

1987 Assembly Bill 263

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## 1987 Wisconsin Act 197

AN ACT to repeal 60.24 (3) (k), 60.78 (1) to (9), 66.066 (2) (b) 2 and 3, 66.25 (5) to (8), 66.25 (10) and (11), 67.01 (4), 67.13 and 67.14; to renumber and amend 60.78 (intro.), 66.25 (9) and 66.54 (1) (e); to amend 24.61 (3) (a) 5, 34.02, 60.79 (1) (b), 60.80 (1m), 66.066 (title), 66.066 (1) (a), 66.066 (2) (b) (intro.), 66.066 (2) (b) 1, 66.066 (2) (b) 5, 66.066 (2) (g) and (m) 6, 66.33 (7), 66.54 (2) (b), 66.54 (11) (b) 6 and 7, 66.54 (12), 66.54 (15), 66.54 (16), 67.01 (5), 67.025, 67.04 (3), 67.05 (1), 67.05 (4), 67.05 (5) (b), 67.05 (6a) (a), (b) and (c), 67.05 (7) (a), (b) and (c), 67.05 (10), 67.08 (1), 67.09 (1) and (2), 67.10 (1), 67.11 (1) (b) and (e), 67.11 (2) (intro.) and (b), 67.12 (1) (a) and (b), 67.12 (8) (b) 1, 67.12 (12) (a), (c) 2 and (e) (intro.), 1, 2 and 5, 67.12 (12) (ee) and 67.22; to repeal and recreate 66.25 (4); and to create 66.54 (15m) and 67.05 (7) (g) of the statutes, relating to various changes in the laws governing municipal borrowing.

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

SECTION 1. 24.61 (3) (a) 5 of the statutes is amended to read:

24.61 (3) (a) 5. A town sanitary district created under s. 60.71 for the purposes for which the district may issue its bonds under s. 60.78 (1).

SECTION 2. 34.02 of the statutes is amended to read:

**34.02 Exemption.** This chapter shall not apply to trustees and fiscal agents appointed under s. 18.10 (8) or 67.10 (2).

SECTION 3. 60.24 (3) (k) of the statutes is repealed.

SECTION 4. 60.78 (intro.) of the statutes is renumbered 60.78 and amended to read:

**60.78 (title) Powers to borrow money and issue municipal obligations.** A town sanitary district may, under ss. 66.066 and 66.54 and ch. 67, borrow money and issue and execute ~~bonds, notes and other forms of indebtedness under this section~~ municipal obligations, as defined under s. 67.01 (6).

SECTION 5. 60.78 (1) to (9) of the statutes are repealed.

SECTION 6. 60.79 (1) (b) of the statutes is amended to read:

60.79 (1) (b) The property of the district passes to the city or village and the city or village shall assume all assets and liabilities of the district. If any revenue bond, revenue bond anticipation notes, mortgage bonds or mortgage certificates issued under s. 66.066 are outstanding, the transfer of the property is subject to the bonds, notes or certificates. If any general obligation bonds or notes issued under ch. 67 are outstanding, the city or village shall levy and collect an annual irrepealable tax on all taxable property in the city or village in an amount necessary to pay the interest and principal of the bonds and notes when due.

SECTION 7. 60.80 (1m) of the statutes is created to read:

60.80 (1m) EXCEPTION FOR MUNICIPAL OBLIGATIONS. Nothing under sub. (1) may be deemed to require notice under this subsection of the passage of any resolution authorizing the issuance of municipal obligations, as defined under s. 67.01 (6).

SECTION 8. 66.066 (title) of the statutes is amended to read:

**66.066 (title) Revenue obligations.**

SECTION 9. 66.066 (1) (a) of the statutes is amended to read:

66.066 (1) (a) "Municipality" means any city, village, town, county, commission created by contract under s. 66.30, public inland lake protection and rehabilitation district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district, under subch. IX of ch. 60 or a municipal water district or power district under ch. 198 and any other public or quasi-public corporation, officer, board or other public body empowered to borrow money and issue obligations to repay the same out of revenues. "Municipality" does not include the state.

SECTION 10. 66.066 (2) (b) (intro.) of the statutes is amended to read:

66.066 (2) (b) (intro.) All moneys received from any bonds issued under this section shall be applied solely for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a public utility, and in the payment of the cost of any subsequent necessary additions, improvements and extensions. Bonds issued under this section shall be secured by a pledge of the revenues of the public utility to the holders of the bonds and to the holders of any coupons of the bonds and may be additionally secured by a mortgage lien upon the public utility to the holders of the bonds and to the holders of any coupons of the bonds. If a mortgage lien is created by ordinance or resolution, the lien shall be perfected by publication of the ordinance or resolution or by recording of the ordinance or resolution in the records of the municipality. In addition,

