

**BILL HISTORY FOR ASSEMBLY BILL 611 (LRB -3399 )**

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. (FE)

2003

- 10-27. A. Introduced by Representatives **Gard** and **Kaufert**; cosponsored by Senators **Panzer** and **Darling**.
- 10-27. A. Read first time and referred to joint committee on Finance ..... 460
- 10-27. A. Fiscal estimate received.
- 10-28. A. Executive action taken.
- 10-28. A. Assembly amendment 1 offered by joint committee on Finance (**LRB a1536**) ..... 468
- 10-30. A. Report Assembly Amendment 1 adoption recommended by joint committee on Finance, Ayes 15, Noes 0 ..... 473
- 10-30. A. Report passage as amended recommended by joint committee on Finance, Ayes 15, Noes 0 ..... 473
- 10-30. A. Referred to committee on Rules ..... 473
- 11-06. A. Placed on calendar 11-12-2003 by committee on Rules.
- 11-12. A. Read a second time ..... 529
- 11-12. A. Assembly amendment 1 **adopted** ..... 529
- 11-12. A. Ordered to a third reading ..... 529
- 11-12. A. Rules suspended ..... 530
- 11-12. A. Read a third time and **passed**, Ayes 96, Noes 0 ..... 530
- 11-12. A. Ordered immediately messaged ..... 530
- 11-13. S. Received from Assembly.
- 11-13. S. Read first time and referred to committee on Senate Organization.
- 11-13. S. Rules suspended to withdraw from committee on Senate Organization and take up.
- 11-13. S. Read a second time.
- 11-13. S. Ordered to a third reading.
- 11-13. S. Rules suspended.
- 11-13. S. Read a third time and **concurred in**, Ayes 32, Noes 0.
- 11-13. S. Ordered immediately messaged.
- 11-17. A. Received from Senate concurred in.

2003  
ENROLLED BILL

03en AB-611

ADOPTED DOCUMENTS:

Orig     Engr     SubAmdt

03- 3399, 6

Amendments to above (if none, write "NONE"): AA1

Corrections - show date (if none, write "NONE"): None

Topic limits the amount of revenue obligations and appropriation obligations permitted to pay state's unfunded ~~and~~ <sup>and</sup> ~~social~~ liability for employee benefits  
Date 11/17/03    Enrolling Drafter Rita / [Signature]

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## 2003 ASSEMBLY BILL 611

October 27, 2003 – Introduced by Representatives GARD and KAUFERT, cosponsored by Senators PANZER and DARLING. Referred to Joint Committee on Finance.

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

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### *Analysis by the Legislative Reference Bureau*

Current law provides that the Building Commission may contract revenue obligations and the Department of Administration may contract appropriations obligations in an amount not to exceed \$1,350,000,000 to pay the state's unfunded prior service liability under the Wisconsin Retirement System and to pay the state's unfunded liability under the unused accumulated sick leave conversion credit and supplemental credit programs. This bill increases that amount to \$1,500,000,000. In addition, the bill makes several technical changes to the appropriations obligations program.

**ASSEMBLY BILL 611**

For further information see the *state* 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.** 16.526 (5) (b) of the statutes, as created by 2003 Wisconsin Act 33,  
2 is amended to read:

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

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

16           16.527 (2) (a) "Appropriation obligation" means an undertaking by the state  
17 to repay a certain amount of borrowed money that is payable from all of the following:

18           1. Moneys annually appropriated by law for debt service due with respect to  
19 such undertaking in that year.

20           2. Proceeds of the sale of appropriation obligations described in sub. (3) (b) 3.

**ASSEMBLY BILL 611**

1           3. Payments received for that purpose under agreements and ancillary  
2 arrangements described in sub. (4) (e).

3           4. Investment earnings on amounts in subds. 1. to 3.

4           **SECTION 3.** 16.527 (3) (b) 1. of the statutes, as created by 2003 Wisconsin Act  
5 33, is amended to read:

6           16.527 (3) (b) 1. Subject to the limitation under subd. 2., the department may  
7 contract appropriation obligations of the state under this section for the purpose of  
8 paying part or all of the state's unfunded prior service liability under s. 40.05 (2) (b)  
9 and the state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX  
10 of ch. 40.

