

2003 SENATE JOINT RESOLUTION 76

July 27, 2004 – Introduced by COMMITTEE ON SENATE ORGANIZATION. Referred to Committee on Judiciary, Corrections and Privacy.

1 **To create** section 11 of article VIII of the constitution; **relating to:** limiting spending
2 by the state and certain local governmental units and requiring elector
3 approval to exceed the limits (first consideration).

Analysis by the Legislative Reference Bureau

This proposed constitutional amendment, proposed to the 2003 legislature on first consideration, requires elector approval to exceed the state or local spending limits established under the proposal.

The amendment creates a state general fund and a budget stabilization fund. The amendment provides that all unencumbered moneys in the state general fund, other than moneys in program revenue appropriation accounts created by law, must be transferred to the budget stabilization fund at the close of the odd-numbered fiscal year. In any fiscal year in which the balance in the budget stabilization fund is greater than three percent of the estimated general purpose revenue expenditures for that fiscal year, the excess moneys must be used for tax relief as provided by law.

A proposed constitutional amendment requires adoption by two successive legislatures, and ratification by the people, before it can become effective.

4 **SECTION 1.** Section 11 of article VIII of the constitution is created to read:
5 [Article VIII] Section 11 (1) In this section:

1 (a) 1. “Spending,” for the state, means all budgeted expenditures of the state,
2 except budgeted expenditures that are specifically excluded by the legislature by law
3 enacted after ratification of this paragraph.

4 2. “Spending,” for a local governmental unit, means all budgeted expenditures
5 of a local unit of government, except budgeted expenditures that are specifically
6 excluded by the legislature by law enacted after ratification of this paragraph.

7 (b) “General purpose revenues” means all moneys that are deposited into the
8 state general fund by law, other than any moneys credited to program revenue
9 appropriation accounts that are created by law.

10 (c) “Local governmental unit” means any city, village, town, county, school
11 district, or technical college district.

12 (2) This section first applies to the first fiscal year of the state or a local
13 governmental unit that begins after the ratification of this subsection.

14 (3) (a) Other than budgeted expenditures for tax credits and expenditures
15 funded from tuition revenue, the legislature may not exclude from spending for the
16 state any budgeted expenditure that is funded from revenue derived from a state tax,
17 fee, license, or charge for services imposed or authorized by statute or administrative
18 rule on individuals, other persons, or agencies not part of state government, or from
19 any interest derived from these revenues, unless, in 2003, the revenue was deposited
20 into a fund other than the general fund, transportation fund, conservation fund,
21 environmental fund, petroleum inspection fund, recycling fund, public benefits fund,
22 or universal service fund.

23 (b) Other than budgeted expenditures for the payment of principal and interest
24 on debt or the payment for tax incremental financing districts and expenditures
25 funded from tuition revenue, the legislature may not exclude from spending for a

1 local governmental unit any budgeted expenditure that is funded from revenue
2 derived from a tax, fee, license, or charge for services imposed or authorized by the
3 local governmental unit on individuals, other persons, or agencies not part of the
4 local governmental unit, or from any interest derived from these revenues, unless,
5 in 2003, the revenue was deposited into a fund other than the general fund of the local
6 governmental unit.

7 (4) (a) There is created a state general fund to consist of all moneys that are
8 required to be deposited into the fund by law.

9 (b) 1. There is created a state budget stabilization fund to consist of all moneys
10 that are transferred to the fund from the state general fund. At the close of each
11 odd-numbered fiscal year, all unencumbered general purpose revenues are
12 transferred to the budget stabilization fund. Except as provided in subd. 2. and
13 subject to sub. (5), moneys in the state budget stabilization fund may be spent for any
14 purpose.

15 2. If the balance in the state budget stabilization fund at the end of any fiscal
16 year exceeds 3 percent of the estimated general purpose revenue expenditures for
17 that fiscal year, the excess moneys shall be used in the following fiscal year for tax
18 relief as provided by law.