the municipality may record the lien by notifying the register of deeds of the county in which the public utility is located concerning its issuance of bonds. If the register of deeds receives notice from the municipality, the register of deeds shall record any mortgage lien created. The public utility shall remain subject to the pledge and, if created, the mortgage lien until the payment in full of the principal and interest of the bonds. Upon repayment of bonds for which a mortgage lien has been created, the register of deeds shall, upon notice from the municipality, record a satisfaction of the mortgage lien. Any holder of a bond or of any coupons attached to a bond may either at law or in equity protect and enforce this pledge and, if created, the mortgage lien and compel performance of all duties required of the municipality by this section. Any municipality may provide for additions, extensions and improvements to a public utility that it owns by additional issues of bonds under this section. Such additional issues of bonds shall be subordinate to all prior issues of bonds under this section, but a municipality may in the ordinance or resolution authorizing bonds permit the issue of additional bonds on a parity therewith. Any municipality may issue new bonds under this section to provide funds for the payment of the principal and interest of refunding any outstanding bonds, bond anticipation notes or promissory notes issued under this section or under ch. 67 for any of the purposes stated in sub. (1m). Refunding bonds are subject to the following provisions:

SECTION 11. 66.066 (2) (b) 1 of the statutes is amended to read:

66.066 (2) (b) 1. Refunding bonds may be issued to refinance more than one issue of outstanding bonds or promissory notes notwithstanding that such outstanding bonds or promissory notes may have been issued at different times and may be secured by the revenues of more than one public utility. Any such public utilities may be operated as a single public utility, subject however to contract rights vested in holders of bonds or promissory notes being refinanced. ~~The principal amount of any issue of refunding bonds shall not exceed the sum of: a. the principal amount of the bonds or promissory notes being refinanced, b. applicable redemption premiums thereon, c. unpaid interest on such bonds or promissory notes to the date of delivery or exchange of the refunding bonds, d. in the event the proceeds are to be deposited in trust as provided in subd. 3, interest to accrue on such bonds or promissory notes from the date of delivery to the date of maturity or to the redemption date selected by the governing body as hereinafter provided, whichever is earlier, and e. expenses of the municipality deemed by the governing body to be necessary for the issuance of the refunding bonds.~~ A determination by the governing body that any refinancing is advantageous or necessary to the municipality, ~~or that any of the amounts provided in the preceding sentence should be included in such refinancing~~ shall be conclusive.

SECTION 12. 66.066 (2) (b) 2 and 3 of the statutes are repealed.

SECTION 13. 66.066 (2) (b) 5 of the statutes is amended to read:

66.066 (2) (b) 5. The governing body may, in addition to other powers conferred by this section, include a provision in any ordinance or resolution authorizing the issuance of refunding bonds pledging all or any part of the revenues of any public utility or utilities or combination thereof originally financed or extended or improved from the proceeds of any of the bonds, bond anticipation notes or promissory notes being refunded, and pledging all or any part of the surplus income derived from the investment of any trust created ~~pursuant to subd. 3 in relation to the refunding.~~

SECTION 14. 66.066 (2) (g) and (m) 6 of the statutes are amended to read:

66.066 (2) (g) The reasonable cost and value of any service rendered to such municipality by such public utility shall be charged against the said municipality and shall be paid by it ~~paid for~~ in monthly instalments.

(m) 6. ~~Any town, village, city or power district~~ municipality authorized to issue or sell bond anticipation notes ~~as hereinbefore provided under this paragraph~~ may, in addition to the revenue sources or bond proceeds, appropriate funds out of ~~the its annual~~ tax levy for the payment of such notes. The payment of such notes out of funds from a tax levy, ~~however,~~ shall not be construed as constituting an obligation of such ~~town, village, city or power district~~ municipality to make any other such appropriation.

SECTION 15. 66.25 (4) of the statutes is repealed and recreated to read:

66.25 (4) BORROWING. A district under ss. 66.20 to 66.26 may borrow money and issue municipal obligations under ss. 66.066 and 66.54 and ch. 67.

SECTION 16. 66.25 (5) to (8) of the statutes are repealed.

SECTION 17. 66.25 (9) of the statutes is renumbered 66.25 (5) and amended to read:

66.25 (5) BORROWING; TAX COLLECTION. After the issue of the bonds any municipal obligation under ch. 67, the commission shall, on or before October 1 in each year, certify in writing to the clerks of the several cities, villages or towns having territory in the district, the total amount of the tax to be raised by each such municipality, and upon receipt of such certificate the clerk of each such municipality shall place the same on the tax roll to be collected as other taxes are collected, and such moneys, when collected, shall be paid to the treasurer of the district.

SECTION 18. 66.25 (10) and (11) of the statutes are repealed.

SECTION 19. 66.33 (7) of the statutes is amended to read:

66.33 (7) The provisions of this section ~~and s. 60.78 (9)~~ shall not be construed by way of limitation or restriction of the powers otherwise granted municipal-

ities but shall be deemed as an addition to and a complete alternative to such powers.

