

No. 337, S.]

[Published August 2, 1961.

CHAPTER 322

AN ACT to amend 40.095 (5) and 67.05 (14); to repeal and recreate 67.12 (12) (aa), (b), (c), (d) and (e); and to create 67.12 (12) (ee) of the statutes, relating to temporary borrowing by counties, cities, villages, towns, school districts and town sanitary districts.

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

SECTION 1. 40.095 (5) of the statutes is amended to read:

40.095 (5) In addition to the powers and duties granted common school district boards by ss. 40.29, 40.30, 40.31, 40.33, 40.34 and 40.35 the

unified school district board shall have the powers of the common school district meeting under s. 40.22, except as provided in s. 40.22 (3). The board may exercise all powers granted to the annual meeting of a common school district except as provided in s. 40.22 (3). Such board may not, in the name of the district, issue bonds or incur * * * other * * * indebtedness * * * *without approval of the district electors in any instance where the school district board of a common school district is not authorized to do so.*

SECTION 2. 67.05 (14) of the statutes is amended to read:

67.05 (14) This section shall not be construed to require, or at any time before July 9, 1955, to have required, the submission to the electors for approval of any borrowing under s. 67.12, *the provisions of said s. 67.12 being controlling as to such borrowing.*

SECTION 3. 67.12 (12) (aa), (b), (c), (d) and (e) of the statutes are repealed and recreated to read:

67.12 (12) (aa) A school district board of any newly created school district, including a common school district or unified school district created upon abandonment of the city school plan, may, pursuant to this section, issue promissory notes to refund any indebtedness assumed by such school district upon its creation.

(b) To evidence such indebtedness the county, city, village, town, school district or town sanitary district shall issue to the lender its promissory notes, with interest not exceeding 5 per cent per annum, payable within a period not exceeding 10 years following the date of issuance of said notes.

(c) At any time during the term of any original promissory note, or thereafter, in the event the county, city, village, town, school district or town sanitary district has not paid the full amount due thereon: 1. the lender may grant an extension of time, or 2. if the terms of any note outstanding permits payment prior to maturity, the county, city, village, town, school district or town sanitary district may refund such note outstanding or any part thereof, such extension or refunding to be evidenced by a refunding note for payment of any amounts due or to become due under the provisions of such original promissory note upon such terms as may be agreed upon, with interest not exceeding 5 per cent per annum, for a term not exceeding 10 years following the date of issuance of any such refunding note.

(d) Such notes shall be signed by the same officers as are required by law to sign municipal bonds and shall carry on the face thereof the provisions of the resolution authorizing the same or a digest thereof or a reference to the same so that it can be readily located; and such notes shall be the general obligation of the county, city, village, town, school district or town sanitary district issuing them.

(e) Before such loan or any extension agreement is made:

1. The governing body of such county, city, village, town, school district or town sanitary district shall adopt and record a resolution specifying the purposes and the amount of the loan or that the note is a refunding note, the instalments, the rate of interest, and levying a direct annual irrepealable tax sufficient to pay each instalment, and the interest, as it becomes due and payable. Such resolution shall be adopted by at least a three-fourths vote of the members-elect of such governing body, or, in the case of a city borrowing for school purposes and having territory attached for school purposes only, by at least three-fourths of all the votes provided by the formula contained in s. 40.807 (2).

2. Upon the adoption by a school district board of a resolution to incur an indebtedness in excess of \$5,000 under this section, the clerk of said

school district shall, within 7 days thereafter, cause public notice of such adoption to be given to the electors in the district by publication once in some newspaper published in the district, or, in the alternative, if no newspaper is published in the district, by posting such notice within such period in 6 or more public places in the district. The notice need not set forth the full contents of the resolution, but shall state the amount proposed to be borrowed, the purpose thereof, that the resolution was adopted pursuant to this subsection, and the place where, and the hours during which, the resolution can be inspected. If within 15 days after such publication or posting there is filed with the school district clerk a petition for referendum on the resolution signed by 500 electors of the district or 20 per cent of the number of district electors voting for governor at the last general election as determined pursuant to s. 40.01 (6), whichever is the lesser, then such resolution shall not be effective unless adopted by a majority of the district electors voting at such referendum. The referendum shall be noticed, called and conducted pursuant to s. 67.05 (6a) insofar as applicable, except that the notice of special election and ballot need not embody a copy of the resolution and the question which shall appear on the ballot shall be "Shall ----- (name of district) borrow the sum of \$----- for (state purpose) by issuing its general obligation promissory note (or notes) pursuant to s. 67.12 (12), Wis. Stats.?"

3. When a school district board adopts a resolution to borrow a sum for a stated purpose and a sufficient petition for referendum thereon is not filed within the time permitted herein, or if such petition is filed and the question is approved at referendum, then the power of said board to borrow such sum and expend the same for the purpose stated shall be deemed approved by the school district electors upon the expiration of the time for filing the petition or accomplishment of the referendum, whichever is applicable.

4. Notes heretofore issued by school districts under the authority of this subsection and without approval thereof by the electors of such school districts shall not be deemed invalid because of absence of such approval, and such notes are herewith declared to be valid and binding obligations of such school district if in all other respects issued in accordance with the law pertaining thereto.

SECTION 4. 67.12 (12) (ee) of the statutes is created to read:

67.12 (12) (ee) Any tax levied as provided in par. (e) for each year after receipt of the borrowed money shall become and continue irrepealable and shall be carried into the tax roll each year and collected as other taxes are collected, except that 1. if any such loan is paid in full prior to maturity, the still uncollected portions of the tax levied to provide repayment need not be carried into the tax roll; and 2. if the holder of any note issued for any of the purposes set forth in par. (a) agrees in writing to an extension of time, or any such note is refunded as permitted herein, and the appropriate refunding note has been authorized and executed by the borrower, and the original note returned and canceled, then the still uncollected portions of the tax levied to provide the repayment of the original loan need not be carried into the tax roll but shall be replaced by the amounts levied to provide for the repayment of any such refunding note.

Approved July 28, 1961.