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# Constitutional Amendment to Eliminate the Office of the State Treasurer

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## Introduction

The 2017 Wisconsin Legislature adopted on second consideration a proposal to amend the Wisconsin Constitution. The proposal deletes from the constitution the office of the state treasurer and provides that the lieutenant governor replace the state treasurer on the Board of Commissioners of Public Lands. The proposal was introduced as 2017 Senate Joint Resolution 3, which became 2017 Enrolled Joint Resolution 7<sup>1</sup>, and is to be considered by Wisconsin voters on April 3, 2018.

Legislative passage of a constitutional amendment on “second consideration” is the second 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 in a statewide election.<sup>2</sup> 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. The proposal to eliminate the state treasurer was introduced on first consideration by the 2015 Wisconsin Legislature as 2015 Assembly Joint Resolution 5 and published as 2015 Enrolled Joint Resolution 7.<sup>3</sup>

To proceed with second consideration of the proposal, per the requirements of Article XII, Section 1, the 2017 Wisconsin Legislature adopted a joint resolution containing the identical proposed changes to the constitution that were approved by the 2015 legislature. A joint resolution offered on second consideration also specifies the wording of the ballot question that will be presented to voters and sets the statewide election date for submitting the ballot question to the people for ratification. The ballot question agreed to by 2017 Enrolled Joint Resolution 7 reads:

**Question 1: “Elimination of state treasurer.** Shall sections 1 and 3 of article VI and sections 7 and 8 of article X of the constitution be amended, and section 17 of article XIV of the constitution be created, to eliminate the office of state treasurer from the constitution and to replace the state treasurer with the lieutenant governor as a member of the Board of Commissioners of Public Lands?”

The joint resolution set the referendum election date as the first Tuesday in April 2018, or April 3, 2018. If a majority of the electorate votes to ratify the proposal, the constitution will be amended.

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1. The senate adopted the proposal on March 7, 2017; the assembly adopted the proposal on March 9, 2017.

2. A Wisconsin legislature convenes in January of an odd-numbered year and adjourns in January of the next succeeding odd year.

3. The assembly adopted the proposal on October 27, 2015; the senate adopted the proposal on January 20, 2016.

## 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, Article VI, Section 1, of the new Wisconsin Constitution 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 been either eliminated or transferred to other state agencies. 1995 Wisconsin Act 27 eliminated the office's securities section, which had the responsibility of safekeeping 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 the 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. 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 table 1. There were no such proposals introduced from 1893 to 1909.

## Comparison with other states

The vast majority of states have a state treasurer that oversees revenue and finances, although the official title and specific functions of the position vary. Most state treasurers hold constitutionally authorized executive offices and are chosen in statewide elections. In Alaska, Hawaii, Michigan, New Jersey, and Virginia, however, the governor appoints

the treasurer, while in Maine, Maryland, New Hampshire, and Tennessee, the legislature elects the treasurer.<sup>4</sup> In Georgia, the treasurer is appointed by the State Depository Board. Over the last century, five states have eliminated or merged their state treasurers' offices:

**New York:** In 1926, the responsibilities of the New York treasurer were transferred to the elected comptroller position.

**Montana:** In 1972, Montana's newly ratified constitution eliminated the elected office of state treasurer. Today, most treasurer functions are handled by the director of the Department of Revenue, a position appointed by the governor.

**Texas:** Texas abolished its elected office of state treasurer with a constitutional amendment in 1996 and transferred its functions to an elected comptroller of public accounts.

**Florida:** As part of Florida's cabinet reforms of 1998, voters ratified a constitutional amendment that merged the state treasurer position with the state comptroller to create the position of chief financial officer. The change took effect in 2003.

**Minnesota:** 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. Most functions of the office were transferred to the commissioner of finance, a position appointed by the governor. ■

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4. In Alaska, the position is the commissioner of the Department of Revenue, and in Hawaii, it is the director of finance. Both of these positions are authorized by state statute and not by state constitution.

**Table 1. Proposals to Eliminate the Constitutional Office of State Treasurer 2015–1893**

<b>2015</b>	AJR-5	<b>1981</b>	AJR-74
	SJR-4		SJR-16
<b>2013</b>	AJR-48	<b>1979</b>	SJR-34
<b>2011</b>	AJR-26	<b>1977</b>	AJR-32
<b>2009</b>	None	<b>1975</b>	SJR-1
<b>2007</b>	None		SJR-56
<b>2005</b>	SJR-19	<b>1973</b>	None
<b>2003</b>	AJR-65	<b>1971</b>	SJR-76
	SJR-61	<b>1969</b>	AJR-104
<b>2001</b>	None	<b>1967</b>	AJR-90
<b>1999</b>	None	<b>1965</b>	None
<b>1997</b>	AJR-45	<b>1963</b>	None
<b>1995</b>	AB-150	<b>1961</b>	AJR-24
<b>1993</b>	None	<b>1935–59</b>	None
<b>1991</b>	SJR-11	<b>1933</b>	AJR-31
<b>1989</b>	SJR-8	<b>1919–31</b>	None
	SJR-1	<b>1917</b>	SJR-17
<b>1987</b>	AJR-18	<b>1915</b>	SJR-4
	SJR-5		SJR-22
	AJR-28		SJR-11
	SJR-1	<b>1913</b>	None
<b>1985</b>	SJR-9	<b>1911</b>	SJR-47
	SJR-22	<b>1893–1909</b>	None
<b>1983</b>	AJR-28		
	SJR-11		