

1999 DRAFTING REQUEST

Bill

Received: **03/5/99**

Received By: **champra**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Welch (608) 266-0751**

By/Representing: **Les Wakefield**

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

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **State Finance - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Limitations on state appropriations from general purpose revenue

Instructions:

Companion to 99-1066

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>
/?	champra 03/8/99	jgeller 03/8/99		_____			S&L
/1	champra 03/11/99	jgeller 03/11/99	hhagen 03/10/99	_____	lrb_docadmin 03/10/99		S&L
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FE Sent For:

G 04-21-99

<END>

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/1		<i>1/2 3/11 jlg</i> hhagen 03/10/99		_____	lrb_docadmin 03/10/99		
FE Sent For:		<i>3/11</i>		<i>3/11</i> _____			

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1?	champra	1 3/8 jlg	4/2/10	4/1/10			

FE Sent For:

<END>



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1066/3
RAC:jlg:lp

LRB-2423/1
RAC:jlg

1999 ASSEMBLY BILL 190

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

Regen

- 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.

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.

ASSEMBLY BILL 190

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 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

ASSEMBLY BILL 190

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).

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

ASSEMBLY BILL 190

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:



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBs0018/1
RAC:jlg:km

SOON

LRB-2423/2
RAC:jlg

~~ASSEMBLY SUBSTITUTE AMENDMENT,~~
~~TO 1999 ASSEMBLY BILL 100~~

Regen

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

Insert
Analysis

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

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

4 **13.40 Limitation on state appropriations from general purpose**
5 **revenue.** (1) In this section:

6 (a) "Fiscal biennium" means a 2-year period beginning on July 1 of an
7 odd-numbered year.

8 (b) "General purpose revenue" has the meaning given for "general purpose
9 revenues" in s. 20.001 (2) (a).

10 (c) "Local governmental unit" has the meaning given in s. 16.97 (7).

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

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

4 (b) An appropriation to honor a moral obligation undertaken pursuant to ss.
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7 (c) An appropriation to make a payment to the United States that the building
8 commission determines to be payable under s. 13.488 (1) (m).

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

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

16 **(4m)** Whenever in any fiscal biennium the legislature reduces the cost of
17 administering a program administered in whole or in part from general purpose
18 revenue by substituting funding from program revenue or segregated revenue, the
19 limitation under sub. (2) for the next fiscal biennium shall be reduced by the amount
20 of the reduced state cost, from general purpose revenue, of administering that
21 program for the most recently completed fiscal biennium.

22 **(5)** Whenever in any fiscal biennium the legislature terminates or reduces the
23 state general purpose revenue funding for a program administered by local
24 governmental units that is partially funded by the state from general purpose
25 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced

1 meeting for the purpose of reviewing the estimates and determinations, the
2 estimates and determinations are not effective unless approved or approved with
3 modifications by the committee.

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

8 **SECTION 2. Initial applicability.**

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

10

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2423/1

RAC:jlh:hmh

1999 BILL

Analysis

following those years, as estimated by the department of revenue

four calendar years prior to the calendar biennium year immediately preceding to fiscal biennium

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prior to the calendar year immediately preceding the fiscal biennium



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-8522

REFERENCE SECTION: (608) 266-0341
REFERENCE FAX: (608) 266-5648

March 12, 1999

MEMORANDUM

To: Senator Welch

From: Rick Champagne

Subject: LRB 99-2423/2

I inadvertently failed to include the following Drafter's Note with the bill draft:

"Please note that this bill creates a rule of procedure under article IV, section 8, of the constitution. The Wisconsin supreme court has held that the remedy for noncompliance with this type of provision lies exclusively within the legislative branch. See *State ex rel. La Follette v. Stitt*, 114 Wis. 2d 358, 363-369 (1983). In other words, while this type of provision may be effective to govern internal legislative procedure, the courts will not enforce this type of provision and this provision does not affect the validity of any enactment resulting from a procedure that may be viewed as contravening the provision."

I will insert a copy of this memorandum in the drafting file. If I can be of any further assistance, please do not hesitate to contact me.

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

Date: 3/11/99

To: Senator Welch

Relating to LRB drafting number: LRB-2423

Topic

Limitations on state appropriations from general purpose revenue

Subject(s)

State Finance - miscellaneous

1. **JACKET** the draft for introduction _____

in the **Senate** or the **Assembly** _____ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Richard A. Champagne, Legislative Attorney
Telephone: (608) 266-9930