



**SENATE SUBSTITUTE AMENDMENT 1,
TO 2011 SENATE BILL 20**

1 **AN ACT** *to amend* 119.46 (1), 119.46 (2), 119.60 (1) and 119.60 (2); and *to create*
2 119.60 (2m) and 119.60 (5) of the statutes; **relating to:** authorizing the City of
3 Milwaukee to sell city-owned property used for school purposes.

Analysis by the Legislative Reference Bureau

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

4 **SECTION 1.** 119.46 (1) of the statutes is amended to read:
5 119.46 (1) As part of the budget transmitted annually to the common council
6 under s. 119.16 (8) (b), the board shall report the amount of money required for the
7 ensuing school year to operate all public schools in the city under this chapter, to
8 repair and keep in order school buildings and equipment, to make material
9 improvements to school property, and to purchase necessary additions to school sites.

1 The report shall specify the amount of net proceeds from the sale or lease of
2 city-owned property used for school purposes deposited in the immediately
3 preceding school year into the school operations fund as specified under s. 119.60
4 (2m) (c) or (5). The amount included in the report for the purpose of supporting the
5 Milwaukee Parental Choice Program under s. 119.23 shall be reduced by the amount
6 of aid received by the board under s. 121.136 and by the amount specified in the
7 notice received by the board under s. 121.137 (2). The common council shall levy and
8 collect a tax upon all the property subject to taxation in the city, which shall be equal
9 to the amount of money required by the board for the purposes set forth in this
10 subsection, at the same time and in the same manner as other taxes are levied and
11 collected. Such taxes shall be in addition to all other taxes which the city is
12 authorized to levy. The taxes so levied and collected, any other funds provided by law
13 and placed at the disposal of the city for the same purposes, and the moneys deposited
14 in the school operations fund under s. 119.60 (1), (2m) (c), and (5), shall constitute
15 the school operations fund.

16 **SECTION 2.** 119.46 (2) of the statutes is amended to read:

17 119.46 **(2)** If moneys specified in s. 119.60 (1), (2m) (c), or (5) are deposited in
18 the school operations fund, the moneys shall be used to pay the principal due on any
19 bonds issued under s. 66.1333 (5r) (b), to make sinking fund payments with respect
20 to such bonds, to purchase or redeem such bonds, to pay any redemption premium
21 required to be paid when such bonds are redeemed prior to maturity, or to establish
22 a defeasance escrow account for such bonds in an amount sufficient to provide for the
23 payment of principal, any redemption premium and interest on such bonds when
24 due, whether at maturity or upon prior redemption, and to pay any fees or expenses
25 associated with the establishment of the defeasance escrow account.

1 **SECTION 3.** 119.60 (1) of the statutes is amended to read:

2 119.60 (1) ~~If Except as provided in sub. (2m) (c), if~~ any real property within the
3 city which is used for school purposes is sold, the board shall determine whether the
4 proceeds of the sale are deposited in the school operations fund under s. 119.46 or are
5 deposited in the school construction fund under s. 119.48.

6 **SECTION 4.** 119.60 (2) of the statutes is amended to read:

7 119.60 (2) ~~City-owned~~ Except as provided in sub. (2m), ~~city-owned~~ property
8 used for school purposes shall be sold by the city upon written request of the board
9 if the common council adopts a resolution approving the sale. If, within 12 months
10 after a written request by the board, the city has not disposed of the property, has
11 failed to obtain a written agreement to dispose of the property or has not provided
12 the board with a written report giving specific reasons, which are not identified by
13 the city attorney as constituting a conflict of interest, for its failure to dispose of the
14 property or to obtain an agreement to dispose of the property, the board may retain
15 a real estate agent to represent the board in its real estate transactions.

16 **SECTION 5.** 119.60 (2m) of the statutes is created to read:

17 119.60 (2m) (a) 1. Subject to subd. 2., if the common council finds that
18 city-owned property used for school purposes has been unused or underutilized for
19 at least 12 consecutive months, including the 12 months preceding the effective date
20 of this subdivision [LRB inserts date], or if the board has determined by resolution
21 prior to January 1, 2011, that any city-owned property used for school purposes is
22 surplus to the needs of the school district, the common council may sell or lease that
23 property if it adopts a resolution approving the sale or lease.

24 2. Before the common council may adopt a resolution approving the sale or
25 lease of underutilized city-owned property used for school purposes, the common

1 council shall adopt by resolution a set of criteria under which the common council
2 may or may not find that the city–owned property used for school purposes is
3 underutilized. In order to determine whether city–owned property used for school
4 purposes satisfies the criteria adopted under this subdivision, the common council
5 shall request from the board, and the board shall provide to the common council
6 within 15 days of the request, all relevant information regarding the current and
7 planned utilization of the city–owned property used for school purposes that is
8 proposed for sale or lease under this paragraph.

9 (b) If a resolution is adopted by the common council as provided under par. (a),
10 the board shall provide the common council and city employees and agents copies of
11 all documents related to the property and access to and entry upon and into the
12 property for purposes related to the sale or leasing of the property.

13 (c) If any real property within the city which is used for school purposes is sold
14 or leased as provided in this subsection, the net proceeds of the sale or lease shall be
15 deposited in the school operations fund under s. 119.46.

16 (d) Notwithstanding s. 119.16 (1m), if any real property within the city which
17 is used for school purposes is leased as provided in this subsection, the lease shall
18 require the lessee to assume responsibility for the care, operation, and maintenance
19 of the real property and its facilities for the duration of the lease.

20 **SECTION 6.** 119.60 (5) of the statutes is created to read:

21 119.60 (5) For any lease of city–owned property used for school purposes in
22 effect on January 1, 2011, between the board and a charter school that is not an
23 instrumentality of the school district under s. 118.40 (7), the common council shall
24 be made party to the lease and may negotiate with the charter school to modify the
25 terms of the lease when the lease is modified, extended, or renewed if the common

1 council adopts a resolution to do so. If a lease is modified, extended, or renewed as
2 provided in this subsection, the net proceeds of that lease shall be deposited in the
3 school operations fund under s. 119.46.

4 (END)