



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2150/en
SRM:med:...

2011 ASSEMBLY BILL 275

1 **AN ACT** *to repeal* 24.61 (3) (c) and 24.61 (3) (d); *to renumber and amend* 24.66
2 (1) (intro.), 24.66 (1) (a), 24.66 (1) (b) and 24.66 (1) (c); *to amend* 24.61 (2) (a)
3 3., 24.61 (2) (a) 4., 24.61 (2) (b), 24.61 (4) (title), 24.63 (1), (2), (2m) and (2r), 24.66
4 (3m), 24.66 (5) (a), 24.67 (1) (d), 24.67 (2) (a), 24.67 (3), 24.68, 24.70 (3), 24.70
5 (4), 24.70 (6), 24.71 (3), 24.71 (4), 24.71 (5), 24.715 (3), 24.715 (4), 24.716 (3),
6 24.716 (4), 24.717 (3), 24.717 (4) and 121.07 (1) (a); and *to create* 24.60 (1w),
7 24.60 (2m), 24.61 (2) (a) 11., 24.61 (4m), 24.63 (2s) and 24.66 (1) (cg) of the
8 statutes; **relating to:** authorizing the Board of Commissioners of Public Lands
9 to make revenue obligation trust fund loans to certain municipalities,
10 authorizing the Board of Commissioners of Public Lands to make certain
11 investments, application requirements for certain state trust fund loans,

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1 persons authorized to execute certificates of indebtedness, and collection
2 procedures for outstanding state trust fund loans.

Analysis by the Legislative Reference Bureau

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

3 **SECTION 1.** 24.60 (1w) of the statutes is created to read:

4 24.60 (1w) “General obligation trust fund loan” means a state trust fund loan
5 that is the general obligation of the borrower.

6 **SECTION 2.** 24.60 (2m) of the statutes is created to read:

7 24.60 (2m) “Revenue obligation trust fund loan” means a state trust fund loan
8 to which any of the following applies:

9 (a) It is made to a municipality for the purpose of financing or refinancing a
10 project, as defined in s. 67.04 (1) (ar), and is secured by a pledge and assignment of
11 the revenue that the municipality will receive from moneys generated by that
12 project.

13 (b) It is made to a city or village for the purpose of financing or refinancing
14 project costs, as defined in s. 66.1105 (2) (f), and is secured by a pledge and
15 assignment of the tax increments that will be allocated to the city or village for those
16 project costs by the department of revenue under s. 66.1105 (6).

17 (c) It is made to a county for the purpose of financing or refinancing project
18 costs, as defined in s. 66.1105 (2) (f), and is secured by a pledge and assignment of
19 the tax increments that will be allocated to the county for those project costs by the
20 department of revenue under s. 59.57 (3).

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1 (d) It is made to a town for the purpose of financing or refinancing project costs,
2 as defined in s. 60.85 (1) (h) 1., and is secured by a pledge and assignment of the tax
3 increments that will be allocated to the town for those project costs by the
4 department of revenue under s. 60.85 (6).

5 **SECTION 3.** 24.61 (2) (a) 3. of the statutes is amended to read:

6 24.61 (2) (a) 3. Bonds of, notes, or other instruments of indebtedness issued by
7 this state.

8 **SECTION 4.** 24.61 (2) (a) 4. of the statutes is amended to read:

9 24.61 (2) (a) 4. Bonds, notes, or other instruments of indebtedness issued
10 pursuant to law by any town, village, city, county, metropolitan sewerage district,
11 technical college district, or school district of this state.

12 **SECTION 5.** 24.61 (2) (a) 11. of the statutes is created to read:

13 24.61 (2) (a) 11. Financial institution accounts that are insured by a deposit
14 insurance corporation, as defined in s. 214.01 (1) (h).

15 **SECTION 6.** 24.61 (2) (b) of the statutes is amended to read:

16 24.61 (2) (b) ~~*Deposited with secretary of administration Manner for holding*~~
17 ~~*securities.*~~ All bonds, notes, and other instruments of indebtedness and securities
18 purchased under par. (a) shall be deposited with the secretary of administration held
19 in a manner determined by the board.

