



2015 ASSEMBLY BILL 481

November 4, 2015 - Introduced by Representatives SCHRAA, JACQUE, TITTL, EDMING, R. BROOKS, T. LARSON, KNODL, SKOWRONSKI, MURPHY, CRAIG, JARCHOW, PETERSEN, GANNON, SANFELIPPO, KREMER, NEYLON, BRANDTJEN and WEATHERSTON, cosponsored by Senators STROEBEL, LASEE and KAPENGA. Referred to Committee on Education.

1 **AN ACT** *to renumber and amend* 24.66 (3) (a), 24.66 (3) (b) and 121.91 (3) (a);
2 *to amend* 7.52 (8), 8.06, 24.66 (3) (am), 24.66 (3) (bm), 24.66 (3) (c) 1., 24.66 (3)
3 (c) 2., 24.66 (3) (c) 3., 67.05 (3) (intro.), 67.05 (6), 67.05 (6a) (a) 2. (intro.), 67.05
4 (6a) (a) 2. a., 67.05 (6a) (a) 2. b., 67.05 (6a) (am) 1., 67.05 (6a) (b) (intro.), 67.05
5 (7) (cc), 67.05 (7) (d) 2., 67.05 (7) (d) 3. and (j), 67.12 (8) (a) 2., 67.12 (12) (e) 1.,
6 2g. (intro.), 3. and 4., 119.48 (4), 119.49 (1), 119.49 (2) and 121.91 (3) (c); and *to*
7 **create** 24.66 (3) (a) 2., 24.66 (3) (b) 2., 24.66 (3) (c) 4., 67.05 (2m), 67.12 (12) (ec),
8 119.48 (5), 119.49 (2m), 121.91 (3) (a) 1. b. and 121.91 (3) (a) 2. of the statutes;
9 **relating to:** limitations on borrowing by school districts and the use by school
10 districts of resolutions and referenda to authorize bonding for capital projects
11 or increase revenue limits and scheduling of school district referendums to
12 exceed revenue limits.

Analysis by the Legislative Reference Bureau

Current law provides several mechanisms for a school district to borrow money and raise revenue.

ASSEMBLY BILL 481***Loans and Bond Issues***

Currently, before a school district may borrow money or issue bonds, the school board must adopt an initial resolution stating the purposes for and the maximum amount of the proposed loan or bond issuance. Once an initial resolution has been adopted, the school board must call a special meeting at which the electors of the school district will consider the resolution. The school board may either schedule a special election at which the resolution is submitted by referendum to the electors of the school district or hold a hearing at which the electors are informed about the proposed loan or bond issue. If the school board schedules a hearing rather than a special election and the amount of money to be raised by the bond issue will cause the aggregate amount of outstanding indebtedness incurred by the school district without a referendum to exceed the lesser of \$1,000,000 or 1.5 percent of the statewide average equalized valuation per member multiplied by the school district's membership, a special election may still be required if a sufficient number of school district electors petition the school district to hold a referendum.

Revenue Limit Adjustments

Although current law generally limits the total amount of revenue that a school district may receive from general school aids and property taxes to the amount of revenue increase allowed per pupil in the previous school year, a school board may increase the school district's revenue limit by a specified amount if the school board adopts a resolution to that effect and the district's electors approve the increase at a referendum.

Under current law, the school board must call a special referendum at which the electors vote to approve or reject the resolution. Current law also permits the school board to schedule the referendum to be held concurrently with any primary election or election that falls no sooner than 70 days after the date on which the board files the resolution.

Loans from the State Trust Funds

Current law permits a school board to apply to the Board of Commissioners of Public Lands for a loan to the school district from the state trust funds (the common school fund, the normal school fund, the university fund, and the agricultural college fund). With certain exceptions, in order for the school board of a unified school district to obtain a state trust fund loan, the application must be approved by a majority of the electors of the school district who vote on the application by referendum at a special election. With certain exceptions, in order for the school board of a first class city school district (the Milwaukee Public School District, or MPS) or of a common or union high school district to obtain a state trust fund loan, a majority of the legal voters of the school district who vote on the question must approve the loan application, but the school board is not required to hold a special election on the application. Unless certain factors apply, the school board of any school district, including a unified school district, may adopt and record a resolution to obtain a loan with a repayment period of ten years or less without submitting the application to the voters by referendum at a special election. The factors affecting whether the school board must hold a special election include the amount of the loan, the purpose of the loan, the aggregate amount of outstanding indebtedness of the

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school district incurred without a referendum, and whether a sufficient number of electors of the school district timely file a petition for a referendum.

Temporary Borrowing

Under current law, if two-thirds of the school board members approve a resolution to do so, the school board of any common, union high school, or unified school district may temporarily borrow money in June, July, and August to meet the immediate expenses associated with operating and maintaining the schools of the district from July 1 to the last working day of October.

