

2005 DRAFTING REQUEST

Assembly Amendment (AA-ASA3-AJR77)

Received: **04/27/2006**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Terri McCormick (608) 266-7500**

By/Representing:

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Constitutional Amendments**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.McCormick@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Revenue limits; general accounting principles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 04/27/2006	wjackson 04/27/2006		_____			
/1			rschlue 04/27/2006	_____	bkraft 04/27/2006	bkraft 04/27/2006	

FE Sent For:

<END>

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/?	jkreye	1 WLJ 4/27					
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FE Sent For:

<END>

2005

Date (time) needed NOW

LRBa 3057, 1

AMENDMENT

4-27-06

VJK:WLJ : _____

See form AMENDMENTS — COMPONENTS & ITEMS.

S **(A)** AMENDMENT ✓

TO S A AMENDMENT _____ (LRBa 1),

TO S **(A)** SUBSTITUTE AMENDMENT 3 (LRBs 1),

TO 2005 SB SJR SR AB **(AJR)** AR 77 (LRB- 1)

At the locations indicated, amend the substitute amendment as follows:
(fill ONLY if "engrossed ..." or "as shown by")

✓ #. Page 4, line 15: after that line insert **(1) INSERT A** ✓

✓ #. Page 4, line 16: before the insert **(1) (1)** ✓

✓ #. Page 5, line 2: after that line insert **(1) INSERT B** ✓

~~#. Page ..., line ...:~~ **<end>**

~~#. Page ..., line ...:~~

**ASSEMBLY SUBSTITUTE AMENDMENT ,
TO 2005 ASSEMBLY JOINT RESOLUTION 77**

1 **To amend** section 5 of article VIII; and **to create** section 12 of article VIII of the
2 constitution; **relating to:** use of generally accepted accounting principles by
3 the state (first consideration).

Analysis by the Legislative Reference Bureau

This proposed constitutional amendment, proposed to the 2005 legislature on first consideration, requires the legislature to require that financial statements and budgets of the state be prepared in accordance with generally accepted accounting principles (GAAP) for state governments, not in accordance with a cash-basis or a modified cash-basis accounting method.

This proposed constitutional amendment amends the balanced budget provision of the constitution to also provide that moneys received by the state may not be appropriated before the moneys are earned by the state as determined under GAAP for state governments.

GAAP are those principles for state and local governments adopted by the Governmental Accounting Standards Board (GASB). Organized in 1984, GASB is an independent organization founded to establish standards of financial accounting and reporting for state and local governmental entities. Its standards generally guide the preparation of external financial reports of those entities.

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

Resolved by the assembly, the senate concurring, That:

~~SECTION 1~~ SECTION 1^B Section 12 of article VIII of the constitution is created to read:

[Article VIII] Section 12. The legislature shall provide systems of accounting, auditing, and reporting of the obligation, receipt, and use of public funds that require financial statements and budgets of the state to be prepared and audited in accordance with generally accepted accounting principles for state governments, not in accordance with a cash-basis or a modified cash-basis accounting method.

~~SECTION 2~~ SECTION 2^B Section 5 of article VIII of the constitution is amended to read:

[Article VIII] Section 5. The legislature shall provide for an annual tax sufficient to defray the estimated expenses of the state for each year; and whenever the expenses of any year shall exceed the income, the legislature shall provide for levying a tax for the ensuing year, sufficient, with other sources of income, to pay the deficiency as well as the estimated expenses of such ensuing year. Moneys received by the state may not be appropriated before the moneys are earned by the state as determined under generally accepted accounting principles for state governments.

~~SECTION 3. Numbering of new provision~~

The new section 12 of article VIII of the constitution created in this joint resolution shall be designated by the next higher open whole number in that article if, before the ratification by the people of the amendment proposed in this joint resolution, any other ratified amendment has created a section 12 of article VIII of the constitution of this state. If one or more joint resolutions create a section 12 of article VIII simultaneously with the ratification by the people of the amendment proposed in this joint resolution, the sections created shall be numbered and placed in a sequence so that the sections created by the joint

INSERT A

INSERT B

No B

(12)

1 resolution having the lowest enrolled joint resolution number have the numbers
2 designated in that joint resolution and the sections created by the other joint
3 resolutions have numbers that are in the same ascending order as are the numbers
4 of the enrolled joint resolutions creating the sections. ✓ *end of B*

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

8 (END)