

## 2001 ASSEMBLY BILL 288

April 3, 2001 – Introduced by Representatives MILLER, BERCEAU, BOYLE, JESKEWITZ, J. LEHMAN, POCAN, RICHARDS, RYBA and SHILLING, cosponsored by Senator BURKE. Referred to Committee on Tax and Spending Limitations.

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. and 67.12 (12) (e) 2g. (intro.); and **to create** 67.05 (6a)  
3             (be), 67.05 (6a) (d), 67.12 (12) (e) 2i., 67.12 (12) (e) 2w. and 121.91 (4) (c) 4. of the  
4             statutes; **relating to:** school district bonds, promissory notes, and revenue  
5             limits.

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### *Analysis by the Legislative Reference Bureau*

Under current law, if a school board or the electors at a school district meeting adopt a 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 resolution to the electors at a binding referendum.

2. Specify in the 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 file 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 file a petition for a binding referendum on the resolution within 30 days of the public hearing.

If a school board adopts a 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 additional authority to issue a bond or promissory note without a referendum if the bond or promissory note will not cause the aggregate amount of outstanding indebtedness of the school district incurred without a referendum since the effective date of this bill to exceed the amount determined by multiplying the school district's enrollment by \$350. The school board may use the funds only for a capital expenditure, and only for building maintenance, remodeling, or renovation; to pay utility costs; or for educational technology.

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.

For further information see the *state and local* 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:***

1           **SECTION 1.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:  
2           67.05 **(6a)** (a) 2. (intro.) Except as provided under pars. (b), (be), and (c) and  
3 subs. (7) and (15), if the board of any school district, or the electors at a regularly  
4 called school district meeting, by a majority vote adopt an initial resolution to raise  
5 an amount of money by a bond issue, the school district clerk shall, within 10 days,  
6 publish notice of such adoption as a class 1 notice under ch. 985 or post the notice as

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

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

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

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

13 67.05 **(6a)** (be) Paragraph (a) 2. does not apply if the amount of money to be  
14 raised by the bond issue will not cause the aggregate amount of outstanding  
15 indebtedness of the school district incurred without a referendum as a result of this  
16 paragraph since the effective date of this paragraph ... [revisor inserts date],  
17 excluding amounts specified in par. (bm), to exceed an amount determined by  
18 multiplying the school district's membership, as defined in s. 121.004 (5), by \$350.

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

20 67.05 **(6a)** (bm) (intro.) In ~~par.~~ pars. (b) and (be) and in s. 67.12 (12) (e) 2g. and  
21 2i., "outstanding indebtedness" does not include the amount of any of the following:

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

23 67.05 **(6a)** (d) If a school board raises funds by a bond issue and par. (a) 2. does  
24 not apply as a result of par. (be), the school board may use the funds only for a capital  
25 expenditure that is for one or more of the following purposes:

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1           1. Building maintenance, remodeling or renovation.

2           2. Utility costs.

3           3. Educational technology.

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

5           67.12 **(12)** (e) 2. Unless the purpose and amount of the borrowing have been  
6 approved by the electors under s. 67.05 (6a) or deemed approved by the electors under  
7 s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the  
8 purpose is to pay unfunded prior service liability contributions under the Wisconsin  
9 retirement system if all of the proceeds of the note will be used for that purpose, the  
10 borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),  
11 (h) or (i), or subd. 2g. or 2i. or par. (f) or (h) applies, the school district clerk shall,  
12 within 10 days after a school board adopts a resolution under subd. 1. to issue a  
13 promissory note in excess of \$5,000, publish notice of such adoption as a class 1  
14 notice, under ch. 985. Alternatively, the notice may be posted as provided under s.  
15 10.05. The notice need not set forth the full contents of the resolution, but shall state  
16 the maximum amount proposed to be borrowed, the purpose thereof, that the  
17 resolution was adopted under this subsection, and the place where, and the hours  
18 during which, the resolution may be inspected. If, within 30 days after publication  
19 or posting, a petition conforming to the requirements of s. 8.40 is filed with the school  
20 district clerk for a referendum on the resolution signed by at least 7,500 electors of  
21 the district or at least 20% of the number of district electors voting for governor at  
22 the last general election, as determined under s. 115.01 (13), whichever is the lesser,  
23 then the resolution shall not be effective unless adopted by a majority of the district  
24 electors voting at the referendum. The referendum shall be called in the manner  
25 provided under s. 67.05 (6a), except that the question which appears on the ballot

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1 shall be “Shall .... (name of district) borrow the sum of \$... for (state purpose) by  
2 issuing its general obligation promissory note (or notes) under section 67.12 (12) of  
3 the Wisconsin Statutes?”.

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

5 67.12 **(12)** (e) 2g. (intro.) Subdivision 2. ~~applies only~~ does not apply if the  
6 amount of money to be raised by the promissory note will not cause the aggregate  
7 amount of outstanding indebtedness of the school district incurred without a  
8 referendum since August 9, 1989, excluding indebtedness incurred without a  
9 referendum as a result of subd. 2i. and excluding amounts specified in s. 67.05 (6a)  
10 (bm), to exceed \$1,000,000 or an amount determined as follows, whichever is less:

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

12 67.12 **(12)** (e) 2i. Subdivision 2. does not apply if the amount of money to be  
13 raised by the promissory note will not cause the aggregate amount of outstanding  
14 indebtedness of the school district incurred without a referendum as a result of this  
15 subdivision since the effective date of this subdivision .... [revisor inserts date],  
16 excluding amounts specified in s. 67.05 (6a) (bm), to exceed an amount determined  
17 by multiplying the school district’s membership, as defined in s. 121.004 (5), by \$350.

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

19 67.12 **(12)** (e) 2w. If a school board borrows funds under this section and subd.  
20 2. does not apply as a result of subd. 2i., the school board shall adopt a resolution  
21 specifying how the funds will be used. The school board may use the funds only for  
22 a capital expenditure that is for one or more of the following purposes:

- 23 a. Building maintenance, remodeling or renovation.  
24 b. Utility costs.  
25 c. Educational technology.

