

**2001 DRAFTING REQUEST**

**Bill**

Received: **01/05/2002**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Hoadley**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Addl. Drafters:

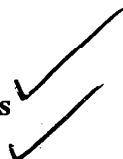
Subject: **Bonding - state**

Extra Copies:

Submit via cmail: **YES**

Requester's email:

Carbon copy (CC:) to: **rick.champagne@legis.state.wi.us**  
**frank.hoadley@doa.state.wi.us**



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**Pre Topic:**

DOA:.....Hoadley -

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**Topic:**

General obligation bond refunding authority

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**Instructions:**

See Attached.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			haugeca 01/07/2002		lrb_docadmin 01/07/2002		

01/07/2002 03:37:31 PM

Page 2

**LRB-4573**

FE Sent For:

**<END>**

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*Hoadley*

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Subject: Bonding - state

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Carbon copy (CC:) to: rick.champagne@legis.state.wi.us  
frank.hoadley@doa.state.wi.us

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*Hoadley*

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General obligation bond refunding authority

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See Attached.

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1?	champra	1/1 hmh 1/10/01	CH 1-7-02	CH 1-2-02 <del>PS</del>			
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FE Sent For:

<END>

## Champagne, Rick

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**From:** Hoadley, Frank  
**Sent:** Friday, January 04, 2002 3:30 PM  
**To:** Champagne, Rick  
**Cc:** Miller, Steve; Uecker, Deborah  
**Subject:** GO Bond Refunding Authority Increase

Rick -

We request the following be drafted for possible inclusion in the budget amendments being prepared by DOA.

Attached is our draft of amendments to increase GO bonding authority. We have illustrated two ways to accomplish the increase.

The first way continues the pattern of distinguishing between authority to refund tax supported bonds and authority to refund self-amortizing bonds. We cannot think of any real purpose for continuing the distinction, so long as the debt service continues to be paid from the correct appropriation(s). We are, therefore, requesting that you draft the alternative (second approach) which consolidates the two authorities. The suggested language "caps off" the two separate existing authorities at the levels equal to the amount issued to date.

Call me with any questions.

Frank Hoadley 266-2305



RefundAuthJuly  
2001 StatChange...

**PROPOSED STATUTORY CHANGES  
INCREASE REFUNDING AUTHORITY (ECONOMIC)  
January 2002**

**Sections 20.866 (2)(xc) and 20.866 (2)(xd) are amended to read:**

20.866(2)(xc) *Building commission; refunding tax-supported general obligation debt.*  
From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance facilities in which general obligation bonds are paid from general purpose revenue. The state may contract public debt in an amount not to exceed ~~\$2,125,000,000~~ 2,460,000,000 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for tax-supported facilities in proportional amounts to the purposes for which the debt was refinanced. It is the intent of the legislature that this refunding authority only be used if the true interest costs to the state can be reduced.

20.866(2)(xd) *Building commission; refunding self-amortizing general obligation debt.*  
From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance facilities in which general obligation bonds are repaid from program revenues or segregated funds. The state may contract public debt in an amount not to exceed ~~\$275,000,000~~ 355,000,000 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for self-amortizing facilities in proportional amounts to the purposes for which the debt was refinanced. It is the intent of the legislature that this refunding authority only be used if the true interest costs to the state can be reduced.

---

**OR**

**(Combine Tax-Supported and Self-Amortizing Authority)**

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**Sections 20.866 (2)(xc) and 20.866 (2)(xd) are amended to read:**

20.866(2)(xc) *Building commission; refunding tax-supported general obligation debt.*  
From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance facilities in which general obligation bonds are paid from general purpose revenue. The state may contract public debt in an amount not to exceed ~~\$2,125,000,000~~ 2,102,086,430 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for tax-supported facilities in proportional amounts to the purposes for which the debt was refinanced. It is the intent of the legislature that this refunding authority only be used if the true interest costs to the state can be reduced.

20.866(2)(xd) *Building commission; refunding self-amortizing general obligation debt.*  
From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance facilities in which general obligation bonds are repaid from program revenues or segregated funds. The state may contract public

debt in an amount not to exceed ~~\$275,000,000~~272,863,033 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for self-amortizing facilities in proportional amounts to the purposes for which the debt was refinanced. It is the intent of the legislature that this refunding authority only be used if the true interest costs to the state can be reduced.

**Section 20.866 (2)( ) is created to read:**

Building commission; refunding tax-supported and self-amortizing general obligation debt. From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance tax-supported or self-amortizing facilities. The state may contract public debt in an amount not to exceed \$440,000,000 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for tax-supported and self-amortizing facilities in proportional amounts to the purposes for which the debt was refinanced. It is the intent of the legislature that this refunding authority only be used if the true interest costs to the state can be reduced.