Promissory Notes

Current law permits a school district to adopt a resolution to borrow money through the issuance of promissory notes. A referendum may be required if the amount to be borrowed exceeds \$5,000, if the borrowing causes the school district's outstanding indebtedness incurred without a referendum to exceed the lesser of \$1,000,000 or 1.5 percent of the statewide average equalized valuation per member multiplied by the school district's membership, and if a sufficient number of school district electors petition the school district to hold a referendum.

Levy Limit Adjustments and Bond Issues by the Milwaukee Public School District

Under current law, the board of directors of MPS (MPS board) must annually submit its budget to the common council of the City of Milwaukee. The MPS board must include in its budget the amount of money required to operate the public schools in the city, repair and keep in order school buildings and equipment, make improvements to school property, and purchase necessary additions to school sites. Upon receipt of its budget, the common council must levy and collect a tax sufficient for the MPS board to fulfill its statutory obligations. Current law also permits the MPS board to, upon a two-thirds vote, communicate with the common council when either of the following applies: 1) the MPS board determines it is necessary to exceed its levy rate in order to purchase school sites, construct school buildings and additions thereto, or remodel existing buildings; or 2) the MPS board determines it is necessary to issue bonds in order to construct buildings or additions to buildings, remodel buildings, or purchase school sites. Upon receipt of a communication from the MPS board, the common council must schedule a referendum for the voters of the city to approve or reject the decision of the MPS board.

This bill provides that, if a school board applies or adopts a resolution to borrow money or adopts a resolution to increase revenue through any of the mechanisms identified above and the application, resolution, or referendum is rejected by a majority of the electors of the school district, the school board may not use any of the mechanisms identified in the bill to borrow money or raise revenue for two consecutive 365-day periods.

If a school district experiences a natural disaster, including a fire, the prohibitions established in the bill do not apply for the six-month period immediately following the natural disaster.

Also under this bill, unless the school board experiences a natural disaster, including a fire, a school board may schedule a referendum for the purpose of

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submitting to the electors of a school district a resolution to increase the school district's revenue limit only concurrently with a spring election or with the general election. A spring election is held annually on the first Tuesday in April. The general election occurs in even-numbered years on the Tuesday following the first Monday in November. In any school year in which a school district experiences a natural disaster, the school board may call a special referendum on the resolution, provided the special referendum is held not sooner than 70 days after the resolution is filed.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 7.52 (8) of the statutes is amended to read:

2 7.52 (8) The board of absentee ballot canvassers shall make full and accurate
3 return of the votes cast for each candidate and proposition on the tally sheet forms.
4 Each tally sheet shall record the returns for each office or referendum by ward,
5 unless combined returns are authorized in accordance with s. 5.15 (6) (b), in which
6 case the tally sheet shall record the returns for each group of combined wards. After
7 recording the votes, the board of absentee ballot canvassers shall seal in a carrier
8 envelope outside the ballot bag or container one inspector's statement under sub. (4)
9 (d), one tally sheet, and one poll list for delivery to the county clerk, unless the
10 election relates only to ~~municipal~~ or school district offices or municipal offices or
11 referenda. The board of absentee ballot canvassers shall also similarly seal one
12 statement, one tally sheet, and one poll list for delivery to the municipal clerk.

13 **SECTION 2.** 8.06 of the statutes is amended to read:

14 **8.06 Special elections may be called.** Towns, cities, villages, and, subject
15 to s. 121.91 (3) (a), school districts, may call special elections for any purpose
16 authorized by law. If an election is called for a special referendum, the election shall
17 be noticed under s. 8.55.

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1 **SECTION 3.** 24.66 (3) (a) of the statutes is renumbered 24.66 (3) (a) 1. and
2 amended to read:

3 24.66 (3) (a) 1. Every application for a loan, the required repayment of which
4 exceeds 10 years, shall be approved and authorized for a common, union high, or 1st
5 class city school district by a vote of a majority of its legal voters voting on this
6 question. If the vote is taken at a special meeting the objects thereof shall be clearly
7 stated in the notice of the meeting. The application shall state the facts in detail
8 respecting the holding of the meeting, and the taking and the result of the vote
9 required. The application shall be signed by a majority of the members of the district
10 board and verified by the clerk. The statement accompanying the application shall
11 contain a correct map or plat of the district. If the district is a joint district, the
12 statement accompanying the application shall show the assessed valuation in its
13 several parts separately, so that the valuation of each part of the district which lies
14 in each town or municipality may be readily shown. If a majority of the legal voters
15 of the school district who vote on an application under this subdivision reject the
16 application, the school district shall be subject to the prohibitions under subd. 2.

17 **SECTION 4.** 24.66 (3) (a) 2. of the statutes is created to read:

18 24.66 (3) (a) 2. a. Except as provided in subd. 2. b., if an application for a loan
19 is submitted to the legal voters of the school district as provided in subd. 1. and a
20 majority of the voters who vote on the application reject the application, the school
21 district may not submit another application under this paragraph or proceed under
22 par. (am), (b), (bm), or (c), to the extent those paragraphs are applicable to the school
23 district, or under s. 67.05, 67.12, 119.48, 119.49, or 121.91 (3), to the extent those
24 sections are applicable to the school district, for the 730-day period beginning on the

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1 date on which the governing body of the school district submitted to the legal voters
2 of the school district the application rejected as described in this subdivision.

