



**SENATE SUBSTITUTE AMENDMENT 1,
TO 1997 SENATE BILL 268**

November 14, 1997 - Offered by COMMITTEE ON EDUCATION.

1 **AN ACT to amend** 67.05 (6a) (a) 2. (intro.), 67.05 (6a) (b) (intro.), 67.05 (6a) (bm)
2 (intro.), 67.12 (12) (e) 2., 67.12 (12) (e) 2g. (intro.), 121.07 (6) (a) (intro.), 121.15
3 (3m) (a) 1. and 121.92 (2) (c); and **to create** 67.05 (6a) (bg), 67.05 (6a) (d), 67.12
4 (12) (e) 2r., 67.12 (12) (e) 2w. and 121.91 (4) (c) 3. of the statutes; **relating to:**
5 school district bonds, promissory notes and revenue limits and excluding
6 certain debt service from a school district's shared cost.

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

7 **SECTION 1.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:
8 67.05 (**6a**) (a) 2. (intro.) Except as provided under pars. (b), (bg) and (c) and
9 subs. (7) and (15), if the board of any school district, or the electors at a regularly
10 called school district meeting, by a majority vote adopt an initial resolution to raise
11 an amount of money by a bond issue, the school district clerk shall, within 10 days,

1 publish notice of such adoption as a class 1 notice under ch. 985 or post the notice as
2 provided under s. 10.05. The notice shall state the maximum amount proposed to
3 be borrowed, the purpose of the borrowing, that the resolution was adopted under
4 this subdivision and the place where and the hours during which the resolution may
5 be inspected. The school board shall also do one of the following:

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

7 67.05 **(6a)** (b) (intro.) Paragraph (a) 2. ~~applies only~~ does not apply if the amount
8 of money to be raised by the bond issue will not cause the aggregate amount of
9 outstanding indebtedness of the school district incurred without a referendum since
10 August 9, 1989, excluding indebtedness incurred without a referendum as a result
11 of par. (bg) and excluding amounts specified in par. (bm), to exceed \$1,000,000 or an
12 amount determined as follows, whichever is less:

13 **SECTION 3.** 67.05 (6a) (bg) of the statutes is created to read:

14 67.05 **(6a)** (bg) Paragraph (a) 2. does not apply if the amount of money to be
15 raised by the bond issue will not cause the aggregate amount of outstanding
16 indebtedness of the school district incurred without a referendum as a result of this
17 paragraph since the effective date of this paragraph [revisor inserts date],
18 excluding amounts specified in par. (bm), to exceed \$250,000 or an amount
19 determined by multiplying the school district's membership, as defined in s. 121.004
20 (5), by \$350, whichever is greater.

21 **SECTION 4.** 67.05 (6a) (bm) (intro.) of the statutes is amended to read:

22 67.05 **(6a)** (bm) (intro.) In ~~par. pars.~~ (b) and (bg) and in s. 67.12 (12) (e) 2g. and
23 2r., "outstanding indebtedness" does not include the amount of any of the following:

24 **SECTION 5.** 67.05 (6a) (d) of the statutes is created to read:

1 67.05 (6a) (d) If a school board raises funds by a bond issue and par. (a) 2. does
2 not apply as a result of par. (bg), the school board may use the funds only for a capital
3 expenditure.

4 **SECTION 6.** 67.12 (12) (e) 2. of the statutes is amended to read:

5 67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been
6 approved by the electors under s. 67.05 (6a) or deemed approved by the electors under
7 s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the
8 purpose is to pay unfunded prior service liability contributions under the Wisconsin
9 retirement system if all of the proceeds of the note will be used for that purpose, the
10 borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),
11 (h) or (i), or subd. 2g. or 2r. applies, the school district clerk shall, within 10 days after
12 a school board adopts a resolution under subd. 1. to issue a promissory note in excess
13 of \$5,000, publish notice of such adoption as a class 1 notice, under ch. 985.
14 Alternatively, the notice may be posted as provided under s. 10.05. The notice need
15 not set forth the full contents of the resolution, but shall state the maximum amount
16 proposed to be borrowed, the purpose thereof, that the resolution was adopted under
17 this subsection, and the place where, and the hours during which, the resolution may
18 be inspected. If, within 30 days after publication or posting, a petition conforming
19 to the requirements of s. 8.40 is filed with the school district clerk for a referendum
20 on the resolution signed by at least 7,500 electors of the district or at least 20% of the
21 number of district electors voting for governor at the last general election, as
22 determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not
23 be effective unless adopted by a majority of the district electors voting at the
24 referendum. The referendum shall be called in the manner provided under s. 67.05
25 (6a), except that the question which appears on the ballot shall be "Shall (name

1 of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation
2 promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes?”.

