

JOURNAL OF THE ASSEMBLY (January 25, 1974)

STATE OF WISCONSIN

Assembly Journal

Eighty-First Regular Session

FRIDAY, January 25, 1974.

The chief clerk makes the following entries under the above date:

AMENDMENTS OFFERED

Assembly substitute amendment 2 to Assembly **Bill 844** offered by Representative Schneider.

Assembly substitute amendment 1 to Assembly **Bill 812** offered by Representative Jackamonis, by request of Department of Administration.

Assembly substitute amendment 1 to Assembly **Bill 1301** offered by Representative Earl.

INTRODUCTION AND REFERENCE OF RESOLUTIONS

Read and referred:

Assembly Joint Resolution 119

Relating to terms of office for members of the assembly and elected county officials and removing the requirement that there be a clerk of circuit court in each county (1st consideration).

By Representative BERGER.

To committee on State Affairs.

INTRODUCTION AND REFERENCE OF BILLS

Read first time and referred:

Assembly Bill 1403

Relating to free sportsmen's licenses for members of the national guard.

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By Representatives SCHRICKER, BYERS, KLIKA, OBERLE, ROHNER and LEWISON.

To committee on Natural Resources.

Assembly Bill 1404

Relating to changes in standards for consideration of environmental impact.

By Representatives THOMPSON, TREGONING, GIESE, GOWER, DE LONG, PABST, PORTER, LEWISON, BRADLEY, OLSON, KLIKA, SCHROEDER, CYRAK, SENSENBRENNER, OPITZ, KINCAID, SCHRICKER and CONRADT.

To committee on Natural Resources.

Assembly Bill 1405

Relating to requirement of licensing for common carrier security agents and providing a penalty.

By Representative TOBIASZ.

To committee on Highways.

Assembly Bill 1406

Relating to the issuance of special school instruction permits for students who are at least 15-1/2 years old.

By Representatives MERKEL, DUREN, JOHNSON, WACKETT and GIESE.

To committee on Education.

COMMUNICATIONS

The State of Wisconsin
Department of State
Madison 53702

January 15, 1974

To the Honorable, the Assembly

Gentlemen:

I have the honor to transmit to you pursuant to s. 13.67 (2), the names of the registered lobbyists for the period beginning on January 8, 1974, and ending on January 15, 1974.

Respectfully submitted,
ROBERT C. ZIMMERMAN,
Secretary of State.

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Received and placed on file in the office of the chief clerk. Pursuant to joint rule 36 the list is printed in full in the senate journal only and appears there beginning on page 1994.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin 53702

January 22, 1974

Mr. Thomas Hanson
Assembly Chief Clerk
220 West - State Capitol
Madison, Wisconsin 53702

Mr. William P. Nugent
Senate Chief Clerk
243 South - State Capitol
Madison, Wisconsin 53702

Dear Sirs:

I respectfully request permission to address a joint session of the State Legislature on Wednesday, January 30, 1974 at 10:30 a.m. for the purpose of delivering a State of the State address.

Sincerely,
PATRICK J. LUCEY,
Governor.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison 53702

To the Honorable, the Assembly:

The following bills, originating in the assembly, have been approved, signed and deposited in the office of the Secretary of State:

Assembly Bill	Chapter No.	Date Approved
816 -----	160-----	January 25, 1974

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178 ----- 161 ----- January 25, 1974
356 ----- 162 ----- January 25, 1974

Sincerely,
PATRICK J. LUCEY,
Governor.

GOVERNOR'S VETO MESSAGES

January 25, 1974

To the Honorable, the Members of the Assembly:

I am returning **Assembly Bill 536** without my approval.

The purpose of this bill is to provide retirement benefits "roughly equivalent" to those available under the Wisconsin Retirement Fund to policemen and firemen who are members of closed municipal retirement systems created pursuant to Section 62.13 of the Statutes. The bill also provides a mandatory retirement age of 55 for those personnel still in municipal retirement systems.

Although **Assembly Bill 536** has been characterized as a remedy for an inequitable situation, my review of its effect indicates otherwise. In one important respect the bill will provide better benefits than those available to employees under the Wisconsin Retirement Fund. Those retiring under Section 62.13 are entitled to a full retirement annuity with a joint and survivor provision. Under the terms of **Assembly Bill 536**, the full retirement annuity would be equivalent to that available to persons retiring under the Wisconsin Retirement Fund. However, WRF retirees must take a reduced retirement annuity if they also elect to have a joint and survivor benefit. Therefore, if **Assembly Bill 536** were approved, those retiring under Section 62.13 would be entitled to a higher retirement annuity than those retiring under the Wisconsin Retirement Fund who elect the joint and survivor option.

Certainly, equity does not require that the benefits under Section 62.13 be made better than those under the Wisconsin Retirement Fund, particularly since the contributions required from employees covered under Section 62.13 are substantially less (4% as compared to 7-8%) than the contributions required from employees covered under WRF.

True equity cannot be achieved so long as the 31 existing Section 62.13 Plans are independently administered. Different

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standards are inevitable under such an arrangement, not only among the separate Section 62.13 systems, but also between those systems and the Wisconsin Retirement Fund. Furthermore, separation of the Section 62.13 systems from the Wisconsin Retirement Fund results in an ever escalating level of benefits generated by the competition for new and better benefits between the groups covered under the differing systems.

This situation can be remedied only by merger of the existing Section 62.13 Plans with the Wisconsin Retirement Fund. A similar merger between the separate Conservation Wardens' Fund and the Wisconsin Retirement Fund was accomplished under the provisions of 1973 Assembly Bill 1107, which I recently approved (Chapter 151, Laws of 1973).

This bill is but another illustration of the limitations inherent in the fragmented patchwork process by which pension legislation is now considered. As I have pointed out in my recent veto message to Senate Bill 512, the executive and legislative branches must work together to develop better means for consideration of pension legislation so that application of consistent standards of coverage to the many complex provisions of the various retirement systems is assured.

In addition to the foregoing considerations, there are some legal and technical problems with Assembly Bill 536. First, it is not clear that the benefits under Section 62.13 Plans can be altered because of the provisions of Section 62.135(1c). Second, the bill is drafted in such a way as to appear to be permissive rather than mandatory in its application. Undoubtedly this could lead to costly litigation between the municipalities and the employees affected.

Even if the inequities and technical flaws were eliminated, this bill would raise a serious fiscal question. The cost to the 31 affected municipalities is approximately 11.9 million dollars over the lifetimes of the 369 policemen and firemen still covered under Section 62.13 systems. To impose such a cost on local municipalities would be inconsistent with our efforts to encourage those governments to control costs and afford their citizens property tax relief. This is particularly so in view of the fact that all Section 62.13 Plans were closed in 1948 to relieve municipalities of the burden imposed on account of the universal insolvency of those plans. This fiscal burden provided the rationale for the veto of a similar bill (1969 Assembly Bill 475), by my predecessor Governor Knowles.

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Because I am convinced that Assembly Bill 536 does not achieve the equity it should and is also technically flawed, the additional costs which it would impose upon the municipalities affected are not justified. Accordingly, I have disapproved the bill.

Sincerely,

PATRICK J. LUCEY,

Governor.