

1983 Assembly Bill 1010

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1983 Wisconsin Act 207

AN ACT to repeal 66.066 (2) (m) 5, 66.066 (3), 67.045, 67.05 (3), 67.05 (8) and (9), 67.08 (4), 67.10 (8), 67.11 (1) (c), 67.12 (5) and (6), 67.12 (9), 67.12 (10) and (11), 67.12 (12) (b), 67.12 (13), 67.125, 67.156, 67.23 and 220.225; to renumber and amend 66.066 (1); to amend 13.48 (2) (f), 24.61 (3) (a) 1, 30.34 (3) (title) and (a), 33.31 (2), 60.307 (10), 60.31 (1) (b) and (4) (c), 65.20 (1) (h), 66.06 (1), 66.066 (2) (a), 66.066 (2) (b) (intro.), 66.066 (2) (b) 5, 66.066 (2) (d) to (f), 66.066 (2) (i) to (m) 1, 66.066 (2) (m) 2, 66.066 (2) (m) 3 and 4, 66.066 (4), 66.067, 66.068 (1), 66.076 (1), (2) and (9), 66.25 (2), 66.30 (1) (a), 66.38 (1) (a), 66.38 (4) (title), 66.38 (4) (a), 66.38 (4) (b), 66.46 (9) (a) 6 and (b) 1, 66.54 (15), 66.60 (10), 66.91 (1) (title) and (g), 66.91 (1) (f), 66.912 (5), 67.01 (1), 67.01 (6), 67.01 (8) (g), 67.02 (title), 67.05 (5) (b), (6) and (6m) (intro.), 67.05 (10), 67.06, 67.07, 67.11 (1) (d), 67.11 (1) (e), 67.11 (2) (a) and (b), 67.11 (3) to (5), 67.12 (12) (c) (intro.), 67.12 (12) (d), 67.12 (12) (e) 1 and 5, 67.12 (12) (ee), 67.12 (12) (g), 67.13 (title), 67.13 (1), 67.22, 86.21 (2), 120.10 (10), 197.10 (1) (g), 198.14 (10) and 223.03 (7); to repeal and recreate 66.066 (2) (c), 67.04, 67.05 (1), 67.08 (2) and (3), 67.11 (title) and (1) (intro.), 67.11 (2) (intro.), 67.12 (1), 67.12 (12) (a) and 67.12 (12) (c) 2; and to create 66.066 (1), 66.54 (16), 67.02 (3), 67.03 (2m), 67.03 (9), 67.05 (15) and 120.13 (29) of the statutes, relating to revising municipal borrowing statutes.

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

SECTION 1. 13.48 (2) (f) of the statutes, as affected by 1983 Wisconsin Act 36, is amended to read:

13.48 (2) (f) The building commission may allocate funds from the state building trust fund or other sources available to them to equip any university of Wisconsin ~~centers~~ ~~when~~ system center if the facilities have been provided by the counties or other units of

local government ~~in accordance with s. 66.51 (1) (a) or 67.04 (2) (zp)~~ under s. 66.51 or 67.04 and the operation of the center has been approved by the board of regents of the university of Wisconsin system.

SECTION 2. 24.61 (3) (a) 1 of the statutes is amended to read:

24.61 (3) (a) 1. A school district by whatever name designated, to be used for the operation and maintenance of schools, in erecting and remodeling school buildings, teacherages, in the purchase of teacherages, teacherage sites, schoolhouse sites, bus garage sites, transportation vehicles, bus garages, school equipment, or school playgrounds, or in refunding any indebtedness incurred for a lawful purpose and within the constitutional limitations, and for the ~~purposes enumerated in~~ purpose authorized by s. 67.04 (6) or otherwise authorized by law;

SECTION 3. 30.34 (3) (title) and (a) of the statutes are amended to read:

30.34 (3) (title) FINANCING BY MEANS OF NOTES, BONDS OR ASSIGNMENTS OF NET PROFITS.
(a) Any municipality may, with the consent of its board of harbor commissioners, finance the cost of acquisition, construction, alteration or repair of any harbor facility by issuing evidences of indebtedness payable only out of the revenue obtained from the public harbor facilities. Such evidences of indebtedness may be revenue bonds, refunding bonds or bond anticipation notes issued under s. 30.35 or 66.521 or may be ~~mortgage certificates or pledges or assignments of net profits, issued pursuant to s. 66.066 (3) or (4)~~ as if the harbor facility were a public utility.

SECTION 4. 33.31 (2) of the statutes is amended to read:

33.31 (2) Any district, when in temporary need, may borrow money ~~pursuant to the provisions and limitation applicable to cities~~ under s. 67.12. The required tax levy therefor shall be levied without limitation as to rate or amount on all taxable property within the district, shall be reported in accordance with s. 33.29 (3) (c), and shall not be included nor ~~includible~~ includable in the operations tax limit of s. 33.30 (3) (c).

SECTION 5. 60.307 (10) of the statutes is amended to read:

60.307 (10) Any such town sanitary district is authorized to provide for the operation as a single enterprise of its waterworks, sewerage, garbage and refuse disposal systems, or of any part or combination thereof. When any town sanitary district shall issue any new ~~mortgage~~ revenue bonds under this subsection, which are payable from the revenue of the combined waterworks, sewerage, garbage or refuse disposal system, or any part thereof, if there shall be outstanding mortgage or revenue bonds payable solely from the same combined waterworks, sewerage, garbage and refuse disposal systems, or any part thereof, then such new ~~mortgage~~ revenue bonds may be issued subject to such outstanding mortgage or revenue bonds, with respect to the payment of principal and interest and the security thereof, or may include an amount sufficient to retire such outstanding bonds.

SECTION 6. 60.31 (1) (b) and (4) (c) of the statutes are amended to read:

60.31 (1) (b) The property of such district shall pass to the city or village and all assets and liabilities of any such district shall be assumed by such city or village. If any mortgage bonds, revenue bonds or mortgage certificates are outstanding the transfer of the property shall be subject to such bonds or certificates. If any general obligation bonds or notes are outstanding the city or village shall cause to be levied and collected upon all taxable property in such city or village in one sum or in annual instalments an irrepealable tax in an amount necessary to pay the interest and principal of such bonds or notes when due.

(4) (c) Finance or refinance the system under s. 66.066 ~~including issuance of refunding bonds authorized in s. 66.066 (2) (b), and s. 67.04 including issuance of refunding bonds authorized in s. 67.04 (2) (r) and s. 67.12 (12) for purposes therein stated or for refunding purposes,~~ 67.04 or 67.12.

SECTION 7. 65.20 (1) (h) of the statutes is amended to read:

65.20 (1) (h) The mayor shall also include in the proposed budget the amount of bonds, and the purposes therefor, and the required mortgage certificates for them, to be issued during the fiscal year, except such bonds as are authorized to be omitted by express provision of law. Bonds authorized to be omitted include bonds issued for the purpose of refunding prior indebtedness of the city.

SECTION 8. 66.06 (1) of the statutes is amended to read:

66.06 (1) DEFINITIONS. The definition of "public utility" in s. 196.01 is applicable to ss. 66.06 to 66.078. Whenever the phrase "resolution or ordinance" is used in ss. 66.06 to 66.065 and 66.068 to 66.078, it means, as to villages and cities, ordinance only.

SECTION 9. 66.066 (1) of the statutes is renumbered 66.066 (1m) and amended to read:

66.066 (1m) Any ~~town, village, city, commission created by contract under s. 66.30, or power district~~ municipality may, by action of its governing body, provide for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a public utility, motor bus or other systems of public transportation from the general fund, or from the proceeds of municipal bonds, mortgage obligations, including revenue bonds or mortgage certificates. ~~The term municipality as used in this section includes power districts, municipal water districts and commissions created by contract under s. 66.30.~~ Any indebtedness obligation created pursuant to subs. (2) to (4) shall not be considered an indebtedness of such municipality, and shall not be included in arriving at the constitutional debt limitation.

SECTION 10. 66.066 (1) of the statutes is created to read:

66.066 (1) In this section:

(a) "Municipality" means any city, village, town, county, commission created by contract under s. 66.30, public inland lake protection and rehabilitation district, metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district, municipal water district or power district.

(b) For purposes of financing under this section, "public utility" means any revenue producing facility or enterprise owned by a municipality and operated for a public purpose as defined in s. 67.04 (1) (b) or undertaken by a municipality under s. 66.067.

(c) "Revenue" means all moneys received from any source by a public utility and all rentals and fees.

SECTION 11. 66.066 (2) (a) of the statutes, as affected by 1983 Wisconsin Act 24, is amended to read:

66.066 (2) (a) 1. ~~The board or council governing body, by ordinance or resolution,~~ shall order the issuance and sale of bonds ~~bearing interest payable semiannually,~~ executed as provided in s. 67.08 (1) and payable at such times not exceeding 40 years from the date thereof, and at such places, as the ~~board or council governing body~~ of such municipality shall determine, which bonds shall be payable only out of the special redemption fund. Each such bond shall ~~state plainly upon its face~~ include a statement that it is payable only from the special redemption fund, naming the ordinance or resolution creating it and that it does not constitute an indebtedness of such municipality. The bonds may be issued either as registered bonds under s. 67.09 or as coupon bonds payable to bearer. Bonds shall be sold in such manner and upon such terms as the ~~board or council governing body~~ deems for the best interests of said municipality.