[Note: The above language follows existing law s. 20.866 (2) (xe). The third sentence in the above paragraph beginning, "Such indebtedness shall be construed to include. . . ." is confusing and we recommend it not be included in the draft.

2001

Date (time) needed

*none*

LRB-4573,1

DOA BUD. ADJUST. DRAFT

RAC: hmh:

Use the appropriate components and routines developed for bills.

>>FOR 2001-03 BUD. ADJUST. — NOT READY FOR INTRODUCTION<<

AN ACT ... [DO NOT generate catalog]; relating to: .....

.....  
.....

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: ..... create → anal: → title: → head

For the subheading, execute: ..... create → anal: → title: → sub

For the sub-subheading, execute: ..... create → anal: → title: → sub-sub

For the analysis text, in the component bar:

For the text paragraph, execute: ..... create → anal: → text

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

SECTION #.



D-Note  
State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3739/1

RAC:wlj:kjf

LRB-4573

RAC

2001 BILL

DWA  
Budget-Adj  
Bill

All caps Bold  
CS Bold

State Government -  
STATE FINANCE -

- do not gen.

1  
2

AN ACT ~~to amend 20.866 (2) (xc) and 20.866 (2) (xd); and to create 20.866 (2) (xm)~~  
of the statutes; relating to: refunding bonds and making an appropriation.

**Analysis by the Legislative Reference Bureau**

Under current law, the building commission may refund any unpaid indebtedness by issuing new debt. Generally, the building commission issues new debt when interest costs are reduced or when borrowing conditions become more favorable to the state. Currently, there are separate appropriations for refunding indebtedness used to finance facilities in which general obligation bonds are paid from general purpose revenue and for refunding indebtedness used to finance facilities in which general obligation bonds are repaid from program revenues or segregated funds. This bill consolidates these separate appropriations into one appropriation *and increases the state's refunding bond authority*

For further information see the *state* 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:**

3  
4  
5

SECTION 1. 20.866 (2) (xc) <sup>X</sup> of the statutes is amended to read:

20.866 (2) (xc) *Building commission; refunding tax-supported general obligation debt.* From the capital improvement fund, a sum sufficient to refund the



**BILL**

1 whole or any part of any unpaid indebtedness used to finance facilities in which  
 2 general obligation bonds are paid from general purpose revenue. The state may  
 3 contract public debt in an amount not to exceed \$2,125,000,000 ~~\$1,896,403,677~~ for  
 4 this purpose. Such indebtedness shall be construed to include any premium and  
 5 interest payable with respect thereto. Debt incurred by this paragraph shall be  
 6 repaid under the appropriations providing for the retirement of public debt incurred  
 7 for tax-supported facilities in proportional amounts to the purposes for which the  
 8 debt was refinanced. It is the intent of the legislature that this refunding authority  
 9 only be used if the true interest costs to the state can be reduced.

\$2,102,086,430

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

11 20.866 (2) (xd) *Building commission; refunding self-amortizing general*  
 12 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the  
 13 whole or any part of any unpaid indebtedness used to finance facilities in which  
 14 general obligation bonds are repaid from program revenues or segregated funds. The  
 15 state may contract public debt in an amount not to exceed \$275,000,000  
 16 ~~\$231,440,780~~ <sup>\$272,863,033</sup> for this purpose. Such indebtedness shall be construed to include any  
 17 premium and interest payable with respect thereto. Debt incurred by this paragraph  
 18 shall be repaid under the appropriations providing for the retirement of public debt  
 19 incurred for self-amortizing facilities in proportional amounts to the purposes for  
 20 which the debt was refinanced. It is the intent of the legislature that this refunding  
 21 authority only be used if the true interest costs to the state can be reduced.

22 **SECTION 3.** 20.866 (2) (xm) of the statutes is created to read:

23 20.866 (2) (xm) *Building commission; refunding tax-supported and*  
 24 *self-amortizing general obligation debt.* From the capital improvement fund, a sum  
 25 sufficient to refund the whole or any part of any unpaid indebtedness used to finance

In sent 2-21

**BILL**

1 tax-supported or self-amortizing facilities. In addition to the amount that may be  
2 contracted under par. (xe), the state may contract public debt in an amount not to  
3 exceed ~~\$565,000,000~~<sup>\$440,000,000</sup> for this purpose. Such indebtedness shall be construed to  
4 include any premium and interest payable with respect thereto. Debt incurred by  
5 this paragraph shall be repaid under the appropriations providing for the retirement  
6 of public debt incurred for tax-supported and self-amortizing facilities in  
7 proportional amounts to the purposes for which the debt was refinanced. No moneys  
8 may be expended under this paragraph unless the true interest costs to the state can  
9 be reduced by the expenditure.

10

(END)

2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-4573/?ins  
.....

