



2005 SENATE BILL 716

April 28, 2006 - Introduced by Senators HARSDORF and BROWN. Referred to Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform.

- 1 **AN ACT** *to repeal and recreate* 13.40 of the statutes; **relating to:** limitation on
2 state appropriations from general purpose revenue.

Analysis by the Legislative Reference Bureau

Current law limits the aggregate amount of general purpose revenue (GPR) that may be appropriated in any fiscal biennium. The limit is calculated in the following way: First, a base year amount is established that equals the amount of GPR appropriated in the second year of the prior fiscal biennium. For the new fiscal biennium, the base year amount is multiplied by the sum of 1.0 and the annual percentage change in state aggregate personal income for the calendar year that begins on the January 1 that precedes the first year of the fiscal biennium. Then this amount is multiplied by the sum of 1.0 and the annual percentage change in state aggregate personal income for the calendar year that begins on the January 1 that precedes the second year of the fiscal biennium. The sum of these two amounts is the aggregate amount of GPR that may be appropriated during the fiscal biennium.

However, certain GPR appropriations are currently excluded from the limit. These are appropriations for debt service or operating notes; appropriations to honor a moral obligation pledge that the state has taken with respect to certain revenue bonds; appropriations to refund certain earnings to the federal government relating to state bond issues; an appropriation for legal expenses and the costs of judgments, orders, and settlements of actions and appeals incurred by the state; an appropriation to make a payment for tax relief; an appropriation to make a transfer from the general fund to the budget stabilization fund; and any appropriation contained in a bill that is enacted with approval of at least two-thirds of the members

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of each house of the legislature; and any appropriation to the Higher Educational Aids Board (HEAB), the Department of Public Instruction (DPI), and the Board of Regents of the University of Wisconsin (UW) System.

This bill eliminates the exclusions for appropriations to HEAB, DPI, and the Board of Regents of the UW System.

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:

1 **SECTION 1.** 13.40 of the statutes is repealed and recreated to read:

2 **13.40 Limitation on state appropriations from general purpose**
3 **revenue. (1)** In this section:

4 (a) "Fiscal biennium" means a 2-year period beginning on July 1 of an
5 odd-numbered year.

6 (b) "General purpose revenue" has the meaning given for "general purpose
7 revenues" in s. 20.001 (2) (a).

8 **(2)** Except as provided in sub. (3), the amount appropriated from general
9 purpose revenue for each fiscal biennium, excluding any amount under an
10 appropriation specified in sub. (3), as determined under sub. (4), may not exceed the
11 sum of:

12 (a) The amount appropriated from general purpose revenue, excluding any
13 amount under an appropriation specified in sub. (3), for the 2nd fiscal year of the
14 prior fiscal biennium as determined under sub. (4), multiplied by the sum of 1.0 and
15 the annual percentage change in this state's aggregate personal income, expressed
16 as a decimal, for the calendar year that begins on the January 1 that immediately
17 precedes the first year of the fiscal biennium, as estimated by the legislative fiscal

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1 bureau in consultation with department of revenue no later than November 20 of
2 each even-numbered year.

3 (b) The amount determined under par. (a) multiplied by the sum of 1.0 and the
4 annual percentage change in this state's aggregate personal income, expressed as a
5 decimal, for the calendar year that begins on the January 1 that immediately
6 precedes the 2nd year of the fiscal biennium, as estimated by the legislative fiscal
7 bureau in consultation with department of revenue no later than November 20 of
8 each even-numbered year.

9 **(3)** The limitation under sub. (2) does not apply to any of the following:

10 (a) An appropriation for principal repayment and interest payments on public
11 debt, as defined in s. 18.01 (4), or operating notes, as defined in s. 18.71 (4).

12 (b) An appropriation to honor a moral obligation undertaken pursuant to ss.
13 16.526 (8), 16.527 (10), 18.61 (5), 85.25 (5), 101.143 (9m) (i), 229.50 (7), 229.74 (7),
14 229.830 (7), 234.15 (4), 234.42 (4), 234.54 (4) (b), 234.626 (7), 234.93 (6), 234.932 (6),
15 234.933 (6), and 281.59 (13m).

16 (c) An appropriation to make a payment to the United States that the building
17 commission determines to be payable under s. 13.488 (1) (m).

18 (d) An appropriation contained in a bill that is enacted with approval of at least
19 two-thirds of the members of each house of the legislature.

20 (e) An appropriation for legal expenses and the costs of judgments, orders, and
21 settlements of actions and appeals incurred by the state.

22 (f) An appropriation to make a payment for tax relief under s. 20.835 (2).

23 (g) An appropriation to make a transfer from the general fund to the budget
24 stabilization fund under s. 20.875 (1) (a).