SECTION 20. 66.54 (1) (e) of the statutes is renumbered 66.54 (1) (am) and amended to read:

66.54 (1) (am) "Sinking Debt service fund" means the fund, however derived, set aside for the payment of principal and interest on contractor's certificates or bonds issued under this section.

SECTION 21. 66.54 (2) (b) of the statutes is amended to read:

66.54 (2) (b) Payment out of the proceeds of the sale of ~~bonds issued by it, pursuant to s. 67.04~~ municipal obligations under s. 66.066 and ch. 67, including revenue obligations under s. 66.066.

SECTION 22. 66.54 (11) (b) 6 and 7 of the statutes are amended to read:

66.54 (11) (b) 6. Except in cities authorized by law or charter to sell lands for nonpayment of taxes and special assessments, and in counties in which the county board has authorized the county treasurer to settle in full for delinquent special assessments, with interest, under s. 74.031 (9), whenever any part of an underlying special assessment is not paid, and the same is not bid in under subd. 5, the governing body shall direct the treasurer of the municipality to bid in and become exclusive purchaser of the certificate underlying such delinquent special assessment or part thereof and the county treasurer shall thereupon strike off to the municipality and assign to the municipal treasurer the tax sale certificate underlying such assessment. Such certificate shall be a part of the debt service fund under subd. 4 and shall be held in trust for the holders of the bonds issued for such assessments. The governing body of the municipality shall direct the municipal treasurer to remove the trust imposed upon such certificate by purchasing the certificate in the name of the municipality and paying into said debt service fund in the amount equivalent to the sum owing on the underlying special assessment for principal and interest. Funds for such purpose may be obtained by transfer from a ~~debt service reserve~~ reserve fund created under sub. (15).

7. A holder of the bonds or of any coupons attached thereto shall have a lien against the special debt service fund created under subd. 4 for payment of said bonds ~~in~~ and interest thereon and against any ~~debt service reserve~~ reserve fund created under sub. (15) and may either at law or in equity protect and enforce such lien and compel performance of all duties required by this section of the municipality issuing said bonds.

SECTION 23. 66.54 (12) of the statutes is amended to read:

66.54 (12) (title) DISPOSITION OF SPECIAL ASSESSMENT PROCEEDS WHERE IMPROVEMENT PAID FOR OUT OF GENERAL FUND OR MUNICIPAL OBLIGATIONS. ~~Whenever If a special assessments are~~ assessment is levied for any public ~~improvements, all amounts~~ improvement, any amount collected on such ~~that~~ special assessments

assessment or received from the county shall be ~~placed deposited~~ in the general fund of the municipality ~~in case if~~ the payment for the improvement was made out of its general fund, deposited in the funds and accounts of a public utility established under s. 66.066 (2) (c) if such improvement was paid out of the proceeds of revenue obligations of the municipality or deposited in the debt service fund required for the payment of bonds or notes issued under s. 67.04 ch. 67 if such improvement was paid out of the proceeds thereof. ~~Such That~~ special assessments assessment, when delinquent, shall be returned in trust for collection and the municipality shall have the same rights as provided in sub. (9) (c), (d) and (e).

SECTION 24. 66.54 (15) of the statutes is amended to read:

66.54 (15) (title) RESERVE FUND FOR SPECIAL ASSESSMENT B BONDS AND REFUNDING B BONDS. ~~Whenever If~~ the governing body determines to issue special assessment B bonds under sub. (10) or refunding B bonds under sub. (16), it may establish in its treasury a fund ~~not less than 15% of the amount of special assessment or refunding B bond instalments, due and collectible, for the installation of that particular special improvement. Such fund is to be designated as a sinking reserve fund for the particular bond issue, and shall to be maintained until such indebtedness obligation is paid or otherwise extinguished.~~ Any surplus in the sinking reserve fund after all the bonds have been paid or canceled shall be carried into the general fund of the municipal treasury. The source of said fund shall be established either from proceeds of the bonds, the general fund of the municipal treasury or by the levy of an irrevocable and irrevocable general tax. Such bonds shall in no event be a general municipal liability.

SECTION 25. 66.54 (15m) of the statutes is created to read:

66.54 (15m) PAYMENT OF B BONDS FROM TAX LEVY. Any municipality authorized to issue special assessment B bonds, in addition to the special assessments or bond proceeds or other sources, may appropriate funds out of its annual tax levy for the payment of the bonds. The payment of such bonds out of funds from a tax levy, however, may not be construed as constituting an obligation of such municipality to make any other such appropriation.

