

2001 DRAFTING REQUEST

Bill

Received: 11/01/2000

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-1923

By/Representing: Maternowski

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters:

Subject: Education - school boards
Education - state superintendent

Extra Copies: MJL

Pre Topic:

DOA:.....Maternowski -

Topic:

Penalty for exceeding revenue limits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	grantpr 11/03/2000	gilfokm 11/03/2000		_____			
/1			jfrantze 11/06/2000	_____	lrb_docadmin 11/06/2000		

FE Sent For:

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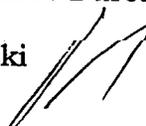
STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: October 30, 2000
To: Stephen Miller, Chief
Legislative Reference Bureau
From: Peter Maternowski 
Subject: 2001-2003 Budget Drafting Requests

Please draft the following items for possible inclusion in the Governor's 2001-2003 biennial budget bill. The items are arranged in three groups: 1) drafts that should be converted from agency requests to Governor's budget items, 2) agency requests that should be modified and drafted as Governor's items, 3) new drafting requests.

The agency requests that should be converted to Governor's drafts are included in the table below.

Convert to DOA Drafts	LRB Draft #	Drafter	
Eliminate Obsolete Appropriations (DPI)	0142/1	Grant	✓
MPCP Application Date (DPI)	0136/1	Grant	✓
Open Enrollment Applicability for Continuing Students (DPI)	0030/P2	Lief	✓
Administration of WKCE exams once per year (DPI)	0140/1	Grant	✓
Eliminate parental Opt-out (DPI)	0132/1	Grant	✓
Low Revenue Limit Ceiling Increase (DPI)	0120/P1	Lief	✓
Non-referenda School District Borrowing (DPI) cp. w/ Quarles & Brady proposal	0138/1	Grant	✓
Special Education Aid, High Cost Program (DPI)	0106/P3	Lief	✓
Bi-lingual/ bi-cultural aid (DPI)	0114/P1	Lief	✓
SAGE bonding changes (DPI)	0129/P1	Lief	✓
Assessment Appropriation consolidation	0125/P1	Lief	✓
Availability of Pupil Assessment Info (DPI)	0145/1	Grant	✓
Part-time open enrollment (DPI)	0137/1	Grant	✓

The items listed in the following table are agency drafts that should be drafted as Governor's budget items with the modifications indicated in the last column of the table.

4967

DEPARTMENT OF PUBLIC INSTRUCTION
2001-03 BIENNIAL BUDGET
DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

Draft for Possible 2001-03 Budget Bill Introduction (*Agency Decision Item No. XXXX*)

Subject:

Non-Referenda School District Borrowing

Request Date:

June 14, 2000

Reviewed by:

Michael J. TeRonde

Michael TeRonde, Agency Legislative Liaison

Agency Contact:

Keith Pollock

Budget and Policy Analyst - DPI

Phone Number: 6-1344,

E-mail: Keith.Pollock@dpi.state.wi.us

Brief Description of Intent:

Permit school districts under certain very limited circumstances to borrow and repay the debt service on such borrowing from amounts available under revenue limits (see attachment).

only A, not B

Related Stat. Citations:

⇒ Additional material(s) are attached if checked

Suggested Statutory Language to Make
Technical Corrections and Revisions to the
School District Borrowing Statutes

A. To remove the impairment of the debt service tax levy for borrowings under the revenue limit

Section ____ . Section 121.92(2)(c) of the statutes is amended to read:

If the amount of the deductions under pars. (a) and (b) is insufficient to cover the excess revenue, order the school board to reduce the property tax obligations of its taxpayers by an amount that represents the remainder of the excess revenue. The school district's refunds to taxpayers who have already paid their taxes shall be increased by interest at the rate of 0.5% per month. If the school board violates the order, any resident of the school district may seek injunctive relief.

The taxes levied for the purpose of paying principal of and interest on valid bonds or notes shall be irrepealable and without limitation and in no event shall any order or injunctive relief under this section or any other remedy for exceeding the revenue limit apply to or in any way affect such taxes.

This change would enable school districts to borrow money and issue general obligation bonds and general obligation promissory notes under Sections 67.05(6a)(b) and 67.12(12)(e)2g (the so-called "\$1 million exemption"), to acquire land from a city under Section 67.05(7)(cc), to remove hazardous substances under Section 67.05(7)(h), to remedy fire hazards or to prevent fire under Section 67.05(7)(i) and to fund periodic cash-flow deficits before the annual tax for the operation and maintenance of the schools under Section 67.12(8)(a)2 so long as the debt service on such bonds or notes was able to be accommodated under a school district's revenue limit. Under current law, as enacted by 1993 Wisconsin Act 16, effective August 12, 1993, such borrowings would be unconstitutional since Article IX, Section 3 requires an irrepealable tax levy to be made at the time a school district borrows and Section 121.92(2)(c), as enacted by Act 16, permits school boards and courts to reduce and refund taxes levied, including debt service taxes, in the event a school district exceeds its revenue limit.

2001

Date (time) needed soon

LRB- 0890, 1

DOA BUDGET DRAFT

PLS : King :

Use the appropriate components and routines developed for bills.

>>FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION<<

AN ACT ... [DO NOT generate catalog]; relating to: ~~the budget~~.

.....
.....

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: create → anal: → title: → head

For the subheading, execute: create → anal: → title: → sub

For the sub-subheading, execute: create → anal: → title: → sub-sub

For the analysis text, in the component bar:

For the text paragraph, execute: create → anal: → text

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

SECTION #.

~~LRB-0890~~ 1
RG:

~~2001 BILL~~

head EDUCATION

sub. PRIMARY AND SECONDARY EDUCATION

1 ~~AN ACT to amend 121.92 (2) (c) of the statutes relating to~~ the penalty for
2 exceeding the school district revenue limits.

Analysis by the Legislative Reference Bureau

Under current law, if a school district exceeds its revenue limit, the state superintendent of public instruction must deduct from the district's state aid payments an amount equal to the excess revenue. If the amount is insufficient to cover the excess revenue, the statutes direct the state superintendent to order the school board to reduce the property tax obligations of its taxpayers by an amount that represents the remainder of the excess revenue.

Under article XI, section 3 (3), of the Wisconsin Constitution, however, when a school district borrows money it must levy an irrepealable tax sufficient to pay the principal of and interest on the debt.

This bill provides that the state superintendent's order to reduce the property tax obligations of a school district's taxpayers does not apply to property taxes levied for the purpose of paying the principal and interest on debt validly issued by the school board.

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

3 SECTION 1. 121.92 (2) (c) of the statutes is amended to read:



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0890/1
PG:kmg:jf

DOA:.....Maternowski – Penalty for exceeding revenue limits

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the penalty for exceeding the school district revenue
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Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

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