



2003 ASSEMBLY JOINT RESOLUTION 73

March 2, 2004 – Introduced by Representatives WIECKERT, HINES, OWENS, LADWIG and GUNDERSON, cosponsored by Senators DARLING and LEIBHAM. Referred to Committee on Government Operations and Spending Limitations.

- 1 **To create** section 11 of article VIII of the constitution; **relating to:** limitations on
- 2 state appropriations from general purpose revenue (first consideration).

Analysis by the Legislative Reference Bureau

This proposed constitutional amendment, proposed to the 2003 legislature on first consideration, limits the aggregate amount of state general purpose revenue (GPR) that may be appropriated in any fiscal biennium, beginning in the 2005–07 biennium. Under the proposal, 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 previous fiscal biennium. For the first year of the new fiscal biennium, the base year amount is increased by the average annual percentage change in state aggregate personal income for the 4 previous calendar years, minus 1 percent. For the 2nd year of the new fiscal biennium, the first year amount is increased by the average annual percentage change in state aggregate personal income for the 3 previous calendar years and the current calendar year, minus 1 percent. These amounts are added together and are then increased by the amount by which all sum certain GPR appropriations in the previous fiscal biennium exceeded actual expenditures for these appropriations in the previous fiscal biennium. The sum of these amounts is the aggregate amount of GPR that may be appropriated during the entire fiscal biennium.

Under the proposal, however, certain GPR appropriations are 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; and appropriations to refund certain earnings to the federal government relating to state bond issues.

A proposed constitutional amendment requires adoption by 2 successive legislatures, and ratification by the people, before it can become effective.

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

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

3 [Article VIII] Section 11 (1) This section first applies to appropriations made for
4 the 2005–07 biennium.

5 (2) Except as provided in sub. (3), the amount appropriated from general
6 purpose revenue for each fiscal biennium, excluding any amount expended under an
7 appropriation specified in sub. (3) (a) to (c), as determined under sub. (4), may not
8 exceed the sum of:

9 (a) The amount appropriated from general purpose revenue, excluding any
10 amount expended under an appropriation specified in sub. (3) (a) to (c), for the 2nd
11 fiscal year of the previous fiscal biennium, multiplied by the sum of 0.99 and the
12 average annual percentage change in this state’s aggregate personal income,
13 expressed as a decimal, for the most recent 4 calendar years before the fiscal
14 biennium.

15 (b) The amount determined under par. (a) multiplied by the sum of 0.99 and
16 the average annual percentage change in this state’s aggregate personal income,
17 expressed as a decimal, for the most recent 3 calendar years before the fiscal
18 biennium and as estimated for the calendar year following those years no later than
19 December 5 of each even-numbered year.

20 (c) Any amount by which the amount appropriated from sum certain
21 appropriations made from general purpose revenue, excluding any amount
22 expended under an appropriation specified in sub. (3) (a) to (c), for the preceding
23 fiscal biennium, exceeded actual expenditures from sum certain appropriations

1 made from general purpose revenue for the preceding fiscal biennium, excluding any
2 amount expended under an appropriation specified in sub. (3) (a) to (c).

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

4 (a) An appropriation for principal repayment and interest payments on public
5 debt or operating notes.

6 (b) An appropriation to honor a moral obligation undertaken by the legislature
7 by statute to make an appropriation supplying a deficiency in income pledged to the
8 payment of the principal and interest of revenue obligations.

9 (c) An appropriation to make a payment to the United States that the state
10 determines to be payable so that public debt, revenue obligations, and operating
11 notes issued pursuant to statute will not be treated as arbitrage bonds for the
12 purpose of exclusion from gross income under the federal Internal Revenue Code.

13 (4) For purposes of sub. (2), the computation of the amount appropriated from
14 general purpose revenue for any fiscal biennium to which sub. (2) applies shall be
15 made by adding the applicable sum certain appropriations enacted by the legislature
16 from general purpose revenue and an estimate of amounts that will be expended
17 under applicable appropriations, other than sum certain appropriations, that are
18 made from general purpose revenue for that fiscal biennium no later than December
19 5 of each even-numbered year.

20 **SECTION 2. Numbering of new provision.** The new section 11 of article VIII
21 of the constitution created in this joint resolution shall be designated by the next
22 higher open whole section number in that article if, before the ratification by the
23 people of the amendment proposed in this joint resolution, any other ratified
24 amendment has created a section 11 of article VIII of the constitution of this state.
25 If one or more joint resolutions create a section 11 of article VIII simultaneously with

1 the ratification by the people of the amendment proposed in this joint resolution, the
2 sections created shall be numbered and placed in a sequence so that the sections
3 created by the joint resolution having the lowest enrolled joint resolution number
4 have the numbers designated in that joint resolution and the sections created by the
5 other joint resolutions have numbers that are in the same ascending order as are the
6 numbers of the enrolled joint resolutions creating the sections.

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

10 (END)