2. ~~All bonds shall mature serially commencing~~ Interest, if any, on bonds shall be paid at least annually to bondholders. Payment of principal on the bonds shall commence not later than 3 years after the date of issue in such amounts that the requirement each year to pay both principal and interest will be as nearly equal as practicable or 2 years after

the estimated date that construction will be completed, whichever is later. Thereafter, at least annually, the municipality shall make principal payments and, if any, interest payments to bondholders or provide by ordinance or resolution that payments be made into a separate fund for payment to bondholders as specified in the ordinance or resolution authorizing the issuance of the bonds. The amount of the annual debt service payments made or provided for shall be reasonable in accordance with prudent municipal utility management practices.

3. All such bonds may contain a provision authorizing redemption thereof, in whole or in part, at stipulated prices, at the option of the municipality on any interest payment date ~~after 3 years from the date of the bonds, and shall provide the method of selecting the bonds to be redeemed.~~ The board or council governing body may provide in any contract for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a public utility, that payment thereof shall be made in such bonds at not less than 95% of the par value thereof.

SECTION 12. 66.066 (2) (b) (intro.) of the statutes is amended to read:

66.066 (2) (b) (intro.) All moneys received from any bonds issued ~~pursuant hereto under this section~~ shall be applied solely for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a public utility, and in the payment of the cost of any subsequent necessary additions, improvements and extensions. ~~There is created a statutory mortgage lien upon Bonds issued under this section shall be secured by a pledge of the revenues of the public utility to the holders of the bonds and to the holders of the any coupons of said the bonds and may be additionally secured by a mortgage lien upon the public utility to the holders of the bonds and to the holders of any coupons of the bonds. If a mortgage lien is created by ordinance or resolution, the lien shall be perfected by publication of the ordinance or resolution or by recording of the ordinance or resolution in the records of the municipality. In addition, the municipality may record the lien by notifying the register of deeds of the county in which the public utility is located concerning its issuance of bonds. If the register of deeds receives notice from the municipality, the register of deeds shall record any mortgage lien created. The public utility shall remain subject to such statutory the pledge and, if created, the mortgage lien until the payment in full of the principal and interest of the bonds. Upon repayment of bonds for which a mortgage lien has been created, the register of deeds shall, upon notice from the municipality, record a satisfaction of the mortgage lien. Any holder of the bonds a bond or of any coupons attached thereto to a bond may either at law or in equity protect and enforce the statutory this pledge and, if created, the mortgage lien hereby conferred and compel performance of all duties required by this section of the municipality. If there is any default in the payment of the principal or interest of any of the bonds, any court having jurisdiction of the action may appoint a receiver to administer the public utility on behalf of the municipality, and the bondholders, with power to charge and collect rates lawfully established sufficient to provide for the payment of the operating expenses and also to pay any bonds or obligations outstanding against the utility, and to apply the income and revenues thereof in conformity with this statute and the ordinance, or the court may declare the whole amount of the bonds due and payable and may order and direct the sale of the public utility. Under any sale so ordered, the purchaser shall be vested with an indeterminate permit to maintain and operate the public utility by this section. Any municipality may provide for additions, extensions and improvements to a public utility owned by said municipality that it owns by additional issue issues of bonds as herein provided under this section. Such additional issues of bonds shall be subordinate to all prior issues of bonds which may have been made hereunder under this section, but a municipality may in the ordinance or resolution authorizing bonds hereunder permit the issue of additional bonds on a parity therewith. Any municipality may issue new bonds as herein provided and secured in the same manner, under this section to provide funds for the~~

payment of the principal and interest of any outstanding bonds, bond anticipation notes or promissory notes issued under this section or under ch. 67 for any of the purposes stated in sub. (1) ~~then outstanding, such refunding or refinancing being additionally provided for as follows~~ (1m). Refunding bonds are subject to the following provisions:

SECTION 13. 66.066 (2) (b) 5 of the statutes is amended to read:

66.066 (2) (b) 5. The ~~board or council~~ governing body may, in addition to other powers conferred by this section, include a provision in any ordinance or resolution authorizing the issuance of refunding bonds pledging all or any part of the revenues of any public utility or utilities or combination thereof originally financed or extended or improved from the proceeds of any of the bonds, bond anticipation notes or promissory notes being refunded, and pledging all or any part of the surplus income derived from the investment of any trust created pursuant to subd. 3.

SECTION 14. 66.066 (2) (c) of the statutes is repealed and recreated to read:

66.066 (2) (c) The governing body shall, in the ordinance or resolution authorizing the issuance of bonds, establish a system of funds and accounts and provide for sufficient revenues to operate and maintain the public utility and to provide fully for annual debt service requirements of bonds issued under this section. The governing body may establish a fund or account for depreciation of assets of the public utility.

SECTION 15. 66.066 (2) (d) to (f) of the statutes are amended to read:

66.066 (2) (d) ~~The proportion set aside to the depreciation fund shall be available and shall be used, whenever necessary, If a governing body creates a depreciation fund under par. (c) it shall use the funds set aside to restore any deficiency in the special redemption fund described below specified in par. (e) for the payment of the principal and interest due on the bonds herein authorized and for the creation and maintenance of any reserves established by the bond ordinance or ordinances resolution to secure such these payments. At any time when If the special redemption fund is sufficient for said these purposes, moneys in the depreciation fund may be expended in making good depreciation either in said public utility or in for repairs, replacements, new constructions, extensions or additions of the public utility. Any accumulations of such the depreciation fund may be invested, and if invested, the income from the investment shall be carried deposited in the depreciation fund.~~

(e) ~~The proportion which shall be set aside for the payment of the principal and interest of the bonds herein authorized shall from month to month as the same shall accrue and be received, be set apart and paid into governing body of the municipality shall by ordinance or resolution create a special fund in the treasury of the said municipality to be identified as "the special redemption fund" into which shall be paid the amount which shall be set aside for the payment of the principal and interest due on the bonds and for the creation and maintenance of any reserves established by bond ordinance or resolution to secure these payments.~~

(f) ~~If At the close of the public utility's fiscal year, if any surplus shall be has accumulated in any of the above funds, it shall may be disposed of as provided in the order set forth under s. 66.069 (1) (c).~~

SECTION 16. 66.066 (2) (i) to (m) 1 of the statutes are amended to read:

66.066 (2) (i) ~~Said board or council~~ The governing body shall have full power to adopt all ordinances and resolutions necessary to carry into effect ~~the provisions of this subsection.~~ Any ordinance or resolution providing for the issuance of bonds may contain such provisions or covenants, without limiting the generality of the power to adopt such ordinance or resolution, as is deemed necessary or desirable for the security of bondholders or the marketability of the bonds, including but not limited to provisions as to the sufficiency of the rates or charges to be made for service, maintenance and operation, improvements or additions to and sale or alienation of the public utility, insurance against

loss, employment of consulting engineers and accountants, records and accounts, operating and construction budgets, establishment of reserve funds, issuance of additional bonds, and deposit of the proceeds of the sale of the bonds or revenues of the public utility in trust, including the appointment of depositories or trustees. Any ordinance or resolution authorizing the issuance of bonds or other obligations payable from revenues of a public utility shall constitute a contract with the holder of any bonds or other obligations issued pursuant to such ordinance or resolution.

(j) Proceedings for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating, or managing a public utility by any municipality ~~heretofore~~ begun prior to May 6, 1911, under the provisions of law other than sub. (2), may be ~~proceeded with~~ continued either under the provisions of such law, if still in force, or under sub. (2) as the ~~board or council~~ governing body may elect. A municipality proceeding under ch. 197 to acquire the property of a public utility may pay for the same ~~it~~ by the method provided for in this section.

(k) ~~The~~ Under this paragraph, the ordinance or resolution required by sub. (2) under par. (c) may set apart bonds ~~hereunder~~ equal to the amount of any secured debt or charge subject to which a public utility may be purchased, acquired, leased, constructed, extended, added to, or improved in any proceedings ~~heretofore begun or hereafter commenced~~, and shall set aside for interest and sinking debt service fund from the income and revenues of the public utility, a sum sufficient to comply with the requirements of the instrument creating the lien, or, if ~~such~~ the instrument does not make any provision ~~therefor, said~~ for it, the ordinance or resolution shall fix and ~~determine~~ the amount which shall be set aside into a secured debt fund from month to month for interest on the secured debt, and a fixed amount or proportion not exceeding a stated sum, which shall be not less than one ~~per cent~~ percent of the principal, to be set aside into ~~said~~ the fund to pay the principal of the debt. Any surplus after satisfying the debt may be transferred to the special redemption fund. Public utility bonds set aside for ~~such~~ the debt may, from time to time be issued to an amount sufficient with the amount then in ~~such~~ sinking the debt service fund, to pay and retire the ~~said~~ debt or any portion thereof; ~~such~~ of it; the bonds may be so issued at not less than 95 ~~per cent~~ % of the par value in exchange for, or satisfaction of, the secured debt, or may be sold in the manner ~~herein~~ provided in this paragraph, and the proceeds applied in payment of the ~~same~~ secured debt at maturity or before maturity by agreement with the holder. The ~~board or council~~ governing body and the owners of any public utility acquired, purchased, leased, constructed, extended, added to, or improved, ~~hereunder~~ under this paragraph may, upon such terms and conditions as are satisfactory, contract that public utility bonds to ~~provide~~ providing for ~~such~~ the secured debt, or for the whole purchase price shall be deposited with a trustee or depository and released from ~~such~~ deposit from time to time on ~~such~~ the terms and conditions ~~as are~~ necessary to secure the payment of the debt.