SECTION 26. 66.54 (16) of the statutes is amended to read:

66.54 (16) REFUNDING B BONDS. Any municipality may issue refunding B bonds to refund any outstanding special assessment B bonds issued under sub. (10) or (11). These refunding B bonds shall be secured by and payable only from the special assessments levied to pay for the public improvements financed by the bonds to be refunded, and shall not be a general municipal liability. If bonds issued under sub. (10) are to be refunded, the provisions of sub. (10) (b) to (e) shall apply to the refunding B bonds; if bonds issued

under sub. (11) are to be refunded, the provisions of sub. (11) (b) shall apply to the refunding B bonds. If the governing body determines that it is necessary to amend the prior assessments in connection with the issuance of refunding B bonds under this section, it may reconsider and reopen the assessments under s. 66.60 (10). The notice and hearing provided for under s. 66.60 (10) may be waived under s. 66.60 (18) by the owners of the property affected. If the assessments are amended, the refunding B bonds shall be secured by and payable from the special assessments as amended. If the assessments are amended, all direct and indirect costs reasonably attributable to the refunding of the bonds may be included in the cost of the public improvements being financed. If the governing body determines to issue refunding B bonds, it may create a ~~sinking~~ reserve fund for the issue under sub. (15).

SECTION 27. 67.01 (4) of the statutes is repealed.

SECTION 28. 67.01 (5) of the statutes is amended to read:

67.01 (5) "Municipality" means any of the following which is authorized to levy a tax: a county, city, village, town, school district, board of park commissioners, vocational, technical and adult education district, metropolitan sewerage district created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district under subch. IX of ch. 60, public inland lake protection and rehabilitation district established under s. 33.23, 33.235 or 33.24 and any other public body empowered to borrow money and issue obligations to repay the money out of public funds or revenues. "Municipality" does not include the state.

SECTION 29. 67.025 of the statutes is amended to read:

**67.025 Certification of municipal obligations.** In any municipality, the officers charged with the negotiation and sale of its municipal obligations may, in their discretion, prior to the issuance thereof, submit to the attorney general or to an attorney employed under s. 67.10 (7) a certified copy of all its proceedings preliminary to such issue, and also a printer's proof or sample of or the unsigned obligations, for examination and certification. Such attorney shall examine the proceedings and, if found regular and valid, shall execute a certificate of such examination and validity. As soon as such certificate is returned, the clerk of the municipality shall cause such certificate to be recorded. This section applies to obligations issued under ss. 59.071, ~~66.066~~, 66.46 (9) (b), 66.521 and 66.54.

SECTION 30. 67.04 (3) of the statutes is amended to read:

67.04 (3) Subject to the limitations specified in s. 67.03, any municipality may refund municipal obligations including interest on them whether or not the obligations being refunded were issued for a ~~any~~ purpose ~~or purposes~~ for which the municipal obligations might have been issued in the original instance, if the time for payment of bonds issued to refund bonds and

notes authorized under this chapter does not extend beyond the period permitted ~~in this chapter~~ under s. 67.07. Bonds issued to refund ~~revenue bonds~~ municipal obligations issued under s. ~~66.066~~ ch. 66 shall be paid within the period permitted ~~in this chapter~~ under s. 67.07, commencing on the original date of the refunding bonds.

SECTION 31. 67.05 (1) of the statutes is amended to read:

67.05 (1) INITIAL RESOLUTION BY GOVERNING BODY. ~~The governing body of~~ If any municipality that seeks to issue a bond under s. 67.04, the governing body of the municipality shall, prior to its the issuance of the bond, adopt a resolution that states the purpose for and maximum amount of the borrowing. The resolution adopted under this section shall be known as the initial resolution. If a permissive referendum on the bond issue is allowed under this section, the governing body shall, within 15 days after the initial resolution is recorded adopted, publish a class 1 notice under ch. 985 stating the purpose and maximum principal amount of the bond issue and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue.

SECTION 32. 67.05 (4) of the statutes is amended to read:

67.05 (4) PERMISSIVE REFERENDUM IN COUNTIES. ~~Whenever an initial resolution has been adopted by~~ If a county board adopts an initial resolution for an issue of county bonds to provide for the original construction or for the improvement and maintenance of highways, to provide railroad aid, or to construct, acquire or maintain, or to aid in constructing, acquiring or maintaining a bridge over or across any stream or other body of water bordering upon or intersecting any part of the county, the county clerk shall immediately record the same. He shall is not required to submit the resolution for approval to the electors of the county at a special election unless within 30 days after the recording adoption thereof there is filed with the county clerk a petition requesting such submission, signed by electors numbering at least 10% of the votes cast in the county for governor at the last general election. The calling, holding and conduct of such special election, including the printing and the distribution of ballots, the canvass of votes, and the declaration of the result, shall be governed by those statutes, so far as applicable, which govern special elections in general, including ss. 5.01 (2), 5.64 (2) and 59.04 (2). The notice of such special election and the ballot used thereat shall embody a copy of the initial resolution, and the question submitted shall be whether the resolution shall be or shall not be approved. No such resolution of a county board other than those specified in this subsection need be submitted to county electors, except as provided otherwise in sub. (7).

