



## Passage of Cooperative Modernization Act among accomplishments for Cooperative Network during 2017-18 session

When the Wisconsin legislature concluded their legislative session floor activity in March, Cooperative Network was able to claim many accomplishments on behalf of its cooperative members. This followed a much delayed passage of the 2017-19 budget bill, which when enacted in the fall of 2017, contained changes to the Agricultural Chemical Cleanup Program (ACCP), Agrichemical Management (ACM) fund and funding for broadband expansion in Wisconsin. Among the legislative successes from late 2017 through March of this year were the following:

Assembly Bill 353, authored by Rep. Gary Tauchen (R – Bonduel) and Sen. Patrick Testin (R – Stevens Point), was the cooperative statute modernization legislation that was advanced by Cooperative Network and supported by the Wisconsin Electric Cooperative Association. It was signed into law on November 28 by Governor Scott Walker. The proposal was passed on a bipartisan vote of 74-18 in the Assembly and a voice vote in the Senate. Among the key provisions in Act 76 are the following:

- Allows for cooperatives to have “outside directors” to number up to two or no more than 20 percent of the composition of all directors.
- Authorized a cooperative holding company to permit members to base voting power in whole or part on members’ patronage activity or patronage equity, or a combination of both.

- Repeals a provision that prohibited any dividends on the stock of a cooperative from exceeding 8% of its par value for any year.
- Any cooperative member or stockholders, upon written notice starting the purpose, may examine any of the financial books covering only the current or preceding 5 fiscal years, which replaces the previous unlimited access to books or records.
- Expands the ability of board of directors for disposing of records beyond fixed assets of a cooperative.
- Allows notice of unclaimed property that cooperatives may forfeit to consist of either the name and address of each owner to whom the notice was mailed or an Internet site address where the information is posted.
- Provides that an electric cooperative extension of credit to a member or a member’s landlord is generally exempt from the requirements of the Wisconsin Consumer Act if: the credit is extended for expenses relating to energy efficiency or conservation, electric safety, or emergency backup generation and the cooperative and borrower enter into a written agreement that satisfies certain conditions.

Senate Bill 599, authored by Senator Howard Marklein (R – Spring Green) and Representative Joan Ballweg (R – Markesan) was

signed into law March 28 as Act 155 and makes changes to the agricultural producer security program. Advanced with the active work of Cooperative Network, Act 155 contains a key provision allowing milk contractors and milk producers to enter into deferred payment contracts, with payment to be made within 120 days. Act 155 also combines the separate security fund balances for grain dealers and grain warehouse keepers into a single fund.

Senate Bill 667, authored by Senator Luther Olsen (R – Ripon) and Representative Gary Tauchen (R – Bonduel), was signed into law April 3 as Wisconsin Act 210. It provides DATCP additional funding of \$100,000 to administer the livestock premises registration program for both years of the biennium. Stakeholders including Cooperative Network with current seats on the Wisconsin Livestock Identification Consortium (WLIC) view this additional state support as essential for keeping information about the individual premises confidential and to be able to continue the arrangement that WLIC has with DATCP to manage the premises registration database.

Assembly Bill 583, authored by Representative Romaine Quinn (R – Rice Lake) and Senator Jerry Petrowski (R – Marathon) was affirmatively lobbied by teams of cooperative members attending the February 2018 Wisconsin Coop Day at the Capitol. Signed into law April 17 as Act 290, it exempts from the sales and use tax certain services provided by an electric

## Wisconsin legislative session concluding highlights

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cooperative to another electric cooperative or by a telecommunications utility to another telecommunications utility in connection with a “state of emergency.” Services must be for “disaster relief work.”

Assembly Bill 946 was another measure lobbied by attendees at the February 21 Co-op Day at the Capitol. Authored by Representative Joel Kitchens (R – Sturgeon Bay) and Senator Rob Cowles (R – Green Bay), it was signed into law April 4 as Act 196. The act increases the amount that DATCP may allocate from producer-led watershed protection grants from \$250 per fiscal year to \$750,000 in each year of the current biennium. Producer-led watershed protection activity has been an encouraging and growing effort to confront and address problems that manure has caused in residential drinking wells in areas of the state.

### Cooperative Network hosts 1st annual Co-op Day at the Capitol

Cooperative leaders from a broad cross-section of Wisconsin's cooperative business community attended the 1st Annual Co-op Day at the Capitol earlier this year. The goal of the grassroots event was to continue building long-term relationships with legislators and administration officials and to explain the important role cooperatives play in Wisconsin's economy. Participants included Cooperative Network members and member-owned cooperatives throughout the state. The morning program included presentations from Secretary Jay Risch, Dept. of Financial Institutions, Assistant Deputy Secretary Keith Ripp, Dept. of Agriculture, Trade & Consumer Protection, Deputy Secretary Bob Seitz, Dept. of Transportation, and Joe Liebaw from the Dept. of Natural Resources. Agency officials expressed strong support for the cooperative business form and noted the positive working relationships their respective agencies have with Cooperative Network and our members.