(L) Any municipality ~~which has heretofore or may hereafter purchase, acquire, lease, construct, extend, add to or improve, conduct, control, operate, or manage purchasing, acquiring, leasing, constructing, extending, adding to or improving, conducting, controlling, operating or managing~~ a public utility subject to a mortgage or deed of trust by the vendor or his or its predecessor in title to secure the payment of outstanding and unpaid bonds made by the vendor or his or its predecessor in title, may readjust, renew, consolidate or extend the debt obligation evidenced by ~~such~~ the outstanding bonds and continue the lien ~~thereof~~ of the mortgage, securing the same by issuing bonds to refund the ~~said~~ outstanding mortgage or revenue bonds at or prior to their maturity, which bonds shall be payable only out of a special redemption fund to be created and set aside by ordinance ~~as nearly as may be in the manner prescribed by sub. (2), and which~~ or resolution under par. (e). The refunding bonds shall be secured by a statutory mortgage lien upon the public utility, and ~~such~~ the municipality is authorized to adopt all ordinances or resolutions and take all proceedings, following ~~as nearly as may be~~ the procedure ~~prescribed by~~

~~sub. (2), the~~ under this subsection. ~~The lien thereof shall have the same priority on the public utility as the mortgage securing the outstanding bonds, unless it be otherwise expressly provided in the proceedings of the common council or other governing authority to authorize the same governing body of the municipality.~~

(m) 1. ~~Whenever If the board or council governing body of any town, village, city or power district has authorized municipality, by ordinance or resolution, declares its intentions to authorize the issuance or sale of mortgage revenue bonds under this section, such board or council the governing body may, prior to the issuance of such the bonds and in anticipation of their sale, authorize the issuance of bond anticipation notes by the adoption of a resolution or ordinance by two-thirds of its members present. Such. The notes shall be named "bond anticipation notes." Such resolution or ordinance shall recite that all conditions precedent to the issuance of such mortgage bonds provided by law or by the ordinance pursuant to which such mortgage bonds were authorized to be issued have been complied with, and that said notes are issued for the purposes for which mortgage bonds were authorized to be issued. Bond anticipation notes may be issued for the purposes for which the municipality has authority to issue revenue bonds. The ordinance or resolution authorizing the bond anticipation notes shall state the purposes for which the bond anticipation notes are to be issued and shall set forth a covenant of the municipality to issue the revenue bonds in an amount sufficient to retire the outstanding bond anticipation notes. The ordinance or resolution may contain other covenants and provisions, including a description of the terms of the revenue bonds to be issued. The municipality may pledge revenues of the public utility to payment of the principal and interest on the bond anticipation notes. Prior to issuance of the bond anticipation notes, the governing body may adopt an ordinance or resolution authorizing the revenue bonds.~~

SECTION 17. 66.066 (2) (m) 2 of the statutes, as affected by 1983 Wisconsin Act 24, is amended to read:

~~66.066 (2) (m) 2. Such bond anticipation notes and any renewals thereof may be issued for periods of up to 5 years in the aggregate. These notes shall mature within 5 years of the date of the notes originally issued. Bond anticipation notes may be issued for periods of up to 5 years and may, by ordinance or resolution of the governing body, be refunded one or more times, if the refunding bond anticipation notes do not exceed 5 years in term and if they will be paid within 10 years after the date of issuance of the original bond anticipation notes. Bond anticipation notes shall be executed as provided in s. 67.08 (1) and may be registered under s. 67.09. These notes shall include a statement that state the sources from which they are payable from proceeds of mortgage bonds issued under this section. The rate of interest borne by said bond anticipation notes shall not exceed the maximum rate of interest authorized to be borne by said mortgage bonds. Such bond. Bond anticipation notes shall not be deemed a general obligation are not an indebtedness of the town, village, city or power district municipality issuing them, and no lien shall may be created or attached with respect to any property of the utility municipality as a consequence of the issuance of such notes.~~

SECTION 18. 66.066 (2) (m) 3 and 4 of the statutes are amended to read:

66.066 (2) (m) 3. Any funds derived from the issuance and sale of mortgage revenue bonds under this section and issued subsequent to the execution and sale of bond anticipation notes shall constitute a trust fund, and such fund shall be expended first for the payment of principal and interest of such bond anticipation notes, and then may be expended for such other purposes as are set forth in the ordinance or resolution authorizing the mortgage revenue bonds. No bond anticipation notes may be issued unless the comptroller of such town, city, village or power district, or other a financial officer, first of the municipality certifies to the board or council governing body that contracts with respect to additions, improvements and extensions are to be let and that the proceeds of such notes shall be required for the payment of such contracts.

4. Upon Following the issuance of ~~such the~~ bond anticipation notes, there shall be paid into the fund or accounts respectively provided for the payment of the principal and interest of said mortgage bonds, from the proportion of the revenues of the public utility allocated to the payment of such principal and interest, the same amounts at the same times as would have been required to be paid therein for the payment of the principal of and the interest on the mortgage bonds if said mortgage bonds, in an equal principal amount, had been issued instead of such notes. Such may be paid into a fund to pay principal and interest on the bond anticipation notes, which moneys or any part thereof of them may, by the ordinance or resolution authorizing the issuance of bond anticipation notes, be pledged for the payment of the principal of and the interest on such notes. In addition thereto, such The ordinance or resolution shall pledge to the payment of the principal of such the notes the proceeds of the sale of the mortgage revenue bonds in anticipation of the sale of which said the notes were authorized to be issued. Such and may provide for use of revenue of the public utility or other available funds for payment of principal on the notes. The notes shall constitute negotiable instruments.

SECTION 19. 66.066 (2) (m) 5 of the statutes is repealed.

SECTION 20. 66.066 (3) of the statutes is repealed.

SECTION 21. 66.066 (4) of the statutes is amended to read:

66.066 (4) Any city, village, town or municipal power district municipality which may own or operate, or hereafter, purchase, acquire, lease, construct, extend, add to, improve, conduct, control, operate or manage any public utility may also, by action of its governing body, in lieu of ~~the issuance of issuing bonds or certificates or the levy of levying taxes and in addition to any other lawful methods or means of providing for the payment of indebtedness, have the power by and through its governing body to of paying obligations,~~ provide for or to secure the payment of the cost of purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating, or managing a public utility by pledging, assigning or otherwise hypothecating, shares of stock evidencing a controlling interest therein, or the net earnings or profits derived, or to be derived, from the operation of such the public utility. ~~To that end, it The municipality may enter into such the contracts and may mortgage its plant the public utility and issue such evidences of indebtedness as may be proper obligations to carry out the provisions of this subsection. There is hereby granted and created a statutory mortgage lien upon the public utility to the holders of any evidences of indebtedness issued under this subsection. The provisions of sub. (2) (b) shall be applicable to such statutory mortgage lien. Any municipality may issue additional evidences of indebtedness in the manner herein provided or in the manner provided obligations under this subsection or elsewhere in this section, but such those obligations shall be subordinate to all prior issues of indebtedness obligations, except that the municipality may in the ordinance or resolution authorizing evidences of indebtedness hereunder obligations under this subsection permit the issue of additional evidences of indebtedness obligations on a parity therewith with those previously issued.~~

SECTION 22. 66.067 of the statutes is amended to read:

66.067 Public works projects. For financing purposes, garbage incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf links, bathing beaches, bathhouses, street lighting, city halls, courthouses, jails, schools, cooperative educational service agencies (CESAS), hospitals, homes for the aged or indigent, regional projects, waste collection and disposal operations, systems of sewerage and any and all other necessary public works projects undertaken by any town, village, city, county, other municipality, public inland lake protection and rehabilitation district, any metropolitan sewerage district created under ss. 66.88 to 66.918, or a commission created by contract under s. 66.30, are public utilities within the meaning of s. 66.066. ~~In financing under s. 66.066,~~

~~rentals and fees shall be considered as revenue. Any indebtedness created under this section may not be included in arriving at the constitutional debt limitation.~~

SECTION 23. 66.068 (1) of the statutes is amended to read:

66.068 (1) In cities owning a public utility, the ~~council~~ governing body shall and in towns and villages owning a public utility the ~~board~~ governing body may provide for a nonpartisan management thereof, and create for each or all such utilities, a board of 3 or 5 or 7 commissioners, to take entire charge and management of such utility, to appoint a manager and fix his compensation, and to supervise the operation of the utility under the general control and supervision of the ~~board or council~~ governing body.