3 **SECTION 7.** 67.12 (12) (e) 2g. (intro.) of the statutes is amended to read:

4 67.12 (12) (e) 2g. (intro.) Subdivision 2. ~~applies only~~ does not apply if the
5 amount of money to be raised by the promissory note will not cause the aggregate
6 amount of outstanding indebtedness of the school district incurred without a
7 referendum since August 9, 1989, excluding indebtedness incurred without a
8 referendum as a result of subd. 2r. and excluding amounts specified in s. 67.05 (6a)
9 (bm), to exceed \$1,000,000 or an amount determined as follows, whichever is less:

10 **SECTION 8.** 67.12 (12) (e) 2r. of the statutes is created to read:

11 67.12 (12) (e) 2r. Subdivision 2. does not apply if the amount of money to be
12 raised by the promissory note will not cause the aggregate amount of outstanding
13 indebtedness of the school district incurred without a referendum as a result of this
14 subdivision since the effective date of this subdivision [revisor inserts date],
15 excluding amounts specified in s. 67.05 (6a) (bm), to exceed \$250,000 or an amount
16 determined by multiplying the school district’s membership, as defined in s. 121.004
17 (5), by \$350, whichever is greater.

18 **SECTION 9.** 67.12 (12) (e) 2w. of the statutes is created to read:

19 67.12 (12) (e) 2w. If a school board borrows funds under this section and subd.
20 2. does not apply as a result of subd. 2r., the school board may use the funds only for
21 a capital expenditure.

22 **SECTION 10.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

23 121.07 (6) (a) (intro.) “Shared cost” is the sum of the net cost of the general fund
24 and the net cost of the debt service fund, except that “shared cost” excludes any costs,
25 including attorney fees, incurred by a school district as a result of its participation

1 in a lawsuit commenced against the state, beginning with such costs incurred in the
2 fiscal year in which the lawsuit is commenced. In this paragraph, “net cost of the debt
3 service fund” excludes debt service on debt that was not subject to a referendum as
4 a result of s. 67.05 (6a) (bg) or 67.12 (12) (e) 2r. In this paragraph, “net cost of the debt
5 service fund” includes all of the following amounts:

6 **SECTION 11.** 121.15 (3m) (a) 1. of the statutes, as affected by 1997 Wisconsin
7 Act 27, is amended to read:

8 121.15 **(3m)** (a) 1. “Partial school revenues” means the sum of state school aids,
9 other than the amounts appropriated under s. 20.255 (2) (bi) and (cv), and property
10 taxes levied for school districts, other than property taxes levied to pay debt service
11 on debt that was not subject to a referendum as a result of s. 67.05 (6a) (bg) or 67.12
12 (12) (e) 2r., less the amount of any revenue limit increase under s. 121.91 (4) (a) 2.
13 due to a school board’s increasing the services that it provides by adding
14 responsibility for providing a service transferred to it from another school board and
15 less the amount of any revenue limit increase under s. 121.91 (4) (a) 3.

16 **SECTION 12.** 121.91 (4) (c) 3. of the statutes is created to read:

17 121.91 **(4)** (c) 3. Funds needed for the payment of any general obligation debt
18 service, including debt service on debt issued or reissued to fund or refund
19 outstanding municipal obligations, interest on outstanding municipal obligations or
20 the payment of related issuance costs or redemption premiums, authorized on or
21 after the effective date of this subdivision [revisor inserts date], by a resolution
22 of the school board and secured by the full faith and credit of the school district if the
23 issuance of the debt was not subject to a referendum as a result of s. 67.05 (6a) (bg)
24 or 67.12 (12) (e) 2r.

25 **SECTION 13.** 121.92 (2) (c) of the statutes is amended to read:

