

2011 DRAFTING REQUEST

Senate Joint Resolution

Received: **04/26/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Frank Lasee (608) 266-3512**

By/Representing: **jon**

May Contact:

Drafter: **jkreye**

Subject: **Constitutional Amendments**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lasee@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Fiscal year allowable revenues; taxpayer protection act

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 04/26/2011	csicilia 04/29/2011		_____			
/P1			rschluet 05/02/2011	_____	sbasford 05/02/2011		
/1	jkreye 05/04/2011	csicilia 05/04/2011	phenry 05/04/2011	_____	mbarman 05/04/2011	ggodwin 10/24/2011	

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/P1			rschluet 05/02/2011	_____	sbasford 05/02/2011		
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/?	jkreye 04/26/2011	csicilia 04/29/2011	5/4	_____			
/P1		1 gjs 5/4 11	rschluet 05/02/2011 ph	_____	sbasford 05/02/2011		

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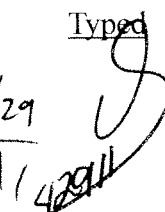
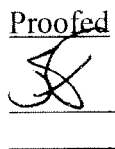
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1/?	jkreye	1 - js 4/29					

FE Sent For:

<END>

Kreye, Joseph

From: Kruse, Jon
Sent: Monday, April 25, 2011 4:57 PM
To: Kreye, Joseph
Subject: Taxpayer Protection Act

Dear Joseph,

The Senator would like to have Assembly Substitute Amendment 3 to AJR 77 from 2005-2006 re-drafted.

LRBs0732/1
JK:jld&wlj:rs

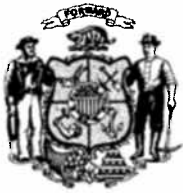
I will call you on Tuesday to follow up.

Best Regards,

Jon Kruse
Chief of Staff
Office of Senator Frank Lasee

phone: 608-266-3512
jon.kruse@legis.wisconsin.gov

4/26/2011



Handwritten initials: P1, JK:|..., PMWR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
2011 SENATE JOINT RESOLUTION

in Tuesday 4-26

D-N

Gen Cat

due Monday May 2

1

Relating to: (???)

INSERT A

Analysis by the Legislative Reference Bureau

This proposed constitutional amendment, proposed to the 2011 legislature on first consideration, provides that the state, or a school district, technical college district, or other local governmental unit that collects revenue, excluding a town that has less than \$1,000,000 in allowable revenue, may not collect more in allowable revenue in any fiscal year than the amount of its allowable revenue in the previous fiscal year, increased by the lesser of the average percentage increase for the three most recent years available in the consumer price index for Milwaukee-Racine or the average percentage increase in state personal income for the three most recent years available, plus:

From the previous year

1. For the state, the estimated percentage increase, if any, in state population.
2. For school districts, the annual percentage increase, if any, in student enrollment, averaged over the previous three years.
3. For technical college districts and all other local governmental units, the percentage increase, if any, from the previous year in taxable property values attributable to new construction, less the value of any taxable property removed or demolished in that district or governmental unit.

Under the proposed constitutional amendment, revenues collected in excess of allowable revenue are returned to taxpayers in the next fiscal year or, in the case of the state, deposited into a budget stabilization fund. The legislature may spend from the budget stabilization fund only to provide tax relief, for certain emergency events, or in any fiscal year in which the amount of allowable revenue is greater than the

amount of collected revenue. The state or any local governmental unit may increase its allowable revenue, incur debt service by an amount that exceeds seven percent of allowable revenue, or exclude any tax, fee, or charge from allowable revenue only with the approval of the electorate at a referendum.

Under the proposed constitutional amendment, a local governmental unit may exempt itself from any new mandate imposed by the state that is not fully funded by the state or from any mandate for which the state reduces the percentage of the costs the state pays for the mandate.

