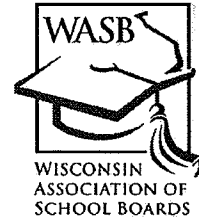




Wisconsin
Towns
Association



MEMORANDUM

TO: Honorable Members of the Wisconsin Assembly

FROM: Wisconsin Counties Association
Wisconsin Towns Association
Wisconsin Alliance of Cities
Wisconsin Association of School Boards

DATE: June 5, 2009

SUBJECT: Opposition to Proposed Changes in Insurance Language in
Assembly Bill 75 (AB 75)

As local governments, we respectfully request that the Wisconsin State Assembly delete the provisions in AB 75 that would change current law relating to contributory negligence and automobile insurance.

We believe that such significant policy changes should be considered outside the budget process and should be treated as separate legislation.

More significantly, we are aware that the various reductions in state aids contained in the budgets proposed by both the Governor and the Joint Finance Committee will strain our local budgets over the next several years. The proposed changes in contributory negligence and automobile liability coverage will further add to those strains at a time when our local governments can least afford it.

In the case of contributory negligence, local governments are at particular risk. Although their actual responsibility for an injury may be comparatively small, their "deep-pocket" financial status makes them an attractive target for claims.

The proposed "compromise" language in the Joint Finance Committee version of the budget, "setting the threshold for payment of damages at 20 percent liability", does nothing to reduce this potential liability as long as plaintiffs can pick and choose among which defendants are sued. For example, a local government may be only 10 percent totally responsible for an injury, yet if a plaintiff chooses not to sue the other responsible parties the local government could end up paying 100 percent of the damages.

The Joint Finance Committee language also provides an incentive for other more at-fault plaintiffs to sue other, less at-fault parties. Again, given their financial resources, local governments are by their very nature more likely to be targeted than other potential defendants.

Regardless of whether the plaintiffs ultimately succeed, local governments will have to pay more to insure and defend against these additional claims. The increased costs will likely mean reducing spending on direct services to our communities.

Similarly, we are concerned about the potential impact of “stacking” and other automobile insurance provisions on our vehicle fleets and the transportation providers with whom we contract. We urge you to delete these provisions or to provide some way to blunt their impact on local governments.

Wisconsin’s local governments remain committed to working with the state through this economic crisis to serve our communities in the most responsive and cost-efficient manner possible. As partners in this process, however, we ask that you not add to our burden by enacting these budget provisions.

For more information please contact:

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