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KLEEFISCH CHALLENGES
ABC MEMBERS

FINALLY A FIX?

COMMERCIAL BUILDING
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IT'S TIME TO ELIMINATE

PERSONAL PROPERTY TAX

ELECTION POLITICS+

THE UPCOMING SUPREME COURT RACE
WHY YOU SHOULD CARE

**MOVING
FORWARD
TOGETHER**
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ELECTION POLITICS+



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FROM OUR PRESIDENT

Moving Forward Together



AS YOU KNOW, I DO NOT SPEND MUCH TIME LOOKING BACK ON EITHER SUCCESSES OR FAILURES. As is our state motto, Forward is the only way. Even so, at the conclusion of Associated Builders and Contractors of Wisconsin's golden jubilee, we should look at the past for prologue. This edition of the *Merit Shop Contractor* does just that. At the close our yearlong celebration of 50 years as a chapter, we highlight our legislative successes over the last decade and the 2022 won-loss record of our legislative champions. But many of those hard-fought victories could evaporate if conservatives lose control of the Wisconsin Supreme Court in April.

Going forward we are excited about the father of Wisconsin's prevailing wage repeal returning to the legislature, now as a state senator fighting to finally put a dagger in the personal property tax. Former ABC jobs ambassador Rebecca

Kleefisch is embodying servant leadership by transforming her 1848 think tank into an effort to get good people elected to office. It has been a while since ABC of Wisconsin members Tom Larson, Bob Kulp, and Joe Sanfilippo were state representatives, so it may be your time to step up and serve.

Lastly, we reached into the President Ronald Reagan Library archives to share with you a speech he delivered to the 1986 Associated Builders and Contractors' national convention. In it, he mentions the "Wheels of Learning" curricula that has evolved into ABC becoming a world leader in apprenticeship and craft training in the merit shop construction industry.

Thanks to your involvement, we've come a long way as a chapter on the legislative front. With your continued help, we will continue to move forward. 

“
 THANKS TO YOUR INVOLVEMENT, WE'VE COME A LONG WAY AS A CHAPTER ON THE LEGISLATIVE FRONT. WITH YOUR CONTINUED HELP, WE WILL CONTINUE TO MOVE FORWARD.”



- **HAPPY HOUR & MILWAUKEE BUCKS GAME**
Milwaukee, Jan. 17
- **PROJECTS OF DISTINCTION BANQUET**
Wis. Dells, Jan. 19
- **BOOSTING PERCEPTION THROUGH QUALITY PROJECT PHOTOGRAPHY**
Madison Lunch, online or in person, Jan. 24
- **FA/CPR TRAINING**
Milwaukee, Jan. 27
- **APPRENTICESHIP SKILL COMPETITION**
West Bend, Jan. 27
- **TRANSITION TO TRAINER**
Madison, Jan. 30
- **FA/CPR TRAINING**
Marshfield, Feb. 3
- **FA/CPR TRAINING**
Fond du Lac, Feb. 6
- **SUPER CON**
Wis. Dells, Feb. 8-9
- **FA/CPR TRAINING**
Madison, Feb. 17
- **SAFETY LEADER 101**
Appleton, Feb. 21
- **MEMBER LUNCHEON**
West Bend, Feb. 21
- **COMMON MISTAKES IN HIRING**
Online, Feb. 22
- **10-HOUR OSHA**
Milwaukee Area, Feb. 23 & Mar. 2

2022 ELECTION WON/LOSS

Your political contributions at work



**US Senator
Ron Johnson**
re-elected 50.5%



Tim Michels
lost election to
Governor 48%



**Derrick Van
Orden**
elected to
Congress 52%



**Congressman
Tom Tiffany**
re-elected 62%



**Congressman
Glenn
Grothman**
re-elected
unopposed



**Congressman
Mike
Gallagher**
re-elected 74%



**Senate Majority
Leader Devin
LeMahieu**
re-elected
unopposed



**Rachael
Cabral-
Guevara**
elected to the
state senate
54%



Jesse James
elected to the
state senate
unopposed



**State Sen.
Andre Jacque**
re-elected 59%



**State Sen.
John Jagler**
re-elected
unopposed



**State Sen.
Chris
Kapenga**
re-elected
unopposed



**Assembly
Speaker
Robin Vos**
re-elected 73%



**Rep. Shae
Sortwell**
re-elected 59%



**Rep. Jessie
Rodriguez**
re-elected 54%



**Rep. Dan
Knodl**
re-elected 61%



**Rep. Clint
Moses**
re-elected 60%



**Rep.
Shannon
Zimmerman**
re-elected 58%



**Rep. Calvin
Callahan**
re-elected 69%



**Rep. Jeff
Mursau**
re-elected 70%



**Rep. Will
Penterman**
re-elected 58%



**Rep. Barb
Ditrch**
re-elected
unopposed



**Rep. Mark
Born**
re-elected
unopposed



**Rep. Travis
Tranel**
re-elected 62%



**Rep. Tony
Kurtz**
re-elected 64%



**Rep. Todd
Novak**
re-elected 56%



**Rep. Mike
Schraa**
re-elected
unopposed



**Rep. Dave
Murphy**
re-elected 59%



**Rep. Rick
Gundrum**
re-elected 70%



**Rep. Bob
Wittke**
re-elected 61%



**Rep. Rob
Summerfield**
re-elected 63%



**Rep. Donna
Rozar**
re-elected 64%



**Rep. Dave
Armstrong**
re-elected
unopposed



**Rep. Chuck
Wichgers**
re-elected 56%



**Rep. John
Macco**
re-elected 58%



**Rep. Warren
Petryk**
re-elected 59%



**Rep. Loren
Oldenburg**
re-elected 58%



**Rep. Scott
Allen**
re-elected
unopposed

THE POLITICAL ROI

Your membership with ABC and political contributions have raised Wisconsin's rank in the national Merit Shop Scorecard.