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

Resolved by the senate, the assembly concurring, That:

1

2

(END)

INSERT
B

**ASSEMBLY SUBSTITUTE AMENDMENT 3,
TO 2005 ASSEMBLY JOINT RESOLUTION 77**

April 27, 2006 - Offered by Representatives F. LASEE, BIES, VUKMIR, NASS and
SUDER.

INSERT A

1 **To create** section 11 of article VIII of the constitution; **relating to:** creating fiscal
2 year allowable revenues for the state and local governmental units, returning
3 excess revenue to the taxpayers, requiring electoral approval for certain taxing
4 and spending decisions, and allowing local governmental units to exempt
5 themselves from certain state mandates (first consideration).

6 **Resolved by the assembly, the senate concurring, That:**

7 **SECTION 1.** Section 11 of article VIII of the constitution is created to read:

8 [Article VIII] Section 11 (1) In this section:

9 (a) "Economic development bond" means a bond issued to finance real property
10 improvements that are directly related to economic development.

11 (b) "Inflation-income factor" means the lesser of the average percentage
12 increase, if any, for the 3 most recent years available in the consumer price index for

INSERT
B

INSERT B!

1 Milwaukee-Racine, or its successor index, or the average percentage increase, if any,
2 in state personal income for the 3 most recent years available.

3 (c) "Revenue" means all moneys, except enterprise funds, bonding revenue,
4 moneys used for debt service on a minimum 80 percent self-funding economic
5 development bond, moneys received for the operation of sanitary sewers or a
6 telephone, gas, electric, or water utility, or nongovernmental moneys received for
7 medical care provided by hospitals, nursing homes, assisted living facilities, or other
8 medical facilities operated by any entity subject to this section, moneys received from
9 the federal government, gifts, damage awards, real or personal property sales,
10 unemployment insurance taxes, insurance premiums, employee payments for fringe
11 benefits, governmental property insurance, investment trusts, private purpose
12 trusts, college savings programs, or ~~from~~ tuition or fees paid by or on behalf of
13 students to support university or technical college functions.

that begins at least

14 (2) Beginning with the first fiscal year 180 days after ratification of this section,
15 the state, or a school district, technical college district, or other local governmental
16 unit that collects revenue, excluding a town that has less than \$1,000,000 in
17 allowable revenue, may not collect more in allowable revenue in any fiscal year than
18 the amount of its allowable revenue in the previous year, increased by the
19 inflation-income factor, plus:

From the previous year

20 (a) For the state, the estimated percentage of ~~any~~ increase in state population,
21 adjusted by the decennial census and corrected over a 3-year period as provided by
22 law.

23 (b) For school districts, the annual percentage increase in student enrollment,
24 if any, averaged over the previous 3 years available.



Insert:
B:2

1 (c) For technical college districts and all other local governmental units, as
2 applied to revenues not provided by the state, the percentage increase, if any, from
3 the previous year in taxable property values attributable to new construction, less
4 the value of any taxable property removed or demolished, in that ^{district or} governmental unit.

5 (3) If the state increases any category of state aid to local governmental units
6 or the university by less than the inflation-income factor, the state's allowable
7 revenue shall be reduced by that amount. = University of Wisconsin = System

8 (4) (a) Revenues collected in excess of allowable revenue shall be returned to
9 the taxpayers in the next fiscal year or, in the case of the state, deposited into a budget
10 stabilization fund, not to exceed 7 percent of that fiscal year's allowable revenue.

11 (b) The legislature by law may spend from the budget stabilization fund only
12 to provide tax relief, for an emergency event that causes real and personal property
13 damage exceeding 1.5 percent of allowable revenue or death, grave bodily harm, or
14 imminent threat of death or grave bodily harm to at least 0.1 percent of the state's
15 population, or in any fiscal year in which the amount of allowable revenue is greater
16 than the amount of collected revenue, but not to exceed allowable revenues.