SECTION 33. 67.05 (5) (b) of the statutes is amended to read:

67.05 (5) (b) No city or village may issue any bonds for any purposes other than for waterworks, lighting works, gas works, bridges, street lighting, street improvements, street improvement funding, hospitals, airports, harbor improvements, river improvements, breakwaters and protection piers, sewerage, garbage disposal, rubbish or refuse disposal, any combination of sewage, garbage or refuse or rubbish disposal, parks and public grounds, swimming pools and band shells thereon, veterans housing projects, paying the municipality's portion of the cost of abolishing grade crossings, for the construction of police facilities and combined fire and police safety buildings, for the purchase of sites for engine houses, for fire engines and other equipment of the fire department, for construction of engine houses, and for pumps, water mains, reservoirs and all other reasonable facilities for fire protection apparatus or equipment for fire protection, for parking lots or other parking facilities, for school purposes, for libraries, for buildings for the housing of machinery and equipment, for acquiring and developing sites for industry and commerce as will expand the municipal tax base, for financing the cost of low-interest mortgage loans under s. 66.38, for providing financial assistance to blight elimination, slum clearance, community development, redevelopment and urban renewal programs and projects under ss. 66.405 to 66.425, 66.43, 66.431, 66.4325, 66.435 and 66.46, or for university of Wisconsin system centers, or for refunding any of the bonds issued for any of these purposes, or for bonds issued to refund securities originally issued under s. 66.066, until the proposition for their issue for the special purpose thereof has been submitted to the electors of the city or village and adopted by a majority vote. If Except as provided under sub. (15), if the common council of any city or the village board of any village declares its purpose to raise money by issuing bonds for any purpose other than those above specified, it shall direct by resolution, which shall be recorded at length in the record of its proceedings, the clerk to call a special election for the purpose of submitting the question of bonding to the city or village electors. The elections shall be noticed, conducted, canvassed and the result declared as provided in under this subsection, except that the notice of the special election and the ballot used at the election need not include a copy of the resolution. The notice shall contain a statement of the purpose and the amount of the bonds proposed to be issued. If a number of electors of a city or village equal to at least 15% of the votes cast for governor at the last general election in their city or village sign and file a petition with the city or village clerk requesting submission of the resolution, the city or village may not issue bonds for financing the cost of low-interest mortgage loans under s. 66.38 without calling a special election to submit the question of bonding to the city or village electors for their approval.

SECTION 34. 67.05 (6a) (a), (b) and (c) of the statutes are amended to read:

67.05 (6a) (a) ~~Whenever~~ Except as provided under sub. (15), if the board of any school district, or the electors at a regularly called school meeting, by a majority vote adopt an initial resolution to raise an amount of money in excess of \$5,000, by a bond issue or a loan other than loans made according to the authority granted in s. 67.12 (12), the board shall direct its clerk to call a special election for the purpose of submitting the initial resolution to the electors for approval or rejection, and the board may specify that the election be held on the next regularly scheduled primary or regular municipal election in the manner provided in sub. (6b).

(b) ~~Notices containing a statement of~~ If a special election is called under par. (a), the board may specify the number and location of the polling places. The board may limit the number of polling places to one. The notice of such special election shall state the purpose of such special election, giving the amount of money proposed to be raised, the purpose for which it is to be used, and the means by which it is to be raised, and stating, state the time date and place of holding such election the location and the hours of its opening and closing, hours of the polling place; and include the ballot form. The notice shall be published at least twice, one week apart, in some a newspaper published in said the school district which the board represents, if there be one is such a newspaper; if there be none is no such newspaper, the clerk shall post or cause to be posted such notices the notice at least fifteen 15 days before the date set for such election in at least ten 10 public places in said that district.

(c) ~~Such~~ Except as provided in par. (b), an election under this paragraph shall be held and conducted and the votes cast thereat counted, canvassed and returned as at annual town elections in the manner specified for special elections under chs. 5 to 12. The polls thereat shall be open at 7 a.m. and be closed at 8 p.m.

SECTION 35. 67.05 (7) (a), (b) and (e) of the statutes are amended to read:

67.05 (7) (a) An initial resolution adopted by a county board for an issue of bonds to provide a memorial for soldiers, sailors and marines, shall not be submitted to the electors unless within ~~thirty 30~~ days after the ~~recording adoption~~ thereof there shall be is filed with the county clerk a petition requesting such submission, signed by electors numbering at least ~~ten per cent 10%~~ of the votes cast in the county for governor at the last general election. If such petition be is filed, proceedings shall be had as provided by under sub. (4).

