



**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 1997 ASSEMBLY BILL 164**

September 3, 1997 – Offered by COMMITTEE ON WAYS AND MEANS.

1     **AN ACT to amend** 67.05 (6a) (a) 2. (intro.), 67.05 (6a) (b) (intro.), 67.05 (6a) (bm)  
2           (intro.), 67.12 (12) (e) 2., 67.12 (12) (e) 2g. (intro.), 119.49 (2), 121.07 (6) (a)  
3           (intro.), 121.15 (1) (a), 121.15 (1) (b), 121.15 (1) (c), 121.15 (1) (e) and 121.15 (3m)  
4           (a) 1.; and **to create** 67.05 (6a) (bg), 67.05 (6a) (d), 67.12 (12) (e) 2r., 67.12 (12)  
5           (e) 2w., 119.49 (2m) and 121.91 (4) (c) 3. of the statutes; **relating to:** school  
6           district bonds, promissory notes and revenue limits and excluding certain debt  
7           service from a school district's shared cost.

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

8           **SECTION 1.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:  
9           67.05 **(6a)** (a) 2. (intro.) Except as provided under pars. (b) (bg), and (c) and  
10          subs. (7) and (15), if the board of any school district, or the electors at a regularly  
11          called school district meeting, by a majority vote adopt an initial resolution to raise  
12          an amount of money by a bond issue, the school district clerk shall, within 10 days,

1 publish notice of such adoption as a class 1 notice under ch. 985 or post the notice as  
2 provided under s. 10.05. The notice shall state the maximum amount proposed to  
3 be borrowed, the purpose of the borrowing, that the resolution was adopted under  
4 this subdivision and the place where and the hours during which the resolution may  
5 be inspected. The school board shall also do one of the following:

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

7 67.05 **(6a)** (b) (intro.) Paragraph (a) 2. ~~applies only~~ does not apply if the amount  
8 of money to be raised by the bond issue will not cause the aggregate amount of  
9 outstanding indebtedness of the school district incurred without a referendum since  
10 August 9, 1989, excluding indebtedness incurred without a referendum as a result  
11 of par. (bg) and excluding amounts specified in par. (bm), to exceed \$1,000,000 or an  
12 amount determined as follows, whichever is less:

13 **SECTION 3.** 67.05 (6a) (bg) of the statutes is created to read:

14 67.05 **(6a)** (bg) Paragraph (a) 2. does not apply if all of the following apply:

15 1. The amount of money to be raised by the bond issue will not cause the  
16 aggregate amount of outstanding indebtedness of the school district incurred  
17 without a referendum as a result of this paragraph since the effective date of this  
18 subdivision .... [revisor inserts date], excluding amounts specified in par. (bm), to  
19 exceed \$100,000 or an amount equal to 1% of the school districts operating budget,  
20 not exceeding \$10,000,000, whichever is greater.

21 2. The balance in the school district's general fund on the previous June 30 is  
22 equal to no more than 15% of the school district's operating budget.

23 3. The school board adopts the initial resolution to issue the bond by unanimous  
24 vote of the entire membership of the school board.

25 **SECTION 4.** 67.05 (6a) (bm) (intro.) of the statutes is amended to read:

1           67.05 (6a) (bm) (intro.) In ~~par.~~ par. (b) and (bg) 1. and in ~~s.~~ ss. 67.12 (12) (e)  
2           2g. and 2r. a. and 119.49 (2m) (c), “outstanding indebtedness” does not include the  
3           amount of any of the following:

4           **SECTION 5.** 67.05 (6a) (d) of the statutes is created to read:

5           67.05 (6a) (d) If a school board raises funds by a bond issue and par. (a) 2. does  
6           not apply as a result of par. (bg), the school board may use the funds only for a capital  
7           expenditure.