20 **SECTION 7.** 24.61 (3) (c) of the statutes is repealed.

21 **SECTION 8.** 24.61 (3) (d) of the statutes is repealed.

22 **SECTION 9.** 24.61 (4) (title) of the statutes is amended to read:

23 24.61 (4) (title) LOAN LIMITATIONS TO COUNTIES.

24 **SECTION 10.** 24.61 (4m) of the statutes is created to read:

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1 24.61 **(4m)** LOANS TO PAY OFF EXISTING INDEBTEDNESS. If the board makes a loan
2 to a municipality to pay off existing indebtedness, the making of the loan and the
3 payment of the existing indebtedness shall be treated as if they occur
4 simultaneously.

5 **SECTION 11.** 24.63 (1), (2), (2m) and (2r) of the statutes are amended to read:

6 24.63 **(1)** LOANS GENERAL OBLIGATION LOANS OTHER THAN TO SCHOOL DISTRICTS.

7 A state general obligation trust fund loan, other than a loan to a school district, may
8 be made for any term not exceeding 20 years and may be made payable in
9 installments. A state general obligation trust fund loan to a municipality other than
10 a school district shall be in an amount which does not, together with all other
11 indebtedness of the municipality applying for the loan, exceed 5% of the valuation
12 of the taxable property within the municipality as equalized for state purposes. If
13 ~~a state trust fund loan is made to pay off existing indebtedness, it may be advanced~~
14 ~~to the borrower in installments as fast as the indebtedness or the evidence of~~
15 ~~indebtedness is canceled.~~

16 **(2)** SCHOOL GENERAL OBLIGATION SCHOOL DISTRICT LOANS. A state general
17 obligation trust fund loan to a school district may be made for any time, not exceeding
18 20 years, as is agreed upon between the school district and the board, and for an
19 amount which, together with all other general obligation indebtedness of that
20 district, does not exceed its allowable indebtedness as determined under s. 67.03 (1).

21 **(2m)** COOPERATIVE GENERAL OBLIGATION COOPERATIVE EDUCATIONAL SERVICE
22 AGENCY LOANS. A state general obligation trust fund loan to a cooperative educational
23 service agency may be made for any term, not exceeding 20 years, as is agreed upon
24 between the agency and the board, and for a total amount which, for each school
25 district for which the loan is sought, in the proportion determined under s. 24.61 (7),

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1 together with all other general obligation indebtedness of the school district, does not
2 exceed the school district's allowable indebtedness under s. 67.03 (1).

3 **(2r)** ~~FEDERATED~~ GENERAL OBLIGATION FEDERATED PUBLIC LIBRARY SYSTEM LOANS.

4 A state general obligation trust fund loan to a federated public library system may
5 be made for any term, not exceeding 20 years, that is agreed upon between the
6 federated public library system and the board and may be made for a total amount
7 that, together with all other general obligation indebtedness of the federated public
8 library system, does not exceed the federated public library system's allowable
9 indebtedness under s. 43.17 (9) (b).

10 **SECTION 12.** 24.63 (2s) of the statutes is created to read:

11 24.63 **(2s)** REVENUE OBLIGATION LOANS. (a) A revenue obligation trust fund loan
12 to a city, village, town, or county may be made for any term not exceeding 30 years
13 and may be made payable in installments.

14 (b) 1. If the board makes a revenue obligation trust fund loan to a city, village,
15 town, or county as described in s. 24.60 (2m) (b) to (d), the loan may not exceed an
16 amount that would require the city, village, town, or county to make annual
17 payments, including principal and interest, of more than 80 percent of the shared
18 revenue payments received by the city, village, town, or county under subch. I of ch.
19 79 in the year immediately preceding the year in which the loan application is made.

20 2. The board may allow a city, village, town, or county that pledges and assigns
21 tax increments as security for a revenue obligation trust fund loan to provide that
22 the pledge and assignment is subject to future annual appropriations made by the
23 governing body of the respective city, village, town, or county to repay the loan.