2015-2016 LEGISLATIVE SESSION – 23RD

- Construction materials sales tax exemption for many tax-exempt entities like municipalities
- No government mandated project labor agreement on Bucks Arena or surrounding Deer District
- Reformed Wisconsin's prevailing wage law
- Passed Right to Work
- Reformed Commercial plan review for hospices and community based residential facilities

2017-2018 LEGISLATIVE SESSION – 13TH

- Wisconsin's prevailing wage law repealed
- Statewide project labor agreement neutrality
- Personal property tax exemption for equipment and machinery
- Shortened the time limits for construction lawsuits from ten to seven years
- Apprentice ratio reform
- High school seniors can participate in adult apprenticeship
- Prohibited local governments from enforcing their own laws relating to hours, overtime and benefits for public work projects, or from exceeding state's occupational licensing requirements.
- No government mandated Project Labor Agreement on Foxconn Project
- State sales and use tax exemption for lump sum contracts expanded to apply to all construction contracts and to subcontractors that include personal property that is less than 10% of total project costs
- Defeated attempt to eliminate exams for licensed plumbers, electricians, automatic fire sprinkler system fitters, and automatic fire sprinkler contractors
- Sales tax exemption pass thorough extended to UW Schools, UW-extensions, and tech colleges

2019-2020 LEGISLATIVE SESSION – TOP 11

- Construction deemed essential under COVID restrictions
- Defeated pro-union preference for public construction projects
- Defeated return of Wisconsin prevailing wage
- Defeated repeal of right to work and project labor agreement neutrality
- EdVest / College Savings account can be used to apprenticeship tuition and expenses
- Defeated unnecessary fire and smoke damper inspection regulations.
- Municipalities prohibited from requiring an application to submit a building permit in both paper and electronic form for one-family and two-family dwellings.
- Fixed electrical youth apprentice continuing education issue
- Defeated attacks on lowest responsible bidder and design-bid-build for public projects

2021-2022 LEGISLATIVE SESSION – TOP 10

- Forgiven PPP loans exempt from Wisconsin income tax
- COVID liability protections for employers
- Defeated upstream liability for worker misclassification
- UI work search waiver extension
- Defeated contractor registration program with fines for not participating
- Defeated increased fines for companies that accidentally misclassify workers
- Defeated doubling of local government public bidding threshold
- Construction materials sales tax exemption extended to public authorities
- Defeated lien law changes that would penalize specialty contractors
- ABC members exempted from COVID vaccine mandate

The Merit Shop Scorecard is based on state policies and programs that promote open competition and free enterprise for the construction sector and highlights the state's exemplary business environment for merit shop construction contractors. The scorecard also identifies states where economic improvements are needed. The rankings are based on seven criteria: project labor agreements, prevailing wage laws, right-to-work laws, public-private partnerships, workforce development, career and technical education and job growth rate.

THE UPCOMING SUPREME COURT RACE WHY YOU SHOULD CARE



**By Lane Ruhland, Attorney – Ruhland Law & Strategy, LLC and
Jessie Augustyn – President of the Madison Chapter of the Federalist Society**

Having just emerged from a busy election season, Wisconsin is already turning its attention back to the polls where control of the state Supreme Court hangs in the balance. State Supreme Court Justice Patience Roggensack is retiring and there are four judges vying for the vacancy: Jennifer Dorow, Daniel Kelly, Everett Mitchell, and Janet Protasiewicz. While the race is nonpartisan, Dorow and Kelly are the conservative candidates and Mitchell and Protasiewicz as the liberal candidates. The primary is February 21, and the top two vote getters go on to the spring election on April 4. The court's current makeup is widely considered to have a 4-3 conservative majority, with Justice Brian Hagedorn as a swing voter. The winner of this election will either preserve the conservative majority until at least 2026 or give the liberal bloc a majority until at least 2025. With the stakes this high, supporters of conservative legis-

lative reforms like Right to Work, Voter ID requirements, and the reining-in of state agencies, are highly invested in this race. Further, the makeup of the Wisconsin Supreme Court after the April election could directly impact election related litigation in what is shaping up to be the most consequential swing state in the 2024 Presidential election.

The Candidates

Jennifer Dorow is the chief judge of the third district of Wisconsin circuit courts. She was appointed by Scott Walker in 2011 and has been reelected twice since. She was recently in the news for presiding over the trial of the Waukesha Christmas parade killer, Darrell Brooks. Dan Kelly is a former Wisconsin Supreme Court justice. He was also appointed by Scott Walker, but lost reelection to current Justice Jill Karofsky in the 2020 general election. Everett

Mitchell was elected as a Dane County Circuit Court judge and has served since 2016. He won re-election in April of 2022. Janet Protasiewicz is a circuit court judge in Milwaukee County. She was first elected in 2014 and has been in the position since that time.

Issues at Stake

While it's impossible to say how a judge would vote on any case, we can examine the holdings in some of Wisconsin's most important cases and how previous judges ruled. There have been many important issues decided by one vote including redistricting, and Right to Work. Further, any change in the makeup of the State Supreme Court may be the catalyst to renew efforts by clever attorneys and interest groups to throw out sweeping conservative reforms.

Wisconsin Voter ID

Wisconsin's Voter ID laws require most voters to present an identification, such as a driver's license, when voting. In *Milwaukee Branch of NAACP v. Walker*, 851 NW 2d 262 (2014), the plaintiffs contended that such a requirement was unconstitutional because it created an undue burden on voters. The Wisconsin Supreme Court disagreed, with all conservatives upholding the law and all the liberals dissenting. In a related decision issued that day, *League of Women Voters of Wisconsin v. Walker*, 851 N.W.2d 302 (2014), the same justices again upheld Voter ID against a constitutional challenge that the legislature acted beyond its authority creating the law.

Right to Work Legislation

In 2015, Wisconsin became the 25th Right to Work state in the country. This law makes it illegal for a Wisconsin private-sector employer to enter into a collective bargaining agreement with a union that requires employees to join or pay dues. Several unions sued Governor Walker and other related officials in state and federal court claiming the law was unconstitutional and preempted by federal law. At the state level, the plaintiffs alleged in part that the duty to represent non-members, coupled with a ban on collecting dues, was an unconstitutional taking. The state appeals court ruled against them, holding that the law prohibiting an action did not amount to a taking simply because a union might choose to

spend money on non-members. Ultimately, both the Wisconsin Court of Appeals and the 7th Circuit Federal Court of Appeals upheld Right to Work against the numerous challenges. The 2015 legal challenges never reached the state Supreme Court.

ANY OF THESE CASES COULD EASILY HAVE A DIFFERENT OUTCOME IF THE COMPOSITION OF THE STATE SUPREME COURT CHANGES.

2011 Wisconsin Act 10

The 2011 Budget Repair Bill, also known as Act 10, in part changed the collective bargaining power of public sector unions and required members to contribute more to health insurance premiums. The bill was introduced by Governor Scott Walker and became law in the summer of 2011. Unions and opponents of the bill protested at the State Capitol for months, drawing national attention. In *Madison Teachers, Inc. v. Walker*, 2014 WI 99, the plaintiffs claimed unions had certain constitutional rights, like the freedom of association, that made Act 10 illegal. In a 5-2 decision, the court upheld Act 10 in its entirety with all conservatives and swing vote Justice Crooks voting to uphold and the two liberal justices dissenting.

