

1977 Assembly Bill 1016

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CHAPTER 317, Laws of 1977

AN ACT to repeal 18.08 (5) and 18.16; to amend 13.10 (2), 18.04 (3), 18.06 (2), 231.08 (1), 234.18 and 499.087; and to create 13.49 and 18.04 (4) of the statutes, relating to state debt management and creating a joint survey committee on debt management.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.10 (2) of the statutes, as affected by chapter 29, laws of 1977, is amended to read:

13.10 (2) (a) Any bill making an appropriation and any bill increasing or decreasing existing appropriations or state or general local government fiscal liability or revenues shall, before any vote is taken thereon by either house of the legislature if the bill is not referred to a standing committee, or before any public hearing is held before any standing committee or, if no public hearing is held, before any vote is taken by the committee, incorporate as a reliable estimate of the anticipated change in appropriation authority or state or general local government fiscal liability or revenues under the bill, including to the extent possible a projection of such changes in future biennia. Except as otherwise provided by joint rules of the legislature, such estimates shall be made by the department or agency administering the appropriation or collecting the revenue. Fiscal estimates on bills which will be referred to the joint survey committee on tax exemptions, the joint survey committee on debt management or the joint survey committee on retirement systems shall be prepared by the appropriate committee. When a fiscal estimate is prepared after the bill has been introduced, it shall be printed and distributed as are amendments.

(b) Executive budget bills introduced under s. 16.47 (1) or 16.475 are exempt from the fiscal estimate requirement under par. (a) but shall, if they contain provisions affecting a public retirement fund, affecting state debt or revenue obligations or providing a tax exemption, be analyzed as to those provisions by the respective joint survey committee. The report of the joint survey committee on debt management shall be prepared within 60 days of introduction for bills introduced under s. 16.47 (1) and within 30 days of introduction for bills introduced under s. 16.475.

SECTION 2. 13.49 of the statutes is created to read:

13.49 Joint survey committee on debt management. (1) CREATION. There is created a joint survey committee on debt management composed of 9 members, as follows:

(a) Three senators and 3 representatives to the assembly selected as are standing committee members of the respective houses, except that one member of each house shall also be a member of the state building commission and one member of each house shall also be a member of the joint committee on finance. The 2 major political parties shall be represented in the membership from each house.

(b) Three members to be selected by the governor, at least 2 of which shall be experienced in or familiar with public debt management, public finance or municipal bond underwriting. Public members shall be reimbursed for actual and necessary expenses incurred as members of the committee from the appropriation made by s. 20.505 (1) (a).

(2) OFFICERS. The officers of the committee shall be a senate chairperson and vice chairperson, an assembly chairperson and vice chairperson and a secretary. The senate chairperson and vice chairperson shall be selected as are chairpersons and vice chairpersons of senate standing committees. The assembly chairperson and vice chairperson shall be appointed by the speaker. The senate chairperson or the assembly chairperson shall preside, respectively, over the meetings of the committee depending on which house of the legislature referred the proposal then under consideration to the committee. The secretary shall be elected by the committee from among its nonlegislator members.

(3) TERM. Appointments shall be made at the commencement of each term of the legislature and each member shall serve until a successor is appointed and qualified. Any member shall cease to be a member upon losing the status upon which the appointment is based. Vacancies shall be filled as are original appointments.

(4) COMMITTEE ACTION. All actions of the committee shall require the approval of a majority of all the members.

(5) POWERS AND DUTIES. It is the purpose of this committee to advise the legislature on matters regarding the coordination of activities of state agencies and independent state authorities issuing debt and revenue obligations or using the proceeds of such obligations. To this end the committee shall:

(a) Determine the desirable amounts and forms of debt and revenue obligations to be authorized and the financial condition of each state agency or independent entity issuing debt and revenue obligations.

(b) Review all legislative proposals which affect any existing statute relating to the issuing of debt and revenue obligations or the use of the proceeds of such obligations and advise the legislature regarding such proposals.

(c) Review all legislative proposals which would amend any existing statutes or create new statutes relating to the authority of an independent entity to issue debt or revenue obligations or which would create a new authority with such powers.

(d) Review the operational relationships between independent authorities, both existing and proposed, and any state agencies having program responsibilities in the same programmatic area.

(e) Hold hearings as necessary to elicit information required to make its reports.

(f) Make investigations as required to carry out the duties assigned to it.

(g) Require each agency or independent entity authorized to issue debt or revenue obligations to submit financial plans or reports as necessary to carry out the duties assigned to it.

(h) Prepare such long-term financial plans relating to state debt, revenue obligations and other indirect debt as the committee determines may be in the best interests of the state.

(6) REPORT. Upon the introduction in either house of the legislature of any proposal which affects any existing statute or creates any new statute relating to the authorization to issue state debt or revenue obligations as set forth in ch. 18, debt of independent state authorities, whether or not debt so to be issued contains a pledge of the state's moral obligation to repay, or for the authorization of new entities whether they are to be departments or agencies of the state or are to be independent thereof, but having the power to issue debt to finance a statewide public purpose, shall at once be referred to the committee by the presiding officer instead of to a standing committee. The proposal shall not be considered further by either house until the committee has submitted a report, in writing, setting forth an opinion on the fiscal effect upon the state or local government, the effect upon the state's and local governments' ability to issue debt and revenue obligations, the appropriateness of the proposal in relation to the state's and local governments' debt policies and the desirability of the proposal as a matter of public policy and the report has been printed as an appendix to the bill and attached to the bill as are amendments. Such printing shall be in lieu of inclusion in the daily journal of the house in which the bill was introduced.

(7) STAFF; COOPERATION OF STATE AGENCIES. The committee may employ such personnel as are required for the performance of its duties. Any intermittent employment of professional, technical or research personnel may be made outside the classified service. The legislative fiscal bureau, legislative council and the departments of administration, justice, local affairs and development, and revenue shall provide assistance to the committee in the performance of its duties and representatives of each department shall attend all meetings of the committee.

(8) AUTHORITY. Nothing in this section shall be construed to supersede the authority by statute of the building commission or any other state department or agency in carrying out program responsibilities for which public debt has been authorized by the legislature.

SECTION 3. 18.04 (3) of the statutes is amended to read:

18.04 (3) Each purpose enumerated in sub. (1) shall be construed to include any premium payable with respect thereto ~~and any interest to accrue thereon~~. Each purpose specified by the legislature pursuant to under sub. (2) shall be construed to include ~~interest to be paid on loans or notes and~~ the expenses of contracting public debt.

SECTION 4. 18.04 (4) of the statutes is created to read:

18.04 (4) Public debt shall not be contracted for any interest, accrued or to accrue, on any indebtedness.

SECTION 5. 18.06 (2) of the statutes is amended to read:

18.06 (2) LOAN. An authorizing resolution may authorize the negotiation of a loan or loan agreement of any type, upon any terms, with any bank ~~authorized to transact business in this state~~ or with any agency of the United States.

SECTION 6. 18.08 (5) of the statutes, as affected by chapter 29, laws of 1977, is repealed.

SECTION 7. 18.16 of the statutes is repealed.

SECTION 8. 231.08 (1) of the statutes is amended to read:

231.08 (1) The authority may from time to time issue bonds for any corporate purpose. All such bonds or other obligations of the authority issued under this chapter are declared to be negotiable for all purposes, notwithstanding their payment from a limited source and without regard to any other law. The authority shall employ the building commission as its financial consultant to assist and coordinate the issuance of bonds and notes of the authority.

SECTION 9. 234.18 of the statutes, as affected by chapter 108, laws of 1977, is amended to read:

234.18 Limit on amount of outstanding bonds and notes. The authority shall not have outstanding at any one time notes and bonds for any of its corporate purposes in an aggregate principal amount exceeding \$250,000,000, excluding bonds and notes being issued to refund outstanding notes and bonds. The authority shall ~~consult with and coordinate the issuance of bonds with~~ employ the state building commission prior as its financial consultant to assist and coordinate the issuance of bonds and notes of the authority.

SECTION 10. 499.087 of the statutes is amended to read:

499.087 Consultation with building commission. The authority shall consult with the building commission before ~~issuing any notes or bonds~~, constructing any solid waste recycling facilities or contracting for the use of private solid waste recycling facilities. The authority shall employ the building commission as its financial consultant to assist and coordinate the issuance of bonds and notes of the authority.

SECTION 11. **Program responsibilities.** (1) In the list of program responsibilities specified for the department of justice in section 15.251 (intro.) of the statutes, reference to section "13.49 (7)" is inserted.

(2) In the list of program responsibilities specified for the department of administration in section 15.101 (intro.) of the statutes, reference to section "13.49 (7)" is inserted.

(3) In the list of program responsibilities specified for the department of local affairs and development in section 15.281 of the statutes, reference to section "13.49 (7)" is inserted.

(4) In the list of program responsibilities specified for the department of revenue in section 15.431 of the statutes, reference to section "13.49 (7)" is inserted.

SECTION 12. **Study.** The joint survey committee on debt management shall examine the advantages and disadvantages of state loans from foreign banks or from a wider group of investment institutions than those authorized under present law and report its findings and recommendations to the legislature on or before December 31, 1979.