3 b. For a school district that experiences a natural disaster, including a fire, that
4 causes the school district's costs to increase, the prohibitions in this subdivision do
5 not apply in the 6-month period immediately following the natural disaster.

6 **SECTION 5.** 24.66 (3) (am) of the statutes is amended to read:

7 24.66 (3) (am) *For short-term loans by common, union high and 1st class city*
8 *school districts.* Every application for a loan, the required repayment of which is 10
9 years or less, shall be approved and authorized for a common, union high, or 1st class
10 city school district under par. (a) or (c), to the extent applicable. If a majority of the
11 legal voters of the school district who vote on an application under this paragraph
12 reject the application, the school district shall be subject to the prohibitions under
13 par. (a) 2. or (c) 4.

14 **SECTION 6.** 24.66 (3) (b) of the statutes is renumbered 24.66 (3) (b) 1. and
15 amended to read:

16 24.66 (3) (b) 1. Every application for a loan, the required repayment of which
17 exceeds 10 years, shall be approved and authorized for a unified school district by a
18 majority vote of the members of the school board at a regular or special meeting of
19 the school board. Every vote so required shall be by ayes and noes duly recorded.
20 In addition, the application shall be approved for a unified school district by a
21 majority vote of the electors of the school district at a special election as provided
22 under sub. (4). If a majority of the legal voters of the school district who vote on an
23 application under this subdivision reject the application or if a majority of the voters
24 who vote at a special election as provided under sub. (4) reject the question, the school
25 district shall be subject to the prohibitions under subd. 2.

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1 **SECTION 7.** 24.66 (3) (b) 2. of the statutes is created to read:

2 24.66 (3) (b) 2. a. Except as provided in subd. 2. b., if an application for a loan
3 is submitted to the legal voters of the school district as provided in subd. 1. and a
4 majority of the voters who vote on the application reject the application, or if a
5 majority of the electors of the school district who vote at a special election held as
6 required under sub. (4) reject the question, the school district may not submit
7 another application under this paragraph or proceed under par. (a), (am), (bm), or (c),
8 to the extent applicable, or under s. 67.05, 67.12, 119.48, 119.49, or 121.91 (3), to the
9 extent applicable, for the 730-day period beginning on the date on which the school
10 district first submitted the application to the voters as described in this subdivision.

11 b. For a school district that experiences a natural disaster, including a fire, that
12 causes the school district's costs to increase, the prohibitions in this subdivision do
13 not apply in the 6-month period immediately following the natural disaster.

14 **SECTION 8.** 24.66 (3) (bm) of the statutes is amended to read:

15 24.66 (3) (bm) *For short-term loans by unified school districts.* Every
16 application for a loan, the required repayment of which is 10 years or less, shall be
17 approved and authorized for a unified school district under par. (b) or (c), to the extent
18 applicable. If a majority of the legal voters of the school district who vote on an
19 application under this paragraph reject the application, the school district shall be
20 subject to the prohibitions under par. (b) 2. or (c) 4.

21 **SECTION 9.** 24.66 (3) (c) 1. of the statutes is amended to read:

22 24.66 (3) (c) 1. If the procedure in par. (a) or (b) is not used for the approval of
23 a school district loan, the required repayment of which is 10 years or less, the
24 governing body of the school district, before any certificate of indebtedness is issued,
25 shall, subject to the prohibitions under subd. 4., adopt and record a resolution

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1 specifying the purposes and the maximum amount of the certificate of indebtedness
2 issued.

3 **SECTION 10.** 24.66 (3) (c) 2. of the statutes, as affected by 2015 Wisconsin Act
4 55, is amended to read:

5 24.66 (3) (c) 2. Unless the purpose and amount of the borrowing have been
6 approved by the electors under s. 67.05 (6a) or considered approved by the electors
7 under s. 67.05 (7) (d) 3., the purpose is to refund any outstanding 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, or
10 the borrowing would not be subject to a referendum as a bond issue under s. 67.05
11 (7) (cc), (er), (h), or (i), or s. 67.12 (12) (e) 2g., (f), or (h) applies, and provided the school
12 board is not prohibited from adopting a resolution by subd. 4., the school district clerk
13 shall, within 10 days after a governing body of a school district adopts a resolution
14 as described above in subd. 1. to issue a certificate of indebtedness, publish notice of
15 such adoption as a class 1 notice, under ch. 985. Alternatively, the notice may be
16 posted as provided under s. 10.05. The notice need not set forth the full contents of
17 the resolution, but shall state the maximum amount proposed to be borrowed, the
18 purpose thereof, that the resolution was adopted under this subsection, and the place
19 where, and the hours during which, the resolution may be inspected. If, within 30
20 days after publication or posting, a petition conforming to the requirements of s. 8.40
21 is filed with the school district clerk for a referendum on the resolution signed by at
22 least 7,500 electors of the district or at least 20 percent of the number of district
23 electors voting for governor at the last general election, as determined under s.
24 115.01 (13), whichever is the lesser, then the resolution shall not be effective unless
25 adopted by a majority of the district electors voting at the referendum. The