19 (5) (a) Total allowable spending by the state in a fiscal year equals the prior
20 fiscal year's total allowable spending by the state increased by 90 percent of the
21 estimated average annual percentage change in statewide Wisconsin personal
22 income calculated over the 3 previous years, as provided by law, if a positive number.
23 In the first fiscal year after ratification of this paragraph, total allowable spending
24 by the state equals the prior fiscal year's total spending by the state increased by 90
25 percent of the estimated average annual percentage change in statewide Wisconsin

1 personal income calculated over the 3 previous years, as provided by law, if a positive
2 number.

3 (b) Except as provided in par. (d), total allowable spending by each type of local
4 governmental unit in the aggregate in a fiscal year equals the prior fiscal year's total
5 allowable spending by that type of local governmental unit in the aggregate
6 increased by 90 percent of the estimated average annual percentage change in
7 statewide Wisconsin personal income calculated over the 3 previous years, as
8 provided by law, if a positive number. Except as provided in par. (d), in the first fiscal
9 year after ratification of this paragraph, total allowable spending by each type of
10 local governmental unit in the aggregate equals the prior fiscal year's total spending
11 by that type of local governmental unit in the aggregate increased by 90 percent of
12 the estimated average annual percentage change in statewide Wisconsin personal
13 income calculated over the 3 previous years, as provided by law, if a positive number.

14 (c) Except as provided in par. (d), total allowable spending by a local
15 governmental unit in a fiscal year equals the prior fiscal year's total allowable
16 spending by the local governmental unit increased by 90 percent of the estimated
17 average annual percentage change in statewide Wisconsin personal income
18 calculated over the 3 previous fiscal years, as provided by law, if a positive number.
19 Except as provided in par. (d), in the first fiscal year after ratification of this
20 paragraph, total allowable spending by a local governmental unit equals the prior
21 fiscal year's total spending by the local governmental unit increased by 90 percent
22 of the estimated average percentage change in statewide Wisconsin personal income
23 calculated over the 3 previous fiscal years, as provided by law, if a positive number.

24 (d) The legislature may provide for variation in total allowable spending by
25 local governmental units within each type of local governmental unit without

1 changing total allowable spending in the aggregate within that type of local
2 governmental unit. Any variations must be based, in whole or in part, on changes
3 for cities, villages, and towns, on new construction net of property removed; for
4 counties, on population; and for school districts and technical college districts, on
5 pupil enrollment.

6 (6) (a) Beginning on the first day that occurs after the ratification of this
7 subsection, the state must have elector approval in advance for exceeding the
8 spending limit under sub. (5) (a).

9 (b) Beginning on the first day that occurs after the ratification of this
10 subsection, a local governmental unit must have either elector approval in advance
11 or approval under par. (c) for exceeding the spending limit under sub. (5) (c) and (d).

12 (c) The legislature, by law, may permit towns having a population of fewer than
13 a specified number to exceed the spending limit under sub. (5) (c) and (d) if the annual
14 town meeting or a special town meeting adopts a resolution to that effect.

15 (d) Total allowable spending by the state under sub. (5) (a) is increased by any
16 amount approved by the electors under par. (a). Total allowable spending by all local
17 governmental units in the aggregate under sub. (5) (b) and (d) or by a local
18 governmental unit under sub. (5) (c) and (d) is increased by any amount approved by
19 the electors under par. (b) or any amount approved by a town meeting under par. (c).

20 **SECTION 2. Numbering of new provision.** The new section 11 of article VIII
21 of the constitution created in this joint resolution shall be designated by the next
22 higher open whole section number in that article if, before the ratification by the
23 people of the amendment proposed in this joint resolution, any other ratified
24 amendment has created a section 11 of article VIII of the constitution of this state.
25 If one or more joint resolutions create a section 11 of article VIII simultaneously with

1 the ratification by the people of the amendment proposed in this joint resolution, the
2 sections created shall be numbered and placed in a sequence so that the sections
3 created by the joint resolution having the lowest enrolled joint resolution number
4 have the numbers designated in that joint resolution and the sections created by the
5 other joint resolutions have numbers that are in the same ascending order as are the
6 numbers of the enrolled joint resolutions creating the sections.

7 ***Be it further resolved, That*** this proposed amendment be referred to the
8 legislature to be chosen at the next general election and that it be published for 3
9 months previous to the time of holding such election.

10 (END)