17 (6) The legislature by law shall provide for revenue neutral adjustments to
18 allowable revenues to accommodate the transfer of services between and among
19 governmental units, including such transfers that occur as a result of annexation.

20 (7) Allowable revenues under this section may be reduced by law, ordinance,
21 or resolution, as appropriate, or by initiative and elector approval at a referendum.

22 (8) The state or any local governmental unit may do any of the following only
23 with the approval of the electorate at a referendum:

24 (a) Increase allowable revenue under this section. The ballot question shall
25 express the proposed excess as a dollar amount and as a percentage increase

Exceed



INSERT
B:3

proposed

EXCESS

1 compared with allowable revenues^e and shall indicate whether the excess is recurring
2 or nonrecurring.

3 (b) Incur debt service by an amount that exceeds 7 percent of allowable
4 revenue. The ballot question shall express the proposed increase as a dollar amount
5 and as a percentage of allowable revenues^e and shall indicate the time period for
6 which the debt service shall exceed 7 percent of allowable revenue.

7 (c) Exclude any tax, fee, or charge from allowable revenue. The ballot question
8 shall express the tax, fee, or charge as a dollar amount, as a percentage of allowable
9 revenues^e and as estimated revenues for each of the next 3 years and shall indicate
10 the purpose.

11 (9) A local governmental unit may exempt itself from any new mandate
12 imposed by the state that is not fully funded by the state or from any mandate for
13 which the state reduces the percentage of the costs the state pays for the mandate.

14 (10) Any resident or any person who pays income or property taxes to this state
15 or to any local governmental unit, may bring a suit to enforce this section.

SECTION 2. Numbering of new provision. The new section 11 of article VIII
of the constitution created in this joint resolution shall be designated by the next
higher open whole section number in that article if, before the ratification by the
people of the amendment proposed in this joint resolution, any other ratified
amendment has created a section 11 of article VIII of the constitution of this state.
If one or more joint resolutions create a section 11 of article VIII simultaneously with
the ratification by the people of the amendment proposed in this joint resolution, the
sections created shall be numbered and placed in a sequence so that the sections
created by the joint resolution having the lowest enrolled joint resolution number
have the numbers designated in that joint resolution and the sections created by the

INS X



Insert B-4

1 other joint resolutions have numbers that are in the same ascending order as are the
2 numbers of the enrolled joint resolutions creating the sections.

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

<END INSCR B>

6

(END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1984/P1insCJS

.....

INS X

~~SECTION 1. Numbering of new provision.~~

no 9

If another constitutional amendment ratified by the people creates the number of any provision created in this joint resolution, the chief of the legislative reference bureau shall determine the sequencing and the numbering of the provisions whose numbers conflict.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1984/?dn

JK:f/...

gs

- date -

Senator Lasee:

Please review this draft carefully to ensure that it is consistent with your intent. The term "allowable revenues" is used throughout the proposed amendment, but is not defined. Consequently, the primary method for how the amendment works is not explicit and subject to interpretation.

The term "enterprise funds" is also not defined, but it is my understanding that, for governmental accounting purposes, the term refers to funds that are used to provide goods or services to the public for a fee, thereby making the entity providing the goods or services self-supporting (such as a government-owned utility). If this meaning is consistent with your intent then it is probably OK that the term is not defined in the amendment.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

911

With regard to state funding for the university, I changed that provision to the University of Wisconsin System. Is that consistent with your intent?

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1984/P1dn

JK:cjs:rs

May 2, 2011

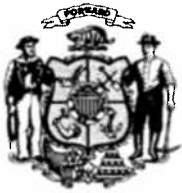
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Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



T stays RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2011 SENATE JOINT RESOLUTION

in used 5-3

Today AM

Gas Cat

1 **To create** section 11 of article VIII of the constitution; **relating to:** creating fiscal
 2 year allowable revenues for the state and local governmental units, returning
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 5 themselves from certain state mandates (first consideration).