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1 referendum shall be called in the manner provided under s. 67.05 (6a), except that
2 the question which appears on the ballot shall be “Shall (name of district) borrow
3 the sum of \$.... for (state purpose) by issuing its general obligation promissory note
4 (or notes) under section 24.66 (3) of the Wisconsin Statutes?”. If a governing body
5 of a school district adopts a resolution to borrow a sum of money under this
6 subsection and a sufficient petition for referendum is not filed within the time
7 permitted, then the power of the governing body of a school district to borrow the sum
8 and expend the sum for the purpose stated shall be deemed approved by the school
9 district electors upon the expiration of the time for filing the petition. If a majority
10 of the school district electors who vote on a referendum held under this subdivision
11 reject the resolution, the governing body shall be subject to the prohibitions in subd.
12 4.

13 **SECTION 11.** 24.66 (3) (c) 3. of the statutes is amended to read:

14 24.66 (3) (c) 3. If the governing body of a school district adopts a resolution to
15 borrow a sum of money under this subsection, and if ~~subd. 2.~~ subds. 2. does and 4. do
16 not apply, the governing body of a school district has the power to borrow and spend
17 the sum for the purpose stated without the approval of the electors of the school
18 district.

19 **SECTION 12.** 24.66 (3) (c) 4. of the statutes is created to read:

20 24.66 (3) (c) 4. a. Except as provided in subd. 4. b., if the governing body of the
21 school district adopts a resolution as provided in subd. 1., submits the resolution to
22 the school district electors for approval as provided in subd. 2., and a majority of the
23 electors who vote on the referendum reject the resolution, the governing body may
24 not adopt another resolution under this paragraph or proceed under par. (a), (am),
25 (b), or (bm) to the extent those paragraphs are applicable to the school district or

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1 under s. 67.05, 67.12, 119.48, 119.49, or 121.91 (3), to the extent those sections are
2 applicable to the school district, for the 730-day period beginning on the date on
3 which the district board adopted the resolution rejected as described in this
4 subdivision.

5 b. For a school district that experiences a natural disaster, including a fire, that
6 causes the school district's costs to increase, the prohibitions in this subdivision do
7 not apply in the 6-month period immediately following the natural disaster.

8 **SECTION 13.** 67.05 (2m) of the statutes is created to read:

9 **67.05 (2m)** USE OF REFERENDUM PROCEDURE BY A SCHOOL DISTRICT; WHEN
10 PROHIBITED. (a) *Permissive referendum prohibited.* 1. Except as provided in subd.
11 2., if the governing body of a school district adopts an initial resolution for which a
12 referendum is required only upon the petition of a designated number of electors of
13 that school district, the designated number of electors of that school district files a
14 petition that satisfies the requirements of s. 8.40, and a majority of the electors who
15 vote on the referendum reject the resolution, the governing body may neither adopt
16 another initial resolution under this section or a resolution under s. 67.12 (8) (a) 2.
17 or (12) (e), nor hold a referendum seeking approval to borrow money or issue
18 municipal obligations, nor proceed under s. 24.66 (3), 119.48, 119.49, or 121.91 (3),
19 to the extent those sections are applicable to the school district, for the 730-day
20 period beginning on the date on which the governing body of the school district
21 adopted the initial resolution described in this paragraph.

22 2. For a school district that experiences a natural disaster, including a fire, that
23 causes the school district's costs to increase, the prohibitions in this paragraph do not
24 apply in the 6-month period immediately following the natural disaster.

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1 (b) *Referendum prohibited.* 1. Except as provided in subd. 2., if the governing
2 body of a school district adopts an initial resolution for which a referendum is
3 required and a majority of the electors who vote on the referendum reject the
4 resolution, the governing body may neither adopt another initial resolution under
5 this section or a resolution under s. 67.12 (8) (a) 2. or (12) (e), nor hold a referendum
6 seeking approval to borrow money or issue municipal obligations, nor proceed under
7 s. 24.66 (3), 119.48, 119.49, or 121.91 (3), to the extent those sections are applicable
8 to the school district, for the 730-day period beginning on the date on which the
9 governing body of the school district adopted the initial resolution described in this
10 paragraph.

11 2. For a school district that experiences a natural disaster, including a fire, that
12 causes the school district's costs to increase, the prohibitions in this paragraph do not
13 apply in the 6-month period immediately following the natural disaster.