Legislative Redistricting

Every 10 years, the Wisconsin State Legislature is tasked with drawing legislative districts to adapt to population movement and other electorate-related factors. In 2011, the Republican State Legislature drew maps that Governor Walker signed into law. In 2021, the Republican-controlled legislature proposed a map to Governor Evers. As was expected, litigation ensued and the Wisconsin Supreme Court compared dueling maps drawn by the

Wisconsin Legislature and Governor Evers. In early March of 2022, by a vote of 4-3, with Justice Hagedorn joining the "liberals," the Court selected Governor Evers' maps, which would have significantly altered the makeup of the electorate in a number of legislative districts. Unsurprisingly, the democrat-drawn map would have significantly advantaged democrats. However, that decision was struck down by the U.S. Supreme Court who requested the Wisconsin State Supreme Court reconsider the maps and appropriately apply requirements of the federal Voting Rights Act. After reconsideration, Justice Hagedorn cast the deciding vote joining the conservatives 4-3 to approve the map drawn by the legislature.

2024 Presidential Election

In addition to the issues important to employers, the outcome of the Presidential election potentially hangs in the balance with the Wisconsin Supreme Court race. While there will be federal litigation regarding the November 2024 elections, the Wisconsin Supreme Court may be the final arbiter on several critical election matters including oversight of the Wisconsin Elections Commission's application of the law, determinations regarding ballot access (e.g. whose name appears on the ballot), and last-minute changes to voting rules, like early voting and ballot curing. Wisconsin could be the most watched swing state for this upcoming election, so it should be no surprise that an army of strategists and lawyers will have their eyes trained here for opportunities to sue.

Any of these cases could easily have a different outcome if the composition of the state Supreme Court changes. A number of conservative-backed legislative reforms are at stake and their fate might well be determined by the outcome of the Wisconsin Supreme Court election in April. If you care about these issues, whether you support or oppose these reforms, you should care about this election. It is easy to experience election fatigue, especially these days where it seems the election cycle never ends. However, it is likely your opposition on these issues is counting on your fatigue to carry forth their victory. All elections are important and have consequences, but this election is in a league of its own. All it takes is one vote to completely undo years of reform. [abc.wisconsin](#)



Former Wisconsin Lt. Gov. and ABC of Wisconsin Jobs Ambassador Rebecca Kleefisch is pictured with ABC of Wisconsin Chair-elect Jessie Cannizzaro of Milestone Plumbing, Inc.

KLEEFISCH ISSUES A CHALLENGE TO ABC MEMBERS

RUN FOR LOCAL OFFICE

By Rebecca Kleefisch, President – 1848 Project

WE NEED TO FIGHT FOR THESE THINGS ON ALL FRONTS... **SO HERE'S MY PROPOSAL: WILL YOU CONSIDER JOINING THE FIGHT BY RUNNING FOR LOCAL OFFICE?**

As I traveled the state as ABC of Wisconsin's Jobs Ambassador, and later as a candidate for governor, I was routinely impressed and reminded that the hardworking business owners and employees of ABC member companies asked little of the economy, but constantly provided for it. The people I met with every day dodged the challenges of a worker shortage and supply chain nightmares. They coped with endless price hikes from lumber to gasoline, and a constant drumbeat of government regulation. That's why representation is so important. ABC members are busy; your thoughts

and time are valuable, and I have had an up-close view of how daily representation from your trade association can make a huge difference in your ability to do business effectively.

There are few trade associations that spend as much close time providing value to their members as ABC, but the government relations, human resources and apprenticeship experts at ABC headquarters are still not replacements for the ones applying their expertise in Wisconsin's economy each day... that's what you do. That's why I have a proposition for you. ABC may go to battle for you every day as an organization, but as you probably noticed, last week the Wisconsin Institute for Law and Liberty published a new report lamenting, "government adds \$88,500 to the average cost

of each new-built home in the Midwest." (<https://will-law.org/housing/>)

It's not enough to only fight for a great economy, reined-in government and more workers on one front. We need to fight for these things on ALL fronts... so here's my proposal: Will you consider joining the fight by running for local office?

After the Governor's race, I was convinced I was headed back to corporate America. After more than a decade dedicated to public service, I was happy and committed to go. But some friends convinced me I was needed back at the 1848 Project, the nonprofit organization I started to build Wisconsin's agenda for the future. So that's where you will find me, as the President of the 1848 Project, with a newly narrowed focus on educating candidates to serve in local office. This April, Wisconsin will elect school boards, municipal councils, mayors, judges, even a state senator. I would like ABC members to run. Who knows the issues of your schools better than the parents and small business owners who hope to one day hire the students? Who better to determine zoning regulations than people who actually understand what the word "zoning" means? The 1848 Project will be there to explain how to become a candidate, provide you with a mentor and support you with the basic educational resources a candidate needs.

I want you to run... but I also want you to win because I know how capable ABC members are. You are natural-born leaders in the economy. You can take those skills and expertise, combine them with our educational resources at the 1848 Project, and make a huge difference in local government.

You can start today by visiting 1848Project.org and reaching out, or just direct messaging us on Facebook. Time is of the essence. To appear on April's ballot, you need to gather signatures soon. So reach out today and let us educate you on a run for local office. You may well help your local government like you've helped your local economy for years. [abcwisconsin](https://www.abcwisconsin.org/)

R
CE!

IT'S TIME TO ELIMINATE PERSONAL PROPERTY TAX

By Rob Hutton – State Senator

As a member of the Wisconsin Assembly for eight years, I long prioritized reducing taxes for the citizens of Wisconsin and easing the burdens state government imposes on businesses, particularly small businesses. At the top of the list of burdens is the antiquated Personal Property Tax (PPT).

