



State of Wisconsin  
1997 - 1998 LEGISLATURE

LRB-4743/1  
KSH:kmg:jf

## 1997 SENATE BILL 410

January 20, 1998 - Introduced by Senator BURKE, cosponsored by Representative GARD. Referred to Joint committee on Finance.

- 1     **AN ACT to amend** 20.866 (2) (xc), 20.866 (2) (xd) and 20.866 (2) (yr) of the statutes;  
2             **relating to:** granting bonding authority for refunding general obligation debt  
3             and for the discount sale of debt.

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### *Analysis by the Legislative Reference Bureau*

Current law limits the authority of the building commission to refund certain types of state general obligation debt. This bill increases the building commission's bonding authority for refunding general obligation bonds that are paid from general purpose revenue from \$1,740,000,000 to \$2,125,000,000. The bill also increases the building commission's bonding authority for refunding general obligation bonds that are to be repaid from program revenues or segregated funds from \$180,000,000 to \$275,000,000. Lastly, current law allows the building commission to bond to pay the difference between the amount of public debt contracted and any lesser amount, not including accrued interest, received upon the sale of the public debt. This bill raises this bonding authority for the discounted sale of public debt from \$65,000,000 to \$90,000,000.

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

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

**SENATE BILL 410**

1           **SECTION 1.** 20.866 (2) (xc) of the statutes is amended to read:

2           20.866 **(2)** (xc) *Building commission; refunding tax-supported general*  
3 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the  
4 whole or any part of any unpaid indebtedness used to finance facilities in which  
5 general obligation bonds are paid from general purpose revenue. The state may  
6 contract public debt in an amount not to exceed ~~\$1,740,000,000~~ \$2,125,000,000 for  
7 this purpose. Such indebtedness shall be construed to include any premium and  
8 interest payable with respect thereto. Debt incurred by this paragraph shall be  
9 repaid under the appropriations providing for the retirement of public debt incurred  
10 for tax-supported facilities in proportional amounts to the purposes for which the  
11 debt was refinanced. It is the intent of the legislature that this refunding authority  
12 only be used if the true interest costs to the state can be reduced.

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

14           20.866 **(2)** (xd) *Building commission; refunding self-amortizing general*  
15 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the  
16 whole or any part of any unpaid indebtedness used to finance facilities in which  
17 general obligation bonds are repaid from program revenues or segregated funds. The  
18 state may contract public debt in an amount not to exceed \$180,000,000  
19 \$275,000,000 for this purpose. Such indebtedness shall be construed to include any  
20 premium and interest payable with respect thereto. Debt incurred by this paragraph  
21 shall be repaid under the appropriations providing for the retirement of public debt  
22 incurred for self-amortizing facilities in proportional amounts to the purposes for  
23 which the debt was refinanced. It is the intent of the legislature that this refunding  
24 authority only be used if the true interest costs to the state can be reduced.

25           **SECTION 3.** 20.866 (2) (yr) of the statutes is amended to read:

**SENATE BILL 410**

1           20.866 (2) (yr) *Building commission; discount sale of debt.* From the capital  
2           improvement fund, a sum sufficient to pay the difference between the amount of  
3           public debt contracted and any lesser amount, not including accrued interest,  
4           received upon the sale of the public debt. The state may contract public debt in an  
5           amount not to exceed ~~\$65,000,000~~ \$90,000,000 for this purpose.

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(END)