



State of Wisconsin
2003 - 2004 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 325**

February 5, 2004 - Offered by Representative FRISKE.

1 **AN ACT to amend** 24.66 (4), 66.0619 (2m) (d), 66.0803 (1) (b), 66.1103 (10) (d),
2 67.05 (3) (d), 67.05 (4), 67.05 (5) (a), 67.05 (6), 67.05 (6a) (a) 2. a., 67.05 (6a) (am)
3 1., 67.12 (12) (e) 2. and 67.12 (12) (e) 5. of the statutes; **relating to:** requiring
4 certain referenda held by local governmental units to borrow money to contain
5 financial details.

Analysis by the Legislative Reference Bureau

Generally under current law, any local governmental unit (including a city, village, town, county, school district, technical college district, and metropolitan sewerage district) that is authorized to levy a tax may borrow money to finance any project that is undertaken for a public purpose. Under various circumstances, a local governmental unit that issues debt may be required to conduct a referendum on the question of its proposed borrowing.

Under this substitute amendment, if a local governmental unit that would like to borrow money is required to hold a referendum on the question of whether it may

issue debt, the referendum question must specify the total estimated cost of debt service and the length of time until the debt is retired.

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

1 **SECTION 1.** 24.66 (4) of the statutes is amended to read:

2 24.66 (4) POPULAR VOTE, WHEN REQUIRED. If any municipality is not empowered
3 by law to incur indebtedness for a particular purpose without first submitting the
4 question to its electors, the application for a state trust fund loan for that purpose
5 must be approved and authorized by a majority vote of the electors at a special
6 election called, noticed and held in the manner provided for other special elections.
7 The question to be voted on shall be filed as provided in s. 8.37. The notice of the
8 election shall state the amount of the proposed loan and the purpose for which it will
9 be used. The question submitted shall include a reasonable estimate by the
10 municipality of the total anticipated cost of debt service on the loan and a reasonable
11 estimate by the municipality of the anticipated length of time until the debt is
12 retired.

13 **SECTION 2.** 66.0619 (2m) (d) of the statutes is amended to read:

14 66.0619 (2m) (d) The referendum shall be held and conducted and the votes
15 cast shall be canvassed as at regular municipal elections and the results certified to
16 the municipal clerk. The referendum question shall include a reasonable estimate
17 by the municipality of the total anticipated cost of debt service on the bonds and a
18 reasonable estimate by the municipality of the anticipated length of time until the
19 debt is retired. A majority of all votes cast in the municipality decides the question.

20 **SECTION 3.** 66.0803 (1) (b) of the statutes is amended to read:

1 66.0803 (1) (b) A resolution, specifying the method of payment and submitting
2 the question to a referendum, shall be adopted by a majority of all the members of
3 the board or council at a regular meeting, after publication at least one week previous
4 in the official paper. If the method of payment includes borrowing money, the
5 referendum question shall include a reasonable effort by the board or council of the
6 total anticipated cost of debt service and a reasonable estimate by the board or
7 council of the anticipated length of time until the debt is retired.

8 **SECTION 4.** 66.1103 (10) (d) of the statutes is amended to read:

9 66.1103 (10) (d) The governing body may issue bonds under this section
10 without submitting the proposition to the electors of the municipality for approval
11 unless within 30 days from the date of publication of notice of adoption of the initial
12 resolution for the bonds, a petition conforming to the requirements of s. 8.40, signed
13 by not less than 5% of the registered electors of the municipality, or, if there is no
14 registration of electors in the municipality, by 10% of the number of electors of the
15 municipality voting for the office of governor at the last general election as
16 determined under s. 115.01 (13), is filed with the clerk of the municipality and as
17 provided in s. 8.37 requesting a referendum upon the question of the issuance of the
18 bonds. If a petition is filed, the bonds may not be issued until approved by a majority
19 of the electors of the municipality voting on the referendum at a general or special
20 election. The referendum question shall include a reasonable estimate by the
21 governing body of the total anticipated cost of debt service and a reasonable estimate
22 by the governing body of the anticipated length of time until the debt is retired.

23 **SECTION 5.** 67.05 (3) (d) of the statutes is amended to read:

24 67.05 (3) (d) The question shall contain a statement of the purpose for which
25 bonds are to be issued, a reasonable estimate of the total anticipated cost of debt

1 service on the bonds, a reasonable estimate of the anticipated length of time until the
2 debt is retired, and the maximum amount of the bonds to be issued.

3 **SECTION 6.** 67.05 (4) of the statutes is amended to read:

4 67.05 (4) PERMISSIVE REFERENDUM IN COUNTIES. If a county board adopts an
5 initial resolution for an issue of county bonds to provide for the original construction
6 or for the improvement and maintenance of highways, to provide railroad aid, or to
7 construct, acquire or maintain, or to aid in constructing, acquiring or maintaining
8 a bridge over or across any stream or other body of water bordering upon or
9 intersecting any part of the county, the county clerk is not required to submit the
10 resolution for approval to the electors of the county at a special election unless within
11 30 days after the adoption thereof there is filed with the clerk a petition conforming
12 to the requirements of s. 8.40 requesting such submission, signed by electors
13 numbering at least 10% of the votes cast in the county for governor at the last general
14 election. If a petition is filed, the question submitted shall be whether the resolution
15 shall be or shall not be approved, and shall include a reasonable estimate by the
16 county board of the total anticipated cost of debt service on the bonds and a
17 reasonable estimate by the county board of the anticipated length of time until the
18 debt is retired. No such resolution of a county board other than those specified in this
19 subsection need be submitted to county electors, except as provided otherwise in sub.
20 (7).

21 **SECTION 7.** 67.05 (5) (a) of the statutes is amended to read:

22 67.05 (5) (a) Whenever an initial resolution has been so adopted by the
23 governing body of a town, the clerk of the municipality shall immediately record the
24 resolution and call a special election for the purpose of submitting the resolution to
25 the electors of the municipality for approval. The resolution question that is

1 submitted to the electors shall include a reasonable estimate by the governing body
2 of the total anticipated cost of debt service on the bonds and a reasonable estimate
3 by the governing body of the anticipated length of time until the debt is retired. This
4 paragraph does not apply to bonds issued to finance low-interest mortgage loans
5 under s. 62.237, unless a number of electors equal to at least 15% of the votes cast
6 for governor at the last general election in their town sign and file a petition
7 conforming to the requirements of s. 8.40 with the town clerk requesting submission
8 of the resolution. Whenever a number of electors cannot be determined on the basis
9 of reported statistics, the number shall be determined in accordance with s. 60.74 (6).
10 If a petition is filed, the question submitted shall be whether the resolution shall or
11 shall not be approved, and shall include a reasonable estimate by the governing body
12 of the total anticipated cost of debt service on the bonds and a reasonable estimate
13 by the governing body of the anticipated length of time until the debt is retired. This
14 paragraph is limited in its scope by sub. (7).

15 **SECTION 8.** 67.05 (6) of the statutes is amended to read:

16 67.05 (6) REFERENDUM IN OTHER CASES. Whenever an initial resolution has been
17 adopted by the governing body of any municipality other than a county, a town, a city,
18 a village, a technical college district, a metropolitan sewerage district created under
19 ss. 200.01 to 200.15 or 200.21 to 200.65, a town sanitary district, a public inland lake
20 protection and rehabilitation district or a board of park commissioners, the clerk of
21 such municipality shall immediately record the resolution and call a special meeting
22 for the purpose of submitting it to the electors of the municipality for ratification or
23 rejection. The calling and conduct of the meeting shall be governed by those statutes,
24 so far as applicable, which govern the calling and conduct of special meetings in
25 general. The notice of the meeting, which shall be publicly read before the balloting

1 shall commence, and the ballot used, shall embody a copy of the resolution; the form
2 of the ballot shall correspond with the form prescribed by the elections board under
3 ss. 5.64 (2) and 7.08 (1) (a); and the question submitted shall be whether the
4 resolution shall be approved. The question submitted shall also include a reasonable
5 estimate by the governing body of the total anticipated cost of debt service on the
6 bonds and a reasonable estimate by the governing body of the anticipated length of
7 time until the debt is retired.

8 **SECTION 9.** 67.05 (6a) (a) 2. a. of the statutes is amended to read:

9 67.05 **(6a)** (a) 2. a. Direct the school district clerk to call a special election for
10 the purpose of submitting the resolution to the electors for approval or rejection, or
11 direct that the resolution be submitted at the next regularly scheduled primary or
12 election to be held not earlier than 45 days after the adoption of the resolution. The
13 question submitted shall include a reasonable estimate by the school board of the
14 total anticipated cost of debt service on the bonds and a reasonable estimate by the
15 school board of the anticipated length of time until the debt is retired. The resolution
16 shall not be effective unless adopted by a majority of the school district electors voting
17 at the referendum.

