

**ASSEMBLY SUBSTITUTE AMENDMENT 5,
TO 2005 ASSEMBLY JOINT RESOLUTION 77**

April 27, 2006 – Offered by Representatives ALBERS and WOOD.

1 **To create** section 11 of article VIII of the constitution; **relating to:** imposing state
2 revenue limits, returning excess revenue, prohibiting the state from using
3 bonds to pay for operating costs, reimbursing the reasonable costs of imposing
4 state mandates, and requiring elector approval for exceeding a limit (first
5 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 fiscal year 2009–10, if state general fund revenue
9 exceeds state general fund revenue in fiscal year 2008–09, and in any subsequent
10 year in which state general fund revenue exceeds the previous year’s allowable state
11 general fund revenue, both as increased by 90 percent of the 3–year rolling average
12 percentage change in state personal income, the excess shall be deposited into an
13 emergency reserve fund. The legislature shall define “general fund revenue” by law

1 for the purposes of this section, but may not exclude from the definition any moneys
2 raised by the state from taxes, licenses, or fees, except for moneys designated for use
3 through a segregated fund as provided under sub. (5), moneys used to pay a
4 settlement or damage award, moneys used for expenses arising from a natural
5 disaster or attack, moneys received from tuition or fees imposed for university
6 purposes, voluntary fees that do not exceed the cost of the service provided, and
7 moneys held in a fiduciary capacity or in the unemployment reserve fund.

8 (2) Expenditures may be made from the emergency reserve fund for expenses
9 arising from a natural disaster or attack or in a year in which the state's limit under
10 this section is greater than the state's general fund revenue. If the balance of the
11 fund exceeds 2 percent of the state's general fund revenue in any year, the excess may
12 be spent for relief from taxes imposed by the state or from property taxes. If the
13 balance of the fund exceeds 6 percent of the state's general fund revenue in any year,
14 the excess shall be returned to the people of this state as tax relief, in a manner
15 prescribed by the legislature by law.

16 (3) The limit imposed under this section may be exceeded by referendum and
17 may be reduced by the legislature by law.

18 (4) All revenues deposited into the general fund under the 2001 statutes, except
19 moneys transferred to the general fund from other funds of the state as provided
20 under the 2001 statutes, shall remain subject to the revenue limit established under
21 this section, regardless of whether the legislature by law authorizes the deposit of
22 some or all of such revenues into other funds of the state.

23 (5) No revenues designated on or after January 1, 2001, for use through a
24 segregated fund may be used for any other purpose. No segregated fund revenue may

1 be used to replace or supplement funding for programs supported by the general fund
2 on or after January 1, 2001.

3 (6) A state law or administrative rule that increases a local governmental unit's
4 expenditures for delivery of services may not be enacted or adopted on or after the
5 ratification of this subsection unless the state pays the reasonable costs incurred by
6 the entity to comply with the law or rule. This subsection does not apply to any law
7 or rule that is enacted or adopted in order to comply with a requirement of federal
8 law, including a requirement related to receiving federal aid.

9 (7) All moneys received by the state, or by another person on behalf of the state,
10 from any type of borrowing may only be used for a purpose specified in section 7 (2)
11 (a) of article VIII, except that the state may borrow moneys for cash flow purposes
12 if the moneys are fully repaid in the same fiscal year in which they are borrowed.
13 The state may not refund any type of borrowing if that refunding would increase the
14 state's debt service obligation in any fiscal year. The state may not enter into an
15 agreement or arrangement relating to any type of borrowing unless the financial
16 benefits from that agreement or arrangement accrue proportionately over the life of
17 the agreement or arrangement.

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

1 created by the joint resolution having the lowest enrolled joint resolution number
2 have the numbers designated in that joint resolution and the sections created by the
3 other joint resolutions have numbers that are in the same ascending order as are the
4 numbers of the enrolled joint resolutions creating the sections.

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

8 (END)