

No. 754, S.]

[Published December 29, 1961.

CHAPTER 619

AN ACT to amend 40.807 (4a) (b) and to create 40.807 (4a) (c) of the statutes, providing for transfer of school property.

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

SECTION 1. 40.807 (4a) (b) of the statutes is amended to read:

40.807 (4a) (b) All school property other than vocational school property of a city or city school district then operating under the city school plan and situated in the unified school district at the time of its creation; and all *school* property of any city or city school district which shall hereafter abandon the city school plan in favor of a common or *unified* school district; and all *school* property of any city or city school district which has heretofore \* \* \* abandoned the city school plan in favor of a common or *unified* school district; shall be sold by such city or city school district to the *unified or common* school district which thereafter shall assume the operation of the city schools at a price equal to the principal amount of the then outstanding obligations of such city issued for *such* school purposes. The unified school district or common school district \* \* \* *may* issue its bonds or promissory notes pursuant to ch. 67 to pay the cost of purchasing such school property. The city shall deposit the proceeds of the sale of the school property in the sinking fund or funds created for the payment of its obligations issued for school purposes, and the indebtedness of the city shall, for purposes of computing its legal debt limit, be deemed to be reduced by the amount of such deposit. The municipal treasurer shall invest these sinking fund moneys in the name of the city in compliance with s. 66.04 (2). Bonds and notes issued by \* \* \* school districts for the purposes provided in this subsection shall not be subject to referendum. The purchase agreement shall include an irrevocable clause providing that the school district shall pay annually to the city a sum of money equal to the amount in which the interest received by the city on account of the investment herein required is less than the amount of interest paid by the city on the bonds of the city for school purposes other than vocational schools.

SECTION 2. 40.807 (4a) (c) of the statutes is created to read:

40.807 (4a) (c) The unified or common school district required to purchase school property under this subsection may, with approval by the city council involved, pay the purchase price by issuing and delivering directly to the city the general obligation promissory note or notes of the school district pursuant to the provisions, including an irrevocable tax levy, of s. 67.12 (12) except that no right to a referendum shall exist on the

school board's resolution directing the issuance of such note or notes and the 10-year limitation of time for payment as is provided in s. 67.12 (12) shall not be applicable to such note or notes issued under this paragraph. Such note or notes shall mature and be payable at such times and in such amounts and at such a rate interest as will amortize and pay when due the principal and interest on then outstanding obligations of the city issued for school purposes. All such notes, upon execution and delivery to the city, shall in all respects be held and considered as an authorized investment under s. 66.04 (2) of the sinking fund created for payment of the city obligations issued for school purposes and shall be offset against the city's indebtedness in computing the city's legal debt limit to the same extent as other authorized investments of the sinking fund and such notes may be sold and hypothecated. If the offset against any city's indebtedness under this paragraph is determined to be invalid in any respect, such city may immediately require the school district issuing to such city promissory notes hereunder to comply with par. (b).

Approved December 27, 1961.

---