



1995 ASSEMBLY BILL 458

June 26, 1995 - Introduced by Representative BRANCEL, cosponsored by Senator LEEAN. Referred to Joint committee on Finance.

1 **AN ACT to amend** 20.866 (2) (xc) and 20.866 (2) (xd) of the statutes; **relating to:**
2 the amount of certain public debt authorizations and granting bonding
3 authority.

Analysis by the Legislative Reference Bureau

This bill increases the bond refunding authority of the building commission. Refunding authority is used to refinance state debt by paying state debt prior to maturity and issuing new state debt at a lower interest rate. The authority to refund general obligation debt paid from general purpose revenue is increased by \$100,000,000 to a new total of \$1,740,000,000. The authority to refund self-amortizing general obligation debt paid from program revenue or segregated funds is increased by \$15,000,000 to a new total of \$180,000,000.

For further information see the *state* 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:

4 **SECTION 1.** 20.866 (2) (xc) of the statutes is amended to read:
5 20.866 (2) (xc) (title) *Building commission; refunding tax-supported*
6 *tax-supported general obligation debt.* From the capital improvement fund, a sum
7 sufficient to refund the whole or any part of any unpaid indebtedness used to finance
8 facilities in which general obligation bonds are paid from general purpose revenue.

1 The state may contract public debt in an amount not to exceed \$1,640,000,000
2 \$1,740,000,000 for this purpose. Such indebtedness shall be construed to include any
3 premium and interest payable with respect thereto. Debt incurred by this paragraph
4 shall be repaid under the appropriations providing for the retirement of public debt
5 incurred for tax-supported facilities in proportional amounts to the purposes for
6 which the debt was refinanced. It is the intent of the legislature that this refunding
7 authority only be used if the true interest costs to the state can be reduced.

8 **SECTION 2.** 20.866 (2) (xd) of the statutes is amended to read:

9 20.866 (2) (xd) *Building commission; refunding self-amortizing general*
10 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the
11 whole or any part of any unpaid indebtedness used to finance facilities in which
12 general obligation bonds are repaid from program revenues or segregated funds. The
13 state may contract public debt in an amount not to exceed \$165,000,000
14 \$180,000,000 for this purpose. Such indebtedness shall be construed to include any
15 premium and interest payable with respect thereto. Debt incurred by this paragraph
16 shall be repaid under the appropriations providing for the retirement of public debt
17 incurred for self-amortizing facilities in proportional amounts to the purposes for
18 which the debt was refinanced. It is the intent of the legislature that this refunding
19 authority only be used if the true interest costs to the state can be reduced.

20 (END)