8           **SECTION 6.** 67.12 (12) (e) 2. of the statutes is amended to read:

9           67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been  
10          approved by the electors under s. 67.05 (6a) or deemed approved by the electors under  
11          s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the  
12          purpose is to pay unfunded prior service liability contributions under the Wisconsin  
13          retirement system if all of the proceeds of the note will be used for that purpose, the  
14          borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),  
15          (h) or (i), or subd. 2g. or 2r. applies, the school district clerk shall, within 10 days after  
16          a school board adopts a resolution under subd. 1. to issue a promissory note in excess  
17          of \$5,000, publish notice of such adoption as a class 1 notice, under ch. 985.  
18          Alternatively, the notice may be posted as provided under s. 10.05. The notice need  
19          not set forth the full contents of the resolution, but shall state the maximum amount  
20          proposed to be borrowed, the purpose thereof, that the resolution was adopted under  
21          this subsection, and the place where, and the hours during which, the resolution may  
22          be inspected. If, within 30 days after publication or posting, a petition conforming  
23          to the requirements of s. 8.40 is filed with the school district clerk for a referendum  
24          on the resolution signed by at least 7,500 electors of the district or at least 20% of the  
25          number of district electors voting for governor at the last general election, as

1 determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not  
2 be effective unless adopted by a majority of the district electors voting at the  
3 referendum. The referendum shall be called in the manner provided under s. 67.05  
4 (6a), except that the question which appears on the ballot shall be "Shall .... (name  
5 of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation  
6 promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes?".

7 **SECTION 7.** 67.12 (12) (e) 2g. (intro.) of the statutes is amended to read:

8 67.12 (12) (e) 2g. (intro.) Subdivision 2. ~~applies only~~ does not apply if the  
9 amount of money to be raised by the promissory note will not cause the aggregate  
10 amount of outstanding indebtedness of the school district incurred without a  
11 referendum since August 9, 1989, excluding indebtedness incurred without a  
12 referendum as a result of subd. 2r. and excluding amounts specified in s. 67.05 (6a)  
13 (bm), to exceed \$1,000,000 or an amount determined as follows, whichever is less:

14 **SECTION 8.** 67.12 (12) (e) 2r. of the statutes is created to read:

15 67.12 (12) (e) 2r. Subdivision 2. does not apply if all of the following apply:

16 a. The amount of money to be raised by the promissory note will not cause the  
17 aggregate amount of outstanding indebtedness of the school district incurred  
18 without a referendum as a result of this subdivision since the effective date of this  
19 subd. 2r. a. .... [revisor inserts date], excluding amounts specified in s. 67.05 (6a) (bm),  
20 to exceed \$100,000 or an amount equal to 1% of the school district's operating budget,  
21 not exceeding \$10,000,000, whichever is greater.

22 b. The balance in the school district's general fund on the previous June 30 is  
23 equal to no more than 15% of the school district's operating budget.

24 c. The school board adopts the resolution to issue the note by unanimous vote  
25 of the entire membership of the school board.

1           **SECTION 9.** 67.12 (12) (e) 2w. of the statutes is created to read:

2           67.12 **(12)** (e) 2w. If a school board borrows funds under this section and subd.  
3           2. does not apply as a result of subd. 2r., the school board may use the funds only for  
4           a capital expenditure.

5           **SECTION 10.** 119.49 (2) of the statutes is amended to read:

6           119.49 **(2)** ~~Upon~~ Except as provided in sub. (2m), upon receipt of the  
7           communication, the common council shall cause the question of issuing such school  
8           bonds in the stated amount and for the stated school purposes to be submitted to the  
9           voters of the city at the next election held in the city. The question of issuing such  
10          school bonds shall be submitted upon a separate ballot or in some other manner so  
11          that the vote upon issuing such school bonds is taken separately from any other  
12          question submitted to the voters. If a majority of the electors voting on the school  
13          bond question favors issuing such school bonds, the common council shall cause the  
14          school bonds to be issued immediately or within the period permitted by law, in the  
15          amount requested by the board and in the manner other bonds are issued.

16          **SECTION 11.** 119.49 (2m) of the statutes is created to read:

17          119.49 **(2m)** The common council is not required to submit the question of  
18          issuing school bonds to the voters of the city if all of the following apply:

19               (a) The board sends the communication to the common council under sub. (1)  
20               by unanimous vote of the entire membership of the board and requests that the  
21               common council not submit the question to the voters of the city.

