LEGISLATIVE HEARING CALENDAR

Positions to be taken by the City of Milwaukee on the following bills will be discussed by the

COMMITTEE ON JUDICIARY-LEGISLATION

MONDAY, APRIL 25, 2005 AT 1:30 PM

Room 301-B City Hall

A- 40	Forfeiture of money derived from a drug crime.	
A-183	Pseudoephedrine and other materials used to produce methamphetamine, the distribution of methamphetamine to minors, and providing penalties.	
A-278	Liens, public nuisances, witnesses, and liability of shareholders.	
A-298	Tourism promotion and development under room tax law.	
S-147	Preemption of city, village, town, or county living wage ordinances.	

January 25, 2005 – Introduced by Representatives Bies, Albers, Fields, Gronemus, Gunderson, Gundrum, Hahn, Hines, Jeskewitz, Krawczyk, LeMahieu, Musser, Ott, Owens, Van Roy and Vos, cosponsored by Senators A. Lasee and Kedzie. Referred to Committee on Corrections and the Courts.

- AN ACT *to amend* 961.55 (5) (intro.), 961.55 (5) (a), 961.55 (5) (b) and 961.55 (5)
- 2 (c); and *to create* 961.55 (5) (e) 1. and 961.55 (5) (e) 2. of the statutes; **relating**
- 3 **to:** forfeiture of money derived from a drug crime.

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Analysis by the Legislative Reference Bureau

Under current law, a state or local law enforcement agency may acquire certain property involved in the commission of crime through a forfeiture proceeding, which is generally initiated after the end of the criminal case to which it relates. In cases involving illegal drugs, the forfeiture law applies to the drugs themselves, materials and equipment used to process or package the drugs, vehicles used in connection with the offense, and property, including money, derived from the commission of the offense.

The Wisconsin Constitution specifies that the clear proceeds of property acquired by forfeiture must be deposited in the school fund. The provision of current law that implements this requirement permits an agency that seizes property that is later forfeited to retain 50 percent of the proceeds of the sale to cover the costs of its investigation and prosecution and other costs relating to the forfeiture proceeding and sale. But if the property seized is money, current law requires that all of the money be deposited in the school fund.

Under this bill, if money is forfeited in a drug case, the law enforcement agency that seized the money may retain 70 percent of any amount that does not exceed \$2,000 and 50 percent of any amount in excess of \$2,000 to cover the costs of its investigation and prosecution and other costs relating to the forfeiture proceeding and sale.

ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 2005 ASSEMBLY BILL 183

April 6, 2005 - Offered by Representative RHOADES.

AN ACT to renumber 961.437 (2) and 961.49; to renumber and amend 961.437 1 2 (3), 961.437 (4), 961.437 (5) and 961.46; **to amend** 101.10 (title), 101.10 (3) (e), 3 895.555 (title), 895.555 (1), 938.34 (14s) (am) (intro.), 939.62 (2m) (a) 2m. d., 939.62 (2m) (d), 948.015 (6), 961.23 (2), 961.23 (4), 961.23 (5), 961.41 (1r), 4 5 961.437 (title), 961.49 (title) and 973.01 (2) (c) 2. a.; and to create 101.10 (3) (f), 6 111.335 (1) (cs) 5., 125.12 (2) (ag) 5m., 125.12 (2) (ag) 6m., 125.12 (4) (ag) 7m., 7 125.12 (4) (ag) 8m., 939.32 (1) (g), 939.62 (2m) (a) 2m. am., 961.01 (14f), 961.22 8 (3) (b), 961.23 (7), 961.23 (8), 961.41 (3j), 961.437 (1) (title), 961.437 (2m), 961.437 (3m) (title), 961.453, 961.46 (2), 961.49 (2m), 973.017 (8) (a) 3. and 9 10 973.017 (8) (c) of the statutes; relating to: pseudoephedrine and other 11 materials used to produce methamphetamine, the distribution of 12 methamphetamine to minors, and providing penalties.

