



State of Wisconsin
2005 - 2006 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 272**

May 12, 2005 - Offered by Representative FRISKE.

1 **AN ACT** *to renumber* 16.002 (1); *to amend* 13.093 (2) (a), 16.40 (3) (title), 16.50
2 (7) (b), 16.518 (title), 20.875 (1) (a) and 25.60; *to repeal and recreate* 16.46 (9);
3 and *to create* 13.95 (1m) (c), 16.002 (1g), 16.40 (3m), 16.50 (8), 16.518 (4) and
4 (5), 20.877, 25.17 (1) (fr) and 25.64 of the statutes; **relating to:** the budget
5 stabilization fund, the generally accepted accounting principles deficit
6 reduction fund, the general fund deficit based on generally accepted accounting
7 principles, and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

8 **SECTION 1.** 13.093 (2) (a) of the statutes is amended to read:
9 13.093 **(2)** (a) Any bill making an appropriation, any bill increasing or
10 decreasing existing appropriations or state or general local government fiscal
11 liability or revenues, and any bill that modifies an existing surcharge or creates a
12 new surcharge that is imposed under ch. 814, shall, before any vote is taken thereon

1 by either house of the legislature if the bill is not referred to a standing committee,
2 or before any public hearing is held before any standing committee or, if no public
3 hearing is held, before any vote is taken by the committee, incorporate a reliable
4 estimate of the anticipated change in appropriation authority or state or general
5 local government fiscal liability or revenues under the bill, including to the extent
6 possible the impact of such changes on the general fund balance in the most recently
7 published comprehensive annual financial report, as defined in s. 16.002 (1g), and
8 a projection of such changes in future biennia. For purposes of this paragraph, a bill
9 increasing or decreasing the liability or revenues of the unemployment reserve fund
10 is considered to increase or decrease state fiscal liability or revenues. Except as
11 otherwise provided by joint rules of the legislature or this paragraph, such estimates
12 shall be made by the department or agency administering the appropriation or fund
13 or collecting the revenue. The joint survey committee on retirement systems shall
14 prepare the fiscal estimate with respect to the provisions of any bill referred to it
15 which create or modify any system for, or make any provision for, the retirement of
16 or payment of pensions to public officers or employees. The director of state courts
17 shall prepare the fiscal estimate with respect to the provisions of any bill that
18 modifies an existing surcharge or creates a new surcharge that is imposed under ch.
19 814. When a fiscal estimate is prepared after the bill has been introduced, it shall
20 be printed and distributed as are amendments.

21 **SECTION 2.** 13.95 (1m) (c) of the statutes is created to read:

22 13.95 (1m) (c) The legislative fiscal bureau shall prepare a report identifying,
23 where feasible, recommendations in each version of the biennial budget bill or bills
24 that may have a significant impact on the general fund balance in the most recently
25 published comprehensive annual financial report, as defined in s. 16.002 (1).

1 **SECTION 3.** 16.002 (1) of the statutes is renumbered 16.002 (1m).

2 **SECTION 4.** 16.002 (1g) of the statutes is created to read:

3 16.002 **(1g)** “Comprehensive annual financial report” means a financial
4 statement prepared under s. 16.40 (3m).

5 **SECTION 5.** 16.40 (3) (title) of the statutes is amended to read:

6 16.40 **(3)** (title) PREPARE BUDGETARY BASIS ANNUAL FINANCIAL STATEMENT.

7 **SECTION 6.** 16.40 (3m) of the statutes is created to read:

8 16.40 **(3m)** PREPARE ANNUAL FINANCIAL STATEMENT BASED ON GENERALLY ACCEPTED
9 ACCOUNTING PRINCIPLES. Prepare at the end of each fiscal year not later than
10 December 31, a financial statement for the state in accordance with generally
11 accepted accounting principles as promulgated by the governmental accounting
12 standards board.

13 **SECTION 7.** 16.46 (9) of the statutes is repealed and recreated to read:

14 16.46 **(9)** The estimated impact of the recommendations in the biennial budget
15 bill or bills on the general fund balance in the most recently published comprehensive
16 annual financial report.

17 **SECTION 8.** 16.50 (7) (b) of the statutes is amended to read:

18 16.50 **(7)** (b) Following such notification, the governor shall submit a bill
19 containing his or her recommendations for correcting the imbalance between
20 projected revenues and authorized expenditures, including, if the imbalance is
21 caused by actual general fund revenues being 98 percent or less of estimated general
22 fund revenues under s. 20.005 (1) as published in the biennial budget act or acts, a
23 recommendation as to whether moneys should be transferred from the budget
24 stabilization fund to the general fund. If the legislature is not in a floorperiod at the
25 time of the secretary’s notification, the governor shall call a special session of the

1 legislature to take up the matter of the projected revenue shortfall and the governor
2 shall submit his or her bill for consideration at that session.

3 **SECTION 9.** 16.50 (8) of the statutes is created to read:

4 16.50 (8) DEFICIT INCREASE. (a) If, following the publishing of any
5 comprehensive annual financial report, the secretary determines that the sum of the
6 unreserved balance of the general fund in that report, the balance of the generally
7 accepted accounting principles deficit reduction fund in that report, and any amount
8 transferred to the budget stabilization fund during the fiscal year covered by the
9 report is a larger negative amount than the sum of the unreserved balance of the
10 general fund and the balance of the generally accepted accounting principles deficit
11 reduction fund in the comprehensive annual financial report for the previous fiscal
12 year, the secretary shall immediately notify the governor, the presiding officers of
13 each house of the legislature, and the joint committee on finance of the difference.