2-21

X

SECTION 1. 20.866 (2) (xe) (title) of the statutes, as created by 2001 Wisconsin Act 16, is amended to read:

20.866 (2) (xe) (title) *Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2003.*

**History:** 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1 ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16.

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

~~LRB-3739/1dn~~

~~RAC:wlj:kjf~~

~~September 18, 2001~~

LRB-4573/1dn  
RAC hnh

*there is some overlap  
between the  
purposes of*

Frank Hoadley:

Please note that I specifically referred to s. 20.866 (2) (xe) in the text of the new appropriation under s. 20.866 (2) (xm). Because both appropriations are for the same purpose, I wanted to make sure that the amount that may be expended under s. 20.866 (2) (xm) is in addition to the amount that may be expended under s. 20.866 (2) (xe). Is this consistent with your intent?

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.state.wi.us

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4573/1dn

RAC:hmh:ch

January 7, 2002

Frank Hoadley:

Please note that I specifically referred to s. 20.866 (2) (xe) in the text of the new appropriation under s. 20.866 (2) (xm). Because there is some overlap in the purposes of both appropriations, I wanted to make sure that the amount that may be expended under s. 20.866 (2) (xm) is in addition to the amount that may be expended under s. 20.866 (2) (xe). Is this consistent with your intent?

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.state.wi.us



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-4573/1  
RAC:hmh:ch

DOA:.....Hoadley - General obligation bond refunding authority

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** refunding bonds and making an appropriation.

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*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**STATE FINANCE**

Under current law, the building commission may refund any unpaid indebtedness by issuing new debt. Generally, the building commission issues new debt when interest costs are reduced or when borrowing conditions become more favorable to the state. Currently, there are separate appropriations for refunding indebtedness used to finance facilities in which general obligation bonds are paid from general purpose revenue and for refunding indebtedness used to finance facilities in which general obligation bonds are repaid from program revenues or segregated funds. This bill consolidates these separate appropriations into one appropriation and increases the state's refunding bond authority.

For further information see the *state* 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:*

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

1           20.866 (2) (xc) *Building commission; refunding tax-supported general*  
2 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the  
3 whole or any part of any unpaid indebtedness used to finance facilities in which  
4 general obligation bonds are paid from general purpose revenue. The state may  
5 contract public debt in an amount not to exceed ~~\$2,125,000,000~~ \$2,102,086,430 for  
6 this purpose. Such indebtedness shall be construed to include any premium and  
7 interest payable with respect thereto. Debt incurred by this paragraph shall be  
8 repaid under the appropriations providing for the retirement of public debt incurred  
9 for tax-supported facilities in proportional amounts to the purposes for which the  
10 debt was refinanced. It is the intent of the legislature that this refunding authority  
11 only be used if the true interest costs to the state can be reduced.

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

13           20.866 (2) (xd) *Building commission; refunding self-amortizing general*  
14 *obligation debt.* From the capital improvement fund, a sum sufficient to refund the  
15 whole or any part of any unpaid indebtedness used to finance facilities in which  
16 general obligation bonds are repaid from program revenues or segregated funds. The  
17 state may contract public debt in an amount not to exceed ~~\$275,000,000~~  
18 \$272,863,033 for this purpose. Such indebtedness shall be construed to include any  
19 premium and interest payable with respect thereto. Debt incurred by this paragraph  
20 shall be repaid under the appropriations providing for the retirement of public debt  
21 incurred for self-amortizing facilities in proportional amounts to the purposes for  
22 which the debt was refinanced. It is the intent of the legislature that this refunding  
23 authority only be used if the true interest costs to the state can be reduced.

24           **SECTION 3.** 20.866 (2) (xe) (title) of the statutes, as created by 2001 Wisconsin  
25 Act 16, is amended to read:

1           20.866 (2) (xe) (title) *Building commission; refunding tax-supported and*  
2 *self-amortizing general obligation debt incurred before June 30, 2003.*

3           **SECTION 4.** 20.866 (2) (xm) of the statutes is created to read:

4           20.866 (2) (xm) *Building commission; refunding tax-supported and*  
5 *self-amortizing general obligation debt.* From the capital improvement fund, a sum  
6 sufficient to refund the whole or any part of any unpaid indebtedness used to finance  
7 tax-supported or self-amortizing facilities. In addition to the amount that may be  
8 contracted under par. (xe), the state may contract public debt in an amount not to  
9 exceed \$440,000,000 for this purpose. Such indebtedness shall be construed to  
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11 this paragraph shall be repaid under the appropriations providing for the retirement  
12 of public debt incurred for tax-supported and self-amortizing facilities in  
13 proportional amounts to the purposes for which the debt was refinanced. No moneys  
14 may be expended under this paragraph unless the true interest costs to the state can  
15 be reduced by the expenditure.

16

(END)