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

March 10, 2005 – Introduced by Representatives Rhoades, Lamb, Pettis, Moulton, Gronemus, Kreibich, Hubler, Krawczyk, Hahn, Hines, Van Roy, Travis, Gunderson, Townsend, Ott, Hundertmark, Musser, Albers and Freese, cosponsored by Senators Harsdorf, Brown, Roessler, Jauch, Decker, Kapanke, Zien, Lassa, A. Lasee, Olsen and Stepp. Referred to Committee on Criminal Justice and Homeland Security.

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AN ACT to renumber 961.437 (2) and 961.49; to renumber and amend 961.437 (3), 961.437 (4), 961.437 (5) and 961.46; to amend 101.10 (title), 101.10 (3) (e), 895.555 (title), 895.555 (1), 938.34 (14s) (am) (intro.), 939.62 (2m) (a) 2m. d., 939.62 (2m) (d), 948.015 (6), 961.23 (4), 961.23 (5), 961.41 (1r), 961.437 (title), 961.49 (title) and 973.01 (2) (c) 2. a.; and to create 101.10 (3) (f), 111.335 (1) (cs) 5., 125.12 (2) (ag) 5m., 125.12 (2) (ag) 6m., 125.12 (4) (ag) 7m., 125.12 (4) (ag) 8m., 939.32 (1) (g), 939.62 (2m) (a) 2m. am., 961.01 (14f), 961.22 (3) (b), 961.23 (7), 961.437 (1) (title), 961.437 (2m), 961.437 (3m) (title), 961.46 (2), 961.49 (2m), 973.017 (8) (a) 3. and 973.017 (8) (c) of the statutes; relating to: pseudoephedrine hydrochloride and other materials used to produce methamphetamine, the distribution of methamphetamine to minors, and providing penalties.

Analysis by the Legislative Reference Bureau

This bill makes a number of changes in the law relating to the controlled substance methamphetamine and materials used to make it.

Classification of pseudoephedrine hydrochloride as a controlled substance

Under current law, each controlled substance is classified in one of five separate schedules. The classification is based on: 1) whether there is a currently accepted medical use for the drug; 2) the drug's potential for being abused; and 3) the nature of the psychological or physical dependence that of the drug use may produce. Schedule I controlled substances are those that have a high potential for abuse and no currently accepted medical use. Schedule V controlled substances are those that have an accepted medical use and that have a lower potential for abuse and produce less dependence when compared with other controlled substances. (Methamphetamine is included in Schedule II.)

In general, a Schedule I controlled substance may not be dispensed, even with a prescription. A Schedule II, III, or IV controlled substance may be dispensed with a prescription. A Schedule V controlled substance may be dispensed without a prescription, but only a registered pharmacist may sell it at retail and only then in certain specified amounts. In addition, the pharmacist must record the name and address of the purchaser of a Schedule V controlled substance and the quantity of the product sold. Penalties for crimes relating to Schedule I and II controlled substances are, in general, more severe than those relating to other controlled substances. Penalties for crimes relating to Schedule V controlled substances are generally the least severe. To illustrate, unlawful delivery of heroin (a Schedule I controlled substance) is a Class C, D, E, or F felony, depending on the amount of the drug involved, while unlawful delivery of any Schedule V controlled substance is a Class I felony, regardless of the amount involved.

This bill classifies pseudoephedrine hydrochloride as a Schedule V controlled substance. The bill also prohibits a person from purchasing more than nine grams of pseudoephedrine hydrochloride within a 30-day period and requires the purchaser to provide the pharmacist selling it with a photo ID. But the classification and the resulting restrictions on sale do not apply if: 1) the pseudoephedrine hydrochloride is in a product that contains therapeutically significant quantities of another active medicinal ingredient; 2) the pseudoephedrine hydrochloride is in a liquid or a soft gelatin capsule; or 3) the Controlled Substances Board has determined that the pseudoephedrine hydrochloride involved cannot be used readily in the manufacture of methamphetamine.