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7 increase, if any, for the 3 most recent years available in the consumer price index for
8 Milwaukee-Racine, or its successor index, or the average percentage increase, if any,
9 in state personal income for the 3 most recent years available.

10 (c) "Revenue" means all moneys, except enterprise funds, bonding revenue,
11 moneys used for debt service on a minimum 80 percent self-funding economic
12 development bond, moneys received for the operation of sanitary sewers or a
13 telephone, gas, electric, or water utility, or nongovernmental moneys received for
14 medical care provided by hospitals, nursing homes, assisted living facilities, or other

1 medical facilities operated by any entity subject to this section, moneys received from
2 the federal government, gifts, damage awards, real or personal property sales,
3 unemployment insurance taxes, insurance premiums, employee payments for fringe
4 benefits, governmental property insurance, investment trusts, private purpose
5 trusts, college savings programs, or tuition or fees paid by or on behalf of students
6 to support university or technical college functions.

7 (2) Beginning with the first fiscal year that begins at least 180 days after
8 ratification of this section, the state, or a school district, technical college district, or
9 other local governmental unit that collects revenue, excluding a town that has less
10 than \$1,000,000 in allowable revenue, may not collect more in allowable revenue in
11 any fiscal year than the amount of its allowable revenue in the previous year,
12 increased by the inflation-income factor, plus:

13 (a) For the state, the estimated percentage increase from the previous year in
14 state population, adjusted by the decennial census and corrected over a 3-year
15 period as provided by law.

16 (b) For school districts, the annual percentage increase in student enrollment,
17 if any, averaged over the previous 3 years available.

18 (c) For technical college districts and all other local governmental units, as
19 applied to revenues not provided by the state, the percentage increase, if any, from
20 the previous year in taxable property value attributable to new construction, less the
21 value of any taxable property removed or demolished, in that district or
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13 (7) Allowable revenues under this section may be reduced by law, ordinance,
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15 (8) The state or any local governmental unit may do any of the following only
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17 (a) Exceed allowable revenue under this section. The ballot question shall
18 express the proposed excess as a dollar amount and as a percentage increase
19 compared with allowable revenue and shall indicate whether the proposed excess is
20 recurring or nonrecurring.

21 (b) Incur debt service by an amount that exceeds 7 percent of allowable
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13 sequencing and the numbering of the provisions whose numbers conflict.

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

17 (END)

Godwin, Gigi

From: Kovach, Robert
Sent: Monday, October 24, 2011 1:27 PM
To: LRB.Legal
Subject: LRB 1984/1 Taxpayer Protection Amendment to Wisconsin Constitution
Attachments: 11-1984/1

Please Jacket this bill for the Senate.

Thank you

Rob Kovach
 Chief of Staff
 Office of State Senator Frank Lasee
 608-266-3512

From: Kovach, Robert
Sent: Friday, October 07, 2011 10:37 AM
To: *Legislative All Senate; *Legislative All Assembly
Subject: FW: Co-Sponsorship of LRB 1984/1 Taxpayer Protection Amendment to Wisconsin Constitution

DATE: October 7, 2011
TO: Legislative Colleagues
FROM: Senator Frank Lasee
RE: Co-sponsorship of LRB 1984/1 Taxpayer Protection Amendment to Wisconsin Constitution
Deadline: Thursday, October 20, 2011 at 2pm

The Taxpayer Protection Amendment will empower voters through referendums to vote on new tax increases and the extension of taxes to new things. It will require referendums in order to increase spending above the growth rate of population or inflation. Referendums would also be required in order to increase debt beyond 7% of the budget. The amendment will apply to state and local governments and school districts. I would appreciate your co-sponsorship.

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If interested in co-sponsoring LRB 1984/1 please contact my office at 6-3512. You will be added to both the Assembly and Senate bill unless you indicate otherwise.

Rob Kovach
Chief of Staff
Office of State Senator Frank Lasee
608-266-3512