14 **SECTION 14.** 67.05 (3) (intro.) of the statutes is amended to read:

15 67.05 (3) REFERENDUM PROCEDURE. (intro.) ~~Whenever~~ Unless the prohibitions
16 under sub. (2m) apply, a referendum is held under this section, shall be subject to the
17 following procedures ~~shall be used:~~

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

19 67.05 (6) REFERENDUM IN OTHER CASES. ~~Whenever an initial resolution has been~~
20 ~~adopted by~~ Unless prohibited from adopting an initial resolution by sub. (2m),
21 whenever the governing body of any municipality other than a county, a town, a city,
22 a village, a technical college district, a metropolitan sewerage district created under
23 ss. 200.01 to 200.15 or 200.21 to 200.65, a town sanitary district, a public inland lake
24 protection and rehabilitation district, or a board of park commissioners adopts an
25 initial resolution, the clerk of such municipality shall immediately record the

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1 resolution and call a special meeting for the purpose of submitting it to the electors
2 of the municipality for ratification or rejection. The calling and conduct of the
3 meeting shall be governed by those statutes, so far as applicable, which govern the
4 calling and conduct of special meetings in general. The notice of the meeting, which
5 shall be publicly read before the balloting shall commence, and the ballot used, shall
6 embody a copy of the resolution; the form of the ballot shall correspond with the form
7 prescribed by the government accountability board under ss. 5.64 (2) and 7.08 (1) (a);
8 and the question submitted shall be whether the resolution shall be approved.

9 **SECTION 16.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

10 67.05 **(6a)** (a) 2. (intro.) Except as provided under pars. (b) and (c) and subs.
11 (7) and (15), and provided the school board is not prohibited from adopting an initial
12 resolution by sub. (2m), if the board of any school district, or the electors at a
13 regularly called school district meeting, by a majority vote adopt an initial resolution
14 to raise an amount of money by a bond issue, the school district clerk shall, within
15 10 days, publish notice of such adoption as a class 1 notice under ch. 985 or post the
16 notice as provided under s. 10.05. The notice shall state the maximum amount
17 proposed to be borrowed, the purpose of the borrowing, that the resolution was
18 adopted under this subdivision and the place where and the hours during which the
19 resolution may be inspected. The school board shall also do one of the following:

20 **SECTION 17.** 67.05 (6a) (a) 2. a. of the statutes, as affected by 2015 Wisconsin
21 Act 37, is amended to read:

22 67.05 **(6a)** (a) 2. a. Direct the school district clerk to call a special election for
23 the purpose of submitting the resolution to the electors for approval or rejection, or
24 direct that the resolution be submitted at the next regularly scheduled primary or
25 election to be held not earlier than 70 days after the adoption of the resolution. The

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1 resolution shall not be effective unless adopted by a majority of the school district
2 electors voting at the referendum. If a majority of the school district electors who vote
3 on the referendum reject the resolution, the prohibitions under sub. (2m) shall apply
4 to the school board.

5 **SECTION 18.** 67.05 (6a) (a) 2. b. of the statutes is amended to read:

6 67.05 (6a) (a) 2. b. Specify in the initial resolution the date, time, and place for
7 a public hearing on the resolution, which shall be within 10 days after the publication
8 of the notice under subd. 2. (intro.), and whether the public hearing is for
9 informational purposes only or whether electors present at the public hearing will
10 be given an opportunity to vote on whether a referendum shall be held on the initial
11 resolution.

12 **SECTION 19.** 67.05 (6a) (am) 1. of the statutes is amended to read:

13 67.05 (6a) (am) 1. If the public hearing under par. (a) 2. b. is for informational
14 purposes only and, within 30 days after the public hearing, a petition is filed with the
15 school district clerk for a referendum on the resolution signed by at least 7,500
16 electors of the school district or at least 20% of the school district electors, as
17 determined under s. 115.01 (13), whichever is less, the resolution shall not be
18 effective unless adopted by a majority of the school district electors voting at the
19 referendum. The question submitted shall be whether the initial resolution shall or
20 shall not be approved. If a majority of the school district electors who vote on the
21 referendum reject the resolution, the prohibitions under sub. (2m) shall apply to the
22 district board.

23 **SECTION 20.** 67.05 (6a) (b) (intro.) of the statutes is amended to read:

24 67.05 (6a) (b) (intro.) Paragraph (a) 2. applies only if the amount of money to
25 be raised by the bond issue will cause the aggregate amount of outstanding

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1 indebtedness of the school district incurred without a referendum since August 9,
2 1989, excluding amounts specified in par. (bm), to exceed \$1,000,000 or an amount
3 determined as follows, whichever is less, and the school district board is not
4 otherwise prohibited from adopting an initial resolution by sub. (2m):

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

6 67.05 (7) (cc) An Provided the school board is not prohibited from adopting an
7 initial resolution adopted by sub. (2m), if the school board of a common school district
8 or unified school district adopts an initial resolution for the purpose of purchasing
9 the school property or technical college school property of a city therein which
10 formerly operated a city school district, the initial resolution shall not be submitted
11 to a referendum vote.

12 **SECTION 22.** 67.05 (7) (d) 2. of the statutes, as affected by 2015 Wisconsin Act
13 55, is amended to read:

14 67.05 (7) (d) 2. If Provided the school board is not prohibited from adopting an
15 initial resolution by sub. (2m), if a school board adopts an initial resolution to raise
16 an amount of money by a bond issue, and either sub. (6a) (a) 2. does not apply as a
17 result of sub. (6a) (b) or the initial resolution is not subject to a referendum as a result
18 of par. (cc), (er), (h), or (i), the school board has the power to borrow and spend the
19 amount for the purpose stated without the approval of the electors of the school
20 district.