Possession of methamphetamine precursors

Current law generally prohibits possessing or disposing of waste resulting from the manufacture of methamphetamine. This prohibition does not apply to legitimate storage, treatment, or clean—up operations. A violation of this prohibition is a Class F felony. Second and subsequent offenses are Class H felonies.

Current law also prohibits possessing or attempting to possess methamphetamine itself. A violation of that prohibition is a Class I felony. In addition, current law prohibits manufacturing, distributing, and delivering methamphetamine and possessing methamphetamine with intent to manufacture, distribute, or deliver. A violation of one of these prohibitions is a Class C, D, E, or F felony, depending on the amount of the drug involved.

This bill prohibits possessing a variety of materials with intent to manufacture methamphetamine. A person who violates this prohibition is guilty of a Class H felony. (See the table near the end of this analysis for the penalties that apply to felonies created in this bill.) The materials that are covered by this prohibition are pseudoephedrine hydrochloride, ephedrine (a Schedule IV controlled substance), phenylpropanolamine, red phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia, pressurized ammonia, and liquid nitrogen. Possession of more than 24 grams of pseudoephedrine hydrochloride, ephedrine, or phenylpropanolamine can be used to prove the person's intent to manufacture methamphetamine.

In general, a person who is convicted of possessing the materials listed above with intent to manufacture methamphetamine is subject to the same disqualifications, disabilities, increased penalties, and other adverse or unfavorable treatments as a person who is convicted of possessing a controlled substance with intent to manufacture, distribute, or deliver ("possession with intent" crimes). For example, like possession with intent crimes, this new offense is classified as a "three–strikes" crime, which means that a person who is convicted of this crime and two other offenses that are covered by the relevant statute is sentenced, upon conviction for the last of those three offenses, to life imprisonment without the possibility of parole or extended supervision.

Agricultural chemicals used to make methamphetamine

Current law prohibits the theft of anhydrous ammonia or equipment used to apply it for an agricultural purpose or to store, hold, transport, or transfer it (anhydrous ammonia equipment). Current law also contains other prohibitions regarding storing, holding, transporting, and transferring anhydrous ammonia. A person who violates one of these prohibitions is guilty of a Class I felony (unless the violation occurs during agricultural activity or while the person is working on anhydrous ammonia equipment with its owner's consent, in which case the person is subject to a civil monetary penalty).

This bill prohibits a person from intentionally releasing another person's anhydrous ammonia without the other person's consent. A person who violates this prohibition is guilty of a Class I felony. The bill also makes the statute relating to theft of anhydrous ammonia or anhydrous ammonia equipment applicable to liquid nitrogen and specifies that attempted theft under that statute is subject to the same penalties as those that apply to the completed offense. (Most other attempts are punishable by half of the fine and half of the term of imprisonment that may be imposed for a completed offense.)

Distributing methamphetamine to minors

Under current law, if a person distributes or delivers a controlled substance to someone who is under the age of 18 and who is at least three years younger than he or she is, the applicable maximum term of imprisonment for the crime is increased by five years. Under this bill, if a person distributes or delivers methamphetamine to someone who is under the age of 18 and who is at least two years younger than he or she is, the person is guilty of a Class B felony.

Penalties

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Crime	Maximum fine	Maximum term of confinement	Maximum sentence length
Class B felony	N/A	40 years	60 years
Class H felony	\$10,000	3 years	6 years
Class I felony	\$10,000	1.5 years	3.5 years

Other information

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION **1.** 101.10 (title) of the statutes is amended to read:

101.10 (title) Storage and handling of anhydrous ammonia; theft of liquid nitrogen, anhydrous ammonia, and anhydrous ammonia equipment.

SECTION 2. 101.10 (3) (e) of the statutes is amended to read:

101.10 (3) (e) Intentionally take, carry away, use, conceal, or retain possession of <u>liquid nitrogen</u>, anhydrous ammonia belonging to another, or anhydrous ammonia equipment belonging to another, without the other's consent and with intent to deprive the owner permanently of possession of the <u>liquid nitrogen</u>, anhydrous ammonia, or anhydrous ammonia equipment.

