



2011 ASSEMBLY JOINT RESOLUTION 21

April 1, 2011 - Introduced by Representatives TRANEL, JACQUE, RIPP, BALLWEG, KNILANS, BROOKS, FARROW, MARKLEIN, A. OTT, RIVARD, KESTELL, SPANBAUER, PRIDEMORE, STEINEKE, BERNIER, PETRYK, HONADEL, ENDSLEY, TAUCHEN, KAUFERT and MURSAU, cosponsored by Senator SCHULTZ. Referred to Committee on Ways and Means.

- 1 **To create** section 11 of article VIII of the constitution; **relating to:** creation of the
2 fiscal responsibility fund (first consideration).

Analysis by the Legislative Reference Bureau

Currently, the state maintains the budget stabilization fund which is established and administered as required by statute. This proposed constitutional amendment, proposed to the 2011 legislature on first consideration, requires the legislature to establish the fiscal responsibility fund in the treasury, and to deposit into the fund the greater of 1) one-half of 1 percent of the actual general fund tax collections in the second preceding fiscal year; or 2) the amount, if any, by which the actual general fund tax collections in the second preceding fiscal year exceeded 6.5 percent of state personal income in the calendar year in which the second preceding fiscal year began. The 6.5 percent threshold may be modified by law by a two-thirds vote of the legislature. The amendment would permit the legislature to appropriate moneys from the fund by a two-thirds vote or by a majority vote if the governor declares that the national real gross domestic product is projected to decline in either the current or succeeding fiscal year. In each fiscal year following a fiscal year in which the balance in the fiscal responsibility fund exceeded 10 percent of actual general fund tax collections in that fiscal year, the legislature shall appropriate by law from the fiscal responsibility fund the excess to be used for property tax relief in the same manner as the net proceeds of the state lottery under article IV, section 24 (6) (a), of the constitution.

A proposed constitutional amendment requires adoption by two successive legislatures, and ratification by the people, before it can become effective.

1 ***Resolved by the assembly, the senate concurring, That:***

2 **SECTION 1.** Section 11 of article VIII of the constitution is created to read:

3 [Article VIII] Section 11 (1) In this section, “general fund tax collections” means
4 those taxes that were treated as general purpose revenue under the statutes in effect
5 on January 1, 2011, and new, increased, or expanded taxes or fees used to support
6 programs that derived a majority of their state funding from general purpose
7 revenue under those statutes.

8 (2) The legislature shall provide for the establishment of the fiscal
9 responsibility fund in the state treasury. In each fiscal year in which the balance of
10 the fund as of the preceding June 30 was less than 10 percent of the actual general
11 fund tax collections in the preceding fiscal year, the state shall deposit into the fund
12 the greater of the following:

13 (a) One-half of 1 percent of the actual general fund tax collections in the 2nd
14 preceding fiscal year.

15 (b) The amount, if any, by which the actual general fund tax collections in the
16 2nd preceding fiscal year exceeded 6.5 percent of state personal income in the
17 calendar year in which the 2nd preceding fiscal year began.

18 (3) The legislature may increase or decrease the 6.5 percent threshold under
19 sub. (2) (b) by a two-thirds vote of the members present in each house of the
20 legislature.

21 (4) The legislature may appropriate or transfer from the fiscal responsibility
22 fund by a two-thirds vote of the members present in each house of the legislature or
23 by a majority vote of the members present in each house of the legislature if the

1 governor declares that the national real gross domestic product or its successor index
2 is projected to decline for 2 or more quarters in the current or succeeding fiscal year.

3 (5) In each fiscal year following a fiscal year in which the balance in the fiscal
4 responsibility fund exceeded 10 percent of the actual general fund tax collections in
5 that fiscal year, the legislature shall appropriate from the fiscal responsibility fund
6 the excess to be used for property tax relief in the same manner as the net proceeds
7 of the state lottery under article IV, section 24 (6) (a).

8 **SECTION 2. Numbering of new provision.** If another constitutional
9 amendment ratified by the people creates the number of any provision created in this
10 joint resolution, the chief of the legislative reference bureau shall determine the
11 sequencing and the numbering of the provisions whose numbers conflict.

12 ***Be it further resolved, That*** this proposed amendment be referred to the
13 legislature to be chosen at the next general election and that it be published for 3
14 months previous to the time of holding such election.

15 (END)