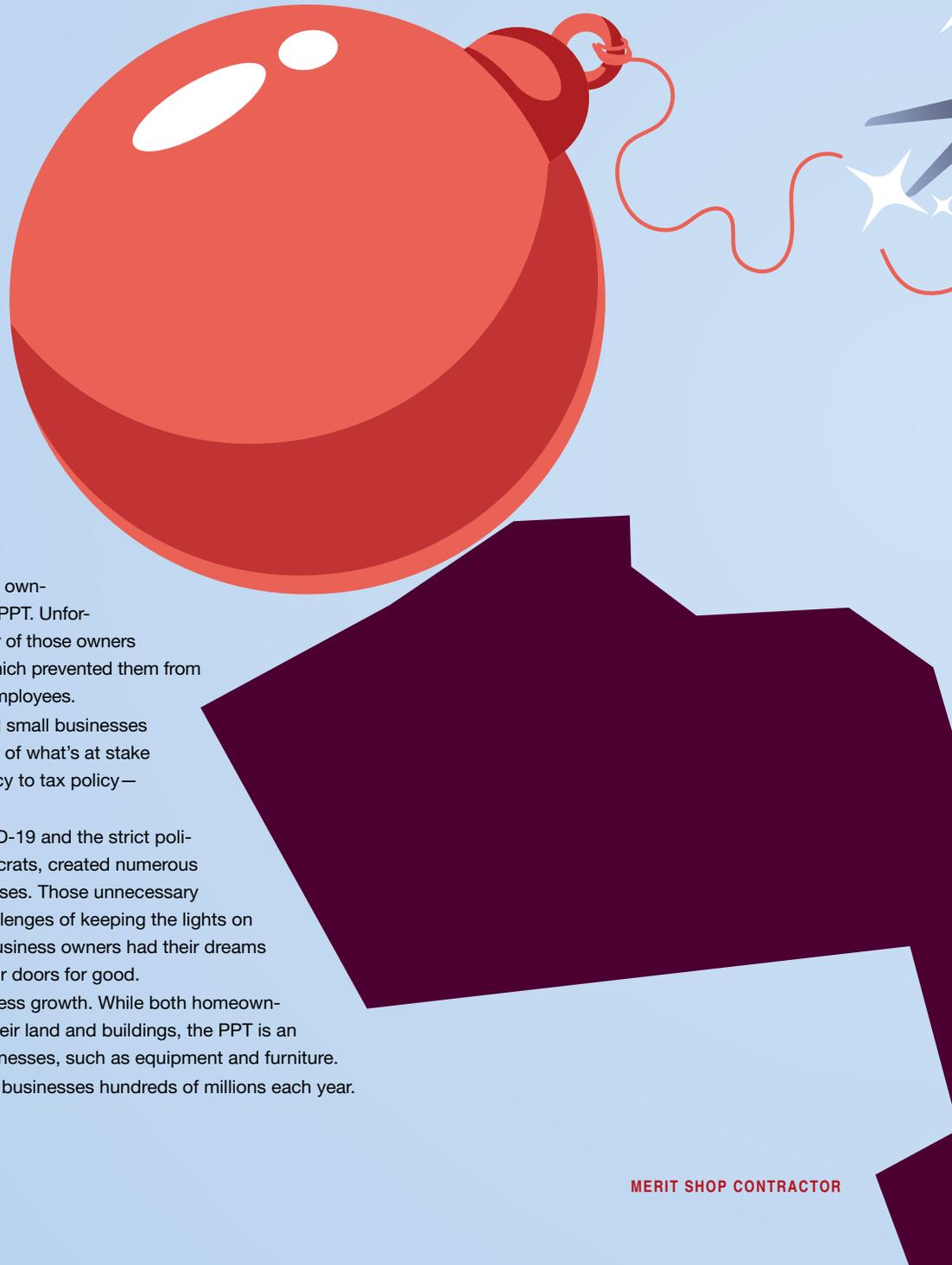
During my time in the Legislature, I met and heard from many Wisconsin business owners who were negatively impacted by the PPT. Unfortunately, due to that tax burden, a number of those owners were forced to make financial priorities which prevented them from expanding their companies and adding employees.

The challenges Wisconsin families and small businesses are facing should be a constant reminder of what's at stake when public policy—from pandemic policy to tax policy—meets the real world.

During the past couple of years, COVID-19 and the strict policies in response to it by Madison bureaucrats, created numerous challenges for families and small businesses. Those unnecessary hurdles were in addition to the usual challenges of keeping the lights on and making payroll. Sadly, many small business owners had their dreams taken away and were forced to close their doors for good.

The PPT is a major hindrance to business growth. While both homeowners and businesses must pay taxes on their land and buildings, the PPT is an added tax on many items owned by businesses, such as equipment and furniture.

It's a major financial burden that costs businesses hundreds of millions each year.



In addition, it's a significant paperwork headache that forces businesses to inventory and calculate the value of nearly everything within their walls, then comply with the paperwork of this exemption-riddled nightmare of a tax law.

Imagine a homeowner being required, in addition to their usual property tax bill, to calculate the current value of their couch, fridge, lamps, and a huge range of other items (except a list of items that are exempted by state law) and then pay

taxes on each item. The newer the item, the larger the tax bill. That's the perennial headache that owners and managers of businesses of all sizes have to endure in Wisconsin.

The PPT is not just any hidden tax on businesses, it's a tax on the very equipment that businesses use to produce their goods, generate revenue, and reinvest in their people and property. The PPT is the definition of bad tax policy and harms Wisconsin's competitiveness with neighboring states. Illinois and Iowa do not tax personal property, while Minnesota exempts nearly all items from its PPT.

If Wisconsin's business climate isn't competitive, our economy will suffer. That's why Republicans in the Legislature, myself included, have made an effort to eliminate this tax for several legislative sessions in a row.

In 2016, we co-authored a bill, Assembly Bill 750, to exempt from the PPT all equipment purchased by a business from 2016 forward and completely repeal the tax as of January 1, 2020. Unfortunately, it did not receive a hearing in either chamber.

In the following session we co-authored similar legislation, Assembly Bill 277. It repealed the PPT in 2018 and reimbursed local government for the loss of revenue. While the legislation received public hearings in the Senate and Assembly—significant progress—it ultimately did not receive a vote in either chamber.

(cont'd)



THE PPT IS THE
**DEFINITION OF BAD
TAX POLICY** AND
HARMS WISCONSIN'S
COMPETITIVENESS WITH
NEIGHBORING STATES.



ABC of Wisconsin President John Mielke (left) presents then-State Representative Rob Hutton with the 2015 Champion of Merit award for his leadership in repealing Wisconsin's Prevailing Wage Law.

It shouldn't take four days with no power, water, or communication to find out who your friends are.



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For the name of an agency near you, visit thesilverlining.com.



Hutton (cont'd)

Some progress was made in the 2017-19 budget, which exempted machines and tools from the tax. That saved businesses \$74 million a year, but left the rest of the policy in place.

I was pleased that Gov. Evers included the Republican-led, historic \$3.4 billion tax cut in the 2021-23 budget. Unfortunately, he also vetoed a long-sought repeal of the PPT, another blow to small businesses.

Last session, Assembly Bill 191 by Rep. Dan Knodl and Sen. Duey Stroebel, repealed the tax and reimbursed local governments using funds set aside separately in the state budget. This time, the bill made it all the way to the governor's desk, only to be met with his veto pen. In issuing his veto, Gov. Evers objected to what he called the "unusual and haphazard process by which the Legislature pursued the repeal."

