

2007 ASSEMBLY BILL 706

January 18, 2008 – Introduced by Representatives GUNDERSON, HAHN, A. OTT, KAUFERT, HINTZ, ALBERS, STASKUNAS, PETROWSKI and BALLWEG, cosponsored by Senators ROESSLER, COWLES, OLSEN and SCHULTZ. Referred to Committee on Natural Resources.

1 **AN ACT to renumber and amend** 67.12 (1) (b); **to amend** 67.12 (12) (a); and **to**
2 **create** 67.12 (1) (b) 2. of the statutes; **relating to:** specifically authorizing local
3 governmental units to issue debt related to the brownfields revolving loan
4 program.

Analysis by the Legislative Reference Bureau

Current law authorizes the Department of Natural Resources (DNR) to enter into an agreement with the federal Environmental Protection Agency (EPA) to establish and administer a brownfields revolving loan program under which DNR makes loans or grants for the cleanup of brownfields. Brownfields are sites the redevelopment or reuse of which may be complicated by the presence or potential presence of environmental contamination.

Currently, DNR is authorized to administer funds received from the EPA on behalf of, and at the request of, another governmental entity. Local governments apply for and receive these DNR-administered funds either as a loan or as a grant, the proceeds of which are used for the cleanup of brownfields. Local governments also have general authority to issue municipal obligations in anticipation of receiving federal or state aids, which must be repaid in approximately 18 months.

This bill grants specific authority to local units of government, including cities, villages, towns, counties, metropolitan sewerage districts, and town sanitary districts, to issue municipal obligations in anticipation of receiving proceeds from brownfields revolving loan program loans or grants. Such obligations must be repaid within 10 years or, if refinanced, within 20 years. The bill also specifies that local

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units of government may issue promissory notes, which must be repaid within 20 years, for public purposes related to the brownfields revolving loan program.

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:

1 **SECTION 1.** 67.12 (1) (b) of the statutes is renumbered 67.12 (1) (b) 1. and
2 amended to read:

3 67.12 (1) (b) 1. Any municipality may issue municipal obligations in
4 anticipation of receiving proceeds from clean water fund loans or grants for which
5 the municipality has received a notice of financial assistance commitment under s.
6 281.58 (15), from bonds or notes the municipality has authorized or has covenanted
7 to issue under this chapter or from grants that are committed to the municipality.
8 Any municipal obligation issued under this ~~paragraph~~ subdivision may be refunded
9 one or more times. Such obligation and any refundings thereof shall be repaid within
10 5 years after the original date of the original obligation.

11 **SECTION 2.** 67.12 (1) (b) 2. of the statutes is created to read:

12 67.12 (1) (b) 2. Any municipality may issue municipal obligations in
13 anticipation of receiving proceeds from brownfields revolving loan program loans or
14 grants under the program described in s. 292.72 if the municipality has received
15 written notification from the department of natural resources that the department
16 intends to distribute such proceeds to the municipality. The obligation shall be
17 repaid within 10 years after the original date of the obligation, except that the
18 obligation may be refunded one or more times. Any refundings shall be repaid within
19 20 years after the original date of the original obligation.

20 **SECTION 3.** 67.12 (12) (a) of the statutes is amended to read:

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1 67.12 **(12)** (a) Any municipality may issue promissory notes as evidence of
2 indebtedness for any public purpose, as defined in s. 67.04 (1) (b), including but not
3 limited to paying any general and current municipal expense, and refunding any
4 municipal obligations, including interest on them. Each note, plus interest if any,
5 shall be repaid within 10 years after the original date of the note, except that notes
6 issued under this section for purposes of ss. 119.498, 145.245 (12m), 281.58, 281.59,
7 281.60 ~~and~~, 281.61, and 292.72 or to raise funds to pay a portion of the capital costs
8 of a metropolitan sewerage district, shall be repaid within 20 years after the original
9 date of the note.

10 **SECTION 4. Initial applicability.**

11 (1) This act first applies to municipal debt that is issued on the effective date
12 of this subsection.

13 **(END)**