued more than 28 days previously for which the forfeiture has not been paid.

c. The notice under this subdivision may be combined with any other notice provided by the municipality or county to the owner.

(b) Authorize any parking enforcer who discovers any motor vehicle to which par. (a) applies that is legally or illegally parked on any portion of the street, highway, or publicly owned or leased parking facility within the corporate limits of the municipality or county to cause the motor vehicle to be immobilized with an immobilization device or removed to a suitable place of impoundment or both. Upon immobilization or removal of the motor vehicle, the parking enforcer shall follow the notification procedure specified in s. 341.65 (2) (b).

(c) Specify whether the municipality or county may contract with a 3rd party for the performance of services related to immobilization or removal of motor vehicles, which services shall be rendered only at the request of a parking enforcer.

(d) Provide for a reasonable removal fee, if any, that will be charged to remove an immobilization device placed on a vehicle under this section.

(e) Provide for the recovery of reasonable towing or storage charges associated with the removal or impoundment of a vehicle, and of reasonable charges associated with disposal of a vehicle, under this section.

(f) Require that, if the motor vehicle is immobilized, the parking enforcer or a 3rd party contractor place in a highly visible location and a reasonably secure manner on the vehicle, at the time of immobilization, a written notice that does all of the following:

1. Warns any driver of the vehicle that the immobilization device has been placed on the vehicle.

2. Either provides all of the information specified in par. (a) 2. a. or provides a telephone number at which an individual is available to provide such information 24 hours a day.

3. States the amount of the removal fee under par. (d), if any, that is in addition to any amount required to be paid as specified in the notice under par. (a) 2. a.

(g) If the motor vehicle is immobilized in a time-limited, legal parking space, prohibit the municipality or county from issuing, after the vehicle's immobilization, any citation for a nonmoving traffic violation for the vehicle within the first 4 hours after the vehicle is immobilized and during any hours in which the municipal court or clerk's office of the circuit court that would be contacted to arrange an appearance for purposes of sub. (3) (b) is not open for regular business.

(h) If the motor vehicle is immobilized, require the municipality or county, or a 3rd party contractor, to remove, or provide sufficient information to allow the vehicle owner to remove, the immobilization device without undue delay, not to exceed 3 hours, after receiving notice that the person has satisfied the requirements for release of the motor vehicle under sub. (3) (b).

(3) (a) Any motor vehicle immobilized or impounded as provided in sub. (2) shall remain immobilized or impounded until lawfully claimed or disposed of as provided in this subsection and sub. (5).

(b) The owner of a motor vehicle that is immobilized under sub. (2) may secure release of the motor vehicle by paying any removal fee specified in sub. (2) (d) and either paying all forfeitures specified in each notice under sub. (2) (a) 2. a. for citations counted under sub. (2) (a) 1. or scheduling an appearance in court in response to all citations counted under sub. (2) (a) 1. for which the forfeitures have not been paid.

(c) The owner of a motor vehicle that is removed and impounded under sub. (2) may secure release of the motor vehicle by paying any charges specified in sub. (2) (e) and either paying all forfeitures specified in the notice

**Vetoed
In Part**

**Vetoed
In Part**

under sub. (2) (a) 2. a. for citations counted under sub. (2) (a) 1. or scheduling an appearance in court in response to all citations counted under sub. (2) (a) 1. for which the forfeitures have not been paid.

(d) If an owner secures release of a motor vehicle under par. (b) or (c) by scheduling an appearance in court and thereafter fails to appear or fails to comply with any court order with respect to any citation counted under sub. (2) (a) 1. for which the forfeiture has not been fully paid, including failure to satisfy in full any court-ordered payment plan or other agreement approved by the court, the court may order a law enforcement officer, or an authorized employee or contractor of the municipality or county, to immobilize the motor vehicle involved in the nonmoving traffic violations or the municipality or county may cause the motor vehicle to be immobilized or removed and impounded as provided under sub. (2). If the court orders the motor vehicle immobilized, upon compliance with the court order, the court shall order a law enforcement officer, or an authorized employee or contractor of the municipality or county, to remove the immobilization device.

(e) Notwithstanding par. (a), if any motor vehicle immobilized or impounded is an unregistered motor vehicle for purposes of s. 341.65 or an abandoned motor vehicle for purposes of s. 342.40, the municipality or county may take any action authorized under s. 341.65 or 342.40. Any vehicle immobilized under this section for longer than the period specified in s. 342.40 (1m) shall be considered abandoned for purposes of s. 342.40.