18 **SECTION 10.** 67.05 (6a) (am) 1. of the statutes is amended to read:

19 67.05 **(6a)** (am) 1. If the public hearing under par. (a) 2. b. is for informational
20 purposes only and, within 30 days after the public hearing, a petition is filed with the
21 school district clerk for a referendum on the resolution signed by at least 7,500
22 electors of the school district or at least 20% of the school district electors, as
23 determined under s. 115.01 (13), whichever is less, the resolution shall not be
24 effective unless adopted by a majority of the school district electors voting at the
25 referendum. The question submitted shall be whether the initial resolution shall or

1 shall not be approved and shall include a reasonable estimate by the school board of
2 the total anticipated cost of debt service on the bonds and a reasonable estimate by
3 the school board of the anticipated length of time until the debt is retired.

4 **SECTION 11.** 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 par. (f) or (h) applies, the school district clerk shall, within
12 10 days after a school board adopts a resolution under subd. 1. to issue a promissory
13 note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch.
14 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice
15 need not set forth the full contents of the resolution, but shall state the maximum
16 amount proposed to be borrowed, the purpose thereof, that the resolution was
17 adopted under this subsection, and the place where, and the hours during which, the
18 resolution may be inspected. If, within 30 days after publication or posting, a petition
19 conforming to the requirements of s. 8.40 is filed with the school district clerk for a
20 referendum on the resolution signed by at least 7,500 electors of the district or at
21 least 20% of the number of district electors voting for governor at the last general
22 election, as determined under s. 115.01 (13), whichever is the lesser, then the
23 resolution shall not be effective unless adopted by a majority of the district electors
24 voting at the referendum. The referendum shall be called in the manner provided
25 under s. 67.05 (6a), except that the question which appears on the ballot shall be

1 “Shall (name of district) borrow the sum of \$.... for (state purpose) by issuing its
2 general obligation promissory note (or notes) under section 67.12 (12) of the
3 Wisconsin Statutes, necessitating an estimated \$.... in total anticipated debt service
4 costs over the estimated-year term of the loan?”.

5 **SECTION 12.** 67.12 (12) (e) 5. of the statutes is amended to read:

6 67.12 (12) (e) 5. Within 10 days of the adoption by a technical college district
7 board of a resolution under subd. 1. to issue a promissory note for a purpose under
8 s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption
9 as a class 1 notice, under ch. 985. The notice need not set forth the full contents of
10 the resolution, but shall state the amount proposed to be borrowed, the method of
11 borrowing, the purpose thereof, that the resolution was adopted under this
12 subsection and the place where and the hours during which the resolution is
13 available for public inspection. If the amount proposed to be borrowed is for building
14 remodeling or improvement and does not exceed \$1,000,000 or is for movable
15 equipment, the district board need not submit the resolution to the electors for
16 approval unless, within 30 days after the publication or posting, a petition
17 conforming to the requirements of s. 8.40 is filed with the secretary of the district
18 board requesting a referendum at a special election to be called for that purpose.
19 Such petition shall be signed by electors from each county lying wholly or partially
20 within the district. The number of electors from each county shall equal at least 1.5%
21 of the population of the county as determined under s. 16.96 (2) (c). If a county lies
22 in more than one district, the technical college system board shall apportion the
23 county’s population as determined under s. 16.96 (2) (c) to the districts involved and
24 the petition shall be signed by electors equal to the appropriate percentage of the
25 apportioned population. In lieu of a special election, the district board may specify

1 that the referendum shall be held at the next succeeding spring primary or election
2 or September primary or general election. Any resolution to borrow amounts of
3 money in excess of \$1,000,000 for building remodeling or improvement shall be
4 submitted to the electors of the district for approval. If a referendum is held or
5 required under this subdivision, no promissory note may be issued until the issuance
6 is approved by a majority of the district electors voting at such referendum. The
7 referendum shall be noticed, called and conducted under s. 67.05 (6a) insofar as
8 applicable, except that the notice of special election and ballot need not embody a
9 copy of the resolution and the question which shall appear on the ballot shall be
10 “Shall (name of district) be authorized to borrow the sum of \$... for (state purpose)
11 by issuing its general obligation promissory note (or notes) under section 67.12 (12)
12 of the Wisconsin Statutes, necessitating an estimated \$... in total anticipated debt
13 service costs over the estimated-year term of the loan?”.

14 **SECTION 13. Initial applicability.**

15 (1) This act first applies to resolutions to incur debt that are adopted on the
16 effective date of this subsection.

17 (END)