



1999 SENATE BILL 128

April 21, 1999 - Introduced by Senators WELCH, DARLING and ROESSLER, cosponsored by Representatives SUDER, JENSEN, WIECKERT, MUSSER, GOETSCH, URBAN, F. LASEE, PORTER, OWENS, AINSWORTH, HUNDERTMARK and NASS. Referred to Committee on Economic Development, Housing and Government Operations.

1 **AN ACT** *to create* 13.40 of the statutes; **relating to:** limitations on state
2 appropriations from general purpose revenue.

Analysis by the Legislative Reference Bureau

This bill limits the aggregate amount of general purpose revenue (GPR) that may be appropriated in any fiscal biennium, beginning in the 2001-03 biennium. Under the bill, the limit is calculated in the following way. First, a base year amount is established that equals the amount of GPR appropriated in the second year of the prior fiscal biennium. For the first year of the new fiscal biennium, the base year amount is increased by the average annual percentage change in state aggregate personal income for the four calendar years prior to the calendar year immediately preceding the fiscal biennium, minus 1%. For the second year of the new fiscal biennium, the first year amount is increased by the average annual percentage change in state aggregate personal income for the three calendar years prior to the calendar year immediately preceding the fiscal biennium and the calendar year following those years, as estimated by the department of revenue, minus 1%. The sum of these amounts is the aggregate amount of GPR that may be appropriated during the entire fiscal biennium.

Under the bill, however, certain GPR appropriations are excluded from the limit. These are appropriations for debt service or operating notes; appropriations to honor a moral obligation pledge that the state has taken with respect to certain revenue bonds; appropriations to refund certain earnings to the federal government relating to state bond issues; and appropriations that are enacted with the approval of at least two-thirds of the members of each house of the legislature.

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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:

1 **SECTION 1.** 13.40 of the statutes is created to read:

2 **13.40 Limitation on state appropriations from general purpose**
3 **revenue. (1)** In this section:

4 (a) “Fiscal biennium” means a 2-year period beginning on July 1 of an
5 odd-numbered year.

6 (b) “General purpose revenue” has the meaning given for “general purpose
7 revenues” in s. 20.001 (2) (a).

8 (c) “Local governmental unit” has the meaning given in s. 16.97 (7).

9 (d) “Program revenue” has the meaning given for “program revenues” in s.
10 20.001 (2) (b) and “program revenues–service” in s. 20.001 (2) (c), but excludes federal
11 revenues as defined in s. 20.001 (2) (e).

12 (e) “Segregated revenue” has the meaning given for “segregated fund revenues”
13 in s. 20.001 (2) (d), “segregated fund revenues — service” in s. 20.001 (2) (da) and
14 “segregated fund revenues — local” in s. 20.001 (2) (dm), but excludes federal
15 revenues as defined in s. 20.001 (2) (e).

16 **(2)** Except as provided in subs. (3) to (5), the amount appropriated from general
17 purpose revenue for each fiscal biennium, excluding any amount under an
18 appropriation specified in sub. (3) (a) to (e), as determined under sub. (6), may not
19 exceed the sum of:

20 (a) The amount appropriated from general purpose revenue, excluding any
21 amount under an appropriation specified in sub. (3) (a) to (e), for the 2nd fiscal year

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1 of the prior fiscal biennium as determined under sub. (6), multiplied by the sum of
2 0.99 and the average annual percentage change in this state's aggregate personal
3 income, expressed as a decimal, as reported for the most recent 4 calendar years prior
4 to the calendar year immediately preceding the fiscal biennium by the federal
5 department of commerce.

6 (b) The amount determined under par. (a) multiplied by the sum of 0.99 and
7 the average annual percentage change in this state's aggregate personal income,
8 expressed as a decimal, as reported for the most recent 3 calendar years prior to the
9 calendar year immediately preceding the fiscal biennium by the federal department
10 of commerce and as estimated by the department of revenue for the calendar year
11 following those years no later than December 5 of each even-numbered year, except
12 as provided in sub. (8).