This was a surprising veto message considering the bill was the culmination of several consecutive sessions of legislative work. In addition, Sen. Stroebel and Rep. Knodl were diligent in addressing the concerns of Evers' own Department

of Revenue. The effort also set aside \$202 million in the budget to reimburse local governments. The governor vetoed the bill, but he did not object to the corresponding money in the budget. It was clear political games were afoot.

Two months after he vetoed AB 191, the governor endorsed a subsequent bill authored by Democrats that repealed the tax with strings attached. Unfortunately, that bill contained "poison pills" that made the legislation unpalatable to the Republican majority, essentially because it picked winners and losers. Fiscal conservatives understand that the hallmark of good tax policy is when a policy treats everyone fairly and equally.

PolitiFact rated the governor's change in position a "half-flip." It's frustrating that this important reform fell victim to political gamesmanship. PPT is an unnecessary, outdated, and unpopular policy that can and should be eliminated without any political controversy.

This has been my goal for years. Now as a member of the state Senate and chair

of the Committee on Universities and Revenue, I will continue to strongly support a PPT repeal.

This shouldn't be a partisan issue. Gov. Evers' core re-election message was that he wanted to do the right thing for Wisconsin and help small businesses succeed.

I remain optimistic, considering Wisconsin's challenging economic climate, the Governor will finally understand the urgency of repealing this harmful tax. When the Legislature sends another PPT repeal to his desk, I strongly urge Gov. Evers to make good on his pledge and sign it into law.

We can never forget the strength of Wisconsin's economic future hinges on the success of our small businesses. 

Rob Hutton represents the 5th District in the state Senate, covering all or portions of Wauwatosa, West Allis, Brookfield, Elm Grove and New Berlin, and Waukesha. In 2023, he will serve as Chair of the Senate Committee on Universities and Revenue. He is also the "father" of Wisconsin's prevailing wage repeal.

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THE DAILY REPORTER



Chad Smith (left) and Bob Salanis (right) of ABC member Master Electric present State Senator Duey Stroebel (second from left) and State Representative Rick Gundrum with ABC of Wisconsin's Building Wisconsin awards for their efforts during the legislative session on behalf of merit contractors.

STUDY COMMITTEE SCRUTINIZES COMMERCIAL BUILDING REGULATIONS

By Duey Stroebel – State Senator

Every two years, during the interim period between legislative sessions (the summer and fall of even-numbered years), the Legislature's Joint Legislative Council establishes a handful of study committees for the purpose of exploring, in greater detail, certain policy issues that garnered interest during the prior legislative session.

The goal of the study committee process is to bring together legislators and individuals with relevant subject matter expertise to perform a deep dive on the selected topics and work towards building consensus around a series of legislative recommendations over the course of four to five monthly meetings. The recommendations are

typically introduced in the form of legislation at the beginning of the next legislative session.

I had the privilege of being nominated to serve as the chair of the Study Committee on the Commercial Building Permitting Process, which was tasked with evaluating the different aspects of Wisconsin's regulatory framework for commercial building construction and recommending legislation to improve it.

Wisconsin was one of the first states to adopt a commercial building code in 1915, with the goal of remediating safety hazards through the establishment of building design standards. Building plan review and inspection serve as the mechanisms through which state and local governments have enforced the building code requirements. Historically, enforcement in Wisconsin was largely centralized at the state level. Near the turn of the century, the state greatly expanded the option for this authority to be delegated to the local level, and a growing number of cities and villages have assumed the responsibility of performing plan review and inspection in place of state regulators housed in the Department of Safety and Professional Services (DSPS). All building projects located in jurisdictions that have not been granted delegated authority by DSPS are subject to state plan review and inspection.

Over the course of the past few years, a growing number of industry stakeholders (e.g., architects and engineers, builders, project owners, plumbers, etc.) had come forward with concerns over the delays and inconsistencies with the commercial building plan review process at the state level and expressed an interest in finding ways to help streamline and improve the process.

During its testimony to the committee, DSPS spent much of its time highlighting the transition that occurred at the start of 2020 from a calendar system to a "first in, first out" queue system (eSLA) for submitting building plans and scheduling plan reviews at the state level. DSPS also took a victory lap, claiming that it has consistently met its goal of turning around plan reviews

in six weeks on average from the date in which a complete set of plans is submitted. However, this only accounts for a fraction of the total plan review timeline for any given project, as I will discuss later on. DSPS cited a handful of problems with the calendar system that resulted in unnecessary delays, such as submitters scheduling multiple plan review dates for the same set of plans, frequent cancellations on or just prior to the scheduled review dates, and the option of being able to request a particular plan reviewer causing unevenly distributed workloads among DSPS regulators.

Despite DSPS' best efforts to convince the committee otherwise, the new system has been far from problem-free. A number of industry professionals have pointed to the fact that there was added certainty with having a set plan review date to work towards when putting together plans. In contrast, the eSLA system requires a complete set of plans to be submitted at the front end with no guarantee as to when they will be reviewed. This has resulted in developers facing extended time windows where they are left in the dark by DSPS and construction must be put on hold until building plans are approved.

Through the presentations and testimony delivered to the committee by DSPS, local building officials, industry professionals and trade associations, the study committee learned that many of the issues that have arisen in recent years can, in part, be attributed to the fact that the state's regulatory approach has moved out of lock-step with industry practices and project delivery methods.

A significant portion of the committee's discussion focused on the manner in which the eSLA scheduling system has proven to be particularly problematic as it relates to plumbing plans, often times resulting in projects falling well behind schedule. Generally speaking, architectural plans are completed or close to completion when a plumber receives the contract for a design-build project. While underground plumbing is one of the first components that needs to go into a building after the footings and foundations

Membership of the Study Committee on the Commercial Building Permitting Process:

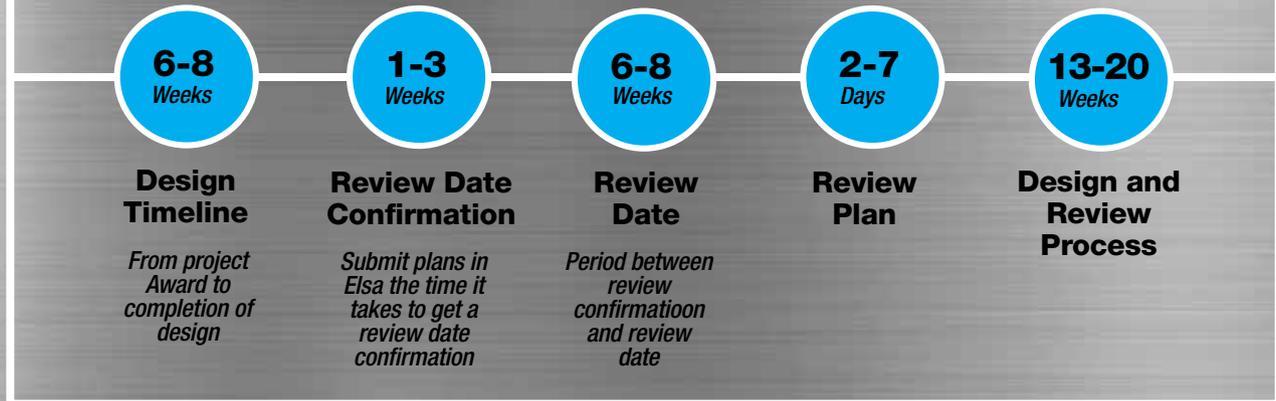
- **Chair:** Senator Duey Stroebel (R-Cedarburg)
- **Vice Chair:** Representative Rob Summerfield (R-Bloomer)
- Representative Samba Baldeh (D-Madison)
- Representative Sue Conley (D-Janesville)
- Robert Brandherm, Professional Engineer (VP of Construction, Wangard Partners, Inc.)
- Melissa Destree, Architect/Interior Designer, (Destree Design Architects, Inc.)
- Frank Gorham, Project Manager (Ideal Builders)
- Doug Hoerth, Chief Building Inspector (City of Fond du Lac)
- Steve Klessig, Architect (Keller, Inc.)
- Mark Piotrowicz, Director of Department of Development (City of West Bend)
- Robert Procter, Attorney (Axley Brynerson, LLP)
- Cory Scheider, Director of Architecture (Cedar Corporation)
- Pete Tomasi, Attorney (Foley & Lardner, LLP)

are completed, it can take six to eight weeks for the plumbing plans to be designed and submitted and an additional six to eight weeks for the plans to be reviewed and approved by DSPS.

ABC of Wisconsin provided a helpful illustration in their testimony to the study committee highlighting the bottlenecks that have emerged with plumbing plan review under the eSLA system compared to the old calendar system:

ESLA Plumbing Review Timeline

Timeline starts when Architectural plans are 80% complete and contract received from the GC



Nevertheless, industry stakeholders and public members of the committee – for the most part – spoke favorably of the plan review process at the local level, which often results in much faster turnaround times (one to two weeks compared to six to eight weeks at the state level) and more direct access to building officials. In conjunction with allowing 60% of its commercial

building division to work from home on any given day, the current leadership at DSPS has sought to distance its staff from establishing familiarity and professional relationships with plan submitters. However, public members of the committee and several individuals who testified highlighted the benefits of being able to sit down with building officials and work through ques-

tions and issues prior to submitting a final set of plans, as it tends to result in a more efficient process with fewer headaches for everyone involved.

All in all, the study committee was able to successfully identify the basis for certain bottlenecks and inefficiencies in the existing system and build consensus around a series of reforms aimed at helping to rectify these issues. During the final meeting in October, the study committee recommended three pieces of legislation for introduction to the full Legislature that seek to accomplish the following:

- ❶ Eliminate inefficiencies and better accommodate industry practices in the state plan review process (LRB-0565)
 - Re-establishes the option to schedule a plan review appointment as an alternative to the “first in, first out” queue-based scheduling
- Requirements:
 - Full payment of fee upon scheduling appointment date
 - Complete plans must be submitted within three business days of appointment date
 - Full fee refund if cancelled 20 or more days in advance of appointment date
 - Up to \$5000 fee forfeiture if cancelled within 20 days of appointment date

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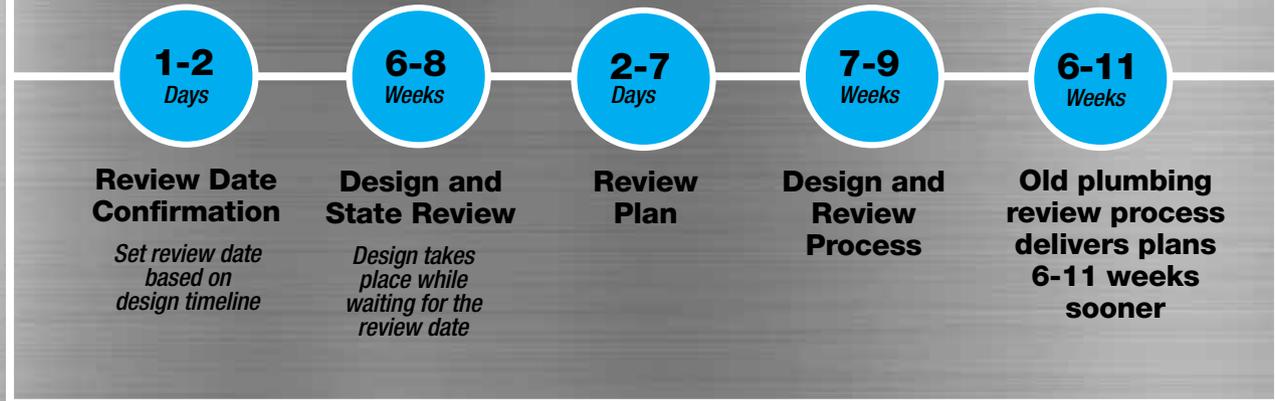
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Old Plumbing Review Timeline

Timeline starts when Architectural plans are 80% complete and contract received from the GC



- Creates the option for a plan submitter to identify substantially similar plans that were previously approved
- Increases fixture threshold for plumbing plans exempt from state plan review from 16 to 20 fixtures, with the exception of plans containing certain “one-off” fixture types
- ② Further incentivize plan review at the local level (LRB-0566)
 - Modifies the thresholds for plan reviews that can be conducted by delegated municipalities (i.e., non-agent municipalities)
 - Eliminates threshold for the review of alterations (all alterations can be reviewed by delegated municipalities)
 - Increases the threshold from 50,000 to 100,000 cubic feet for new buildings
 - Allows additions resulting in the total volume of a building being under 100,000 cubic feet to be reviewed by a delegated municipality
 - Repeals the requirement for delegated municipalities to forward a portion of their plan review fees to DSPS
 - Requires DSPS to submit a plan to the Legislature for increasing

- the number of local governments that conduct plan review and inspections
- ③ Expands opportunities for building owners to expedite certain construction activities (LRB-0657)
 - Codifies authority for permission to start construction prior to full plan review and approval in statute (DSPS rules currently authorize the “early start” of footings and foundations)
 - Expands permission to start authority to include underground and exterior plumbing

- Specifies that permission to start does not relieve a licensed architect or professional engineer from responsibility regarding the building plans.

