

2005 ASSEMBLY BILL 921

January 17, 2006 – Introduced by Representatives J. FITZGERALD, SHILLING and TOWNS, cosponsored by Senators ROESSLER, RISSER and ZIEN. Referred to Committee on State Affairs.

1 **AN ACT** *to repeal* 61.187 (2) (b); and *to amend* 13.48 (10) (a), 13.48 (29), 16.855
2 (1), 16.855 (2) (intro.), 16.855 (14) (a), 16.855 (16) (b) 2., 16.855 (22), 16.87 (3),
3 20.924 (1) (intro.), 61.187 (2) (a) and 61.187 (2) (c) of the statutes; **relating to:**
4 approval of state building projects and contracts and use of bidding procedures
5 on such contracts and the allocation of village assets and liabilities upon
6 dissolution.

Analysis by the Legislative Reference Bureau

This bill makes changes to laws governing state building projects. The changes include:

1. Currently, with limited exceptions, no state board, agency, officer, department, commission, or authority may enter into a contract for the construction, reconstruction, remodeling of, or addition to any building, structure, or facility that involves a cost of more than \$100,000 without completion of final plans and arrangement for supervision of construction and prior approval by the Building Commission. The commission may authorize simplified procedures to be used in lieu of statutorily prescribed procedures in awarding contracts for projects having an estimated cost of \$100,000 or less. This bill increases the threshold for which projects require review and approval by the commission, and for which simplified procedures may be used, to projects having a cost of not more than \$150,000.

2. Currently, the Department of Administration (DOA) must let by contract to the lowest responsible bidder all construction work whenever the estimated cost of

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construction for a project exceeds \$30,000. This bill increases the threshold for which bids on contracts must be publicly solicited to projects on which construction is estimated to cost more than \$40,000.

3. Currently, in emergency situations, the governor may authorize repairs and construction of a building, structure, or facility costing not more than \$250,000 without the approval of the Building Commission. This bill increases to not more than \$500,000 the threshold for which the governor may authorize repairs and construction in emergency situations of buildings, structures, or facilities and permits the governor to delegate to the secretary of administration the power to exercise this authority. The bill also defines “emergency” to mean any natural or human-caused situation that results or may result in substantial injury or harm to the population or substantial damage to or loss of property. Currently, the term “emergency” is undefined.

4. Currently, contracts and change orders to construction contracts involving an expenditure of more than \$60,000 require the approval of the governor. This bill permits the governor to delegate this approval authority for any contract or change order involving an expenditure of less than \$150,000, except with respect to construction contracts for environmental remediation work, to the secretary of administration or the secretary’s designee.

The bill also changes the method of allocation of village assets and liabilities upon dissolution of a village. Under current law, the electors of a village may vote at an election to dissolve the village. To dissolve, at least a two-thirds majority of ballots cast at such an election must be in favor of dissolution. Within six months of a vote to dissolve the village, the village board (board) must dispose of the village property and settle all just claims against the village. If any assets or property are left after settling the village’s debts, the board may determine what to do with the remaining assets or property. If the village’s debts exceed its assets, the board may levy a tax to cover the deficiency. The village territory then reverts back to, and becomes part of, the town or towns from which it was taken or on which it is then located.

This bill repeals the current method for disposing of the village property, settling claims, levying taxes, and allocating the village’s assets and debts. Under this bill, following a vote to dissolve the village, all assets and liabilities of the village are assigned to the town or towns to which the village territory reverts, based on a currently existing statute that governs the allocation of assets and liabilities of local governmental units, including cities, villages, towns, and school districts, whose territory is transferred from one local governmental unit to another. Also under this bill, if the town or towns from which all of the village territory was taken no longer exists, the village may not dissolve.

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:

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1 **SECTION 1.** 13.48 (10) (a) of the statutes is amended to read:

2 13.48 **(10)** (a) No state board, agency, officer, department, commission or body
3 corporate may enter into a contract for the construction, reconstruction, remodeling
4 of or addition to any building, structure, or facility, in connection with any building
5 project which involves a cost in excess of \$100,000, \$150,000 without completion of
6 final plans and arrangement for supervision of construction and prior approval by
7 the building commission. The building commission may not approve a contract for
8 the construction, reconstruction, renovation or remodeling of or an addition to a state
9 building as defined in s. 44.51 (2) unless it determines that s. 44.57 has been complied
10 with or does not apply. This section applies to the department of transportation only
11 in respect to buildings, structures and facilities to be used for administrative or
12 operating functions, including buildings, land and equipment to be used for the
13 motor vehicle emission inspection and maintenance program under s. 110.20.

14 **SECTION 2.** 13.48 (29) of the statutes is amended to read:

15 13.48 **(29)** SMALL PROJECTS. Except as otherwise required under s. 16.855
16 (10m), the building commission may prescribe simplified policies and procedures to
17 be used in lieu of the procedures provided in s. 16.855 for any project ~~the estimated~~
18 ~~construction cost of which does not exceed \$100,000~~ that does not require prior
19 approval of the building commission under sub. (10) (a).

20 **SECTION 3.** 16.855 (1) of the statutes is amended to read:

21 16.855 **(1)** The department shall let by contract to the lowest qualified
22 responsible bidder all construction work when the estimated construction cost of the
23 project exceeds ~~\$30,000~~ \$40,000, except for construction work authorized under s.
24 16.858 and except as provided in sub. (10m) or s. 13.48 (19). If a bidder is not a
25 Wisconsin firm and the department determines that the state, foreign nation or

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1 subdivision thereof in which the bidder is domiciled grants a preference to bidders
2 domiciled in that state, nation or subdivision in making governmental purchases,
3 the department shall give a preference over that bidder to Wisconsin firms, if any,
4 when awarding the contract, in the absence of compelling reasons to the contrary.
5 The department may enter into agreements with states, foreign nations and
6 subdivisions thereof for the purpose of implementing this subsection.

7 **SECTION 4.** 16.855 (2) (intro.) of the statutes is amended to read:

8 16.855 (2) (intro.) Except for projects authorized under s. 16.858, whenever the
9 estimated construction cost of a project exceeds \$30,000 \$40,000, or if less and in the
10 best interest of the state, the department shall:

11 **SECTION 5.** 16.855 (14) (a) of the statutes is amended to read:

12 16.855 (14) (a) ~~If the estimated construction cost of a project exceeds \$100,000~~
13 requires prior approval of the building commission under s. 13.48 (10) (a) and bids
14 are required to be solicited under sub. (2), the department shall take both single bids
15 and separate bids on any division of the work that it designates. ~~If the estimated~~
16 ~~construction cost of a project does not exceed \$100,000~~ require prior approval of the
17 building commission under s. 13.48 (10) (a) and bids are required to be solicited under
18 sub. (2), the department may take single bids or separate bids on any division of the
19 work that it designates. If the department awards contracts by the division of work,
20 the department shall award the contracts according to the division of work selected
21 for bidding. Except as provided in sub. (10m) (a), the department shall award all
22 contracts to the lowest qualified responsible bidder or bidders that result in the
23 lowest total construction cost for the project.

24 **SECTION 6.** 16.855 (16) (b) 2. of the statutes is amended to read:

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1 16.855 **(16)** (b) 2. In emergency situations, the governor may approve repairs
2 and construction of a building, structure, or facility in lieu of building commission
3 approval under s. 13.48 (10), and for such purposes, may authorize the expenditure
4 of up to ~~\$250,000~~ \$500,000 from the state building trust fund or from other available
5 moneys appropriated to an agency derived from any revenue source. The governor
6 may delegate to the secretary the authority to grant approvals under this
7 subdivision. The governor shall report any such authorization to the building
8 commission at its next regular meeting following the authorization. In this
9 subdivision, “emergency” means any natural or human-caused situation that
10 results in or may result in substantial injury or harm to the population or substantial
11 damage to or loss of property.

12 **SECTION 7.** 16.855 (22) of the statutes is amended to read:

13 16.855 **(22)** The provisions of this section, except sub. (10m), do not apply to
14 construction work for any project ~~the estimated construction cost of which does not~~
15 ~~exceed \$100,000~~ that does not require the prior approval of the building commission
16 under s. 13.48 (10) (a) if the project is constructed in accordance with policies and
17 procedures prescribed by the building commission under s. 13.48 (29). If the
18 estimated construction cost of any project is at least \$30,000 \$40,000, and the
19 building commission elects to utilize the procedures prescribed under s. 13.48 (29)
20 to construct the project, the department shall provide adequate public notice of the
21 project and the procedures to be utilized to construct the project on a publicly
22 accessible computer site.

23 **SECTION 8.** 16.87 (3) of the statutes is amended to read:

24 16.87 **(3)** Except as provided in sub. (4), a contract under sub. (2) is not valid
25 or effectual for any purpose until it is endorsed in writing and approved by the

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1 secretary or the secretary's designated assistant and, if the contract involves an
2 expenditure over \$60,000, approved by the governor. The governor may delegate the
3 authority to approve any contract requiring his or her approval under this subsection
4 that involves an expenditure of less than \$150,000 to the secretary or the secretary's
5 designee. Except as provided in sub. (4), no payment or compensation for work done
6 under any contract involving \$2,500 or more, except a highway contract, may be
7 made unless the written claim is audited and approved by the secretary or the
8 secretary's designee. Any change order to a contract requiring approval under this
9 subsection requires the prior approval by the secretary or the secretary's designated
10 assistant and, if the change order involves an expenditure over \$60,000, the approval
11 of the governor or, if the governor delegates his or her authority to approve contracts
12 under this subsection and the change order involves an expenditure of less than
13 \$150,000, the approval of the secretary or the secretary's designee.

14 **SECTION 9.** 20.924 (1) (intro.) of the statutes is amended to read:

15 20.924 (1) (intro.) In Except as provided in sub. (3), in supervising and
16 authorizing the implementation of the state building program under the
17 appropriation authority of s. 20.867, the building commission:

18 **SECTION 10.** 61.187 (2) (a) of the statutes is amended to read:

19 61.187 (2) (a) ~~If~~ Subject to par. (c), if two-thirds of the ballots cast at the election
20 under sub. (1) are in favor of dissolution, the village shall, at the expiration of 6
21 months from the date of the election, cease to be a village.

22 **SECTION 11.** 61.187 (2) (b) of the statutes is repealed.

23 **SECTION 12.** 61.187 (2) (c) of the statutes is amended to read:

24 61.187 (2) (c) The territory included within the village at the time of its
25 dissolution shall revert to and become a part of the town or towns from which it was