(b) An initial resolution adopted by the ~~governing body of a city council~~ for an issue of bonds for purposes specifically enumerated in sub. (5) need not be submitted to the electors under sub. (5); unless, within 30 days after the ~~recording adoption~~ thereof there is filed in the office of the city clerk, a petition requesting such submission, signed by electors numbering at least 10% of the votes cast for governor in the city at the

last general election. ~~If the petition is filed, proceedings shall be had under sub. (5), but, is filed in the office of the city clerk. But any initial resolution may, in the discretion of the city council governing body, by separate recorded resolution, be submitted to popular vote without a petition.~~

(e) An initial resolution adopted by the governing body of a city or village for an issue of bonds to create a revolving fund out of which to advance the cost of any work for which special assessments may be levied, in anticipation of the collection by the city or village treasurer of the special assessments, special improvement certificates and improvement bonds, made or issued for the cost thereof, need not be submitted to the electors ~~as provided in~~ under sub. (5), unless, within 30 days after the recording adoption thereof ~~there shall be filed in the office of the city or village clerk,~~ a petition requesting such submission, signed by electors numbering at least 10 ~~per cent~~ % of the votes cast for governor in the city or village at the last general election, is filed in the office of the city or village clerk. If such petition be filed, proceedings shall be ~~had as provided by~~ under sub. (5). Any such resolution may, in the discretion of the ~~city council or village board~~ governing body, by separate recorded resolution, be submitted to popular vote without waiting for the filing of ~~said~~ the petition.

SECTION 36. 67.05 (7) (g) of the statutes is created to read:

67.05 (7) (g) An initial resolution adopted by any town sanitary district under sub. (1) may be submitted to the electors by separate resolution of the board. If the board does not adopt such a separate resolution, the initial resolution may not be submitted to the electors unless, within 30 days after its adoption, a petition requesting such submission, signed by electors numbering at least 10% of the votes cast for governor in the district at the last general election, is filed with the district clerk requesting a referendum. If a petition is filed, the board shall proceed under sub. (5).

SECTION 37. 67.05 (10) of the statutes is amended to read:

67.05 (10) **DIRECT, ANNUAL, IRREPEALABLE TAX.** The governing body of every municipality proceeding under this chapter shall, at the time of or after the adoption of an initial resolution in compliance with sub. (1) or (2), or, after the approval of the resolution by popular vote when such approval is required, and before issuing any of the contemplated bonds, levy by recorded resolution a direct, annual tax sufficient in amount to pay and for the express purpose of paying the interest on such bonds as it falls due, and also to pay and discharge the principal thereof at maturity. The municipality shall be and continue without power to repeal such levy or obstruct the collection of the tax until all such payments have been made or provided for. After the issue of the bonds, the tax shall be from year to year carried into the tax roll of the municipality and collected as other taxes are collected, provided

that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus money in the debt service fund created under s. 67.11, and provided further that the municipality issuing the bonds may make an appropriation in advance of the authorization of the bonds to provide funds for ~~payment of interest~~ any payment coming due on the bonds prior to the first collection of taxes levied for ~~the interest that~~ payment. The amount of the appropriation shall be based on estimates of the amount of bonds to be sold and the rate of interest the bonds will bear. The appropriation shall not be used for any purpose other than that for which appropriated and any surplus in the appropriation shall be transferred to the general fund of the municipality. ~~No further or annual levy for that purpose shall be necessary~~ The municipality is not required to levy a tax equal to the amount of that appropriation.

SECTION 38. 67.08 (1) of the statutes is amended to read:

67.08 (1) Municipal obligations shall be executed in the name of and for the municipality issuing them by their qualified officers who shall, for that purpose, sign the same in their official capacities, as follows: for a county, the chairperson of the county board and the county clerk; for a city, the mayor or the city manager and the city clerk; for a village, the president and the village clerk; for a town, the chairman and the town clerk; for a vocational, technical and adult education district, the chairperson and secretary; for a metropolitan sewerage district established under ss. 66.88 to 66.918, the chairperson and secretary; for any other municipality, the president and clerk or secretary of the governing body. The facsimile signature of any of the officers executing a municipal obligation may be imprinted on the municipal obligation in lieu of the manual signature of the officer but, unless a municipality has contracted with a fiscal agent under s. 67.10 (2) to authenticate the municipal obligation, at least one of the signatures appearing on each municipal obligation shall be a manual signature. Municipal obligations bearing the signatures of officers in office on the date of the execution of the municipal obligations remain valid and binding even if before the delivery of the municipal obligations any or all of the persons whose signatures appear on the municipal obligations have ceased to be officers of the municipality issuing them. Each municipal obligation issued by a municipality having an official or corporate seal shall be sealed with such seal or a printed facsimile of such seal. ~~This subsection shall apply to revenue bonds under s. 66.066.~~

SECTION 39. 67.09 (1) and (2) of the statutes are amended to read:

67.09 (1) All municipal obligations may be payable to bearer or may be registered as to the principal or principal and interest by the clerk or treasurer of the municipality issuing them or such other officers or agents, including fiscal agents under s. 67.10 (2), as the

governing body of the municipality determines. Registrations shall be recorded ~~in a bond register.~~

(2) The holder of any registrable bearer municipal obligation ~~registerable as herein provided~~ may have the ownership thereof registered ~~by the persons named in~~ under sub. (1) ~~as therein provided~~, and such registration noted on the municipal obligation by or on behalf of the municipality. After such registration, no transfer thereof shall be valid unless made on the ~~bond register records~~ records of the municipality by the registered owner in person or by his duly authorized attorney and similarly noted on the municipal obligation, but the same may be discharged from registration by being in like manner transferred to bearer, and thereafter transferability by delivery shall be restored; but such bond may again be registered as to principal or as to principal and interest or transferred to bearer, as before. Registration only as to principal under this section shall not affect the negotiability of the appurtenant coupons, but every such coupon shall continue to be transferable by upon delivery ~~merely~~ and shall remain payable to bearer.

