

2003 DRAFTING REQUEST

Bill

Received: 03/12/2003

Received By: pgrant

Wanted: As time permits

Identical to LRB:

For: Alberta Darling (608) 266-5830

By/Representing: Tom Petri

This file may be shown to any legislator: NO

Drafter: pgrant

May Contact:

Addl. Drafters:

Subject: **Education - MPS
Bonding - municipal
Munis - 1st class cities only**

Extra Copies: **MJL**

Submit via email: YES

Requester's email: **Sen.Darling@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

MPS unfunded pension liability refinancing

Instructions:

Same as -2040

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>
/?	pgrant 03/12/2003	kfollett 03/12/2003		_____			S&L
/1			chaskett 03/12/2003	_____	sbasford 03/12/2003	sbasford 03/12/2003	

FE Sent For:

<END>

↳ At
Intro.

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1?	pgrant	1/1 kjf 3/12	1 cph 3/12	self 3/12			

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2003 BILL

Regen

1 AN ACT *to amend* 67.12 (12) (a), 119.49 (5) and 119.498; and *to create* 119.498
 2 (3) of the statutes; **relating to:** promissory notes issued by the city of
 3 Milwaukee to pay for unfunded prior service liability contributions of the
 4 Milwaukee Public Schools under the Wisconsin Retirement System.

Analysis by the Legislative Reference Bureau

Current law allows the board of the Milwaukee Public Schools to direct the Milwaukee Common Council to issue promissory notes for the purpose of paying unfunded prior service liability contributions under the Wisconsin Retirement System. The notes must be repaid within 10 years.

Under this bill, the Milwaukee Common Council is not required to issue the notes. If the common council does so, the notes must be repaid within 20 years. The bill also provides that the sum of the amount of the notes that are outstanding and the amount of bonds issued by the common council to construct school buildings or purchase school sites that are outstanding at any time may not exceed 2% of the total value of all taxable property in the city of Milwaukee. Under current law, the latter amount alone is subject to the 2% limit.

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

BILL

1 SECTION 1. 67.12 (12) (a) of the statutes is amended to read:

2 67.12 (12) (a) Any municipality may issue promissory notes as evidence of
3 indebtedness for any public purpose, as defined in s. 67.04 (1) (b), including but not
4 limited to paying any general and current municipal expense, and refunding any
5 municipal obligations, including interest on them. Each note, plus interest if any,
6 shall be repaid within 10 years after the original date of the note, except that notes
7 issued under this section for purposes of ss. 119.498, 145.245 (12m), 281.58, 281.59,
8 281.60 and 281.61, or to raise funds to pay a portion of the capital costs of a
9 metropolitan sewerage district, shall be repaid within 20 years after the original date
10 of the note.

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

12 119.49 (5) The sum of the amount of such school bonds outstanding and the
13 amount of notes under s. 119.498 outstanding at any time shall not be greater than
14 2% of the total value of all taxable property in the city as certified under s. 121.06 (2).
15 The tax levied to pay the interest and principal on such school bonds shall be in
16 addition to the tax levied for general purposes upon all the taxable property of the
17 city. The limit under s. 67.03 (1) (a) does not apply to bonds under this section.

18 SECTION 3. 119.498 of the statutes is amended to read:

19 **119.498 Promissory notes; unfunded prior service liability**
20 **contributions.** (1) The board may adopt a resolution ~~directing~~ requesting the
21 common council of the city to issue promissory notes under s. 67.12 (12) for the
22 purpose school purposes consisting of paying unfunded prior service liability
23 contributions under the Wisconsin ~~retirement system~~ Retirement System.

24 (2) If the board adopts a resolution under sub. (1), and the common council
25 issues the notes, annually the board shall include in its budget transmitted to the

BILL

1 common council under s. 119.16 (8) (b) a written notice specifying the amount of
2 ~~borrowing to be authorized in the budget for the ensuing year. The common council~~
3 ~~shall issue the notes and levy a direct annual irrevocable tax sufficient~~ necessary
4 to pay the principal of and interest and redemption premium on the notes as they
5 become due. The common council may issue the notes by at public or private sale.

6 **SECTION 4.** 119.498 (3) of the statutes is created to read:

7 119.498 (3) The sum of the amount of notes under this section that are
8 outstanding and the amount of bonds under s. 119.49 that are outstanding at any
9 time may not exceed 2% of the total value of all taxable property in the city as certified
10 under s. 121.06 (2). The limit under s. 67.03 (1) (a) does not apply to notes under this
11 section.

12 (END)