24 3. The board may prescribe loan conditions in addition to the conditions
25 specified in this paragraph.

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1 **SECTION 13.** 24.66 (1) (intro.) of the statutes is renumbered 24.66 (1) (ag) and
2 amended to read:

3 24.66 (1) (ag) No trust fund loan may be made unless an application is made
4 to the board under this section. The application shall state the amount of money
5 required, the purpose to which it is to be applied, the times and terms of repayment,
6 ~~whether the loan is sought for an educational technology or distance education~~
7 ~~project under s. 24.61 (3) (d), and, in the case of a cooperative educational service~~
8 ~~agency, the names of the school districts participating in the distance education~~
9 ~~project for which the loan is sought. The~~

10 (bg) An application for a general obligation trust fund loan shall be
11 accompanied by satisfactory proof of all of the following:

12 **SECTION 14.** 24.66 (1) (a) of the statutes is renumbered 24.66 (1) (bg) 1. and
13 amended to read:

14 24.66 (1) (bg) 1. ~~Of the~~ The valuation of all the taxable property within the
15 municipality as equalized for state purposes; ~~and,~~

16 **SECTION 15.** 24.66 (1) (b) of the statutes is renumbered 24.66 (1) (bg) 2. and
17 amended to read:

18 24.66 (1) (bg) 2. ~~Of all~~ All the existing indebtedness of the municipality; ~~and,~~

19 **SECTION 16.** 24.66 (1) (c) of the statutes is renumbered 24.66 (1) (bg) 3. and
20 amended to read:

21 24.66 (1) (bg) 3. ~~Of the~~ The approval of the application as required by subs. (2)
22 to (4).

23 **SECTION 17.** 24.66 (1) (cg) of the statutes is created to read:

24 24.66 (1) (cg) An application for a revenue obligation trust fund loan shall be
25 accompanied by all of the following:

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1 1. If the loan is for a project that will be secured in the manner specified in s.
2 24.60 (2m) (a), a statement of the revenue that the municipality anticipates receiving
3 from moneys generated by that project, and the municipality's pledge and first
4 priority assignment of those revenues to pay off the loan.

5 2. If the loan is for project costs that will be secured in the manner specified in
6 s. 24.60 (2m) (b) to (d), a statement of the tax increments that the municipality
7 anticipates will be allocated to the municipality for those project costs by the
8 department of revenue and the municipality's pledge and first priority assignment
9 of that allocation to pay off the loan.

10 3. Satisfactory proof of the amount of annual shared revenue payments made
11 to the municipality under subch. I of ch. 79 in the year immediately preceding the
12 year in which the application for the loan is made.

13 4. Satisfactory proof of the approval of the application as required by sub. (2).

14 **SECTION 18.** 24.66 (3m) of the statutes is amended to read:

15 **24.66 (3m)** FOR EDUCATIONAL TECHNOLOGY OR DISTANCE EDUCATION LOANS. An
16 application by a county, city, village or town to undertake an educational technology
17 or distance education project, ~~or by a consortium that includes a county, city, village~~
18 ~~or town under s. 24.61 (3) (d)~~ shall be accompanied by a resolution of the county or
19 municipal library board for that county, city, village or town, ~~or the county or~~
20 ~~municipal library board of each county, city, village or town participating in the~~
21 ~~consortium~~, requesting the county, city, village or town to apply for the loan for the
22 purpose of conducting an educational technology or distance education project.