SECTION 40. 67.10 (1) of the statutes is amended to read:

67.10 (1) MONEY OF THE UNITED STATES. All money borrowed by municipalities, and all money received in payment of any tax levied ~~pursuant to s. 67.05 (10)~~ under this chapter, shall be lawful money of the United States; and all municipal obligations shall be payable in such money.

SECTION 41. 67.11 (1) (b) and (e) of the statutes are amended to read:

67.11 (1) (b) All moneys raised by taxation ~~pursuant to~~ under s. 67.05 (10) ~~or 67.12 (12) (cc)~~ for the purpose of ~~paying said bonds making principal and interest payments on municipal obligations.~~

(e) Such further sums raised by taxation or otherwise, as may be necessary to make all interest and principal payments due in any year. The levying and collection of the taxes or other revenues are authorized; but the governing body may, in its discretion, levy and collect larger sums than the sums so authorized, in order to speed the payment of ~~the bonds~~ municipal obligations.

SECTION 42. 67.11 (2) (intro.) and (b) of the statutes are amended to read:

67.11 (2) (intro.) Debt service for municipal obligations issued under this chapter shall be paid from the appropriate debt service fund account created in sub. (1). All investments shall mature in time to make required debt service payments. If invested, the funds to provide for debt service payments due prior to the scheduled receipt of taxes from the next succeeding tax ~~collection~~ levy shall be invested in direct obligations of the federal government. Thereafter, any balance in an account created in sub. (1) may be loaned or invested under the direction of the municipality's governing body as follows:

(b) In ~~interest-bearing~~ obligations of the United States.

SECTION 43. 67.12 (1) (a) and (b) of the statutes are amended to read:

67.12 (1) (a) Except for school districts and vocational, technical and adult education districts, any municipality that becomes entitled to receive federal or state aids, taxes levied or other deferred payments may, in the same fiscal year it is entitled to receive the payments, issue municipal obligations in anticipation of receiving the payments. The municipal obligations issued under this ~~subsection~~ paragraph shall not exceed 60% of the municipality's total actual and anticipated receipts in that fiscal year and shall be repaid no later than 18 months after the first day of that fiscal year.

(b) Any municipality may issue municipal obligations in anticipation of receiving proceeds from bonds or notes the municipality has authorized or has covenanted to issue under this chapter or from grants that are committed to the municipality. ~~Municipal obligations~~ Any municipal obligation issued under this paragraph may be refunded one or more times. Such obligation and any refundings thereof shall be repaid within 5 years after the original date of the original obligation.

SECTION 44. 67.12 (8) (b) 1 of the statutes is amended to read:

67.12 (8) (b) 1. The total amount borrowed under par. (a) may not exceed one-half the estimated receipts for the operation and maintenance of the school district for the school year in which the borrowing occurs, as certified by ~~the state superintendent of public instruction and~~ the local school clerk.

SECTION 45. 67.12 (12) (a), (c) 2 and (e) (intro.), 1, 2 and 5 of the statutes are amended to read:

67.12 (12) (a) Any municipality may issue promissory notes as evidence of indebtedness for any public purpose, as defined in s. 67.04 (1) (b), ~~for~~ including but not limited to paying any general and current municipal expense, and ~~to refinance~~ refunding any municipal obligations, including interest ~~thereon.~~ Each on them. Each note, plus interest, shall be repaid within 10 years after the original date of the note.

(c) 2. The municipality may issue ~~notes~~ a promissory note to refund ~~the a promissory note~~ or any part thereof. ~~Under this subdivision, a municipality may also or to refund a refunding promissory note.~~ Notes Any refunding note issued under this subdivision shall be paid within 10 years after the original date of the refunding note and within 20 years after the date of the original promissory note.

