



1995 ASSEMBLY BILL 572

September 25, 1995 - Introduced by Representatives OTTE and GROTHMAN, cosponsored by Senator C. POTTER. Referred to Committee on Ways and Means.

1 **AN ACT to repeal** 67.05 (6a) (b) 1. to 3. and 67.12 (12) (e) 2g. a. to c.; **to renumber**
2 **and amend** 67.05 (6a) (b) (intro.) and 67.12 (12) (e) 2g. (intro.); **to amend**
3 121.07 (6) (a) (intro.); and **to create** 121.91 (4) (c) 3. of the statutes; **relating**
4 **to:** school district bonds, promissory notes and revenue limits and excluding
5 certain debt service from a school district's shared cost.

Analysis by the Legislative Reference Bureau

Under current law, if a school board or the electors at a school district meeting adopt an initial resolution to raise money by issuing a bond and the bond will cause the aggregate outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$1,000,000 or an amount determined by multiplying the school district's enrollment by 1.5% of the statewide average property tax base per pupil, whichever is less, the school board must do one of the following:

1. Direct the school district clerk to call a special election to submit the initial resolution to the electors at a binding referendum.

2. Specify in the initial resolution the date, time and place for a public hearing on the resolution. The school board must also specify whether the public hearing will be for informational purposes only or whether the electors at the public hearing will have an opportunity to vote on whether a binding referendum will be held.

If the school board decides to hold a public hearing for informational purposes only, the resolution is effective unless a sufficient number of electors files a petition for a binding referendum on the resolution within 30 days of the public hearing.

If the school board decides to hold a public hearing at which the electors present may vote on whether a binding referendum will be held, one of the following will occur:

1. A majority of the electors present and voting at the hearing determine that a referendum will be held. If this occurs, the school board must direct the school district clerk to hold the referendum.

2. A majority of the electors present and voting at the hearing determine that no referendum will be held. If this occurs, the resolution is effective unless a sufficient number of electors files a petition for a binding referendum on the resolution within 30 days of the public hearing.

If a school board adopts an initial resolution to issue a promissory note, a referendum will be held only if the amount of money borrowed will cause the aggregate outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$1,000,000 or an amount determined by multiplying the school district's enrollment by 1.5% of the statewide average property tax base per pupil, whichever is less, and a petition is filed and signed by a sufficient number of school district electors.

This bill provides that the above provisions apply only if the bond or promissory note will cause the aggregate amount of outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$250,000 or the amount determined by multiplying the school district's enrollment by \$350, whichever is greater.

The bill also increases a school district's revenue limit by the amount needed to pay debt service on a bond or promissory note authorized on or after the effective date of this bill by school board resolution if the issuance of the bond or note was not subject to a referendum as a result of the new provision described above.

Finally, beginning with state aid paid in the 1996-97 school year, this bill excludes from a school district's shared cost (costs that are aidable through the general aid formula) debt service on debt that was not subject to a referendum as a result of the new provision described above.

For further information see the *state and local* 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:

1 **SECTION 1.** 67.05 (6a) (b) (intro.) of the statutes is renumbered 67.05 (6a) (b)
2 and amended to read:

3 67.05 **(6a)** (b) Paragraph (a) 2. applies only if the amount of money to be raised
4 by the bond issue will cause the aggregate amount of outstanding indebtedness of the
5 school district incurred without a referendum since August 9, 1989, excluding
6 amounts specified in par. (bm), to exceed ~~\$1,000,000~~ \$250,000 or an amount

1 determined as follows by multiplying the school district membership, as defined in
2 s. 121.004 (5), by \$350, whichever is less: greater.

3 **SECTION 2.** 67.05 (6a) (b) 1. to 3. of the statutes are repealed.

4 **SECTION 3.** 67.12 (12) (e) 2g. (intro.) of the statutes is renumbered 67.12 (12)
5 (e) 2g. and amended to read:

6 67.12 (12) (e) 2g. Subdivision 2. applies only if the amount of money to be raised
7 by the promissory note will cause the aggregate amount of outstanding indebtedness
8 of the school district incurred without a referendum since August 9, 1989, excluding
9 amounts specified in s. 67.05 (6a) (bm), to exceed ~~\$1,000,000~~ \$250,000 or an amount
10 determined as follows by multiplying the school district membership, as defined in
11 s. 121.004 (5), by \$350, whichever is less: greater.

12 **SECTION 4.** 67.12 (12) (e) 2g. a. to c. of the statutes is repealed.

13 **SECTION 5.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

14 121.07 (6) (a) (intro.) “Shared cost” is the sum of the net cost of the general fund
15 and the net cost of the debt service fund. In this paragraph, “net cost of the debt
16 service fund” excludes debt service on debt that was not subject to a referendum as
17 a result of s. 67.05 (6a) (b) or 67.12 (12) (e) 2g. In this paragraph, “net cost of the debt
18 service fund” includes all of the following amounts:

19 **SECTION 6.** 121.91 (4) (c) 3. of the statutes is created to read:

20 121.91 (4) (c) 3. Funds needed for the payment of any general obligation debt
21 service, including debt service on debt issued or reissued to fund or refund
22 outstanding municipal obligations, interest on outstanding municipal obligations or
23 the payment of related issuance costs or redemption premiums, authorized on or
24 after the effective date of this subdivision [revisor inserts date], by a resolution
25 of the school board and secured by the full faith and credit of the school district if the

1 issuance of the debt was not subject to a referendum as a result of s. 67.05 (6a) (b)
2 or 67.12 (12) (e) 2g.

3 **SECTION 7. Initial applicability.**

4 (1) The treatment of section 121.07 (6) (a) (intro.) of the statutes first applies
5 to the payment of state aid in the 1996-97 school year.

6 (END)