SECTION 24. 66.076 (1), (2) and (9) of the statutes are amended to read:

66.076 (1) In addition to all other methods provided by law any municipality may construct, acquire or lease, extend or improve any plant and equipment within or without its corporate limits for the collection, transportation, storage, treatment and disposal of sewage, including the lateral, main and interceptor sewers necessary in connection therewith, and any town, village or city may arrange for such service to be furnished by a metropolitan sewerage district or joint sewerage system. Payment for the same or any part thereof may be provided from the general fund, from taxation, special assessments, sewerage service charges, or from the proceeds of either municipal ~~bonds, mortgage obligations, revenue bonds, mortgage certificates~~ or from any combination of these enumerated methods of financing.

(2) Where payment in whole or in part is made by the issue and sale of ~~mortgage revenue bonds or mortgage certificates~~, the payments shall be made as provided in s. 66.066. The provisions of s. 66.066 which are not inconsistent with this section are made a part of this section. The term "public utility" as used in s. 66.066 shall for this purpose include the sewerage system, accessories, equipment and other property, including land. The ~~mortgage or revenue bonds or mortgage certificates~~ shall not constitute a ~~general~~ an indebtedness of the municipality but shall be secured only by the sewerage system and its revenue, and the franchise provided for in this section.

(9) If any user of a service complains to the public service commission that rates, rules and practices are unreasonable or unjustly discriminatory, or if a holder of a ~~mortgage or revenue~~ bond or mortgage certificate or other evidence of debt, secured by a mortgage on the sewerage system or any part thereof or pledge of the income of sewerage service charges, complains that rates are inadequate, the public service commission shall investigate the complaint. If there appears to be sufficient cause for the complaint, the commission shall set the matter for a public hearing upon 10 days' notice to the complainant and the town, village or city. After the hearing, if the public service commission determines that the rates, rules or practices complained of are unreasonable or unjustly discriminatory, it shall determine and by order fix reasonable rates, rules and practices and shall make such other order respecting the complaint as may be just and reasonable. The proceedings under this subsection shall be governed, as far as applicable, by ss. 196.26 to 196.40. The commission shall bill any expense of the commission attributable to a proceeding under this subsection to the town, village or city under s. 196.85 (1).

SECTION 25. 66.25 (2) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

66.25 (2) TAX LEVY. The commission may levy a tax upon the taxable property in the district as equalized by the department of revenue for state purposes for the purpose of carrying out and performing duties under ss. 66.20 to 66.26 but the amount of any such tax in excess of that required for maintenance and operation and for principal and interest on bonds or notes shall not exceed, in any one year, one mill for each dollar of such assessed equalized valuation of the taxable property in the district. The tax levy may be spread upon the respective real estate and personal property tax rolls of the city, village and town areas included in the district taxes, and shall not be included within any limita-

tion on county or municipality taxes. Such moneys when collected shall be paid to the treasurer of such district.

SECTION 26. 66.30 (1) (a) of the statutes is amended to read:

66.30 (1) (a) In this section "municipality" means the state or any department or agency thereof, or any city, village, town, county, school district, public library system, public inland lake protection and rehabilitation district, sanitary district, farm drainage district, metropolitan sewerage district, sewer utility district, water utility district, mosquito control district, municipal electric company, county or city transit commission, commission created by contract under this section or regional planning commission.

SECTION 27. 66.38 (1) (a) of the statutes is amended to read:

66.38 (1) (a) "Debt service" means the amount due of principal, interest and premium for mortgage revenue bonds or revenue bonds issued under this section.

SECTION 28. 66.38 (4) (title) of the statutes is amended to read:

66.38 (4) (title) REVENUE BONDING.

SECTION 29. 66.38 (4) (a) of the statutes, as affected by 1983 Wisconsin Act 24, is amended to read:

66.38 (4) (a) The ~~legislative governing~~ body of any municipality may issue ~~mortgage~~ revenue bonds by resolution, to finance low-interest mortgage loans under this section. The resolution shall state the maximum dollar amount of authorized bonds and the purpose for which the municipality may issue the bonds. The resolution shall state the terms, form and content of the bonds. These bonds may be registered under s. 67.09.

SECTION 30. 66.38 (4) (b) of the statutes is amended to read:

66.38 (4) (b) Debt service is payable solely from revenues received from the loans issued under this section. No mortgage revenue bond or revenue bond issued under this section is a debt of the municipality or a charge against the city's general credit or taxing powers. The municipality shall plainly state the provisions of this paragraph on the face of each mortgage revenue bond or revenue bond.

SECTION 31. 66.46 (9) (a) 6 and (b) 1 of the statutes are amended to read:

66.46 (9) (a) 6. Payment out of the proceeds of mortgage revenue bonds or notes ~~or mortgage certificates~~ issued by it under s. 66.066;

(b) 1. For the purpose of paying project costs or of refunding notes municipal obligations issued under ch. 67 or this subsection for the purpose of paying project costs, the local legislative body may issue tax incremental bonds or notes payable out of positive tax increments. Each ~~such~~ bond or note and ~~all accompanying interest coupons appurtenant thereto are declared to be~~ coupon, if any, is a negotiable instrument. ~~Such~~ The bonds and notes shall not be included in the computation of the constitutional debt limitation of ~~such~~ the city. Bonds and notes issued under this subsection, together with ~~the their interest and income therefrom,~~ shall be taxed in the same manner as are municipal ~~bonds obligations~~ issued under s. 67.04.

SECTION 32. 66.54 (15) of the statutes is amended to read:

66.54 (15) (title) SINKING FUND FOR SPECIAL ASSESSMENT B BONDS AND REFUNDING B BONDS. Whenever the governing body determines to issue special assessment B bonds ~~pursuant to~~ under sub. (10) or refunding B bonds under sub. (16), it may establish in its treasury a fund not less than 15 ~~per cent~~ % of the amount of special assessment or refunding B bond instalments, due and collectible, for the installation of that particular special improvement. Such fund is to be designated as a sinking fund for the particular bond issue, and shall be maintained until such indebtedness is paid or otherwise extinguished. Any surplus in the sinking fund after all the bonds have been paid or canceled shall be carried into the general fund of the municipal treasury. The source of said fund

shall be established either from the general fund of the municipal treasury or by the levy of an irrevocable and irrevocable general tax. Such bonds shall in no event be a general municipal liability.

SECTION 33. 66.54 (16) of the statutes is created to read:

66.54 (16) **REFUNDING B BONDS.** Any municipality may issue refunding B bonds to refund any outstanding special assessment B bonds issued under sub. (10) or (11). These refunding B bonds shall be secured by and payable only from the special assessments levied to pay for the public improvements financed by the bonds to be refunded, and shall not be a general municipal liability. If bonds issued under sub. (10) are to be refunded, the provisions of pars. (10) (b) to (e) shall apply to the refunding B bonds; if bonds issued under sub. (11) are to be refunded, the provisions of par. (11) (b) shall apply to the refunding B bonds. If the governing body determines that it is necessary to amend the prior assessments in connection with the issuance of refunding B bonds under this section, it may reconsider and reopen the assessments under s. 66.60 (10). The notice and hearing provided for under s. 66.60 (10) may be waived under s. 66.60 (18) by the owners of the property affected. If the assessments are amended, the refunding B bonds shall be secured by and payable from the special assessments as amended. If the assessments are amended, all direct and indirect costs reasonably attributable to the refunding of the bonds may be included in the cost of the public improvements being financed. If the governing body determines to issue refunding B bonds, it may create a sinking fund for the issue under sub. (15).

SECTION 34. 66.60 (10) of the statutes is amended to read:

66.60 (10) ~~Whenever~~ If the actual cost of any project shall, upon completion or after the receipt of bids, be found to vary materially from the estimates, or ~~whenever if~~ any assessment is void or invalid for any reason, or ~~whenever if~~ the governing body shall determine to reconsider and reopen any assessment, it is empowered, after giving notice as provided in sub. (7) and after a public hearing, to amend, cancel or confirm any such prior assessment, and thereupon notice of the resolution amending, canceling or confirming such prior assessment shall be given by the clerk as provided in sub. (8) (d). If the assessments are amended to provide for the refunding of special assessment B bonds under s. 66.54 (16), all direct and indirect costs reasonably attributable to the refunding of the bonds may be included in the cost of the public improvements being financed.

SECTION 35. 66.91 (1) (title) and (g) of the statutes are amended to read:

66.91 (1) (title) **REVENUE BONDS AND NOTES.**

(g) User charges and service charges established by the commission under sub. (5) or s. 66.076 to comply with any covenant concerning the sufficiency of the charges contained in a resolution or ordinance providing for the issuance of revenue bonds, ~~notes or mortgage certificates~~ or notes under s. 66.066 shall be presumed reasonable in any review of the charges by the public service commission under s. 66.912 (5).