Following these presentations were group meetings with legislators at the Capitol. Afternoon speakers included Senator Howard Marklein (R – Spring Green), Senate Minority Leader Jen Shilling (D – La Crosse) and House Minority Leader Gordon Hintz (D – Oshkosh).

An evening reception was attended by legislators, state officials, representatives from the UW Center for Cooperatives and other partner organizations. The 2nd Annual Wisconsin Co-op Day at the Capitol is scheduled for Tuesday, February 12, 2019.



Senator Fred Risher (D – Madison) meets with Christian Albouras, Summit Credit Union; Bill Carter, Union Cab; and Ethan Giebel, Cooperative Network during the 1st Annual Co-op Day at the Capitol on February 21, 2018



Cooperative Network Board Chair and Land O' Lakes member Bill Zuhlke addresses attendees during the 1st Annual Co-op Day at the Capitol on February 21, 2018

### Resolutions Committee set to meet July 25 in Eau Claire, Wis.

Every year, Cooperative Network members establish new resolutions and modify existing ones at the two-state Resolutions Committee meeting. Each cooperative sector has a set of resolutions on a host of policy areas, some for each state specifically, and some that cover both states. In addition to Cooperative Network's state and federal positions, there are also general cooperative resolutions that our members have created. Cooperative Network's resolutions guide our government affairs team on behalf of our members in our lobbying efforts in both St. Paul and Madison, as well as with both Congressional delegations.

The Resolutions Committee will be gathering at River Country Co-op's 29 Pines Restaurant, located in the Eau Claire Travel Center on Wednesday, July 25 from 10:00 a.m. to 2:00 p.m. We will discuss any submissions during the Resolutions Committee meeting, with the final decision on our 2019 resolutions being made at Cooperative Network's annual meeting to be held this November in La Crosse, Wisconsin. To view our current resolutions, please see Cooperative Network's website.

If you have any suggested additions or edits to the resolutions, please contact [Patrick Murray](#) as soon as possible prior to the meeting.



Prepared and distributed to provide timely information on matters pertaining to Wisconsin's member-owned cooperatives.

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# 2017–18 Wisconsin Legislative Summary



The last five months of 2017 and first four months of 2018 resulted in many successful outcomes for Cooperative Network’s legislative and regulatory priorities. Here's a summary of final legislative action and administrative rulemaking.

Legislative Proposal	Position	Status
<p><b>Cooperative Statute Modernization.</b> Cooperative Network led legislative efforts on the “Cooperative Modernization Act” that was signed into law with strong bi-partisan support. The legislation was developed with input from co-op members, co-op experts, and other co-op organizations during a series of meetings convened by Cooperative Network.</p>	Supported	Signed into law
<p><b>Rural Broadband.</b> Cooperative Network continues to support the rural broadband expansion grant program and broadband related investments that have been made by telecommunications cooperatives.</p>	Supported	Signed into law
<p><b>State Health Plans.</b> The Joint Finance Committee voted unanimously to maintain the current group health program structure for public employees during the 2017-19 budget debate. Cooperative Network and several other stakeholders supported this action. The Walker administration had proposed conversion to a self-insurance system, which could have had severe impacts to Wisconsin's healthcare cooperatives.</p>	Opposed	Died in committee
<p><b>Prize-Linked Savings Accounts.</b> In collaboration with the Wisconsin Credit Union League, Cooperative Network supported legislation authorizing credit unions to offer prize-linked savings accounts. Deposits can now be treated as raffle tickets that would be entered in a financial institutions monthly or quarterly prize drawing.</p>	Supported	Signed into law
<p><b>Financial Literacy.</b> In collaboration with the Wisconsin Credit Union League, Cooperative Network supported legislation signed into law supporting the state's credit unions by authorizing the incorporation of financial literacy into public schools.</p>	Supported	Signed into law
<p><b>Restoration of Power in an Emergency Program (ROPE).</b> In collaboration with the Wisconsin Electric Cooperative Association, Cooperative Network supported legislation to provide a sales tax exemption for services related to repair and replacement of infrastructure damaged or destroyed during a storm, flood, tornado, or high winds. The exemption occurs when an electric or telecom co-op evokes a mutual-aid agreement and more than 20 percent of their customers are without service.</p>	Supported	Signed into law
<p><b>Agricultural Chemical Cleanup Funds.</b> Cooperative Network worked with Department of Agriculture, Trade, and Consumer Protection (DATCP) to identify the appropriate balance of revenue and expenditures in the Agricultural Chemical Cleanup Program (ACCP) and Agrichemical Management Fund for the 2017–19 budget. Provisions included an increase in ACCP lifetime caps from \$400,000 to \$650,000.</p>	Supported	Signed into law
<p><b>High Capacity Wells.</b> Cooperative Network supported legislation ensuring producers and agribusinesses can access water from high capacity wells to continue growing operations in a sustainable manner.</p>	Supported	Signed into law
<p><b>Producer-Led Watershed Grant Program.</b> Cooperative Network supported legislation increasing from \$250,000 to \$750,000 the amount that may be allocated for producer led watershed protection grants. These grants are intended to help farmers find solutions best suited for their particular watershed in this voluntary effort.</p>	Supported	Signed into law
<p><b>Agricultural Producer Security Program.</b> Cooperative Network supported legislation that made changes to the Agricultural Producer Security Program. The bill reduced milk and grain contractor assessments and authorized deferred payments for milk contractors. Cooperative Network also continues to play a leadership role on DATCP's Agricultural Producer Security Council.</p>	Supported	Signed into law