23 **SECTION 19.** 24.66 (5) (a) of the statutes is amended to read:

24 **24.66 (5) (a)** Every application for a general obligation trust fund loan under
25 this section by a municipality shall be accompanied by a certified copy under the

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1 hand of the proper clerk of a recorded resolution adopted by the municipality
2 applying for or approving the loan, levying, except as provided in par. (b), upon all
3 the taxable property of the municipality a direct annual tax for the purpose of paying
4 and sufficient to pay the principal and interest on the proposed loan as they become
5 due. In a 1st class city school district, the application shall be accompanied by a
6 certified copy of a resolution, adopted by the board of school directors, stating that
7 it is the intention of the board of school directors to include in its budget transmitted
8 to the common council under s. 119.16 (8) (b) a written notice specifying the amount
9 of money necessary to pay the principal and interest on the loan as they become due.
10 Every application for a general obligation trust fund loan under this subsection by
11 a cooperative educational service agency shall be accompanied by a copy of a recorded
12 resolution adopted by the school board of each school district for which the loan is
13 sought, certified by the school district clerk of that school district, levying upon all
14 taxable property of the school district a direct annual tax for the purpose of paying
15 and sufficient to pay the school district's share of the principal and interest on the
16 proposed loan as they become due. The levy imposed by the municipality shall be
17 void if the board declines to make the loan; otherwise it shall remain valid and
18 irrevocable until the loan and all interest on the loan are fully paid.

19 **SECTION 20.** 24.67 (1) (d) of the statutes is amended to read:

20 24.67 (1) (d) For a city, by its mayor or city manager.

21 **SECTION 21.** 24.67 (2) (a) of the statutes is amended to read:

22 24.67 (2) (a) For the county, town, village, or city, by the clerk of that county,
23 town, village, or city.

24 **SECTION 22.** 24.67 (3) of the statutes is amended to read:

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1 24.67 (3) If a municipality has acted under subs. (1) and (2), it shall certify that
2 fact to the ~~department of administration~~ board. Upon receiving a certification from
3 a municipality, or upon direction of the board if a loan is made to a cooperative
4 educational service agency, drainage district created under ch. 88, local professional
5 baseball park district created under subch. III of ch. 229, or a federated public library
6 system, the ~~secretary of administration~~ board shall draw a warrant for disburse the
7 ~~amount of the loan~~ amount, payable to the treasurer of the municipality, cooperative
8 educational service agency, drainage district, or federated public library system
9 making the loan or as the treasurer of the municipality, cooperative educational
10 service agency, drainage district, local professional baseball park district, or
11 federated public library system directs. The certificate of indebtedness shall then be
12 conclusive evidence of the validity of the indebtedness and that all the requirements
13 of law concerning the application for the making and acceptance of the loan have
14 been complied with.

15 **SECTION 23.** 24.68 of the statutes is amended to read:

16 **24.68 Payment of state trust fund loans.** All the taxable property in any
17 municipality which obtains a general obligation trust fund loan shall stand charged
18 for the payment of the principal and interest on that loan.

19 **SECTION 24.** 24.70 (3) of the statutes is amended to read:

20 24.70 (3) AMOUNT ADDED TO MUNICIPAL LEVY. Upon receipt of a certified
21 statement by a municipal clerk, the municipal clerk shall then cause the amount to
22 be added to the municipal levy and collected in the same manner as the municipal
23 tax except the amount for the state trust fund loan shall be separately designated.
24 Upon receipt of a certified statement by a school district clerk from a cooperative
25 educational service agency, the clerk shall cause the amount for which the district

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1 is responsible under s. 24.61 (7) to be added to the school district levy and collected
2 in the same manner as the school district tax, except that the amount for the loan
3 shall be separately stated. This subsection does not apply to revenue obligation trust
4 fund loans.

5 **SECTION 25.** 24.70 (4) of the statutes is amended to read:

6 24.70 (4) PAYMENT TO BOARD. The treasurer of each municipality shall transmit
7 remit to the board on its order the full amount levied due for state trust fund loans
8 within 15 days after March 15. Each cooperative educational service agency shall
9 similarly ~~transmit~~ remit the annual amount owed on any state trust fund loan made
10 to the agency by that date. Any payment not made by March 30 is delinquent and
11 is subject to a penalty of one percent per month to be paid to the board with the
12 delinquent payment.

13 **SECTION 26.** 24.70 (6) of the statutes is amended to read:

14 24.70 (6) FAILURE TO MAKE PAYMENTS. If any municipality fails to remit the
15 amount due by the date specified under sub. (4), the board may shall file a certified
16 statement of the delinquent amount with the department of administration. The
17 secretary of administration shall collect the amount due, including any penalty, by
18 deducting that amount from any state payments due the municipality ~~and,~~ shall
19 notify the treasurer and the board of that action, and shall immediately remit to the
20 board any amounts deducted from any state payments due to the municipality.