21 **SECTION 23.** 67.05 (7) (d) 3. and (j) of the statutes are amended to read:

22 67.05 (7) (d) 3. If Provided the school board is not prohibited from adopting an
23 initial resolution by sub. (2m), if a school board adopts an initial resolution to raise
24 an amount of money by a bond issue, and either the public hearing under sub. (6a)
25 (a) 2. b. is for informational purposes only or sub. (6a) (am) 3. applies, the power of

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1 the school board to borrow and spend the amount for the purpose stated shall be
2 deemed approved by the electors of the school district if a sufficient petition for a
3 referendum is not filed within the time permitted under sub. (6a) (am) 1.

4 (j) ~~An~~ Provided the board is not prohibited from adopting an initial resolution
5 adopted by sub. (2m), if the school board of a school district created by a
6 reorganization under s. 117.105, or ~~adopted by~~ the school board of a school district
7 from which territory is detached to create a school district under s. 117.105, adopts
8 an initial resolution for the purpose of financing any assets or liabilities apportioned
9 to the school district or assets apportioned to another school district under s. 117.105
10 (1m) or (2m), the initial resolution is not subject to a referendum.

11 **SECTION 24.** 67.12 (8) (a) 2. of the statutes is amended to read:

12 67.12 (8) (a) 2. In June prior to voting an annual tax for the operation and
13 maintenance of the schools for the subsequent school year, and in July and August
14 prior to voting an annual tax for the operation and maintenance of the schools for the
15 current school year, borrow money as needed to meet the immediate expenses of
16 operating and maintaining the public instruction in the school district from July 1
17 to the last working day in October. The school board may borrow money under this
18 subdivision only upon a recorded resolution adopted by a two-thirds vote of its
19 members and only if the school board is not prohibited from adopting a resolution by
20 sub. (12) (ec) or s. 24.66 (3), 67.05 (2m), 119.48 (5), 119.49 (2m), or 121.91 (3), to the
21 extent those sections are applicable to the school board. The resolution shall levy an
22 irrepealable tax sufficient in amount to pay the principal of the loan and the interest
23 thereon as they become due and payable. If the borrowing occurs in June, the loan
24 shall be repaid on or before November 1 of the 2nd school year commencing after the

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1 date of the loan. If the borrowing occurs in July or August, the loan shall be repaid
2 on or before November 1 of the school year commencing after the date of the loan.

3 **SECTION 25.** 67.12 (12) (e) 1., 2g. (intro.), 3. and 4. of the statutes are amended
4 to read:

5 67.12 (12) (e) 1. The governing body of the a municipality, other than the
6 governing body of a school district prohibited from adopting a resolution by par. (ec),
7 shall adopt and record a resolution specifying the purposes and the maximum
8 amount of the note issued.

9 2g. (intro.) Subdivision 2. applies only if the amount of money to be raised by
10 the promissory note will cause the aggregate amount of outstanding indebtedness
11 of the school district incurred without a referendum since August 9, 1989, excluding
12 amounts specified in s. 67.05 (6a) (bm), to exceed \$1,000,000 or an amount
13 determined as follows, whichever is less, and the school district board is not
14 otherwise prohibited from adopting a resolution by par. (ec):

15 3. When a school district board adopts a resolution to borrow a sum in excess
16 of \$5,000 under this section for a stated purpose and a sufficient petition for
17 referendum is not filed within the time permitted under subd. 2., or if such petition
18 is filed and the question is approved at referendum, then the power of the board to
19 borrow the sum and expend the sum for the purpose stated shall be deemed approved
20 by the school district electors upon the expiration of the time for filing the petition
21 or accomplishment of the referendum, whichever is applicable. If a majority of the
22 school district electors who vote on the referendum reject the resolution, the
23 prohibitions under par. (ec) shall apply to the school board.

24 4. If Provided the school board is not prohibited from adopting a resolution by
25 par. (ec), if a school board adopts a resolution to borrow a sum not exceeding \$5,000

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1 under this section, or if a school board adopts a resolution to borrow a sum in excess
2 of \$5,000 but subd. 2. does not apply, the school board has the power to borrow and
3 spend the sum for the purpose stated without the approval of the electors of the
4 school district.

5 **SECTION 26.** 67.12 (12) (ec) of the statutes is created to read:

6 67.12 (12) (ec) 1. Except as provided in subd. 2., if the governing body of a school
7 district adopts and records a resolution as provided in par. (e) 1., submits the
8 resolution to the electors as required or permitted under par. (e), and a majority of
9 the electors of the school district who vote on the referendum reject the resolution,
10 the governing body may neither adopt another resolution under par. (e) or under sub.
11 (8) (a) 2. or an initial resolution under s. 67.05, nor hold a referendum seeking
12 approval to issue a promissory note under this subsection, nor proceed under s. 24.66
13 (3), 119.48, 119.49, or 121.91 (3), to the extent those sections are applicable to the
14 school district, for the 730-day period beginning on the date on which the governing
15 body adopted and recorded the resolution rejected under this paragraph.

16 2. For a school district that experiences a natural disaster, including a fire, that
17 causes the school district's costs to increase, the prohibitions in this paragraph do not
18 apply in the 6-month period immediately following the natural disaster.

19 **SECTION 27.** 119.48 (4) of the statutes is amended to read:

20 119.48 (4) (a) If the board deems it necessary to exceed the levy rate specified
21 under s. 65.07 (1) (f), it may, subject to the prohibitions in sub. (5), by a two-thirds
22 vote of the members-elect include a communication to the common council as part
23 of the budget transmitted to the common council under s. 119.16 (8) (b).

24 (b) The Provided the board is not prohibited from making a communication by
25 sub. (5), the communication shall state the purposes for which the funds from the

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1 increase in the levy rate will be used and shall request the common council to submit
2 to the voters of the city the question of exceeding the levy rate specified in s. 65.07
3 (1) (f) at the September election or a special election.

4 (c) Upon receipt of the communication, the common council shall file the
5 communication as provided in s. 8.37 and shall cause the question of exceeding the
6 levy rate specified under s. 65.07 (1) (f) to be submitted to the voters of the city at the
7 September election or at a special election. The question of exceeding the levy rate
8 specified under s. 65.07 (1) (f) shall be submitted so that the vote upon exceeding the
9 levy rate specified in s. 65.07 (1) (f) is taken separately from any other question
10 submitted to the voters. If a majority of the electors ~~voting~~ who vote on the question
11 favors exceeding the levy rate specified under s. 65.07 (1) (f), the common council
12 shall approve the increase in the levy rate and shall levy and collect a tax equal to
13 the amount of money approved by the electors. If a majority of the electors who vote
14 on the referendum reject the question, the prohibitions under sub. (5) shall apply to
15 the board.

16 **SECTION 28.** 119.48 (5) of the statutes is created to read:

17 119.48 (5) (a) Except as provided in par. (b), if the board by two-thirds vote of
18 the members-elect includes as part of the budget transmitted to the common council
19 under s. 119.16 (8) (b) the communication described in sub. (4) (b), the common
20 council submits to the electors of the city the question described in sub. (4) (c), and
21 a majority of the city electors who vote on the referendum reject the question, the
22 board may not vote to include a communication described under sub. (4) (a) as part
23 of the budget transmitted under s. 119.16 (8) (b), nor request that a referendum be
24 held for the purpose of submitting to the electors a resolution to exceed the levy rate
25 specified under sub. 65.07 (1) (f), nor proceed under s. 24.66 (3), 67.05, 67.12, 119.49,

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1 or 121.91 (3), for the 730-day period beginning on the date on which the board voted
2 to submit the communication containing the question rejected as described in this
3 subsection.

4 (b) If the school district experiences a natural disaster, including a fire, that
5 causes the school district's costs to increase, the prohibitions in this subsection do not
6 apply in the 6-month period immediately following the natural disaster.

7 **SECTION 29.** 119.49 (1) of the statutes is amended to read:

8 119.49 (1) (a) If the board deems it necessary to construct buildings or additions
9 to buildings, to remodel buildings ~~or~~, to purchase school sites, or to provide funds for
10 any such purpose as a participant in a contract under s. 120.25, it may, subject to the
11 prohibitions in sub. (2m), by a two-thirds vote of the members-elect, send a
12 communication to the common council of the city.

13 (b) The Provided the board is not prohibited from sending a communication by
14 sub. (2m), the communication shall state the amount of funds needed under par. (a)
15 and the purposes for which the funds will be used and shall request the common
16 council to submit to the voters of the city at the next election held in the city the
17 question of issuing school bonds in the amount and for the purposes stated in the
18 communication.

19 **SECTION 30.** 119.49 (2) of the statutes is amended to read:

20 119.49 (2) Upon receipt of the communication, the common council shall file the
21 communication as provided in s. 8.37 and shall cause the question of issuing such
22 school bonds in the stated amount and for the stated school purposes to be submitted
23 to the voters of the city at the next election held in the city. The question of issuing
24 such school bonds shall be submitted so that the vote upon issuing such school bonds
25 is taken separately from any other question submitted to the voters. If a majority

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1 of the electors ~~voting~~ who vote on the school bond question favors issuing such school
2 bonds, the common council shall cause the school bonds to be issued immediately or
3 within the period permitted by law, in the amount requested by the board and in the
4 manner other bonds are issued. If a majority of the electors who vote on the
5 referendum reject the question, the prohibitions under sub. (2m) shall apply to the
6 board.

