



1997 ASSEMBLY BILL 164

March 6, 1997 - Introduced by Representatives OTTE, BAUMGART, R. YOUNG, PLALE and J. LEHMAN, cosponsored by Senator C. POTTER. Referred to Committee on Ways and Means.

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

Analysis by the Legislative Reference Bureau

Under current law, if a school board or the electors at a school district meeting adopt an initial resolution to raise money by issuing a bond and the bond will cause the aggregate outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$1,000,000 or an amount determined by multiplying the school district's enrollment by 1.5% of the statewide average property tax base per pupil, whichever is less, the school board must do one of the following:

1. Direct the school district clerk to call a special election to submit the initial resolution to the electors at a binding referendum.
2. Specify in the initial resolution the date, time and place for a public hearing on the resolution. The school board must also specify whether the public hearing will be for informational purposes only or whether the electors at the public hearing will have an opportunity to vote on whether a binding referendum will be held.

If the school board decides to hold a public hearing for informational purposes only, the resolution is effective unless a sufficient number of electors files a petition for a binding referendum on the resolution within 30 days of the public hearing.

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If the school board decides to hold a public hearing at which the electors present may vote on whether a binding referendum will be held, one of the following will occur:

1. A majority of the electors present and voting at the hearing determine that a referendum will be held. If this occurs, the school board must direct the school district clerk to hold the referendum.

2. A majority of the electors present and voting at the hearing determine that no referendum will be held. If this occurs, the resolution is effective unless a sufficient number of electors files a petition for a binding referendum on the resolution within 30 days of the public hearing.

If a school board adopts an initial resolution to issue a promissory note, a referendum will be held only if the amount of money borrowed will cause the aggregate outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$1,000,000 or an amount determined by multiplying the school district's enrollment by 1.5% of the statewide average property tax base per pupil, whichever is less, and a petition is filed and signed by a sufficient number of school district electors.

This bill provides that the above provisions apply only if the bond or promissory note will cause the aggregate amount of outstanding indebtedness of the school district incurred without a referendum since August 9, 1989, to exceed \$250,000 or the amount determined by multiplying the school district's enrollment by \$350, whichever is greater.

The bill also increases a school district's revenue limit by the amount needed to pay debt service on a bond or promissory note authorized on or after the effective date of this bill by school board resolution if the issuance of the bond or note was not subject to a referendum as a result of the new provision described above.

Finally, this bill excludes from a school district's shared cost (costs that are aidable through the general aid formula) debt service on debt that was not subject to a referendum as a result of the new provision described above.

For further information see the *state and 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.** 67.05 (6a) (b) (intro.) of the statutes is renumbered 67.05 (6a) (b)
2 and amended to read:

3 67.05 **(6a)** (b) Paragraph (a) 2. applies only if the amount of money to be raised
4 by the bond issue will cause the aggregate amount of outstanding indebtedness of the
5 school district incurred without a referendum since August 9, 1989, excluding

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1 amounts specified in par. (bm), to exceed ~~\$1,000,000~~ \$250,000 or an amount
2 determined as follows by multiplying the school district membership, as defined in
3 s. 121.004 (5), by \$350, whichever is less: greater.

4 **SECTION 2.** 67.05 (6a) (b) 1. to 3. of the statutes are repealed.

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

7 67.12 (12) (e) 2g. Subdivision 2. applies only if the amount of money to be raised
8 by the promissory note will cause the aggregate amount of outstanding indebtedness
9 of the school district incurred without a referendum since August 9, 1989, excluding
10 amounts specified in s. 67.05 (6a) (bm), to exceed ~~\$1,000,000~~ \$250,000 or an amount
11 determined as follows by multiplying the school district membership, as defined in
12 s. 121.004 (5), by \$350, whichever is less: greater.

13 **SECTION 4.** 67.12 (12) (e) 2g. a. to c. of the statutes are repealed.

14 **SECTION 5.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

15 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund
16 and the net cost of the debt service fund, except that "shared cost" excludes any costs,
17 including attorney fees, incurred by a school district as a result of its participation
18 in a lawsuit commenced against the state, beginning with such costs incurred in the
19 fiscal year in which the lawsuit is commenced. In this paragraph, "net cost of the debt
20 service fund" excludes debt service on debt that was not subject to a referendum as
21 a result of s. 67.05 (6a) (b) or 67.12 (12) (e) 2g. In this paragraph, "net cost of the debt
22 service fund" includes all of the following amounts:

23 **SECTION 6.** 121.91 (4) (c) 3. of the statutes is created to read:

24 121.91 (4) (c) 3. Funds needed for the payment of any general obligation debt
25 service, including debt service on debt issued or reissued to fund or refund

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1 outstanding municipal obligations, interest on outstanding municipal obligations or
2 the payment of related issuance costs or redemption premiums, authorized on or
3 after the effective date of this subdivision ... [revisor inserts date], by a resolution
4 of the school board and secured by the full faith and credit of the school district if the
5 issuance of the debt was not subject to a referendum as a result of s. 67.05 (6a) (b)
6 or 67.12 (12) (e) 2g.

7 **SECTION 7. Initial applicability.**

8 (1) The treatment of section 121.07 (6) (a) (intro.) of the statutes first applies
9 to the payment of state aid in the school year beginning after publication.

10 (2) The treatment of sections 67.05 (6a) (b) (intro.) and 1. to 3. and 67.12 (12)
11 (e) 2g. (intro.) and a. to c. of the statutes first applies to initial resolutions adopted
12 on the effective date of this subsection.

13 **SECTION 8. Effective date.**

14 (1) This act takes effect on the first July 1 after publication.

15 (END)