SECTION 36. 66.91 (1) (f) of the statutes is amended to read:

66.91 (1) (f) Deeds or mortgages that secure principal and interest of bonds under s. 66.066 ~~(3) (e)~~ shall be executed by the commission chairperson and secretary rather than by a chief executive and clerk.

SECTION 37. 66.912 (5) of the statutes is amended to read:

66.912 (5) **REVIEW BY PUBLIC SERVICE COMMISSION.** Upon complaint to the public service commission by any user that charges, rules and practices under this section are unreasonable or unjustly discriminatory, according to the standards and criteria which the commission is required to follow under state or federal law, including, without limitation because of enumeration, this section, ch. 147 and 33 USC 1251 et seq., or upon complaint of a holder of a mortgage revenue bond ~~or mortgage certificate~~ or other evidence of debt, secured by a mortgage on the sewerage system or any part thereof or

pledge of the income of sewerage service charges, that charges are inadequate, the public service commission shall investigate the complaint. If sufficient cause therefor appears, the public service commission shall set the matter for a public hearing upon 10 days' notice to the complainant and the commission. After the hearing, if the public service commission determines that the charges, rules or practices complained of are unreasonable or unjustly discriminatory, it shall determine and by order fix reasonable charges, rules and practices and shall make such other order respecting such complaint as may be just and reasonable. The proceedings under this subsection shall be governed, as far as applicable, by ss. 196.26 to 196.40. The commission may submit the factual data, reports and analyses considered by it in establishing the charges, rules or practices subject to a complaint under this subsection. The public service commission shall give due weight to such data, reports and analyses. Judicial review of the determination of the public service commission may be had by any person aggrieved in the manner prescribed under ch. 227. If any user pays a charge and the public service commission or court, on appeal from the public service commission, finds such charge, after reviewing a complaint filed under this subsection, to be excessive, the district shall refund to the user the excess plus the interest thereon computed at the rate then paid by the district for borrowing funds for a term of one year or less.

SECTION 38. 67.01 (1) of the statutes is amended to read:

67.01 (1) "Municipality" includes a county, city, village, town, common school district, union high school district, unified school district, whether any such district is joint or otherwise, a board of education, a board of park commissioners, a vocational, technical and adult education district, a metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, a town sanitary district, a public inland lake protection and rehabilitation district and any other public body empowered to borrow money and issue ~~written~~ obligations to repay the same out of public funds or revenues.

SECTION 39. 67.01 (6) of the statutes is amended to read:

67.01 (6) "Initial resolution" means any resolution ~~or ordinance~~ adopted pursuant to s. 67.05 (1) or (2), by which a proceeding is instituted for the purpose of authorizing a municipality to borrow money and issue bonds or other municipal obligations.

SECTION 40. 67.01 (8) (g) of the statutes is amended to read:

67.01 (8) (g) To ~~mortgage revenue bonds or mortgage certificates and revenue bond anticipation notes~~ issued for the purpose of purchasing, acquiring, constructing, extending, adding to or improving public utilities, including street railways, pursuant to ss. 66.06 to 66.078, nor to refunding bonds authorized pursuant to s. 66.066 (2) (b), nor to public improvement bonds authorized under s. 66.059.

SECTION 41. 67.02 (title) of the statutes is amended to read:

67.02 (title) Validation of debt.

SECTION 42. 67.02 (3) of the statutes is created to read:

67.02 (3) A legislative, judicial or administrative determination, for any reason, that a municipality may not spend the proceeds of contracted debt, or that it has spent the proceeds for a purpose other than the stated purpose for which the debt was contracted or for a purpose for which a municipality may not spend money, shall not affect the enforceability of the debt nor the evidence of indebtedness for it.

SECTION 43. 67.03 (2m) of the statutes is created to read:

67.03 (2m) The issuance of refunding municipal obligations and the payment of municipal obligations so refunded shall be treated as if they occur simultaneously. The limitation on aggregate indebtedness under sub. (1) shall not include the amount of the refunded municipal obligation to the extent that provision is made for the payment of the refunded obligation.

SECTION 44. 67.03 (9) of the statutes is created to read:

67.03 (9) For any vocational, technical and adult education district, the bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the value of its taxable property as equalized for state purposes.

SECTION 45. 67.04 of the statutes, as affected by 1983 Wisconsin Act 27, is repealed and recreated to read:

67.04 Purposes of issuing municipal bonds. (1) In this section:

(a) "Project" means the acquisition, leasing, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, waters, property, highways, buildings, equipment or facilities.

(b) "Public purpose" means the performance of any power or duty of the issuing municipality.

(2) (a) Subject to the limitations specified in s. 67.03, any municipality may borrow money and issue bonds to finance any project undertaken for a public purpose.

(b) Subject to the limitations specified in s. 67.03, any city with a population greater than 75,000 may borrow money and issue bonds to finance the cost of low-interest mortgage loans under s. 66.38.

(3) Subject to the limitations specified in s. 67.03, any municipality may refund municipal obligations including interest on them whether or not the obligations being refunded were issued for a purpose or purposes for which the municipal obligations might have been issued in the original instance, if the time for payment of bonds issued to refund bonds and notes authorized under this chapter does not extend beyond the period permitted in this chapter. Bonds issued to refund revenue bonds issued under s. 66.066 shall be paid within the period permitted in this chapter, commencing on the original date of the refunding bonds.

(4) The legislature finds that contracting of debt under this chapter for any project constitutes a public purpose.

SECTION 46. 67.045 of the statutes is repealed.

SECTION 47. 67.05 (1) of the statutes is repealed and recreated to read:

67.05 (1) INITIAL RESOLUTION BY GOVERNING BODY. The governing body of any municipality that seeks to issue a bond under s. 67.04 shall, prior to its issuance, adopt a resolution that states the purpose for and maximum amount of the borrowing. The resolution adopted under this section shall be known as the initial resolution. If a permissive referendum on the bond issue is allowed under this section, the governing body shall, within 15 days after the initial resolution is recorded, publish a notice stating the purpose and maximum principal amount of the bond issue and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue.

SECTION 48. 67.05 (3) of the statutes is repealed.

SECTION 49. 67.05 (5) (b), (6) and (6m) (intro.) of the statutes are amended to read:

67.05 (5) (b) No city or village may issue any bonds for any purposes other than for waterworks, lighting works, gas works, bridges, street lighting, street improvements, street improvement funding, hospitals, airports, harbor improvements, river improvements, breakwaters and protection piers, sewerage, garbage disposal, rubbish or refuse disposal, any combination of sewage, garbage or refuse or rubbish disposal, parks and public grounds, swimming pools and band shells thereon, veterans housing projects, street railway property, or paying the municipality's portion of the cost of abolishing grade crossings, for the construction of police facilities and combined fire and police safety buildings, for the purchase of sites for engine houses, for fire engines and other equipment of the fire department, for construction of engine houses, and for pumps, water mains, reservoirs and all other reasonable facilities for fire protection apparatus or

equipment for fire protection, for parking lots or other parking facilities, for school purposes, for libraries, for buildings for the housing of machinery and equipment, ~~for the purposes set forth in s. 67.04 (2) (zo) or (zq) or (4) (e), for acquiring and developing sites for industry and commerce as will expand the municipal tax base, for financing the cost of low-interest mortgage loans under s. 66.38, for providing financial assistance to blight elimination, slum clearance, community development, redevelopment and urban renewal programs and projects under ss. 66.405 to 66.425, 66.43, 66.431, 66.4325, 66.435 and 66.46, university of Wisconsin centers, or for refunding any of the bonds issued for any of these purposes, or for bonds issued to refund securities originally issued under s. 66.066, until the proposition for their issue for the special purpose thereof has been submitted to the electors of the city or village and adopted by a majority vote. If the common council of any city or the village board of any village declares its purpose to raise money by issuing bonds for any purpose other than those above specified, it shall direct by resolution, which shall be recorded at length in the record of its proceedings, the clerk to call a special election for the purpose of submitting the question of bonding to the city or village electors. The elections shall be noticed, conducted, canvassed and the result declared as provided in this subsection, except that the notice of the special election and the ballot used at the election need not include a copy of the resolution. The notice shall contain a statement of the purpose and the amount of the bonds proposed to be issued. If a number of electors of a city or village equal to at least 15% of the votes cast for governor at the last general election in their city or village sign and file a petition with the city or village clerk requesting submission of the resolution, the city or village may not issue bonds for ~~the purposes specified in s. 67.04 (2) (zq) or (4) (e) financing the cost of low-interest mortgage loans under s. 66.38~~ without calling a special election to submit the question of bonding to the city or village electors for their approval.~~

(6) REFERENDUM IN OTHER CASES. Whenever an initial resolution has been ~~so~~ adopted by the governing body of any municipality ~~whatsoever~~ other than a county, a town, a city, a village, a vocational, technical and adult education district, a metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, a town sanitary district, a public inland lake protection and rehabilitation district or a board of park commissioners, the clerk of such municipality shall immediately record the same resolution and call a special meeting for the purpose of submitting ~~the resolution~~ it to the electors of the municipality for ratification or rejection. The calling and conduct of ~~such~~ the meeting shall be governed by those statutes, so far as applicable, which govern the calling and conduct of special meetings in general. The notice of the meeting, which shall be publicly read before the balloting shall commence, and the ballot used, shall embody a copy of the resolution; the form of the ballot shall correspond with the form prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a); and the question submitted shall be whether the resolution shall be approved.