7 **SECTION 31.** 119.49 (2m) of the statutes is created to read:

8 119.49 **(2m)** (a) Except as provided in par. (b), if the board by two-thirds vote
9 of the members-elect send a communication to the common council as permitted in
10 sub. (1) (a), the common council submits to the electors of the city the question
11 described in sub. (2), and a majority of the city electors who vote on the referendum
12 reject the question, the board may not vote to send a communication described under
13 sub. (1) (a), nor request that a referendum be held for the purpose of submitting to
14 the electors a resolution to issue school bonds, nor proceed under s. 24.66 (3), 67.05,
15 67.12, 119.48, or 121.91 (3), for the 730-day period beginning on the date on which
16 the board voted to send the communication containing the question rejected as
17 described in this subsection.

18 (b) If the school district experiences a natural disaster, including a fire, that
19 causes the school district's costs to increase, the prohibitions in this subsection do not
20 apply in the 6-month period immediately following the natural disaster.

21 **SECTION 32.** 121.91 (3) (a) of the statutes is renumbered 121.91 (3) (a) 1. a. and
22 amended to read:

23 121.91 **(3)** (a) 1. a. If Provided the school board is not prohibited from adopting
24 a resolution by subd. 2., if a school board wishes to exceed the limit under sub. (2m)
25 otherwise applicable to the school district in any school year, it shall promptly adopt

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1 a resolution supporting inclusion in the final school district budget of an amount
2 equal to the proposed excess revenue. The resolution shall specify whether the
3 proposed excess revenue is for a recurring or nonrecurring purpose, or, if the
4 proposed excess revenue is for both recurring and nonrecurring purposes, the
5 amount of the proposed excess revenue for each purpose. The resolution shall be filed
6 as provided in s. 8.37. Within 10 days after adopting the resolution, the school board
7 shall notify the department of the ~~scheduled date of the~~ that it will schedule a
8 referendum for the purpose of submitting the resolution to the electors of the school
9 district for approval or rejection and shall submit a copy of the resolution to the
10 department. ~~The~~ Except as provided in subd. 1. b., the school board shall call ~~a~~
11 ~~special referendum for the purpose of submitting the resolution to the electors of the~~
12 ~~school district for approval or rejection. In lieu of a special referendum, the school~~
13 ~~board may specify that the referendum to~~ be held at the next succeeding spring
14 ~~primary or election or partisan primary or general election, if such election is to be~~
15 held not sooner than 70 days after the filing of the resolution of the school board. The
16 school district clerk shall certify the results of the referendum to the department
17 within 10 days after the referendum is held.

18 **SECTION 33.** 121.91 (3) (a) 1. b. of the statutes is created to read:

19 121.91 (3) (a) 1. b. In any school year in which a school district experiences a
20 natural disaster, including a fire, if the school board wishes to exceed the limit under
21 sub. (2m) otherwise applicable to the school district in that school year, the school
22 board may call a special referendum for the purpose of submitting the resolution to
23 the electors, provided the special election is to be held not sooner than 70 days after
24 the filing of the resolution of the school board. The school board shall comply with
25 the procedures under subd. 1. a. for adopting and filing the resolution, notifying the

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1 department that it will schedule a referendum, and submitting to the department a
2 copy of the resolution.

3 **SECTION 34.** 121.91 (3) (a) 2. of the statutes is created to read:

4 121.91 (3) (a) 2. a. Except as provided in subd. 2. b., if the school board adopts
5 and files a resolution and submits the resolution to the electors of the school district
6 for approval or rejection as provided in subd. 1. and a majority of the electors who vote
7 on the referendum reject the resolution, the school board may neither adopt another
8 resolution under this paragraph, nor specify that a referendum be held for the
9 purpose of submitting a resolution to exceed the limit otherwise applicable to the
10 school district under sub. (2m), nor proceed under s. 24.66 (3), 67.05, 67.12, 119.48,
11 or 119.49 to the extent those sections are applicable to the school district, for the
12 730-day period beginning on the date on which the school board adopted the
13 resolution rejected as described in this subdivision.

14 b. For a school district that experiences a natural disaster, including a fire, that
15 causes the school district's costs to increase, the prohibitions in this subdivision do
16 not apply in the 6-month period immediately following the natural disaster.

17 **SECTION 35.** 121.91 (3) (c) of the statutes is amended to read:

18 121.91 (3) (c) The A referendum under this subsection shall be held in
19 accordance with chs. 5 to 12. The school district clerk shall provide the election
20 officials with all necessary election supplies. The form of the ballot shall correspond
21 substantially with the standard form for referendum ballots prescribed by the
22 government accountability board under ss. 5.64 (2) and 7.08 (1) (a). The question
23 submitted shall be whether the limit under sub. (2m) may be exceeded by a specified
24 amount. If the resolution provides that any of the excess revenue will be used for a
25 nonrecurring purpose, the ballot in the election shall so state and shall specify the

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1 amount that will be used for a nonrecurring purpose. The limit otherwise applicable
2 to the school district under sub. (2m) is increased by the amount approved by a
3 majority of those voting on the question. If a majority of the electors who vote on the
4 referendum reject the resolution, the prohibitions under par. (a) 2. shall apply to the
5 school board.

6 **SECTION 36. Initial applicability.**

7 (1) This act first applies to a referendum called or ordered or held or scheduled
8 after November 1, 2016.

9 (END)