

## 1999 ASSEMBLY BILL 190

March 8, 1999 – Introduced by Representatives WIECKERT, KESTELL, HUNDERTMARK, PETTIS, SUDER, MONTGOMERY, F. LASEE, KELSO, MUSSER, GROTHMAN, PORTER, NASS, SKINDRUD, OWENS, TOWNSEND, WASSERMAN and JENSEN, cosponsored by Senators DARLING and WELCH. Referred to Committee on Government Operations.

- 1 **AN ACT to amend** 16.46 (2); and **to create** 13.40 of the statutes; **relating to:**  
2 limitations on state appropriations from general purpose revenue.

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### *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 prior calendar years, 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 prior calendar years and the current calendar year, minus 1%. These amounts are added together and are then increased by the amount by which all sum certain GPR appropriations in the prior fiscal biennium exceeded actual expenditures for these appropriations in the prior fiscal biennium. 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.

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***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 expended 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 expended under an appropriation specified in sub. (3) (a) to (e), for the 2nd

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1 fiscal year of the prior fiscal biennium as reported under s. 16.46 (2), multiplied by  
2 the sum of 0.99 and the average annual percentage change in this state's aggregate  
3 personal income, expressed as a decimal, as reported for the most recent 4 calendar  
4 years prior to the fiscal biennium by the federal department of commerce.

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

11 (c) Any amount by which the amount appropriated from sum certain  
12 appropriations made from general purpose revenue, excluding any amount  
13 expended under an appropriation specified in sub. (3) (a) to (e), for the preceding  
14 fiscal biennium, exceeded actual expenditures from sum certain appropriations  
15 made from general purpose revenue for the preceding fiscal biennium, excluding any  
16 amount expended under an appropriation specified in sub. (3) (a) to (e), as  
17 determined by the legislative fiscal bureau.

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

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

21 (b) An appropriation to honor a moral obligation undertaken pursuant to ss.  
22 18.61 (5), 85.25 (5), 229.50 (7), 229.74 (7), 234.15 (4), 234.42 (4), 234.54 (4) (b),  
23 234.626 (7), 234.93 (6), 234.932 (6), 234.933 (6) and 281.59 (13m).

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

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

3 (4) Whenever in any fiscal biennium the federal government assumes fiscal  
4 responsibility for a state program that was previously funded from general purpose  
5 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced  
6 by the amount allocated to that program for the most recently completed fiscal  
7 biennium in which the state assumed fiscal responsibility for the program.

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

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

24 (6) For purposes of sub. (2), the computation of the amount appropriated from  
25 general purpose revenue for any fiscal biennium to which sub. (2) applies shall be

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1 made by adding the applicable sum certain appropriations enacted by the legislature  
2 from general purpose revenue and an estimate of amounts that will be expended  
3 under applicable appropriations, other than sum certain appropriations, that are  
4 made from general purpose revenue for that fiscal biennium, including any amounts  
5 estimated to be expended for payment of compensation increases for state employes  
6 and for litigation expenses incurred in actions against the state or state officers,  
7 employes or agents, as determined by the legislative fiscal bureau no later than  
8 December 5 of each even-numbered year, except as provided in sub. (8).

9 (7) For purposes of calculating the amount appropriated from a biennial  
10 appropriation under sub. (2) (a), the amount shown in the schedule under s. 20.005  
11 (3) for the 2nd year of any fiscal biennium is determinative.

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

25 **SECTION 2.** 16.46 (2) of the statutes is amended to read:

