



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2009 Assembly Bill 403**

**Assembly Substitute  
Amendment 1**

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*Contact:* Melissa Schmidt, Staff Attorney (266-2298)

Under current law, any local governmental unit (cities, villages, towns, counties, school districts, etc.) may insure its property through the local governmental property insurance fund (hereinafter the “property fund”), which is created by Wisconsin Statutes. The fund is administered by the Office of the Commissioner of Insurance (OCI), with the Commissioner of Insurance (hereinafter “the Commissioner”) acting as the funds manager.

### **2009 Assembly Bill 403**

The bill directs the Commissioner to reduce a local governmental unit’s premium due on or after October 1, 2009, but before September 1, 2010 if the property was insured in the fund during the 2008 calendar year. The Commissioner is directed to reduce the premium due by one of the following amounts, whichever is less:

- The premium amount that was paid by the local governmental unit to the property fund for the property during the 2008 calendar year.
- The premium amount due for the property on or after October 1, 2009, but before September 1, 2010, which is to be paid by the local governmental unit to the property fund.

### **2009 Assembly Substitute Amendment 1**

*Assembly Substitute Amendment 1* (ASA 1) makes the following changes to the bill:

- The Commissioner is directed to declare a one-time dividend, within four months after the effective date of the bill, totaling \$12,000,000, apportioned between all of the governmental units that had property insured in the fund as of September 1, 2009.

- The amount of the dividend paid to each local governmental unit is based on the amount of premiums that the governmental unit paid over the last five fiscal years, relative to the total amount of premiums paid during the last five fiscal years.
- The Commissioner is directed to pay the dividend by reducing the amount in the next premium payable by the local governmental unit.

**Legislative History**

Representative Barca offered ASA 1 on November 2, 2009. On November 3, 2009, the Assembly Committee on Urban and Local Affairs voted to recommend adoption of ASA 1 by a vote of Ayes, 9; Noes, 0. The committee recommended passage of 2009 Assembly Bill 403, as amended, by a vote of Ayes, 9; Noes, 0.

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