2015 Enrolled Joint Resolution 7:
Constitutional Amendment Approved
on First Consideration to
Eliminate the Office of the State Treasurer

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June 2016
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INTRODUCTION

The 2015 Wisconsin Legislature adopted on first consideration a proposal to amend the Wisconsin Constitution. The proposal was introduced as 2015 Assembly Joint Resolution 5 and was published as 2015 Enrolled Joint Resolution 7. (See both documents attached to this report.) The assembly adopted the proposal on October 27, 2015, and the senate adopted the proposal on January 28, 2016. The proposal deletes from the constitution the office of the state treasurer and provides that the lieutenant governor serve on the Board of Commissioners of Public Lands in place of the state treasurer. The proposal is eligible for second consideration by the 2017 Wisconsin Legislature.

Legislative passage of a constitutional amendment on “first consideration” is the first step in a multiyear process of amending the constitution. Under Article XII, section 1, of the Wisconsin Constitution, amendments to the constitution must be adopted by two successive legislatures and then ratified by the electorate at a statewide election. (A legislature convenes in January of an odd-numbered year and adjourns in January of the next succeeding odd-year.)

On first consideration, a proposed change to the constitution is offered as a joint resolution in either the assembly or the senate. A joint resolution, unlike a bill, need not be submitted to the governor for approval, but must pass both houses in identical form. If the assembly and the senate both adopt the resolution, the Legislative Reference Bureau must publish on the Internet, no later than August 1 preceding the next general election, the proposed constitutional amendment. The proposed constitutional amendment must remain published on the Internet until the conclusion of the general election. The Legislative Reference Bureau publishes the proposed constitutional amendment on the Wisconsin Legislature’s web site, which is found at https://legis.wisconsin.gov.

In the next succeeding legislature, a joint resolution containing the identical proposed changes to the constitution that was approved by the legislature during first consideration must be offered on “second consideration.” The proposal may be offered in either the assembly or the senate, but must be adopted by both houses without change. The second joint resolution also specifies the wording of the ballot question that will be presented to the voters and sets the statewide election date for submitting the ballot question to the people for ratification. Upon ratification by the electorate, the constitution is amended.

BACKGROUND

Wisconsin has had a treasurer since its territorial days. Before Wisconsin became a state, the territorial treasurer, an office created in 1839, was appointed by the governor. In 1848, the new Wisconsin Constitution, in Article VI, Section 1, made the state treasurer an elective position. From 1848 to 1968, the state treasurer was elected to a two-year term in the November general election. Since 1970, following ratification of a constitutional amendment in April 1967, the state treasurer has been elected to a four-year term. Chapter 276, Laws of 1969, created the administrative Office of the State Treasurer to assist the state treasurer in performing his or her duties.
Over the past 20 years, most powers and duties of the state treasurer and the office of the state treasurer have either been eliminated or transferred to other state agencies. 1995 Wisconsin Act 27 eliminated the office’s securities section, which had the responsibility of safekeeping of securities purchased by the State of Wisconsin Investment Board. 1997 Wisconsin Act 27 transferred the Division of Trust Lands and Investment to the Department of Administration. 2003 Wisconsin Act 33 transferred almost all of the cash management functions of the state treasurer’s office to the Department of Administration. 2011 Wisconsin Act 32 transferred College Savings Program and the College Tuition Prepayment Program, known as EdVest, to the Department of Administration. The act also transferred the Local Government Investment Pool and management services functions to the Department of Administration. 2013 Wisconsin Act 20 transferred the state treasurer’s Unclaimed Property Program to the Department of Revenue. Most recently, 2015 Wisconsin Act 55 eliminated the position of assistant state treasurer.

Since 1893, there have been sporadic attempts to eliminate the office of the state treasurer. As shown in the table below, legislative attempts to eliminate the office were common throughout the 20th century. In the 1970s and 1980s, joint resolutions to eliminate the office were offered in almost every legislative session. In the last 15 years, these efforts have continued with proposed constitutional amendments to eliminate the office of state treasurer during the 2003, 2005, 2011, 2013, and 2015 legislative sessions. Proposals dating back to the 1911 session to eliminate the office of state treasurer are listed in the table on page 3. There were no such proposals introduced from 1893 to 1909.

**COMPARISON WITH OTHER STATES**

Almost all states have a state treasurer. In the last 50 years, however, three states have eliminated their state treasurer’s offices. Montana’s newly ratified constitution in 1972 eliminated the office of state treasurer. Texas abolished its office of state treasurer in 1996. In Minnesota, the elected office of the state treasurer was abolished on January 6, 2003, as a result of a constitutional amendment that was approved by the voters in the November 1998 general election.
## Proposals to Eliminate the Constitutional Office of State Treasurer 2015–1893

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January 29, 2015 – Introduced by Representatives SCHRAA, AUGUST, NEYLON, KUGLITSCH, CZAJA, CRAIG, ROHRKASTE, BORN, KREMER, SANFELIPPO, ALLEN, KNUDSON, PETERSEN, KRUG, R. BROOKS, TAUCHEN, HORLACHER, TITTL, GANNON, KLEEFISCH, WEATHERSTON, STEFFEN and GENRICH, cosponsored by Senators GUDEX, WANGGAARD, ROTH, MARKLEIN, NASS, LEMAHIEU and VUKMIR. Referred to Committee on State Affairs and Government Operations.