(e) (intro.) ~~Before such loan or any extension agreement any promissory note is made~~ issued under this subsection:

1. The governing body of the municipality shall adopt and record a resolution specifying the purposes and the maximum amount of the note, ~~the instalments and the rate of interest, and levying a direct annual~~

~~irrepealable tax sufficient to pay each instalment, and the interest, as it becomes due and payable issue.~~

2. ~~Upon the adoption by a school district board of a resolution to incur an indebtedness in excess of \$5,000 under this section~~ Unless the purpose and amount of the borrowing have been approved by the electors under s. 67.05 (6a) or (6b) or the purpose is to refund any outstanding municipal obligation, the clerk of the school district shall, within 10 days after a school district board adopts a resolution under subd. 1 to issue a promissory note in excess of \$5,000, publish notice of such adoption to be given to the electors in the district by publication as a class 1 notice, under ch. 985. The notice need not set forth the full contents of the resolution, but shall state the maximum amount proposed to be borrowed, the purpose thereof, that the resolution was adopted pursuant to under this subsection, and the place where, and the hours during which, the resolution can be inspected is available for public inspection. If, within 15 days after publication or posting there, a petition is filed with the school district clerk a petition for referendum on the resolution signed by 500 electors of the district or 20% of the number of district electors voting for governor at the last general election as determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not be effective unless adopted by a majority of the district electors voting at the referendum. The referendum shall be noticed, called and conducted under s. 67.05 (6a) insofar as applicable, except that the notice of special election and ballot need not embody a copy of the resolution and the question which shall appear appears on the ballot shall be "Shall ....(name of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation promissory note (or notes) pursuant to s. under section 67.12 (12), Wis. Stats. of the Wisconsin Statutes?".

5. Within 10 days of the adoption by a vocational, technical and adult education district board of a resolution under subd. 1 to ~~incur an indebtedness under this section~~ issue a promissory note for a purpose under s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption as a class 1 notice, under ch. 985. The notice need not set forth the full contents of the resolution, but shall state the amount proposed to be borrowed, the method of borrowing, the purpose thereof, that the resolution was adopted pursuant to under this subsection and the place where and the hours during which the resolution can be inspected is available for public inspection. If the amount proposed to be borrowed is for building remodeling or improvement and does not exceed \$500,000 or is for movable equipment, the district board need not submit the resolution to the electors for approval unless, within 30 days after the publication or posting there, a petition is filed with the secretary of the district board a petition requesting a referendum at a special election to be called for that purpose. Such petition shall be signed by electors

from each county lying wholly or partially within the district. The number of electors from each county shall equal at least 1.5% of the population of the county as determined under s. 16.96 (2) (c). If a county lies in more than one district, the board of vocational, technical and adult education shall apportion the county's population as determined under s. 16.96 (2) (c) to the districts involved and the petition shall be signed by electors equal to the appropriate percentage of the apportioned population. In lieu of a special election, the district board may specify that the referendum shall be held at the next succeeding spring primary or election or September primary or general election. Any resolution to borrow amounts of money in excess of \$500,000 for building remodeling or improvement shall be submitted to the electors of the district for approval. If a referendum is held or required under this subdivision, no promissory note may be issued until the issuance is approved by a majority of the district electors voting at such referendum. The referendum shall be noticed, called and conducted pursuant to under s. 67.05 (6a) insofar as applicable, except that the notice of special election and ballot need not embody a copy of the resolution and the question which shall appear on the ballot shall be "Shall .... (name of district) be authorized to borrow the sum of \$.... for (state purpose) by issuing its general obligation promissory note (or notes) pursuant to s. under section 67.12 (12), Wis. Stats. of the Wisconsin Statutes?"

SECTION 46. 67.12 (12) (ee) of the statutes is amended to read:

67.12 (12) (ee) A The governing body of any municipality proceeding to issue a promissory note under this subsection shall, before issuing the note, levy a direct, annual tax sufficient in amount to pay and for the express purpose of paying the interest on the note as it falls due and to pay and discharge the principal thereof at maturity. The municipality may not repeal such levy or in any way obstruct the collection of the tax until all such payments have been made or provided for. Any such tax levied as provided in par. (e) for each year after receipt of the borrowed money is irrepealable and shall be carried into the tax roll each year and collected as other taxes are collected until all payments on the note have been provided for, except that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service fund account under s. 67.11. The municipality may make an appropriation to provide funds for payments coming due on any note, whether or not the note has been authorized, prior to the first collection of the taxes levied for those payments. The amount of the appropriation shall be based on estimates of the amount of notes to be sold and the rate to interest the notes will bear. The municipality may not use the appropriation for any purpose other than that for which appropriated and shall transfer any surplus in the appropriation to the general fund of the municipi-

pality. Notwithstanding par. (e) 1, the municipality is not required to levy a tax equal to the amount of that appropriation.

SECTION 47. 67.13 of the statutes is repealed.

SECTION 48. 67.14 of the statutes is repealed.

SECTION 49. 67.22 of the statutes is amended to read:

**67.22 Issuance stayed by protest.** No bonds ~~shall~~, other than refunding bonds, may be issued in any cases where, within 30 days after the adoption of the initial resolution under s. 67.05 (1), a petition is filed with the clerk of the municipality contemplating the issuance of bonds, signed by a majority of the municipality's electors as defined in s. 6.02 (1) requesting in the petition that issue not be made.

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