SECTION 3. 101.10 (3) (f) of the statutes is created to read:

101.10 **(3)** (f) Intentionally release or allow the escape of anhydrous ammonia belonging to another into the atmosphere. This paragraph does not apply if the owner has authorized the actor to exercise control over the anhydrous ammonia or has consented to its release.

March 30, 2005 – Introduced by Representatives Hundertmark, Gard, Suder, Jeskewitz, Gunderson, Wieckert, Huebsch, Nischke, Vrakas, Loeffelholz, Wood, Kaufert, Hines, Vos, Lemahieu, Hahn, Strachota, Owens, Moulton, Towns, Mursau, Nerison, McCormick, Honadel, Montgomery, Kleefisch, Davis, Van Roy, Petrowski, Ballweg, Albers, Pridemore, Meyer, Kreibich, Gielow, J. Fitzgerald and Ott, cosponsored by Senators Leibham, Schultz, Zien, Darling, Grothman, Olsen and S. Fitzgerald. Referred to Committee on Judiciary.

- AN ACT to repeal 180.0622 (2) (b); to renumber and amend 180.0622 (2) (a),
- 2 907.01 and 907.02; to amend 227.45 (1) and 907.03; to repeal and recreate
- 3 779.48 (title); and *to create* 227.45 (1m), 779.485, 823.025, 907.01 (3), 907.02
- 4 (1) (a), (b) and (c), 907.02 (2) and 907.02 (3) of the statutes; **relating to:** liens,
- 5 public nuisances, witnesses, and liability of shareholders.

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Analysis by the Legislative Reference Bureau

Under current law, a plastics fabricator is granted a lien on toolings in the fabricator's possession that belong to a customer for amounts that the customer owes the fabricator for the toolings or for plastic fabrication work. Current law also allows, under certain circumstances, a plastics or cast metal molder to dispose of forms provided by a customer that the customer has not claimed within three years after the molder's last use of the form. This bill creates similar provisions for "special tools," which the bill defines as any tool, die, jig, gauge, gauging fixture, metal casting, pattern, forging, machinery, ferrous or nonferrous machine part, or intellectual property used for the purpose of designing, developing, manufacturing, assembling, or fabricating a metal part.

Under the bill, a "special tool builder" who satisfies certain requirements is granted a lien in the amount that a "manufacturer" or "customer" owes the special tool builder for designing, developing, manufacturing, assembling, repairing, or modifying a special tool. The bill defines "special tool builder" as a person who makes a special tool, a "manufacturer" as a person who uses a special tool in a

manufacturing process, and a "customer" as a person who does any of the following: 1) causes a special tool builder to make a special tool; 2) orders a product from a manufacturer that is produced with a special tool; or 3) causes a manufacturer to use a special tool.

The bill grants a special tool builder a lien if the special tool builder permanently records the builder's name and address on the special tool and files a financing statement for the special tool under the state's version of Article IX of the Uniform Commercial Code (Article IX), which covers secured transactions. The lien is attached on the date that both of the foregoing requirements are satisfied, which means that on that date the special tool builder has lien rights that may be enforced against the manufacturer or customer. The lien is also perfected on that date, which means that the special tool builder's lien has priority over other liens and security interests in the special tool that are perfected after that date. The bill provides that the lien remains valid until either: 1) the manufacturer or customer pays the special tool builder the amount for which the lien is claimed; or 2) the financing statement is terminated under Article IX.

The bill allows a special tool builder to enforce a lien by any available judicial procedure, or by taking possession of the special tool without judicial process, but only if the taking is done without breach of the peace. Before enforcing the lien, a special tool builder must provide written notice, delivered personally or by registered mail, to the manufacturer or customer that the special tool builder demands payment for the amount claimed. (If the claim is against both the manufacturer and customer, the special tool builder must notify both.) If the special tool builder is not paid within 90 days after receipt of the notice, the special tool builder may enforce the lien. However, if mailed notice is returned as undeliverable, the bill requires the special tool builder to publish a legal notice before the builder may enforce the lien.