To amend section 1 of article VI, section 3 of article VI and sections 7 and 8 of article X; and to create section 17 of article XIV of the constitution; relating to:

deleting from the constitution the office of state treasurer (first consideration).

Analysis by the Legislative Reference Bureau

This constitutional amendment, proposed to the 2015 legislature on first consideration, deletes from the constitution the office of state treasurer.

Term of incumbent

Under the proposal, the final election for state treasurer required by the constitution is the one that was held in November 2014. The incumbent will continue to serve until the first Monday in January 2019.

State treasurer’s duties

Currently, the only duty assigned to the state treasurer by the constitution is to serve as a member of the Board of Commissioners of Public Lands; all other duties are prescribed by law. The proposal removes the state treasurer as a member of the Board of Commissioners of Public Lands.

The three–member Board of Commissioners of Public Lands presently consists of the secretary of state, the state treasurer, and the attorney general. Under this proposal, the lieutenant governor becomes a member in place of the state treasurer.
Second consideration and ratification

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

Resolved by the assembly, the senate concurring, That:

SECTION 1. Section 1 of article VI of the constitution is amended to read:

[Article VI] Section 1. The qualified electors of this state, at the times and places of choosing the members of the legislature, shall in 1970 and every 4 years thereafter elect a secretary of state, treasurer and an attorney general who shall hold their offices for 4 years 4-year terms.

SECTION 2. Section 3 of article VI of the constitution is amended to read:

[Article VI] Section 3. The powers, duties, and compensation of the treasurer and attorney general shall be prescribed by law.

SECTION 3. Sections 7 and 8 of article X of the constitution is amended to read:

[Article X] Section 7. The lieutenant governor, secretary of state, treasurer and attorney general, shall constitute a board of commissioners for the sale of the school and university lands and for the investment of the funds arising therefrom. Any two of said commissioners shall be a quorum for the transaction of all business pertaining to the duties of their office.

Section 8. Provision shall be made by law for the sale of all school and university lands after they shall have been appraised; and when any portion of such lands shall be sold and the purchase money shall not be paid at the time of the sale, the commissioners shall take security by mortgage upon the lands sold for the sum remaining unpaid, with seven per cent 7 percent interest thereon, payable annually at the office of the treasurer as provided by law. The commissioners shall be authorized to execute a good and sufficient conveyance to all purchasers of such
lands, and to discharge any mortgages taken as security, when the sum due thereon shall have been paid. The commissioners shall have power to withhold from sale any portion of such lands when they shall deem it expedient, and shall invest all moneys arising from the sale of such lands, as well as all other university and school funds, in such manner as the legislature shall provide, and shall give such security for the faithful performance of their duties as may be required by law.

**SECTION 4.** Section 17 of article XIV of the constitution is created to read:

[Article XIV] Section 17. The state treasurer holding office on the date of ratification of the 2015–17 amendment providing for the deletion of that office from the constitution shall continue to hold that office until the first Monday of January in 2019. Any vacancy in the office occurring before that date shall be filled in the manner provided by law.

**SECTION 5. Numbering of new provisions.** 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 and adjust any cross-references thereto.

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

(END)
To amend section 1 of article VI, section 3 of article VI and sections 7 and 8 of article X; and to create section 17 of article XIV of the constitution; relating to: deleting from the constitution the office of state treasurer (first consideration).

Resolved by the assembly, the senate concurring, That:

SECTION 1. Section 1 of article VI of the constitution is amended to read:
[Article VI] Section 1. The qualified electors of this state, at the times and places of choosing the members of the legislature, shall in 1970 and every 4 years thereafter elect a secretary of state, treasurer and an attorney general who shall hold their offices for 4 years.

SECTION 2. Section 3 of article VI of the constitution is amended to read:
[Article VI] Section 3. The powers, duties, and compensation of the treasurer and attorney general shall be prescribed by law.

SECTION 3. Sections 7 and 8 of article X of the constitution are amended to read:
[Article X] Section 7. The lieutenant governor, secretary of state, treasurer and attorney general, shall constitute a board of commissioners for the sale of the school and university lands and for the investment of the funds arising therefrom. Any two of said commissioners shall be a quorum for the transaction of all business pertaining to the duties of their office.

Section 8. Provision shall be made by law for the sale of all school and university lands after they shall have been appraised; and when any portion of such lands shall be sold and the purchase money shall not be paid at the time of the sale, the commissioners shall take security by mortgage upon the lands sold for the sum remaining unpaid, with 7 percent interest thereon, payable annually at the office of the treasurer as provided by law. The commissioners shall be authorized to execute a good and sufficient conveyance to all purchasers of such lands, and to
discharge any mortgages taken as security, when the sum due thereon shall have been paid. The commissioners shall have power to withhold from sale any portion of such lands when they shall deem it expedient, and shall invest all moneys arising from the sale of such lands, as well as all other university and school funds, in such manner as the legislature shall provide, and shall give such security for the faithful performance of their duties as may be required by law.

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

______________________________  ________________________________
Senator Mary Lazich             Representative Robin J. Vos
President of the Senate           Speaker of the Assembly

______________________________  ________________________________
Date                                Patrick E. Fuller
                                      Assembly Chief Clerk