14 (b) Following the notification under par. (a), the governor shall submit a bill
15 containing his or her recommendations for eliminating the difference identified in
16 par. (a). If the most recently published comprehensive annual financial report was
17 published in an even-numbered year, the governor may include his or her
18 recommendations in an executive budget bill introduced under s. 16.47 (1m).

19 **SECTION 10.** 16.518 (title) of the statutes is amended to read:

20 **16.518 (title) Transfers to the budget stabilization fund and the cash**
21 **building projects generally accepted accounting principles deficit**
22 **reduction fund.**

23 **SECTION 11.** 16.518 (4) and (5) of the statutes are created to read:

24 16.518 (4) (a) Subject to par. (b) and after making any transfer under sub. (3)
25 or determining that no transfer is required under sub. (3), the secretary shall

1 annually transfer from the general fund to the budget stabilization fund an amount
2 equal to the amount of the general fund balance that is required under s. 20.003 (4)
3 for that fiscal year.

4 (b) 1. If the balance of the budget stabilization fund on June 30 of the fiscal year
5 is at least equal to 5 percent of the estimated expenditures from the general fund
6 during the fiscal year, as reported in the summary, the secretary may not make the
7 transfer under par. (a).

8 2. Except as provided in subd. 1., if the balance of the general fund on June 30
9 of the fiscal year is less than the amount of the general fund balance that is required
10 under s. 20.003 (4) for that fiscal year, the secretary shall transfer the entire balance
11 of the general fund under par. (a), unless the balance is negative.

12 (5) (a) Subject to par. (b), the secretary shall annually transfer from the general
13 fund to the generally accepted accounting principles deficit reduction fund an
14 amount equal to the amount of the general fund balance required under s. 20.003 (4)
15 for that fiscal year.

16 (b) 1. The secretary may not make the transfer under par. (a) in a fiscal year if
17 the secretary made a transfer in the fiscal year under sub. (4).

18 2. If the unreserved balance of the general fund in the comprehensive annual
19 financial report for the previous fiscal year is at least \$0, the secretary may not make
20 the transfer under par. (a).

21 3. Except as provided in subds. 1. and 2., if the balance of the general fund on
22 June 30 of the fiscal year is less than the amount of the general fund balance that
23 is required under s. 20.003 (4) for that fiscal year, the secretary shall transfer the
24 entire balance of the general fund under par. (a), unless the balance is negative.

1 **SECTION 12.** 20.005 (3) (schedule) of the statutes: at the appropriate place,
 2 insert the following amounts for the purposes indicated:

	2005-06	2006-07
20.877 Generally accepted accounting principles deficit reduction fund		
(2) TRANSFERS FROM FUND		
(a) Generally accepted accounting principles deficit reduction fund transfer	GPR A	-0- -0-

10 **SECTION 13.** 20.875 (1) (a) of the statutes is amended to read:

11 20.875 (1) (a) *General fund transfer.* A sum sufficient equal to the amount that
 12 is required to be transferred under s. 16.518 (3) and (4).

13 **SECTION 14.** 20.877 of the statutes is created to read:

14 **20.877 Generally accepted accounting principles deficit reduction**
 15 **fund. (1) TRANSFERS TO FUND.** There is appropriated to the generally accepted
 16 accounting principles deficit reduction fund:

17 (a) *General fund transfer.* A sum sufficient equal to the amount that is required
 18 to be transferred under s. 16.518 (5).

19 **(2) TRANSFERS FROM FUND.** There is appropriated from the generally accepted
 20 accounting principles deficit reduction fund to the general fund:

21 (a) *Generally accepted accounting principles deficit reduction fund transfer.*
 22 The amounts in the schedule to be transferred no later than October 15 of each year.

23 **SECTION 15.** 25.17 (1) (fr) of the statutes is created to read:

1 25.17 (1) (fr) Generally accepted accounting principles deficit reduction fund.
2 (s. 25.64).

3 **SECTION 16.** 25.60 of the statutes is amended to read:

4 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
5 trust fund designated as the budget stabilization fund, consisting of moneys
6 transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3) and
7 (4), and 16.72 (4) (b). Moneys in this fund are reserved for a transfer from the fund
8 to the general fund to provide state revenue stability during periods of below-normal
9 economic activity when actual general fund revenues are 98 percent or less of
10 estimated general fund revenues under s. 20.005 (1), as published in the biennial
11 budget act or acts.

12 **SECTION 17.** 25.64 of the statutes is created to read:

13 **25.64 Generally accepted accounting principles deficit reduction**
14 **fund.** There is created a separate nonlapsible trust fund designated as the generally
15 accepted accounting principles deficit reduction fund, consisting of moneys
16 transferred to the fund from the general fund under s. 16.518 (5). Moneys in this fund
17 are reserved to increase any unreserved balance of the general fund reported as a
18 negative amount in the most recent comprehensive annual financial report, as
19 defined in s. 16.002 (1g).

20 **SECTION 18. Effective dates.**

21 (1) This act takes effect on the day after publication, except as follows:

22 (a) The treatment of section 13.093 (2) (a) of the statutes takes effect on the first
23 day of the 9th month beginning after publication.