The bill also grants a lien to a manufacturer in a special tool belonging to a customer that a customer causes the manufacturer to use. The amount of the lien is the amount due to the manufacturer from the customer for any worked performed with the special tool or for making or improving the special tool. The manufacturer is allowed to retain possession of the special tool until the amount due is paid. The bill allows a manufacturer to enforce a lien by selling the special tool at public auction, but only after satisfying written notice and legal publication requirements that are similar to the requirements described above for special tool builders. Also, the bill prohibits a public auction if the customer claims that any product produced by the manufacturer with the special tool did not comply with the quality and quantity ordered by the customer. A public auction may not take place until such a claim is resolved. If there is a public auction, the proceeds are first paid to any prior holder of a lien in the special tool (such as, for example, a special tool builder) and then paid to the manufacturer to satisfy the manufacturer's lien. Any remaining proceeds are paid to the customer.

Unless otherwise agreed in writing by a manufacturer and a customer, the bill allows a manufacturer, under certain circumstances, to destroy a customer's special tool that the manufacturer has used to produce parts ordered by the customer or that the customer has caused the manufacturer to use. A manufacturer may destroy a

customer's special tool if all of the following are satisfied: 1) the special tool has been in the manufacturer's possession for one year after the manufacturer's last use of the tool; 2) the customer has not claimed possession of the special tool during that year; and 3) the manufacturer complies with requirements specified in the bill for providing notice to the customer 120 days before the manufacturer intends to destroy the tool. If the notice requirements are satisfied and the customer has not claimed possession of the special tool or agreed to arrangements for storage of the special tool, the bill transfers the customer's interest in the tool to the manufacturer for the purpose of destroying the tool.

Under current law, if a witness is not testifying as an expert, the witness's testimony is limited to those opinions that are rationally based on the perception of the witness and helpful to a clear understanding of the witness's testimony or of a fact at issue in the case. This bill adds the additional limit that a nonexpert's testimony may not be based on scientific, technical, or other specialized knowledge of the witness.

Current law allows the testimony of an expert witness if that scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact at issue in the case. This bill limits the testimony of an expert witness to testimony that is based on sufficient facts or data, that is the product of reliable principles and methods, and that is based on the witness applying those principles and methods to the facts of the case. The bill also prohibits the testimony of an expert witness who is entitled to receive any compensation contingent on the outcome of the case.

Currently, the facts or data in a particular case on which an expert witness bases his or her opinion may be made known to the expert at or before the case hearing, but if those facts or data are reasonably relied upon by experts in the field in forming opinions about the subject, they do not need to be admissible into evidence in the case. This bill adds that facts or data that are otherwise inadmissible may not be disclosed to the jury unless the court determines that their value in assisting the jury to evaluate the expert's testimony outweighs their prejudicial effect.

These changes regarding witness testimony do apply to administrative hearing but do not apply to sexually violent commitment cases or criminal cases.

Current law imposes personal liability on each shareholder of a corporation, in an amount up to the value of the shares that the shareholder owns, for any amount owed by the corporation to its employees for up to six months of work per employee. This bill eliminates this provision of current law. By cross—reference, the bill also applies to stock insurance corporations.

In addition, the bill prohibits the state, and counties, cities, and villages from bringing an action to abate a public nuisance if the activity or use of the property alleged to be a nuisance is not in violation of any statute, rule, permit, approval, or local ordinance or regulation. The bill requires a court to award litigation expenses, including reasonable attorney fees, to a defendant in a nuisance action if the activity or use of the property alleged to be a public nuisance is found not to be a public nuisance.

April 7, 2005 – Introduced by Representatives Pettis, Kestell, Ballweg, Boyle, Gronemus, Gunderson, Hines, Krawczyk, Kreibich, Lehman, LeMahieu, Lothian, Moulton, Musser, Nass, Nerison, Petrowski, Pridemore, Shilling, Van Roy, Vos, M. Williams, Suder and Rhoades, cosponsored by Senators Darling, Zien, Breske, Kanavas and Stepp. Referred to Committee on Tourism.

