

State of Wisconsin



2003 Assembly Bill 611

Date of enactment: **November 21, 2003**

Date of publication*: **December 8, 2003**

2003 WISCONSIN ACT 84

AN ACT *to amend* 16.526 (5) (b), 16.527 (3) (b) 1., 16.527 (3) (b) 2., 16.527 (4) (e), 16.527 (10), 20.505 (1) (br) and 20.505 (1) (iq); *to repeal and recreate* 16.527 (2) (a); and *to create* 20.505 (1) (it) of the statutes; **relating to:** limitations on the amount of revenue obligations and appropriation obligations that may be contracted to pay the state's unfunded prior service liability under the Wisconsin Retirement System and the state's unfunded liability under the unused accumulated sick leave conversion credit and supplemental credit programs and making appropriations.

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

SECTION 1. 16.526 (5) (b) of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

16.526 (5) (b) Except as otherwise provided in this paragraph, the requirements for funds obtained to pay the state's anticipated unfunded prior service liability under s. 40.05 (2) (b) and funds used for the payment of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, that are to be paid from revenue obligations issued under this section, shall be determined by the secretary. The sum of revenue obligations issued under this section and appropriation obligations issued under s. 16.527, if any, excluding any appropriation obligations that have been defeased under a cash optimization program administered by the building commission and any appropriation obligations issued pursuant to s. 16.527 (3) (b) 3., shall not exceed ~~\$1,350,000,000~~ \$1,500,000,000.

SECTION 2. 16.527 (2) (a) of the statutes, as created by [2003 Wisconsin Act 33](#), is repealed and recreated to read:

16.527 (2) (a) "Appropriation obligation" means an undertaking by the state to repay a certain amount of borrowed money that is payable from all of the following:

1. Moneys annually appropriated by law for debt service due with respect to such undertaking in that year.
2. Proceeds of the sale of appropriation obligations described in sub. (3) (b) 3.
3. Payments received for that purpose under agreements and ancillary arrangements described in sub. (4) (e).
4. Investment earnings on amounts in subds. 1. to 3.

SECTION 3. 16.527 (3) (b) 1. of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

16.527 (3) (b) 1. Subject to the limitation under subd. 2., the department may contract appropriation obligations of the state under this section for the purpose of paying part or all of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40.

SECTION 4. 16.527 (3) (b) 2. of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

16.527 (3) (b) 2. The sum of appropriation obligations issued under this section, excluding any obligations

* Section 991.11, WISCONSIN STATUTES 2001-02 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

that have been defeased under a cash optimization program administered by the building commission and any obligations issued pursuant to subd. 3., and revenue obligations issued under s. 16.526, if any, may not exceed \$1,350,000,000 \$1,500,000,000.

SECTION 5. 16.527 (4) (e) of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

16.527 (4) (e) At the time of, or in anticipation of, contracting for the appropriation obligations and at any time thereafter so long as the appropriation obligations are outstanding, the department may enter into agreements and ancillary arrangements relating to the appropriation obligations, including trust indentures, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received pursuant to any such agreement or ancillary arrangement shall be made from or deposited ~~into a program revenue appropriation account in the general fund as provided in the agreement or ancillary arrangement.~~

SECTION 6. 16.527 (10) of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

16.527 (10) MORAL OBLIGATION PLEDGE. Recognizing its moral obligation to do so, the legislature expresses its expectation and aspiration that it shall make timely appropriations from moneys in the general fund that are sufficient to pay the principal and interest due with respect to any appropriation obligations in any year, to make payments of the state under agreements and ancillary arrangements entered into under sub. (4) (e), to make deposits into reserve funds created under sub. (3) (b) 3., and to pay related issuance or administrative expenses.

SECTION 7. 20.505 (1) (br) of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

20.505 (1) (br) *Appropriation obligations repayment.* The amounts in the schedule to pay debt service

costs due in the current fiscal year on appropriation obligations issued under s. 16.527, to make payments of the state under agreements and ancillary arrangements entered into under s. 16.527 (4) (e), to make deposits into reserve funds created under s. 16.527 (3) (b) 3., and to pay related issuance or administrative expenses.

SECTION 8. 20.505 (1) (iq) of the statutes, as created by [2003 Wisconsin Act 33](#), is amended to read:

20.505 (1) (iq) *Appropriation obligation proceeds.* All moneys received as ~~proceeds~~ from the sale of appropriation obligations that are issued under s. 16.527, and any earnings on such moneys and on any other moneys held for the purpose of this paragraph, to pay part or all of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as determined by the department of administration, and to provide for reserves and for expenses of issuance and administration of the appropriation obligations, and to pay interest on the appropriation obligations, the redemption price of refunded appropriation obligations and any related obligations incurred under agreements entered into under s. 16.527 (4) (e), as determined by the department of administration. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

SECTION 9. 20.505 (1) (it) of the statutes is created to read:

20.505 (1) (it) *Appropriation obligations; agreements and ancillary arrangements.* All moneys received from payments to the state under agreements and ancillary arrangements entered into in connection with appropriation obligations under s. 16.527 (4) (e) to pay debt service on the appropriation obligations and for the other purposes for which such agreements and ancillary arrangements were entered into, as determined by the department of administration.