# 2017–18 Wisconsin Legislative Summary (cont.)



Legislative Proposal	Position	Status
<b>RevEx.</b> Cooperative Network supported “RevEx” legislation that was included in the 2017-19 state budget that lowered fees and simplified the process for registrants of agrichemicals.	Supported	Signed into law
<b>Livestock Premises Registration Program.</b> Cooperative Network supported legislation that provided additional funding for the administration of the livestock premises registration program, which protects animal health and the security of the food chain.	Supported	Signed into law
<b>Credit Union Exam Sharing.</b> Cooperative Network supported legislation to allow the Division of Banking and the Office of Credit Unions in the Department of Financial Institutions to disclose certain financial institution information to the Federal Home Loan Bank (FHLB). It also allows FHLB to accept and rely on information collected by other agencies or independent third parties in conducting financial institution examinations.	Supported	Signed into law
<b>Veterans in the Field of Agriculture.</b> Cooperative Network supported legislation requiring DATCP to create, in consultation with the Department of Veterans Affairs, the Department of Military Affairs, and the federal Department of Agriculture, a program that will integrate veterans into the field of agriculture and support veterans currently working in agriculture.	Supported	Signed into law
<b>Unfair Sales Act.</b> Legislation was introduced to eliminate the prohibition on selling prescription drugs and certain types of merchandise at below cost under the Unfair Sales Act. In a memo to legislators, Cooperative Network stated, “we believe the purpose of this legislation is to begin the process of eliminating the entire Unfair Sales Act.” Cooperative Network has opposed past proposed changes that threatened the Unfair Sales Act.	Opposed	Died in committee
<b>Taxi Cab Regulation.</b> Legislation was introduced to eliminate the authority of local units of government to regulate and license taxicab businesses and instead require licensing by the state of Wisconsin.	Opposed	Died in committee
<b>Crimes Involving Credit Card Scanners.</b> Cooperative Network supported legislation relating to crimes committed involving credit card scanners. A seller of motor vehicle fuel who uses a credit or debit card-operated fuel pumps is immune from civil liability for unauthorized credit card or scanning devices that are installed on their machines.	Supported	Signed into law
<b>Tractor Rollover Protection.</b> Cooperative Network supported legislation requiring DATCP to make a grant to an organization that uses the grant funds to reimburse the costs of purchasing and installing rollover protective structures for farm tractors.	Supported	Died in committee
<b>Motor Carrier Liability Insurance Limits.</b> Cooperative Network supported legislation specifying the minimum liability insurance policy limit applicable to motor carriers of passengers operating solely in intrastate commerce, including taxicab businesses.	Supported	Signed into law
<b>Seed Potato Certification.</b> Cooperative Network supported legislation requiring a person who plants five or more acres of potatoes in a year to use only seed potatoes that are certified by the College of Agricultural and Life Sciences of the University of Wisconsin-Madison under existing rules promulgated by DATCP, or by an equivalent program in another state.	Supported	Signed into law
<b>Vehicle Weight Limits.</b> Cooperative Network supported legislation that would have provided heavy-duty vehicles with idle reductions technology and vehicles that operate on natural gas to exceed certain weights limits.	Supported	Signed into law
<b>Beekeeping Tax Exemption.</b> Cooperative Network supported legislation that would have provided sales and use tax exemptions for beekeeping.	Supported	Died in committee
<b>Industrial Hemp.</b> Cooperative Network monitored legislation requiring DATCP to issue licenses that authorize the growing and processing of industrial hemp.	Monitored	Signed into law