(6m) HEARING AND REFERENDUM IN VOCATIONAL, TECHNICAL AND ADULT EDUCATION DISTRICTS. (intro.) Prior to the adoption of an initial resolution under sub. (1), the board of a vocational, technical and adult education district shall adopt a resolution stating its intention to borrow money for the purposes specified in s. 38.16 (2) and setting a date, time and place for a public hearing on the resolution adopted under this subsection which shall be held within 30 days ~~of the after its adoption of such resolution.~~ The vocational, technical and adult education district secretary immediately shall publish a copy of ~~such~~ the resolution adopted under this subsection as a class I notice, under ch. 985.

SECTION 50. 67.05 (8) and (9) of the statutes are repealed.

SECTION 51. 67.05 (10) of the statutes is amended to read:

67.05 (10) DIRECT, ANNUAL, IRREPEALABLE TAX. The governing body of every municipality proceeding under this chapter shall, at the time of or after the adoption of an initial resolution in compliance with sub. (1) or (2), or, after the approval of ~~such~~ the

resolution by popular vote when such approval is required, and before issuing any of the contemplated bonds, levy by recorded resolution a direct, annual tax sufficient in amount to pay and for the express purpose of paying the interest on such bonds as it falls due, and also to pay and discharge the principal thereof at maturity. ~~Taxes for the purpose of paying principal of and interest on bonds issued for school purposes by any city operating schools under subch. II of ch. 120 shall be levied against and apportioned to any property attached to such city for school purposes in the manner provided by s. 120.53.~~ The municipality shall be and continue without power to repeal such levy or obstruct the collection of ~~said the~~ tax until all such payments have been made or provided for. After the issue of ~~said the~~ bonds ~~such, the~~ tax shall be from year to year carried into the tax roll of the municipality and collected as other taxes are collected, provided that the amount of tax carried into ~~said the~~ tax roll may be reduced in any year by the amount of any surplus money in the ~~sinking debt service fund created pursuant to~~ under s. 67.11, and provided further that the municipality issuing ~~said the~~ bonds may make an appropriation in advance of the authorization of ~~such the~~ bonds to provide funds for payment of interest coming due on ~~said the~~ bonds prior to the first collection of taxes levied for the interest payment thereof. The amount of ~~such the~~ appropriation shall be based on estimates of the amount of bonds to be sold and the rate of interest ~~such the~~ bonds will bear. ~~Said The~~ appropriation shall not be used for any ~~other~~ purpose other than that for which appropriated and any surplus in ~~said the~~ appropriation shall be transferred to the general fund of the municipality. No further or annual levy for that purpose shall be necessary.

SECTION 52. 67.05 (15) of the statutes is created to read:

67.05 (15) REFERENDUM NOT REQUIRED FOR REFUNDING OBLIGATIONS. This section does not require the submission to the electors for their approval of any resolution that authorizes the issuance of municipal obligations to refund outstanding municipal obligations or the interest on outstanding municipal obligations.

SECTION 53. 67.06 of the statutes is amended to read:

67.06 Form and contents of bonds. Every municipal bond shall be a negotiable instrument payable to bearer, or, in case of registered bonds ~~which are registerable, to bearer or the registered owner, with interest coupons attached payable annually or semiannually;~~ shall bear interest; shall specify the times and the place or places of payment of principal and interest; shall be numbered consecutively with the other bonds of the same issue which shall begin with number one and continue upward, or, if so directed by the governing body, shall begin with any other number and continue upward; shall bear on its face a name indicative of the purpose specified ~~therefor in said~~ for it in the resolution of the governing body authorizing its issuance or in a resolution pursuant to s. 67.05 (13); shall contain a statement of the value of all of the taxable property in the municipality ~~upon which the constitutional debt limit of the municipality is based, the aggregate amount of the existing bonded indebtedness of such municipality,~~ that a direct annual irrevocable tax has been levied by the municipality sufficient to pay the interest when it falls due, and also to pay and discharge the principal at maturity; may contain a statement that the bond is callable with or without premium on conditions prescribed ~~thereon~~ on it; and may contain any other statement of fact not in conflict with ~~said initial the~~ resolution. The entire issue may be composed of bonds of a single denomination or 2 or more denominations.

SECTION 54. 67.07 of the statutes is amended to read:

67.07 Maturity and place of payment. The principal of every sum borrowed and secured by an issue of municipal bonds may be made payable at one time in a single payment or at several times in 2 or more instalments; but every instalment, whether of principal or interest, shall be made payable not later than ~~the termination of the 20 years immediately following~~ after the original date of the bonds, ~~if issued by a county, town, city or village, board of park commissioners, vocational, technical and adult education~~

~~district or by any school district referred to in s. 67.04 (6), and not later than the termination of the 15 years immediately following February 1 next ensuing such date, if issued by any other municipality, except that when the bonds are issued in for the acquisition of lands by a county having a population of 150,000 or over, for public, municipal purposes or for the permanent improvement thereof, by a sewerage district or county having a population of 150,000 or over for sewerage purposes and by any city for sewerage purposes, all instalments of principal and interest shall be made payable within a period not exceeding 50 years from the time when original date of the bonds become a municipal obligation. The terms of the bonds, when issued, shall comply with the initial resolution. A place without the state may be designated by the municipality for such payments.~~

SECTION 55. 67.08 (2) and (3) of the statutes are repealed and recreated to read:

67.08 (2) The sale of bonds shall be public and noticed as provided by resolution, except that refunding bonds and bonds issued by a municipality and to be purchased by itself for any of the debt service accounts for any of its bond issues or any trust or reserve fund of the municipality may be sold at public or private sale. Bonds may be sold at such price or prices as shall be determined by the municipality.

(3) Any or all bids received may be rejected and the sale canceled, or the sale of all or any part of the bonds negotiated, after bids at public sale have been rejected or if no bids are received.

SECTION 56. 67.08 (4) of the statutes is repealed.

SECTION 57. 67.10 (8) of the statutes is repealed.

SECTION 58. 67.11 (title) and (1) (intro.) of the statutes are repealed and recreated to read:

67.11 (title) Debt service fund. (1) (intro.) Each municipality that issues municipal obligations under this chapter, except obligations issued under s. 67.12 (1), (8) and (8m), shall establish and maintain a debt service fund in accordance with generally accepted accounting principles. The fund may include a separate account for each outstanding municipal obligation issue. Revenues from the following sources shall be recorded to the fund accounts as appropriate:

SECTION 59. 67.11 (1) (c) of the statutes is repealed.

SECTION 60. 67.11 (1) (d) of the statutes is amended to read:

67.11 (1) (d) The premium, if any, for which the bonds municipal obligations have been sold ~~ever~~ and above par value and accrued interest.

SECTION 61. 67.11 (1) (e) of the statutes is amended to read:

67.11 (1) (e) Such further sums, raised by taxation ~~annually, or from time to time or otherwise~~, as may be necessary to make ~~the contributions to the fund from all sources in each year, beginning with the first year, amount in the aggregate to a sum sufficient to pay all interest and principal maturing payments due in such any year.~~ The levying and collection of such the taxes or other revenues are authorized ~~and commanded~~; but the governing body may, in its discretion, levy and collect larger sums than the sums so ~~commanded authorized~~, in order to speed the payment of the bonds.

SECTION 62. 67.11 (2) (intro.) of the statutes is repealed and recreated to read:

67.11 (2) (intro.) Debt service for municipal obligations issued under this chapter shall be paid from the appropriate debt service fund account created in sub. (1). All investments shall mature in time to make required debt service payments. If invested, the funds to provide for debt service payments due prior to the scheduled receipt of taxes from the next succeeding tax collection shall be invested in direct obligations of the federal government. Thereafter, any balance in an account created in sub. (1) may be loaned or invested under the direction of the municipality's governing body as follows:

SECTION 63. 67.11 (2) (a) and (b) of the statutes are amended to read:

67.11 (2) (a) In any outstanding bonds municipal obligations for the payment of which the sinking debt service fund is required, at any price not exceeding the principal, accrued interest and a premium not to exceed 3 years' interest on such bonds; ~~but no such bonds shall be purchased except on bids received at a fixed time and place, notice of which has been published as a class 2 notice, under ch. 985.~~ Such bonds the municipal obligations. These municipal obligations, when purchased, shall immediately have written on the face thereof a statement, signed by ~~the clerk~~ an officer of ~~such~~ the municipality, that ~~the same~~ they have been taken up and cannot again be negotiated or made obligatory; and all ~~such bonds~~ of these municipal obligations shall be deemed paid and shall be immediately canceled.

(b) In interest-bearing bonds obligations of the United States.

