



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1472/1
JTK:eev:jm

2013 BILL

1 **AN ACT to amend** 16.865 (1) (a), 16.865 (2) to (6), 16.865 (8) and 16.865 (9); and
2 **to create** 20.505 (2) (L) and 20.505 (2) (Li) of the statutes; **relating to:** coverage
3 of the Rock River water safety patrol unit under the state risk management
4 program and making appropriations.

Analysis by the Legislative Reference Bureau

Currently, the Department of Administration (DOA) operates a risk management program that is designed to implement best practices to minimize this state's risk of exposure to liability claims and other losses. As a part of this program, DOA must obtain liability insurance to cover significant losses incurred by state agencies. DOA is directed to assess state agencies annually for its costs incurred in managing the state's risk management program.

This bill directs DOA to provide risk management services, including liability insurance, to any intergovernmental water safety patrol unit that has jurisdiction over Lake Koshkonong and the adjacent waters of the Rock River. The bill also directs DOA to annually assess this safety patrol unit for its proportionate share of cost of the risk management program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

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1 **SECTION 1.** 16.865 (1) (a) of the statutes is amended to read:

2 16.865 (1) (a) Protect the state agencies under sub. (8) from losses which are
3 catastrophic in nature and minimize total cost to the state of all activities related to
4 the control of accidental loss.

5 **SECTION 2.** 16.865 (2) to (6) of the statutes are amended to read:

6 16.865 (2) Identify and evaluate exposure to loss to the state, ~~its~~ agencies under
7 sub. (8), their employees or injury to the public by reason of fire or other accidents
8 and fortuitous events at ~~state-owned~~ properties or facilities owned by the agencies
9 or the governmental units to which they are attached.

10 (3) Recommend changes in procedures, program conditions or capital
11 improvement for all agencies under sub. (8) which would satisfactorily eliminate or
12 reduce the existing exposure.

13 (4) Manage the ~~state employees'~~ worker's compensation program for
14 employees of agencies under sub. (8) and the statewide self-funded programs to
15 protect the state agencies from losses of and damage to state property and liability
16 and, if retained by the department of workforce development under s. 102.65 (3),
17 process, investigate, and pay claims under ss. 102.44 (1), 102.49, 102.59, and 102.66
18 as provided in s. 102.65 (3).

19 (5) Arrange appropriate insurance contracts for the transfer of risk of loss on
20 the part of the state ~~or its~~ agencies under sub. (8) or their employees, to the extent
21 such loss cannot reasonably be assumed by the individual agencies or the
22 self-funded programs. The placement of insurance may be by private negotiation
23 rather than competitive bid, if such insurance has a restricted number of interested
24 carriers. The department shall approve all insurance purchases.

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1 (6) Train, upgrade and guide appropriate personnel in ~~the~~ agencies under sub.
2 (8) in implementation of sound risk management practices.

3 **SECTION 3.** 16.865 (8) of the statutes, as affected by 2013 Wisconsin Act 20, is
4 amended to read:

5 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
6 proportionate share of the estimated costs attributable to programs administered by
7 the agency to be paid from the appropriation under s. 20.505 (2) (L) or (k). The
8 department may charge premiums to agencies to finance costs under this subsection
9 and pay the costs from the appropriation on an actual basis. The department shall
10 deposit all collections under this subsection in the appropriation account under s.
11 20.505 (2) (L) or (k). Costs assessed under this subsection may include judgments,
12 investigative and adjustment fees, data processing and staff support costs, program
13 administration costs, litigation costs, and the cost of insurance contracts under sub.
14 (5). In this subsection, "agency" means an office, department, independent agency,
15 institution of higher education, association, society, or other body in state
16 government created or authorized to be created by the constitution or any law, that
17 is entitled to expend moneys appropriated by law, including the legislature and the
18 courts, and any water safety patrol unit created under s. 30.79 having jurisdiction
19 over Lake Koshkonong and adjacent waters of the Rock River, but not including an
20 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, or 279.

21 **SECTION 4.** 16.865 (9) of the statutes is amended to read:

22 16.865 (9) Notwithstanding s. 20.001 (3) (c), if the department makes any
23 payment from the appropriation under s. 20.505 (2) (a), lapse to the general fund
24 from the appropriation account under s. 20.505 (2) (k) and (L) an amount equal to the
25 payment. The department shall effect the lapse required under this subsection in

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1 accordance with a schedule determined by the department, but the total amount of
2 each lapse shall be effected no later than 6 years after the date of the payment to
3 which it relates.

4 **SECTION 5.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
5 the following amounts for the purposes indicated:

6 **2013-14** **2014-15**

7 **20.505 Administration, department of**

8 (2) RISK MANAGEMENT

9 (Li) Risk management administra-

10 tion; nonstate entities PR A -0- -0-

11 **SECTION 6.** 20.505 (2) (L) of the statutes is created to read:

12 *20.505 (2) (L) Risk management costs; nonstate agencies.* All moneys received
13 from nonstate agencies under s. 16.865 (8) and all moneys transferred from the
14 appropriation under par. (Li) for the costs of paying claims for losses of and damage
15 to nonstate agency property, settlements of liability under s. 895.46 (1), and nonstate
16 employer costs for worker’s compensation claims of nonstate agency employees
17 under ch. 102, for related administrative costs, and for the purpose of effecting any
18 lapse required under s. 16.865 (9).

19 **SECTION 7.** 20.505 (2) (Li) of the statutes is created to read:

20 *20.505 (2) (Li) Risk management administration; nonstate agencies.* The
21 amounts in the schedule from moneys transferred under par. (L) for administration
22 of risk management programs for worker’s compensation claims, losses of and
23 damage to property, and liability. Notwithstanding s. 20.001 (3) (a), the

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1 unencumbered balance of this appropriation at the end of each fiscal year shall be
2 transferred to the appropriation account under par. (L).

3 (END)