11           **SECTION 4.** 16.527 (3) (b) 2. of the statutes, as created by 2003 Wisconsin Act  
12 33, is amended to read:

13           16.527 (3) (b) 2. The sum of appropriation obligations issued under this section,  
14 excluding any obligations that have been defeased under a cash optimization  
15 program administered by the building commission and any obligations issued  
16 pursuant to subd. 3., and revenue obligations issued under s. 16.526, if any, may not  
17 exceed ~~\$1,350,000,000~~ \$1,500,000,000.

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

20           16.527 (4) (e) At the time of, or in anticipation of, contracting for the  
21 appropriation obligations and at any time thereafter so long as the appropriation  
22 obligations are outstanding, the department may enter into agreements and  
23 ancillary arrangements relating to the appropriation obligations, including trust  
24 indentures, liquidity facilities, remarketing or dealer agreements, letter of credit  
25 agreements, insurance policies, guaranty agreements, reimbursement agreements,

**ASSEMBLY BILL 611**

1 indexing agreements, or interest exchange agreements. Any payments made or  
2 received pursuant to any such agreement or ancillary arrangement shall be made  
3 from or deposited into a program revenue appropriation account in the general fund  
4 as provided in the agreement or ancillary arrangement.

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

7 16.527 (10) MORAL OBLIGATION PLEDGE. Recognizing its moral obligation to do  
8 so, the legislature expresses its expectation and aspiration that it shall make timely  
9 appropriations from moneys in the general fund that are sufficient to pay the  
10 principal and interest due with respect to any appropriation obligations in any year,  
11 to make payments of the state under agreements and ancillary arrangements  
12 entered into under sub. (4) (e), to make deposits into reserve funds created under sub.  
13 (3) (b) 3., and to pay related issuance or administrative expenses.

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

16 20.505 (1) (br) *Appropriation obligations repayment.* The amounts in the  
17 schedule to pay debt service costs due in the current fiscal year on appropriation  
18 obligations issued under s. 16.527, to make payments of the state under agreements  
19 and ancillary arrangements entered into under s. 16.527 (4) (e), to make deposits into  
20 reserve funds created under s. 16.527 (3) (b) 3., and to pay related issuance or  
21 administrative expenses.

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

24 20.505 (1) (iq) *Appropriation obligation proceeds.* All As a continuing  
25 appropriation, all moneys received as proceeds from appropriation obligations that

4-24 ✓ AA1

ASSEMBLY BILL 611

AA ✓ ✓  
Such moneys  
KJF

1 are issued under s. 16.527, and any earnings on the proceeds and on any other  
2 moneys held for the purpose of this paragraph, to pay part or all of the state's  
3 unfunded prior service liability under s. 40.05 (2) (b) and the state's unfunded  
4 liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as determined  
5 by the department of administration, and to provide for reserves and for expenses  
6 of issuance and administration of the appropriation obligations, and to pay interest  
7 on the appropriation obligations, the redemption price of refunded appropriation  
8 obligations and any related obligations incurred under agreements entered into  
9 under s. 16.527 (4) (e), as determined by the department of administration.  
10 Estimated disbursements under this paragraph shall not be included in the schedule  
11 under s. 20.005.

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

13 20.505 (1) (it) *Appropriation obligations; agreements and ancillary*  
14 *arrangements.* ~~As a continuing appropriation, all moneys received as payments to~~ *from*  
15 the state under agreements and ancillary arrangements entered into in connection  
16 with appropriation obligations under s. 16.527 (4) (e) to pay debt service on the  
17 appropriation obligations and for the other purposes for which such agreements and  
18 ancillary arrangements were entered into, as determined by the department of  
19 administration.

AA-1

20 (END)

**ASSEMBLY AMENDMENT 1,  
TO 2003 ASSEMBLY BILL 611**

October 28, 2003 – Offered by JOINT COMMITTEE ON FINANCE.

4-24

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

2 ✓ 1. Page 4, line 24: delete the material beginning with "All" and ending with  
3 "from" on line 25 and substitute "All moneys received as proceeds from the sale of".

4 ✓ 2. Page 5, line 1: delete "the proceeds" and substitute "such moneys".

5 ✓ 3. Page 5, line 14: delete "As a continuing appropriation, all moneys received  
6 as" and substitute "All moneys received from".

7 (END)