SECTION 64. 67.11 (3) to (5) of the statutes are amended to read:

67.11 (3) Investments and earnings under sub. (2) ~~(b) and (c)~~ continue a part of the sinking debt service fund account for each issue. The bonds obligations representing such these investments may be sold or hypothecated by the governing body at any time, but the money received shall likewise remain, until used, a part of the sinking debt service fund. ~~Any such sale of municipal bonds shall be for a sum not less than par value and accrued interest account for each issue.~~ All payments by the municipality ~~in extinguishment~~ of principal or interest of bonds obligations representing investments under sub. (2) ~~(c)~~ shall be paid into the sinking debt service fund accounts, and, for the purpose of making such these payments, the municipality shall levy and collect every tax that it would be legally obligated to levy and collect if ~~such bonds~~ the municipal obligations were still outstanding in the hands of purchasers and had not been purchased as an investment.

(4) Money shall not be withdrawn from a sinking debt service fund account and appropriated to any purpose ~~whatever~~ other than the purpose for which the fund account was instituted until that purpose has been accomplished.

(5) Any surplus balance in ~~the sinking any debt service fund account~~ after all of the bonds municipal obligations for the payment of which the fund account was instituted have been paid and canceled, and after all investments under sub. (2) (b) and (c) have been finally disposed of or realized upon, shall be carried into the general fund of the municipal treasury unless transferred as directed by the municipality's governing body.

SECTION 65. 67.12 (1) of the statutes, as affected by 1983 Wisconsin Act 24, is repealed and recreated to read:

67.12 (1) BORROWING IN ANTICIPATION OF REVENUES. (a) Except for school districts and vocational, technical and adult education districts, any municipality that becomes entitled to receive federal or state aids, taxes levied or other deferred payments may, in the same fiscal year it is entitled to receive the payments, issue municipal obligations in anticipation of receiving the payments. The municipal obligations issued under this subsection shall not exceed 60% of the municipality's total actual and anticipated receipts in that fiscal year and shall be repaid no later than 18 months after the first day of that fiscal year.

(b) Any municipality may issue municipal obligations in anticipation of receiving proceeds from bonds the municipality has authorized or has covenanted to issue under this chapter or grants that are committed to the municipality. Municipal obligations issued under this paragraph shall be repaid within 5 years after the original date of the obligation.

(c) Any municipality that issues a municipal obligation under this subsection shall adopt a resolution indicating the amount and purpose of the obligation and the anticipated revenue to secure the obligation and may pledge or assign all or portions of the revenue due and not yet paid as security for repayment of the obligations. Municipal

obligations issued under this subsection shall be executed as provided in s. 67.08 (1), may be registered under s. 67.09, and do not constitute an indebtedness for the purpose of determining the municipality's constitutional debt limitation.

SECTION 66. 67.12 (5) and (6) of the statutes are repealed.

SECTION 69. 67.12 (9) of the statutes, as affected by 1983 Wisconsin Act 24, is repealed.

SECTION 70. 67.12 (10) and (11) of the statutes are repealed.

SECTION 71. 67.12 (12) (a) of the statutes is repealed and recreated to read:

67.12 (12) (a) Any municipality may issue promissory notes as evidence of indebtedness for any public purpose, as defined in s. 67.04 (1) (b), for any general and current municipal expense, and to refinance any municipal obligations, including interest thereon. Each note, plus interest, shall be repaid within 10 years after the original date of the note.

SECTION 72. 67.12 (12) (b) of the statutes is repealed.

SECTION 73. 67.12 (12) (c) (intro.) of the statutes is amended to read:

67.12 (12) (c) (intro.) At any time during the term of any original promissory note, or thereafter, ~~in the event the county, city, village, town, school district, vocational, technical and adult education district, metropolitan sewerage district or town sanitary district~~ if the municipality has not paid the full amount due ~~thereon on a note~~:

SECTION 74. 67.12 (12) (c) 2 of the statutes is repealed and recreated to read:

67.12 (12) (c) 2. The municipality may issue notes to refund the note or any part thereof. Under this subdivision, a municipality may also refund a refunding note. Notes issued under this subdivision shall be paid within 20 years after the date of the original promissory note.

SECTION 75. 67.12 (12) (d) of the statutes, as affected by 1983 Wisconsin Act 24, is amended to read:

67.12 (12) (d) Such notes shall be executed as provided in s. 67.08 (1), may be registered under s. 67.09 and shall include a statement specifying the provisions of the resolution authorizing the issuance or a reference to the resolution so that it can be readily located. The notes issued under this section ~~are the general obligation an indebtedness of the county, city, village, town, school district, vocational, technical and adult education district, metropolitan sewerage district or town sanitary district~~ municipality issuing them.

SECTION 76. 67.12 (12) (e) 1 and 5 of the statutes are amended to read:

67.12 (12) (e) 1. The governing body of ~~such county, city, village, town, school district, vocational, technical and adult education district, metropolitan sewerage district or town sanitary district~~ the municipality 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, and the rate of interest, and levying a direct annual irrevocable tax sufficient to pay each instalment, and the interest, as it becomes due and payable. ~~Such resolution shall be adopted by at least a two-thirds vote of the members elect of the governing body or, in the case of a city borrowing for school purposes and having territory attached for school purposes only, by at least two-thirds of all the votes provided by the formula contained in s. 120.50 (2).~~

5. Within 10 days of the adoption by a vocational, technical and adult education district board of a resolution to incur an indebtedness under this section for a purpose under s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption as a class 1 notice, under ch. 985. The notice need not set forth the full contents of the resolution, but shall state the amount proposed to be borrowed, the method of borrowing, 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 the amount proposed to be borrowed is for building remodeling or improvement and does not exceed \$500,000 or is for movable equipment, the district board need not submit the resolution to the electors for approval unless within 30 days after the publication or posting there is filed with the secretary of the district board a petition requesting a referendum at a special election to be called for that purpose. Such petition shall be signed by electors from each county lying wholly or partially within the district. The number of electors from each county shall equal at least 1.5% of the population of the county as determined under s. 16.96 (2) (c). If a county lies in more than one district, the board of vocational, technical and adult education shall apportion the county's population as determined under s. 16.96 (2) (c) to the districts involved and the petition shall be signed by electors equal to the appropriate percentage of the apportioned population. In lieu of a special election, the district board may specify that the referendum shall be held at the next succeeding spring primary or election or September primary or general election. Any resolution to borrow amounts of money in excess of \$500,000 for building remodeling or improvement shall be submitted to the electors of the district for approval. If a referendum is held or required under this subdivision, no promissory note may be issued until the issuance is approved 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) be authorized to borrow the sum of \$... for (state purpose) by issuing its general obligation promissory note (or notes) pursuant to s. 67.12 (12), Wis. Stats.?".

SECTION 77. 67.12 (12) (ee) of the statutes is amended 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~~ is irrevocable and shall be carried into the tax roll each year and collected as other taxes are collected until all payments on the note have been provided for, 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 the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service fund account under s. 67.11.~~

SECTION 78. 67.12 (12) (g) of the statutes is amended to read:

67.12 (12) (g) A common school district, union high school district, or unified school district ~~or city operating a city school district~~ may, upon compliance with the requirements of this section, issue its note or notes ~~for any purpose authorized in this section~~ in order to provide funds allocated under the contract to the school district as a participant in a contract under s. 66.30 (6).

SECTION 79. 67.12 (13) of the statutes is repealed.

SECTION 80. 67.125 of the statutes, as affected by 1983 Wisconsin Act 24, is repealed.

SECTION 81. 67.13 (title) of the statutes is amended to read:

67.13 (title) County obligations for highway improvement.

SECTION 82. 67.13 (1) of the statutes, as affected by 1983 Wisconsin Act 27, is amended to read:

67.13 (1) Any county, if its board shall so determine, may raise money for the improvement of any portions of the system of county aid highways or of the state trunk highway system, including, without limitation because of designation, separate bridge projects eligible to for construction under s. 84.11 or 84.12, by issuing ~~nontaxable semi-annual interest payment coupon bonds bearing interest at a rate not exceeding 12% per year,~~ running not more than 20 years, and not exceeding, with all other county indebtedness, the constitutional limit, the money raised thereby, together with other construction funds available therefor, to be expended on certain specified improvements which, together with the estimated cost thereof, shall be specified in an initial resolution adopted by the county board authorizing the issue of ~~such bonds.~~ Such initial the bonds. The initial resolution shall also specify the total amount of bonds authorized to be issued, the maximum interest rate which ~~such~~ the bonds may bear, the maximum period over which the maturity of ~~such~~ the bonds may run, and the maximum amount of the principal sum of ~~such~~ the bonds which may fall due in any year; and ~~such~~ the initial resolution shall provide for a direct annual irrepealable tax sufficient to pay the interest and principal as it falls due.

SECTION 83. 67.156 of the statutes, as affected by 1983 Wisconsin Act 24, is repealed.

SECTION 84. 67.22 of the statutes is amended to read:

67.22 (title) Issuance stayed by protest. No bonds shall be issued in any cases, where, within ~~thirty~~ 30 days after the adoption of the initial resolution ~~provided for in~~ under s. 67.05 (1) ~~or (2),~~ a petition is filed with the clerk of the municipality contemplating the issuance of bonds, signed by a majority of the ~~resident freeholders and by the owners of more than one half of the property by assessed value therein~~ municipality's electors as defined in s. 6.02 (1) requesting in the petition that such bond issue be not be made.

SECTION 85. 67.23 of the statutes is repealed.

SECTION 86. 86.21 (2) of the statutes is amended to read:

86.21 (2) (a) Before any such toll bridge is constructed or acquired under this section, a resolution authorizing the construction or acquisition thereof, and specifying the method of payment therefor, shall be adopted by a majority of the members of the governing body of such county, town, village or city at a regular meeting, after publication of said resolution, as a class 2 notice, under ch. 985. The resolution shall include a general description of the property it is proposed to acquire or construct. Any county, town, village or city constructing or acquiring a toll bridge under this section may provide for the payment of the same or any part thereof from the general fund, from taxation, or from the proceeds of either municipal bonds, ~~mortgage revenue bonds, mortgage certificates~~ or as otherwise provided by law. Such resolution shall not be effective until 15 days after its passage and publication. If within said 15 days a petition is filed with the clerk of such municipality signed by 20% of the electors thereof requesting that the question of acquiring such toll bridge be submitted to the said electors, such question shall be submitted at any general or regular municipal election that may be held not less than 10 nor more than 40 days from the date of filing such petition. In case no such general or regular municipal election is to be held within such stated period, then the governing body of such municipality shall order a special election to be held within 30 days from the filing of such petition upon the question of whether such toll bridge shall be acquired by said municipality. The question submitted to the electors shall specify the method of payment for such toll bridge as provided in the resolution for the acquisition thereof. If no such petition is filed, or if the majority of votes cast at such referendum election are in favor of the acquisition of such toll bridge, then the resolution of the governing body for the acquisition of such toll bridge shall be in effect.

(b) Where such payment is to be made in whole or in part through the issuance of ~~mortgage revenue bonds or mortgage certificates~~, such bonds ~~or certificates~~ shall be issued as provided in s. 66.066. The amount of all incidental expenses incurred in connection with the construction or acquisition of the bridge and in connection with the authorization and issuance of the bonds ~~or certificates~~ may be included in the amount for which bonds ~~or certificates~~ are issued. Such ~~mortgage revenue bonds or certificates~~ shall be payable solely from the revenues to be derived from the operation of the bridge or bridges as acquired or constructed, and shall not constitute a ~~general an~~ indebtedness of the county, town, village or city. Any toll bridge property owned or acquired pursuant to this section is declared to be a public utility. The provisions of s. 66.068 shall be applicable to the management of such bridge and the provisions of ss. 66.066 and 66.068 shall govern insofar as they may be applicable. For purposes of management, operation and financing, 2 or more such bridges, whether acquired or constructed, may be combined into a single project or public utility, and such ~~mortgage revenue bonds or certificates~~ may be issued payable from the revenues of such combined project or utility.

SECTION 87. 120.10 (10) of the statutes is amended to read:

120.10 (10) (title) SCHOOL DEBT SERVICE FUND. Vote a tax to create a ~~sinking fund under s. 67.11~~ for the purpose of financing all current and future capital expenditures and for paying all current bonded indebtedness for capital expenditures. All money raised through taxation or otherwise collected pursuant to this subsection shall be deposited by the school district treasurer in a ~~separate sinking segregated~~ fund. Such money shall not be used for any other purpose, except as provided by s. 67.11 (1), or be transferred to any other fund except by authorization by a two-thirds majority vote of the total number of electors of the school district.

SECTION 88. 120.13 (29) of the statutes is created to read:

120.13 (29) BORROWING. Borrow money and issue municipal obligations, as provided in ch. 67.

SECTION 89. 197.10 (1) (g) of the statutes is amended to read:

197.10 (1) (g) To provide for the purchase by the city of mortgage or revenue bonds issued by such public utility, street railway or interurban railway.

SECTION 90. 198.14 (10) of the statutes is amended to read:

198.14 (10) (title) REVENUE BONDS. As an alternative method of financing, to provide by ordinance or resolution for the issuance, upon the purchase, acquisition or construction by the district of any utility, or parts thereof, or additions, extensions or betterments thereto, of ~~mortgage revenue bonds or mortgage certificates~~ secured by mortgage or deed of trust upon the acquired property in the form and character prescribed by s. 66.066, to provide for payment of any part of the cost of such property and to authorize the execution of such ~~mortgage certificates and~~ mortgage or deed of trust by the chairman of the board and the clerk of the district on behalf of the district.

SECTION 91. 220.225 of the statutes is repealed.

SECTION 92. 223.03 (7) of the statutes is amended to read:

223.03 (7) And any such corporation may act generally as agent or attorney for the transaction of business, the management of estates, the collection of rents, interests, dividends, mortgages, bonds, bills, notes, and other securities, or moneys, and also as agent for the purpose of issuing, negotiating, registering, transferring, or countersigning certificates of stock, bonds, or other obligations of any corporation, association, or municipality, and manage any sinking fund or debt service fund therefor, on such terms as may be agreed upon; and may also accept and execute the offices of executor, administrator, trustee, receiver, assignee, or guardian of any minor or insane or incompetent person, lunatic, or any person subject to guardianship; and in all cases in which application shall

be made to any court for the appointment of any person in any such capacity, it shall be lawful to appoint such corporation, with its consent, to hold such office or offices.

SECTION 93. Terminology changes. (1) Wherever the term “board or council” appears in the following sections of the statutes, the term “governing body” is substituted: 66.066 (2) (b) 1 and 2, 66.068 (2), 66.07 (1) and 66.072 (1) and (3).

(2) Wherever the term “council or board” appears in the following section of the statutes, the term “governing body” is substituted: 66.069 (1) (a).

(3) Wherever the term “mortgage bond” or “mortgage bonds” appears in the following sections of the statutes, the term “revenue bond” or “revenue bonds”, respectively, is substituted: 30.34 (3) (c), 30.35 (2m), 59.07 (1) (d) 2 and (92) (b), 60.307 (9), 66.066 (2) (intro.), 66.079 (1), 66.610 (3) (c) 1 and 66.91 (3) (title).

(4) Wherever the term “mortgage revenue bond” or “mortgage revenue bonds” appears in the following sections of the statutes, the term “revenue bond” or “revenue bonds”, respectively, is substituted: 66.059 (7), and 67.08 (1), as affected by 1983 Wisconsin Acts 24 and 27.

(5) Wherever the term “the resolution” appears in the following sections of the statutes, the term “the initial resolution” is substituted: 67.05 (6a) (a) and (d), (6b) (b) and (6m) (a), (b) and (d).

(6) Wherever the term “a resolution” or “any resolution” appears in the following section of the statutes, the term “an initial resolution” or “any initial resolution”, respectively, is substituted: 67.05 (6a) (a) and (6m) (a), (b) and (d).

(7) Wherever the term “all resolutions” appears in the following section of the statutes, the term “all initial resolutions” is substituted: 67.05 (6m) (a).

(8) Wherever the term “sinking fund” or “sinking funds” appears in the following sections of the statutes, the term “debt service fund” or “debt service funds”, respectively, is substituted: 38.20 (2) (d) and (e), 65.07 (1) (m), 66.069 (1) (c) and (d), 66.073 (8) (a), 66.521 (5) (c), 66.54 (9) (b) and (c), (10) (ba), (d) and (e); (11) (b) 2, as affected by 1983 Wisconsin Act 24; 4, 5, 6 and 7 and (12), 66.882 (1) (b) 2, 66.91 (3) (b), 66.918 (3) (a), 66.94 (17) and (19), 67.17, 120.58 (1) (b) and 198.18 (5).

SECTION 94. Program responsibility changes. In the sections of the statutes listed in Column A, the program responsibilities references shown in Column B are deleted and the program responsibilities references shown in Column C are inserted:

A	B	C
Statute Sections	References Deleted	References Inserted
15.461 (intro.)	67.13 (2)	none
15.461 (1)	67.04 (2)(g) and (5)(i)	none
15.761	67.04 (9)	none

SECTION 95. Cross-reference changes. In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

A	B	C
Statute Sections	Old Cross-References	New Cross-References
24.61 (3)(a) 2	67.04 (1) to (6)	67.04
24.61 (3)(a) 3	67.04 (6)	67.04
59.965 (2)(b)	67.04 (1)(v)	67.04
65.07 (1)(c)	67.04 (2), 66.51 (1)	66.51 (1), 67.04
66.43 (16)	67.04 (2)(zn)	67.04
66.886 (2)(a) 1	67.05 (3)	67.05 (1)
66.886 (2)(a) 1	67.12 (6)	67.12 (1)
66.886 (2)(a) 2	67.12 (1)(b) or (5)	67.12 (1)(b)
67.05 (5)(a)	67.04 (5)(t)	66.38