I look forward to building upon the study committee’s work and helping to usher the recommendations through the legislative process after the Legislature reconvenes for the 2023-24 session in January. For more information on the deliberations of the study committee, please visit the following webpage: <https://docs.legis.wisconsin.gov/misc/lc/study/2022/2041>. 



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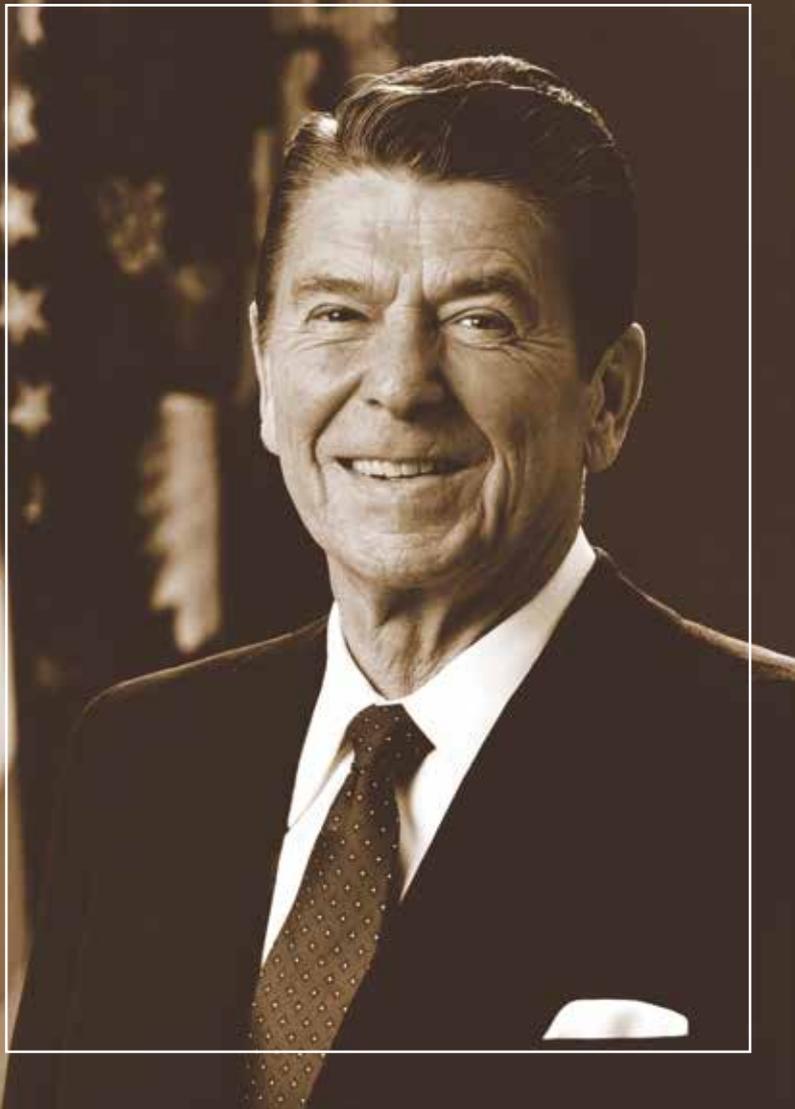


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PRESIDENT RONALD REAGAN'S SPEECH TO

THE NATIONAL ASSOCIATED BUILDERS AND CONTRACTORS

ON JANUARY 30, 1986 IN CALIFORNIA.



Greetings to all of you, my friends at the Associated Builders and Contractors convention meeting here in my home state. I'm sure those of you from other parts of the country will see just why I love California so much after your visit.

Although Nancy couldn't join you at your convention, she sends you our very best wishes. There's been a great deal of change since I had the opportunity to meet with you and address your National Convention in Houston 1975. As you might have heard, I got a new job. Since then, the Associated Builders and Contractors has evolved as a leading voice for the hard-working men and women who make it their job to build America.

But one thing that has not changed is my admiration of your commitment to the principles of human liberty and free enterprise. Your Merit Shop philosophy is the best practical application I can think of concerning those principles you insist on - free and open competition. You believe in an individual's right to achieve, progress, and be rewarded for their contributions. You recognize the private sector's responsibility to the nation. All of these have been the building blocks of American progress, the foundation upon which our country's greatness



1986

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has been built. As contractors, it's no exaggeration to say that the members of Associated Builders and Contractors represent some of the most productive people in America. That's clear to anyone passing the multitude of construction sites across our country. As businessmen and private citizens, you're playing a vital role in helping to return our nation to a path of greatness. Not so long ago, it seemed like we'd wandered off that path. We turned to the federal bureaucracy to chart our nation's course. I don't need to tell you that America was headed down the wrong road and was quickly approaching economic disaster. After putting

into effect some hard won reforms, we've turned this situation around. Americans are holding up their chins proud of their country and proud of themselves. As free people each of us plays a part in keeping America strong, prosperous, and free. In the last five years, I've called upon business leaders for their support. I've always been confident that I could count on the members of ABC to respond. I thank you for your unwavering support of our efforts to keep America strong and moving forward. I know that at times you've had to bite the bullet, forsaking construction short term interest for the good of our nation. You've operated under the as-

sumption that what's good for America is in the long run good for all of us. When it counted, I knew you were with me. I can tell you it feels comforting in the rough and tumble of democracy as we have here in our United States to stand shoulder to shoulder with you. Builders, after all, have strong shoulders. You stood up for what you believed in and what you knew was best for America. Our administration called on the private sector to assume responsibility for a greater share of our country's humanitarian endeavors. Here too the ABC was in the forefront, focusing on training the unskilled and retraining those whose skills were no

longer needed. You set in motion your "Wheels of Learning" training program. Through it, you're not just helping to train new construction workers, you are providing the underprivileged the displaced workers and the unemployed youth of this nation with an opportunity to learn new skills, providing them with more than a way to earn a living. Helping restore their pride in themselves as well. You are helping make sure that the American dream remains available to all our citizens. From what I've heard of your plans for 1986, I'm sure that you and ABC will continue to build upon your solid record. To Gene Hales and the other members of the national executive committee - congratulations for the honor which has been bestowed upon you. I look forward to following ABC's progress. In the year ahead you should be proud of what you've achieved. I urge you to keep up the good work and I thank you for all that you've done.



September 24, 1987— (from right to left) Charles Hawkins, VP of Government Affairs of ABC, President Ronald Reagan, John Jones, President of ABC (now known as national chair) of Stanley Jones Corporation of Tennessee, and Daniel Bennett, Executive Vice President of ABC.