22               (b) The common council approves the bond issue by majority vote.

23               (c) The amount of money to be raised by the bond issue will not cause the  
24               aggregate amounts outstanding indebtedness of the city incurred under this section  
25               without a referendum since the effective date of this paragraph .... [revisor inserts

1 date], excluding amounts specified in s. 67.05 (6a) (bm), to exceed \$100,000 or an  
2 amount equal to 1% of the operating budget of the school district operating under this  
3 chapter, not exceeding \$10,000,000, whichever is greater.

4 (d) The balance in the general fund of the school district operating under this  
5 chapter on the previous June 30 is equal to no more than 15% of the school district's  
6 operating budget.

7 **SECTION 12.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

8 121.07 (6) (a) (intro.) "Shared cost" is the sum of the net cost of the general fund  
9 and the net cost of the debt service fund, except that "shared cost" excludes any costs,  
10 including attorney fees, incurred by a school district as a result of its participation  
11 in a lawsuit commenced against the state, beginning with such costs incurred in the  
12 fiscal year in which the lawsuit is commenced. In this paragraph, "net cost of the debt  
13 service fund" excludes debt service on debt that was not subject to a referendum as  
14 a result of s. 67.05 (6a) (bg), 67.12 (12) (e) 2r. or 119.49 (2m). In this paragraph, "net  
15 cost of the debt service fund" includes all of the following amounts:

16 **SECTION 13.** 121.15 (1) (a) of the statutes is amended to read:

17 121.15 (1) (a) Each school district shall receive ~~15%~~ one-sixth of its total aid  
18 entitlement in ~~September,~~ ~~25%~~ July, one-sixth of its total aid entitlement in  
19 ~~December,~~ ~~25%~~ September, one-sixth of its total aid entitlement in ~~March and~~ ~~35%~~  
20 November, one-sixth of its total aid entitlement in ~~June~~ January, one-sixth of its  
21 total aid entitlement in March and one-sixth of its total aid entitlement in May.

22 **SECTION 14.** 121.15 (1) (b) of the statutes is amended to read:

23 121.15 (1) (b) For the July and September payment payments, the total aid  
24 entitlement for each school district shall be estimated based upon the total aid  
25 payment in the previous year.

1           **SECTION 15.** 121.15 (1) (c) of the statutes is amended to read:

2           121.15 (1) (c) For the payments from ~~December to June~~ November to May, the  
3 total aid entitlement for each school district shall be computed on the basis of the  
4 budget and membership report under s. 121.05.

5           **SECTION 16.** 121.15 (1) (e) of the statutes is amended to read:

6           121.15 (1) (e) Payments under this subsection shall be made on the first  
7 Monday of the month ~~for the December payment, on the 3rd Monday of the month~~  
8 ~~for the September and June payments and on the 4th Monday of the month for the~~  
9 ~~March payment.~~

10          **SECTION 17.** 121.15 (3m) (a) 1. of the statutes is amended to read:

11          121.15 (3m) (a) 1. "Partial school revenues" means the sum of state school aids  
12 and property taxes levied for school districts, other than property taxes levied to pay  
13 debt service on debt that was not subject to a referendum as a result of s. 67.05 (6a)  
14 (bg), 67.12 (12) (e) 2r. or 119.49 (2m).

15          **SECTION 18.** 121.91 (4) (c) 3. of the statutes is created to read:

16          121.91 (4) (c) 3. Funds needed for the payment of any general obligation debt  
17 service, including debt service on debt issued or reissued to fund or refund  
18 outstanding municipal obligations, interest on outstanding municipal obligations or  
19 the payment of related issuance costs or redemption premiums, authorized on or  
20 after the effective date of this subdivision .... [revisor inserts date], by a resolution  
21 of the school board and secured by the full faith and credit of the school district if the  
22 issuance of the debt was not subject to a referendum as a result of s. 67.05 (6a) (bg),  
23 67.12 (12) (e) 2r. or 119.49 (2m).

24          **SECTION 19. Initial applicability.**