(4) The owner of any motor vehicle immobilized or removed and impounded as provided under this section

is responsible for all charges associated with immobilizing, removing, impounding, and disposing of the motor vehicle, as provided under sub. (2) (d) and (e). Charges not recovered from the sale of the motor vehicle may be recovered in a civil action by the municipality or county against the owner.

(5) The procedures and provisions of s. 341.65 (2) (f) to (h) shall apply with respect to the impoundment and disposal of motor vehicles authorized to be removed, impounded, and disposed of under this section to the same extent as these provisions apply to the impoundment and disposal of unregistered motor vehicles that are removed under authority of s. 341.65, except that reclamation of the motor vehicle by the owner requires compliance with sub. (3) rather than s. 341.65 (2) (e). The provisions of s. 349.13 (5) (b) shall apply with respect to vehicles removed or stored under this section to the same extent as these provisions apply with respect to vehicles removed or stored under authority of s. 349.13.

(6) Any ordinance enacted under this section permitting immobilization of a motor vehicle may prohibit any person from removing, disconnecting, tampering with, or otherwise circumventing the operation of an immobilization device installed under this section except upon release of the motor vehicle to the owner or to make necessary repairs to a malfunctioning immobilization device.

(7) Section 349.137 does not apply to the use of motor vehicle immobilization devices under this section.

**Vetoed
In Part**

Item F-10. Construction Schedule for STH 23 Major Highway Development Project

Governor's written objections

Section 2524g

This section requires the Department of Transportation to begin construction on the enumerated project of STH 23 between STH 67 and USH 41 in Fond du Lac and Sheboygan counties by July 1, 2009. The provision further requires that the department finish the project by July 1, 2011.

I am partially vetoing this section because the proposed schedule is unattainable and may negatively affect other highway projects. Before construction can begin on a highway project, the department performs certain federally-required studies, acquires real estate and relocates utilities as necessary for the project. The department would be unable to accomplish this preliminary work in order to begin construction by July 1, 2009. Therefore, I am vetoing the provision that specifies construction begin by July 1, 2009, so that the section requires only that the department begin work as needed and appropriate by July 1, 2009. I am further vetoing the July 1, 2011, completion deadline. Forcing completion by July 1, 2011, would harm the progress of other highway projects because many resources from other highway projects would have to be diverted to STH 23.

Cited segments of 2007 Senate Bill 40:

SECTION 2524g. 84.013 (3m) (e) of the statutes is created to read:

84.013 (3m) (e) The department shall begin construction of the major highway project enumerated

under sub. (3) (ra) no later than July 1, 2009, and shall complete construction of this project no later than July 1, 2011 .

**Vetoed
In Part**

**Vetoed
In Part**

Item F-11. Kenosha-Racine-Milwaukee Commuter Rail Extension Project

Governor's written objections

Section 9148 (9u)

This provision allows the Department of Transportation to request \$800,000 from the Joint Committee on Finance's supplemental appropriation for preliminary engineering for the Kenosha-Racine-Milwaukee commuter rail extension project. The provision states that the Committee may provide the supplement only if the Legislature has enacted, and the Governor has signed, legislation establishing a financing mechanism that will finance all costs of the project (excluding the federal share of costs).

I am partially vetoing this provision because it infringes on the department's ability to continue preliminary work on the project to determine its scope and final feasibility. My veto will remove the requirement that the Legislature and Governor agree on a funding source for the entire project before the \$800,000 supplement can be used for preliminary engineering of the project.

Cited segments of 2007 Senate Bill 40:

SECTION 9148. Nonstatutory provisions; Transportation.

(9u) KENOSHA-RACINE-MILWAUKEE COMMUTER RAIL EXTENSION PROJECT. The department of transportation may submit a request to the joint committee on finance to supplement the appropriation account under section 20.395 (2) (ct) of the statutes by up to \$800,000 in the 2007-09 fiscal biennium from the appropriation account under section 20.865 (4) (u) of the statutes, for preliminary engineering for the Kenosha-Racine-Milwaukee commuter rail extension project. The committee may supplement the appropriation account under section 20.395 (2) (ct) of the

statutes by up to \$800,000 in the 2007-09 fiscal biennium from the appropriation account under section 20.865 (4) (u) of the statutes, for this purpose, only if the legislature has enacted legislation, signed by the governor, establishing a financing mechanism sufficient to pay all costs, including capital and operating costs but excluding any federal share of costs, related to this commuter rail extension project and commuter rail service resulting from this extension . Notwithstanding section 13.101 (3) of the statutes, the committee is not required to find that an emergency exists prior to making the supplementation under this subsection.

**Vetoed
In Part**

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