13 **(3)** The limitation under sub. (2) does not apply to any of the following:

14 (a) An appropriation for principal repayment and interest payments on public
15 debt, as defined in s. 18.01 (4), or operating notes, as defined in s. 18.71 (4).

16 (b) An appropriation to honor a moral obligation undertaken pursuant to ss.
17 18.61 (5), 85.25 (5), 229.50 (7), 229.74 (7), 234.15 (4), 234.42 (4), 234.54 (4) (b),
18 234.626 (7), 234.93 (6), 234.932 (6), 234.933 (6) and 281.59 (13m).

19 (c) An appropriation to make a payment to the United States that the building
20 commission determines to be payable under s. 13.488 (1) (m).

21 (e) An appropriation that is enacted with the approval of at least two-thirds
22 of the members of each house of the legislature.

23 **(4)** Whenever in any fiscal biennium the federal government assumes fiscal
24 responsibility for a state program that was previously funded from general purpose
25 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced

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1 by the amount allocated to that program for the most recently completed fiscal
2 biennium in which the state assumed fiscal responsibility for the program.

3 (4m) Whenever in any fiscal biennium the legislature reduces the cost of
4 administering a program administered in whole or in part from general purpose
5 revenue by substituting funding from program revenue or segregated revenue, the
6 limitation under sub. (2) for the next fiscal biennium shall be reduced by the amount
7 of the reduced state cost, from general purpose revenue, of administering that
8 program for the most recently completed fiscal biennium.

9 (5) Whenever in any fiscal biennium the legislature terminates or reduces the
10 state general purpose revenue funding for a program administered by local
11 governmental units that is partially funded by the state from general purpose
12 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced
13 by the amount allocated by the state to that program from general purpose revenue
14 or by the amount of the reduced state cost, from general purpose revenue, of
15 administering that program for the most recently completed fiscal biennium. If the
16 requirement that the local unit of government administer the program is terminated
17 or reduced by the same amount that state general purpose funding is reduced, then
18 no adjustment shall be made to the limitation under sub. (2).

19 (6) For purposes of sub. (2), the legislative fiscal bureau shall determine the
20 amount appropriated from general purpose revenue for any fiscal biennium to which
21 sub. (2) applies by adding the total general purpose revenue appropriations for that
22 fiscal biennium plus any amount designated as “Compensation Reserves” for that
23 fiscal biennium in the summary under s. 20.005 (1), as printed in the revised
24 schedule that is approved under s. 20.004 (2), and adjusting this sum by any amount
25 that the legislative fiscal bureau determines affects general purpose revenues. The

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1 legislative fiscal bureau shall make this determination no later than December 5 of
2 each even-numbered year, except as provided in sub. (8).

3 (8) No later than December 5 of each even-numbered year, the department of
4 revenue and legislative fiscal bureau shall report to the cochairpersons of the joint
5 committee on finance the estimates and determinations required to be made under
6 subs. (2) and (6) for the succeeding fiscal biennium. If the cochairpersons of the
7 committee do not notify the secretary of revenue and the director of the legislative
8 fiscal bureau that the committee has scheduled a meeting for the purpose of
9 reviewing the estimates and determinations by December 15 following their
10 submittal, the estimates and determinations shall be effective. If, by December 15
11 following the submittal of the estimates and determinations, the cochairpersons of
12 the committee notify the secretary and director that the committee has scheduled a
13 meeting for the purpose of reviewing the estimates and determinations, the
14 estimates and determinations are not effective unless approved or approved with
15 modifications by the committee.

16 (9) The cochairpersons of the joint committee on finance shall submit a report
17 of the estimations and determinations approved by the committee under sub. (8) to
18 the governor, the secretary of administration, the speaker of the assembly and the
19 president of the senate.

SECTION 2. Initial applicability.

20 (1) This act first applies to appropriations made for the 2001-03 biennium.

21 (END)
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