21 **SECTION 27.** 24.71 (3) of the statutes is amended to read:

22 24.71 (3) ADDED TO SCHOOL DISTRICT LEVY. The school district clerk shall then
23 cause the amount due to be added to the school district levy and collected in the same
24 manner as the school district tax except the amount for state trust fund loans shall

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1 be separately designated. This subsection does not apply to revenue obligation trust
2 fund loans.

3 **SECTION 28.** 24.71 (4) of the statutes is amended to read:

4 24.71 (4) PAYMENT TO BOARD. The school district treasurer shall ~~transmit~~ remit
5 to the board the full amount levied due for state trust fund loans within 15 days after
6 March 15. Any payment not made by March 30 is delinquent and is subject to a
7 penalty of one percent per month or fraction thereof, to be paid to the board with the
8 delinquent payment.

9 **SECTION 29.** 24.71 (5) of the statutes is amended to read:

10 24.71 (5) FAILURE TO MAKE PAYMENT. If the school district treasurer fails to remit
11 the amounts due under sub. (4), the state superintendent, upon certification of
12 delinquency by the board, shall deduct the amount due including any penalty from
13 any school aid payments due the school district, shall remit such amount to the
14 ~~secretary of administration~~ board and, no later than June 15, shall notify the school
15 district treasurer ~~and the board~~ to that effect.

16 **SECTION 30.** 24.715 (3) of the statutes is amended to read:

17 24.715 (3) PAYMENT TO BOARD. The system board shall ~~transmit~~ remit to the
18 board on its own order the full amount levied due for state trust fund loans within
19 15 days after March 15. Any payment not made by March 30 is delinquent and is
20 subject to a penalty of one percent per month or fraction thereof, to be paid to the
21 board with the delinquent payment.

22 **SECTION 31.** 24.715 (4) of the statutes is amended to read:

23 24.715 (4) FAILURE TO MAKE PAYMENT. If the system board fails to remit the
24 amounts due under sub. (3), the state superintendent, upon certification of
25 delinquency by the board, shall deduct the amount due, including any penalty, from

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1 any aid payments due the system, shall remit such amount to the ~~state treasurer~~
2 board and, no later than June 15, shall notify the system board ~~and the board~~ to that
3 effect.

4 **SECTION 32.** 24.716 (3) of the statutes is amended to read:

5 24.716 (3) PAYMENT TO BOARD. The district board shall ~~transmit~~ remit to the
6 board on its own order the full amount levied due for state trust fund loans within
7 15 days after March 15. Any payment not made by March 30 is delinquent and is
8 subject to a penalty of 1 percent per month or fraction thereof, to be paid to the board
9 with the delinquent payment.

10 **SECTION 33.** 24.716 (4) of the statutes is amended to read:

11 24.716 (4) FAILURE TO MAKE PAYMENT. If the district board fails to remit the
12 amounts due under sub. (3), the secretary of administration, upon certification of
13 delinquency by the board of commissioners of public lands, shall deduct the amount
14 due, including any penalty, from any state aid payments due the district, shall remit
15 such amount to the ~~secretary of administration~~ board, and, no later than June 15,
16 shall notify the district board ~~and the board~~ to that effect.

17 **SECTION 34.** 24.717 (3) of the statutes is amended to read:

18 24.717 (3) PAYMENT TO BOARD. The local professional baseball park district
19 board shall ~~transmit~~ remit to the board of commissioners of public lands on its own
20 order the full amount levied due for state trust fund loans within 15 days after March
21 15. Any payment not made by March 30 is delinquent and is subject to a penalty of
22 1 percent per month or fraction thereof, to be paid to the board of commissioners of
23 public lands with the delinquent payment.

24 **SECTION 35.** 24.717 (4) of the statutes is amended to read:

