

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/22/2001

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Jefferson

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Adl. Drafters: shoveme

Subject: **Shared Revenue
Munis - miscellaneous**

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

ARC:.....Jefferson - AM60,

Topic:

Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

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 06/25/2001			_____			
/1	shoveme 06/25/2001 jkreye 06/27/2001	jdyer 06/25/2001	jfrantze 06/26/2001	_____	lrb docadmin 06/26/2001		
/2	shoveme 06/27/2001	jdyer 06/27/2001	kfollet 06/27/2001	_____	lrb docadmin 06/27/2001		
/3	jkreye 06/28/2001	jdyer 06/28/2001	pgreensl 06/28/2001	_____	lrb docadmin 06/28/2001		

FE Sent For:

<END>

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/7	jkreye 06/25/2001						
/1	shoveme 06/25/2001	jdyer 06/25/2001	jfrantze 06/26/2001	6/28	lrb_docadmin 06/26/2001		
	jkreye 06/27/2001	13 6/28 jld	6/28 Dg				

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/1	jkreye 06/25/2001						
/1	shoveme 06/25/2001	jdyer 06/25/2001	jfrantze 06/26/2001		lrb_docadmin 06/26/2001		

12 MES 6/27/01
 1/2 6/27 jld
 gj 6/27
 gj James 6/27

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May Contact:

Addl. Drafters: MES

Subject: Shared Revenue
MUNIS-MISC

Extra Copies:

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Requester's email:

Pre Topic:

ARC:.....Jefferson - AM60,

Topic:

Expenditure restraint, budget test changes

Instructions:

See Attached

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1?	jkreye	1/6/25 ja	2/6/26	2/6/26			
1	JKUMES	6/25/01					

FE Sent For:

<END>

Rich Olin - expenditure restraint program

ARC 1) municipal revenue sharing
- payments made by municipality

(Tax base sharing agreements and
expenditures)

- see the rule portion

^{ERR}
2) under the budget - state half of
not - didn't spend and carry over
one year

3) Reg fund? - municipality is not
create a "reg fund"

↳ payments into the fund

▷ expenditure when pay into the fund
(against the budget test)

▷ not when pay out

Kreye, Joseph

From: Olin, Rick
Sent: Friday, June 22, 2001 5:12 PM
To: Kreye, Joseph
Subject: ERP Budget Test

This isn't my best work, but hopefully it fills in some gaps based on my conversation with Gary in Rep. Underheim's office.



rickseven.doc

Funding Positions	
GPR	-\$

I. EXPENDITURE RESTRAINT -- BUDGET TEST

Modify the budget test under the expenditure restraint program to provide for the following adjustments: (a) exclude amounts paid by a municipality under a municipal revenue sharing agreement; (b) increase the year-to-year allowable increase by 50% of the difference between the allowable budget and the adopted budget, both as determined in the prior year; and (c) exclude amounts paid from segregated funds, as defined below. Direct DOR to promulgate an administrative rule to address the adjustment under (a). Authorize municipalities to create and maintain segregated funds for the purpose of accumulating amounts over a multi-year period to be used to purchase long-lived capital assets, pay for public infrastructure or finance extraordinary items. Specify that these adjustments first apply to eligibility for an expenditure restraint payment in 2003. To qualify for an expenditure restraint payment, a municipality must have a local purpose tax rate in excess of five mills and must restrict the year-to-year growth in its general fund budget to a percentage determined by statutory formula.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1575/1
JK&MES:.....

jld (RMR)

ARC:.....Jefferson - AM60, Expenditure restraint, budget test changes,
accumulation of budget surpluses by municipalities

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

D-Note

substitute amendment

1 At the locations indicated, amend the ~~bill~~ as follows:

2 1. Page 680, line 5: after that line insert:

3 "SECTION 2023h. 66.0602[✓] of the statutes is created to read:

4 66.0602 Accumulation of reserves for specified purposes. (1) Any city,

5 village, or town may accumulate cash or other liquid assets in nonlapsing reserve

6 funds for any of the purposes specified in sub. (2) if the reserve funds are kept in

7 segregated accounts in the municipal treasury. Each reserve fund must have a

8 designated, specific purpose for which the cash or other assets are being

9 accumulated, and may be spent only for the specified purpose.

1 (2) Cash or other liquid assets in reserve funds may be accumulated for any of
2 the following purposes:

- 3 (a) The purchase of a capital asset.
- 4 (b) The construction or repair of public infrastructure.
- 5 (c) The payment or financing of an extraordinary item.” ✓

that is expected to last at least several years

6 **2.** Page 854, line 3: after that line insert:

7 “SECTION 2285m. ✓ 79.05 (2) (c) of the statutes is amended to read:

8 79.05 (2) (c) Its municipal budget, ~~exclusive of~~ excluding principal and interest
 9 on long-term debt and ~~exclusive of payments of the,~~ revenue sharing payments paid
 10 by the municipality under s. 66.005, ⁰³⁰⁵ as provided by rule by the department of
 11 revenue, amounts paid from a segregated fund under s. 66.0602, ✓ and recycling fee
 12 payments under s. 289.645; ✓ for the year of the statement under s. 79.015 increased
 13 over its municipal budget as adjusted under sub. (6) ~~exclusive of~~ excluding principal
 14 and interest on long-term debt and ~~exclusive of payments of the,~~ revenue sharing
 15 payments paid by the municipality under s. 66.005, ⁰³⁰⁵ as provided by rule by the
 16 department of revenue, amounts paid from a segregated fund under s. 66.0602,
 17 recycling fee payments under s. 289.645, and 50% ✓ of the difference between the
 18 municipality’s allowable budget to be eligible for a payment under this section, as
 19 determined in the prior year, and the municipality’s adopted budget, as determined
 20 in the prior year; ✓ for the year before that year by less than the sum of the inflation
 21 factor and the valuation factor, rounded to the nearest 0.10%.” ✓

History: 1989 a. 336; 1991 a. 39; 61: 1993 a. 16; 1999 a. 9; 1999 a. 150 s. 672

22 **3.** Page 1406, line 9: after that line insert:

1

^(c)
“(18~~th~~) EXPENDITURE RESTRAINT PROGRAM. The treatment of section 79.05 (2) (c)
statutes

2

of the first applies to the eligibility for a payment in 2003.”

3

(END)

P-note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1575/3dn
JK&MES:.....

date

Jld

Does the language in s. 66.0602(2)(c),
relating to ~~an~~ expected ~~several~~ years ~~a~~
a capital asset that is expected to last
at least several years, capture
your intent?

Mark Jefferson:

Created s. 66.0602 is drafted according to your instructions in that it authorizes a municipality to accumulate funds in a segregated account only for certain purposes that ~~which~~ must be specified. One of allowable purposes is to pay for or finance an * "extraordinary item" which seems to be a little broad. Do you want to limit the scope of s. 66.0602 (2) (c) in any way?

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1575/1dn
MES:jld:jf

June 26, 2001

Mark Jefferson:

Created s. 66.0602 is drafted according to your instructions in that it authorizes a municipality to accumulate funds in a segregated account only for certain purposes that must be specified. One of allowable purposes is to pay for or finance an "extraordinary item," which seems to be a little broad. Do you want to limit the scope of s. 66.0602 (2) (c) in any way? Does the language in s. 66.0602 (2) (a), relating to a capital asset that is expected to last at least several years, capture your intent?

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

Kreye, Joseph

From: Hanaman, Cathlene
Sent: Tuesday, June 26, 2001 7:18 PM
To: Kreye, Joseph
Subject: FW: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

-----Original Message-----

From: Emerson, James
Sent: Tuesday, June 26, 2001 7:15 PM
To: Hanaman, Cathlene
Subject: FW: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

Please note request from Gary Radloff for LRB 1b1575/1.

-----Original Message-----

From: Radloff, Gary
Sent: Tuesday, June 26, 2001 5:33 PM
To: Emerson, James
Subject: RE: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

If the drafting atty wants to tighten this language of "extraordinary item" call them the costs of communities for recovery and rebuilding caused by natural disasters. Otherwise the rest of the draft is fine.

-----Original Message-----

From: Emerson, James
Sent: Tuesday, June 26, 2001 5:20 PM
To: Radloff, Gary
Subject: FW: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

Gary:

The drafting notes below contain a specific question relating to the Expenditure Restraint provision. I believe the author of that provision would probably be able to direct the drafter in the proper direction.

-----Original Message-----

From: Jefferson, Mark
Sent: Tuesday, June 26, 2001 11:45 AM
To: Emerson, James
Subject: FW: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

-----Original Message-----

From: Frantzen, Jean
Sent: Tuesday, June 26, 2001 11:43 AM
To: Jefferson, Mark
Cc: Legislative Fiscal Bureau; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 01b1575/1 Expenditure restraint, budget test changes, accumulation of budget surpluses by municipalities

Following is the PDF version of draft 01b1575/1.

<< File: 01b1575/1 >> << File: 01b1575/1dn >>



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1575/1
JK&MES:jld:16

ARC:.....Jefferson – AM60, Expenditure restraint, budget test changes,
accumulation of budget surpluses by municipalities

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 680, line 5: after that line insert:

3 “SECTION 2023h. 66.0602 of the statutes is created to read:

4 **66.0602 Accumulation of reserves for specified purposes.** (1) Any city,
5 village, or town may accumulate cash or other liquid assets in nonlapsing reserve
6 funds for any of the purposes specified in sub. (2) if the reserve funds are kept in
7 segregated accounts in the municipal treasury. Each reserve fund must have a
8 designated, specific purpose for which the cash or other assets are being
9 accumulated, and may be spent only for the specified purpose.

1 (2) Cash or other liquid assets in reserve funds may be accumulated for any of
2 the following purposes:

- 3 (a) The purchase of a capital asset that is expected to last at least several years.
- 4 (b) The construction or repair of public infrastructure.

5 (c) The payment or financing of ~~an extraordinary item~~. *recovery or rebuilding costs that are necessitated by a natural disaster*

6 **2.** Page 854, line 3: after that line insert:

7 "SECTION 2285m. 79.05 (2) (c) of the statutes is amended to read:

8 79.05 (2) (c) Its municipal budget, ~~exclusive of; excluding~~ principal and interest
 9 on long-term debt ~~and exclusive of payments of the, revenue sharing payments paid~~
 10 ~~by the municipality under s. 66.0305, as provided by rule by the department of~~
 11 ~~revenue, amounts paid from a segregated fund under s. 66.0602, and recycling fee~~
 12 ~~payments under s. 289.645;~~ for the year of the statement under s. 79.015 increased
 13 over its municipal budget as adjusted under sub. (6), ~~exclusive of; excluding~~ principal
 14 and interest on long-term debt ~~and exclusive of payments of the, revenue sharing~~
 15 ~~payments paid by the municipality under s. 66.0305, as provided by rule by the~~
 16 ~~department of revenue, amounts paid from a segregated fund under s. 66.0602,~~ *and*

17 recycling fee payments under s. 289.645, *and* 50% of the difference between the
 18 municipality's allowable budget to be eligible for a payment under this section, as
 19 determined in the prior year, and the municipality's adopted budget, as determined
 20 in the prior year; for the year before that year by less than the sum of the inflation
 21 factor and the valuation factor, rounded to the nearest 0.10%^{1/2}.

22 **3.** Page 1406, line 9: after that line insert:

Kreye, Joseph

From: Olin, Rick
Sent: Wednesday, June 27, 2001 7:24 PM
To: Kreye, Joseph; Shovers, Marc
Subject: Expenditure Restraint Budget Test

Re LRBb 1575/2

Fred may have called this in, but if you have time, please consider changing "fund" to "account" on page 2, line 12 so that it agrees with the term on page 1 line 7. Thanks.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1575/2
JK&MES:jld:kjf

RMN

ARC:.....Jefferson - AM60, Expenditure restraint, budget test changes,
accumulation of budget surpluses by municipalities

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

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in 6-28-01

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 680, line 5: after that line insert:

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18 recycling fee payments under s. 289.645; for the year before that year by less than
19 the sum of the inflation factor and the valuation factor, rounded to the nearest 0.10%
20 plus 50% of the difference between the municipality’s allowable budget to be eligible
21 for a payment under this section, as determined in the prior year, and the
22 municipality’s adopted budget, as determined in the prior year.”.

23 **3.** Page 1406, line 9: after that line insert:



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1575/3
JK&MES:jld:pg

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17 department of revenue, amounts paid from a segregated account under s. 66.0602,
18 and recycling fee payments under s. 289.645; for the year before that year by less
19 than the sum of the inflation factor and the valuation factor, rounded to the nearest
20 0.10% plus 50% of the difference between the municipality’s allowable budget to be
21 eligible for a payment under this section, as determined in the prior year, and the
22 municipality’s adopted budget, as determined in the prior year.”.

23 **3.** Page 1406, line 9: after that line insert:

1 “(18c) EXPENDITURE RESTRAINT PROGRAM. The treatment of section 79.05 (2) (c)
2 of the statutes first applies to the eligibility for a payment in 2003.”

3 **(END)**