



State of Wisconsin
2017 - 2018 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 274**

May 31, 2017 - Offered by Representative MACCO.

1 **AN ACT to amend** 67.05 (1), 67.05 (3) (a) 1. and 67.05 (3) (d) of the statutes;
2 **relating to:** providing financial information in bonding resolutions when
3 referendum is required.

Analysis by the Legislative Reference Bureau

This substitute amendment requires a municipality that is seeking to issue a bond to include specific financial information in an initial resolution adopted by the governing body of the municipality, in the notice of election published prior to the referendum election, and on the ballot on which the referendum question is proposed.

Under current law, the governing body of a municipality must adopt an initial resolution prior to issuing a bond. Municipality is defined under current law to mean certain entities authorized to levy a tax, including a county, city, village, town, school district, board of park commissioners, technical college district, and metropolitan sewerage district. In some cases, the municipality must hold a referendum election to obtain approval of the electors of the municipality. Currently, the initial resolution and referendum ballot must specify the purpose for and maximum amount of the borrowing. This substitute amendment requires that, when a referendum is required, the governing body of the municipality must also include a good faith estimate of the interest and related debt service costs that will be incurred by the

municipality on the debt and the sum of the principal, interest, and debt service costs that will be incurred by the municipality.

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

1 **SECTION 1.** 67.05 (1) of the statutes is amended to read:

2 67.05 (1) INITIAL RESOLUTION BY GOVERNING BODY. If any municipality seeks to
3 issue a bond under s. 67.04, the governing body of the municipality shall, prior to the
4 issuance of the bond, adopt a resolution that states the purpose for and maximum
5 amount of the borrowing. The resolution adopted under this section shall be known
6 as the initial resolution. If a governing body is required under this section to hold
7 a referendum after the adoption of the initial resolution, the governing body shall
8 include in the initial resolution a statement identifying the total amount of debt to
9 be issued by the municipality, a good faith estimate of the total amount of interest
10 and related debt service costs that will be incurred by the municipality on the debt
11 obligation, and the sum of the principal, interest, and related debt service to be
12 incurred by the municipality. The governing body shall base its estimate of the
13 amount of interest to be incurred on the interest rate in effect immediately prior to
14 the adoption of the resolution. If a permissive referendum on the bond issue is
15 allowed under this section, the governing body need not include on the initial
16 resolution the information required under this subsection, but shall, within 15 days
17 after the initial resolution is adopted, publish a class 1 notice under ch. 985 stating
18 the purpose and maximum principal amount of the bond issue and describing the
19 opportunity and procedure for submitting a petition requesting a referendum on the
20 bond issue.

21 **SECTION 2.** 67.05 (3) (a) 1. of the statutes is amended to read:

1 67.05 (3) (a) 1. The clerk of the jurisdiction in which the referendum is held
2 shall publish a type A notice under s. 10.01 (2) (a) on the 4th Tuesday before the
3 referendum is held. Notwithstanding s. 10.01 (2) (a), the notice shall include a
4 statement indicating the amount of debt to be issued and the interest and related
5 debt service costs to be incurred by the municipality as specified in sub. (1).

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

7 67.05 (3) (d) The question shall contain a statement of the purpose for which
8 bonds are to be issued ~~and~~, the maximum amount of the bonds to be issued, and the
9 interest and related debt service costs to be incurred by the municipality as specified
10 in sub. (1).

11 (END)