

## 2005 SENATE BILL 685

April 10, 2006 – Introduced by Senators PLALE, DARLING, KANAVAS and TAYLOR, cosponsored by Representatives FIELDS, JESKEWITZ, GRIGSBY, KESSLER, YOUNG, SINICKI and BERCEAU. Referred to Committee on Education.

1     **AN ACT** *to renumber* 66.1333 (5r) (b) (intro.), 66.1333 (5r) (b) 1. and 66.1333 (5r)  
2           (b) 2.; *to renumber and amend* 119.46; *to amend* 65.07 (1) (e), 66.1333 (5r)  
3           (c), 66.1333 (5r) (d) 4. a., 119.48 (1) and 119.60 (1); and *to create* 66.1333 (5r)  
4           (b) 2m. and 119.46 (2) of the statutes; **relating to:** use of the proceeds from the  
5           sale of real property located in the city of Milwaukee and used for school  
6           purposes.

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### *Analysis by the Legislative Reference Bureau*

Under current law, whenever real property that is located in the city of Milwaukee and used for school purposes is sold, the proceeds of the sale are deposited in the school construction fund, to be applied to the purchase of real property for school purposes.

Under this bill, the Board of the Milwaukee Public Schools may, in its discretion, deposit the proceeds of the sale in the school operations fund, to be applied to the payment of principal on bonds issued by the city's redevelopment authority for the purpose of financing certain school facilities.

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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.** 65.07 (1) (e) of the statutes is amended to read:

2           65.07 **(1)** (e) A school operations fund, as constituted and for the purposes  
3 specified in s. 119.46 (1).

4           **SECTION 2.** 66.1333 (5r) (b) (intro.) of the statutes is renumbered 66.1333 (5r)  
5 (b) 1. (intro.).

6           **SECTION 3.** 66.1333 (5r) (b) 1. of the statutes is renumbered 66.1333 (5r) (b) 1.  
7 a.

8           **SECTION 4.** 66.1333 (5r) (b) 2. of the statutes is renumbered 66.1333 (5r) (b) 2.  
9 b.

10          **SECTION 5.** 66.1333 (5r) (b) 2m. of the statutes is created to read:

11          66.1333 **(5r)** (b) 2m. The authority of a 1st class city may issue refunding bonds  
12 to fund, refund, or advance refund any bonds previously issued by the authority  
13 under subd. 1., to fund a debt service reserve fund for such refunding bonds, to pay  
14 capitalized interest with respect to such refunding bonds, and to pay the costs  
15 incurred in connection with the issuance of such refunding bonds.

16          **SECTION 6.** 66.1333 (5r) (c) of the statutes is amended to read:

17          66.1333 **(5r)** (c) *Terms and conditions.* The terms and conditions of bonds  
18 issued under this subsection shall be those specified in sub. (5) (a) 4. except that it  
19 shall not be necessary that the financed property be located in a project area or a  
20 blighted area. The bonds may not have a maturity in excess of 20 years and, other  
21 than refunding bonds, may not be issued later than October 1, 2004.

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1           **SECTION 7.** 66.1333 (5r) (d) 4. a. of the statutes is amended to read:

2           66.1333 **(5r)** (d) 4. a. The bonds to be refunded by the refunding bonds are to  
3 ~~be issued to fund, refund or advance refund bonds~~ secured by a special debt service  
4 reserve fund.

5           **SECTION 8.** 119.46 of the statutes is renumbered 119.46 (1) and amended to  
6 read:

7           119.46 **(1)** As part of the budget transmitted annually to the common council  
8 under s. 119.16 (8) (b), the board shall report the amount of money required for the  
9 ensuing school year to operate all public schools in the city under this chapter, to  
10 repair and keep in order school buildings and equipment, to make material  
11 improvements to school property and to purchase necessary additions to school sites.  
12 The common council shall levy and collect a tax upon all the property subject to  
13 taxation in the city, which shall be equal to the amount of money required by the  
14 board for the purposes set forth in this ~~section~~ subsection, at the same time and in  
15 the same manner as other taxes are levied and collected. Such taxes shall be in  
16 addition to all other taxes which the city is authorized to levy. The taxes so levied  
17 and collected, ~~together with the~~ any other funds provided by law and placed at the  
18 disposal of the city for the same purposes, and the moneys deposited in the school  
19 operations fund under s. 119.60 (1), shall constitute the school operations fund.

20           **SECTION 9.** 119.46 (2) of the statutes is created to read:

21           119.46 **(2)** If moneys specified in s. 119.60 (1) are deposited in the school  
22 operations fund, the moneys shall be used to pay the principal due on any bonds  
23 issued under s. 66.1333 (5r) (b), to make sinking fund payments with respect to such  
24 bonds, to purchase or redeem such bonds, to pay any redemption premium required  
25 to be paid when such bonds are redeemed prior to maturity, or to establish a

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1 defeasance escrow account for such bonds in an amount sufficient to provide for the  
2 payment of principal, any redemption premium and interest on such bonds when  
3 due, whether at maturity or upon prior redemption, and to pay any fees or expenses  
4 associated with the establishment of the defeasance escrow account.

5 **SECTION 10.** 119.48 (1) of the statutes is amended to read:

6 119.48 (1) If the board adopts a resolution by a two-thirds vote of the  
7 members-elect to provide funds, in addition to receipts from the sale of bonds, to  
8 purchase school sites, to construct school buildings and additions thereto or to  
9 remodel existing buildings, the board may include, as part of the budget transmitted  
10 to the common council under s. 119.16 (8) (b), a communication stating the amount  
11 of funds needed for such purposes. Upon receipt of the communication, the common  
12 council shall levy and collect a tax upon all property subject to taxation in the city,  
13 which shall be equal to the amount of money required by the board for the purposes  
14 set forth in the communication, at the same time and in the same manner as other  
15 taxes are levied and collected. Such taxes shall be in addition to all other taxes which  
16 the city is authorized to levy. The taxes so levied and collected and the moneys under  
17 s. 119.60 (1) that are deposited in the school construction fund shall constitute the  
18 school construction fund. If moneys under s. 119.60 (1) are deposited in the school  
19 construction fund, the moneys shall be used for the purchase of real property for  
20 school purposes. The board may allow the school construction fund to accumulate  
21 from year to year.

22 **SECTION 11.** 119.60 (1) of the statutes is amended to read:

23 119.60 (1) If any real property within the city which is used for school purposes  
24 is sold, the board shall determine whether the proceeds of the sale ~~shall not go into~~  
25 ~~the general city fund but shall become part of~~ are deposited in the school operations

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1 fund under s. 119.46 or are deposited in the school construction fund to be applied

2 on the purchase of real property for school purposes under s. 119.48.

3 (END)