- 1 AN ACT *to amend* 20.380 (1) (b), 66.0615 (1m) (d) 3. and 66.0615 (1m) (d) 4.; and
- 2 **to create** 66.0615 (1) (fm) and 66.0615 (4) of the statutes; **relating to:** tourism
- 3 promotion and development under room tax law.

Analysis by the Legislative Reference Bureau

Under current law a city, village, or town (municipality) and a local exposition district may impose a room tax. The room tax is a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, and other persons who furnish accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations.

Generally, the maximum room tax that a municipality may impose is 8 percent. A single municipality that imposes a room tax may create a commission, which is defined as an entity to coordinate tourism promotion and development. If two or more municipalities in a zone impose a room tax, they must create a commission. Current law defines a zone as an area made up or two or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public. Current law requires a commission to contract with an organization to provide staff, development, or promotional services for the tourism industry in a municipality if a tourism entity does not exist in that municipality. A tourism entity is defined as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism industry in a municipality.

A municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism promotion and development;

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the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone.

This bill creates a definition of tourism promotion and development, and requires a municipality to file a form, which details the municipality's or commission's expenditures for tourism promotion and development, annually with the Department of Tourism (department). The definition created in the bill deals with tourism promotion and development that generates overnight stays at a hotel, motel, or other lodging establishment on which a room tax may be imposed. If the department determines that a municipality's or commission's expenditures for tourism promotion and development do not meet the standards specified by the definition that is created in the bill, the department must notify the Department of Revenue (DOR). Under the bill, DOR is required to review the municipality's or commission's itemized expenditures. If DOR determines that not all of the municipality's or commission's expenditures for tourism promotion and development meet the requirements that are created in the bill, DOR must impose a forfeiture of \$10, and a surcharge, on the municipality. The surcharge must be at least \$500, and may not exceed 7 percent of the expenditures that did not meet the requirements that are created in the bill. The surcharges are sent to the department and must be used for tourism marketing. The bill also requires DOR to develop a schedule of surcharges.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 20.380 (1) (b) of the statutes is amended to read:

20.380 (1) (b) *Tourism marketing; general purpose revenue.* The amounts in the schedule for tourism marketing service expenses and the execution of the functions under ss. 41.11 (4) and 41.17, the surcharge amounts sent to the department under s. 66.0615 (4) (d) for the execution of the functions under s. 41.17, and the grants under 1997 Wisconsin Act 27, section 9148 (2f) and (2x). In each fiscal year, the department shall expend for tourism marketing service expenses and the execution of the functions under ss. 41.11 (4) and 41.17 an amount that bears the same proportion to the amount in the schedule for the fiscal year as the amount expended under par. (kg) in that fiscal year bears to the amount in the schedule for par. (kg)

2005 SENATE BILL 147

March 29, 2005 – Introduced by Senators A. Lasee and Schultz. Referred to Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform.

AN ACT *to renumber and amend* 104.08 (1), 104.08 (2) and 104.08 (3); *to amend* 104.01 (intro.), 104.01 (5), 104.02, 104.03, 104.04, 104.05, 104.06, 104.07 (1), 104.07 (2), 104.10, 104.11 and 104.12; and *to create* 104.001 and 104.08 (1m) (b) of the statutes; **relating to:** preemption of city, village, town, or county living wage ordinances.

Analysis by the Legislative Reference Bureau

Under current constitutional and statutory home rule provisions, a city or village may determine its own local affairs subject only to the Wisconsin Constitution and to any enactment of the legislature that is of statewide concern and that affects every city or village with uniformity.

This bill requires that the state minimum wage law, under which an employer may not pay an employee less than a living wage, be construed as an enactment of statewide concern for the purpose of providing a living wage that is uniform throughout the state. As such, the bill permits a city, village, town, or county to enact an ordinance establishing a living wage only if the ordinance strictly conforms to the state minimum wage law.