NEW MEMBERS

For membership information contact Bill Stranberg,
Membership Director Associated Builders and Contractors of Wisconsin
608-244-5883

NOVEMBER 2022

- **Apex Clean Energy**
Chris Kunkle
120 Garrett St., Suite 700
Charlottesville, VA 22902
Phone: 608-931-8910
Description: Associate Member
Sponsor: Nick May, Refrigeration Installation Specialists
Beam Club Members-to-date: 12
- **Engen Plumbing Service**
Brandon Engen
301 9th Ave.
New Glarus, WI 53574
Phone: 608-360-6200
Description: Subcontractor
Sponsor: Greg Jones, Dave Jones, Inc.
Beam Club Members-to-date: 34.5
- **Mass Mutual**
Donovan Pfaff
525 Junction Rd., Ste. 8100 N
Madison, WI 53717
Phone: 608-213-5504
Description: Associate Member
Sponsor: Sara Fredrickson, PDC
Beam Club Members-to-date: 1
- **MBE CPAs**
Tiff Brennan
E10890 Penny Lane
Baraboo, WI 53913
Phone: 608-356-7733
Description: Associate Member
Sponsor: Scott Truehl, Friede & Associates
Beam Club Members-to-date: 17
- **Monfre Consulting**
Bill Monfre
W5470 W Sandy Dr.
Shawano, WI 54166
Phone: 920-609-3658
Description: Associate Member
Sponsor: Dan Bertler, Supreme Structures
Beam Club Members-to-date: 57

DECEMBER 2022

- **Absolute Concrete, LLC**
Moshe Mahoney
1772 S. Vandenberg Rd.
Green Bay, WI 54311
Phone: 920-471-5386
Description: Subcontractor
Sponsor: Steve Klessig, Keller, Inc.
Beam Club Members-to-date: 67
- **Air Tech Heating, Inc.**
Sarah Price
251 Griffith Street
Fond du Lac, WI 54935
Phone: 920-924-6765
Description: Subcontractor
Sponsor: Jennifer Nolan-Baudry, Dimond Insurance
Beam Club Members-to-date: 3
- **Christopher Electric LLC**
Chris Hackbarth
201133 Saint Johns Rd.
Mosinee, WI 54455
Phone: 715-302-5144
Description: Subcontractor
Sponsor: Mitch Altmann, Altmann Construction
Beam Club Members-to-date: 2
- **Hockers Home Services**
Michael Keeler
2045 Profit Place
DePere, WI 54115
Phone: 920-336-7035
Description: Contractor Member
Sponsor: Jay Zahn, Hausmann Group
Beam Club Members-to-date: 57
- **Kemp Communications LLC**
Adrian Crabb
1213 N. Sherman Ave. #366
Madison, WI 53704
Phone: 833-732-0452
Description: Subcontractor
Sponsor: Kyle Kraemer, Kraemer Bros.
Beam Club Members-to-date: 4

- **Kleen Mark**
Brian Regnart
1210 Ann Street
Madison, WI 53713
Phone: 608-287-8970
Description: Subcontractor
Sponsor: Kyle Kraemer, Kraemer Brothers
Beam Club Members-to-date: 4

- **Liberty Plumbing, LLC**
Dan Bertagnoli
329 S. Ringold Street
Janesville, WI 53545
Phone: 608-921-7625
Description: Subcontractor
Sponsor: Kevin Day, CCI
Beam Club Members-to-date: 20.5

- **MC Plumbing**
Mike Ender
S3139 Brostron Rd.
Baraboo, WI 53913
Phone: 608-434-1090
Description: Subcontractor
Sponsor: Jack Vogel, Hill's Wiring
Beam Club Members-to-date: 14

- **Milbach Construction Services, Co.**
Mike Milbach
2651 Northridge Dr.
Kaukauna, WI 54130
Phone: 920-993-0735
Description: General Contractor
Sponsor: Larry Bender, Tri-City Glass
Beam Club Members-to-date: 1

- **Pinnacle Coaching, Inc.**
Malik Khan
3 Veneto Ct.
Streamwood, IL 60107
Description: Associate Member
Sponsor: Aaron Mills, Daaxit
Beam Club Members-to-date: 1

- **Prime Mechanical of Wisconsin, LLC**
Bryan Ramlow
429 Sanderson St.
Poynette, WI 53955
Phone: 608-635-8240
Description: Subcontractor
Sponsor: Dave Murphy, PDC
Beam Club Members-to-date: 20

- **Quality Plumbing, LLC**
Kent Huseboe
1137 W. Fond du Lac St.
Ripon, WI 54971
Phone: 920-848-4142
Description: Contractor
Sponsor: Jeff Disher, Disher Electric
Beam Club Members-to-date: 5

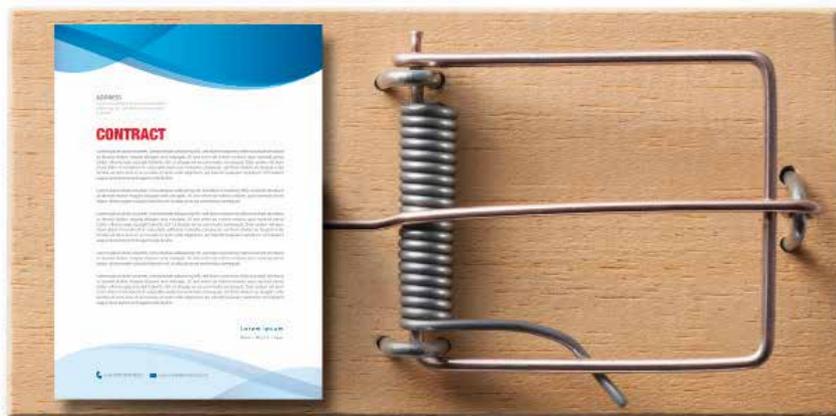
- **REB Electric, LLC**
Erika Balza
E1846 Rockledge Rd.
Luxemburg, WI 54217
Phone: 920-845-2264
Description: Contractor
Sponsor: Steve Klessig, Keller, Inc.
Beam Club Members-to-date: 66

- **Swinehart Plumbing**
Charity Swinehart
375 N. Burr Oak Ave.
Oregon, WI 53575
Phone: 608-235-1905
Description: Subcontractor
Sponsor: Dan Bertler, Supreme Structures
Beam Club Members-to-date: 58

- **T.C. Building Services**
Sandra Contreras
231 N. Fair Oaks Ave.
Madison, WI 53714
Phone: 608-243-1550
Description: Subcontractor
Sponsor: Jon Templin, Hausmann Group
Beam Club Members-to-date: 2

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The logo features the letters 'ABC' in a large, bold, blue font. Above the 'A' is a stylized American flag with stars and stripes. Below 'ABC' is a red horizontal line, and below that is the word 'Wisconsin' in a red, sans-serif font.

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