



Thurs. 9/1
State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2150/P2
RNK/MES/EVM:jld:ph

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v e. 15f

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

In 6/31

D-Note

Reger

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

INS. Relating Clause

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

INS. Analysis

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:

SECTION 1

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

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

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

24.60 (2m) "Revenue obligation trust fund loan" means a state trust fund loan that is made to a municipality and to which any of the following applies:

(a) It is made for the purpose of financing a project, as defined in s. 67.04 (1) (ar), and is secured by a pledge of the ~~income~~ ^{and assignment} that the municipality will receive from moneys generated by that project.

(b) It is made for the purpose of financing project costs, as defined in s. 66.1105 (2) (f), and is secured by ^{a pledge and assignment of} the tax increments that will be allocated to the municipality for those project costs by the department of revenue under s. 66.1105 (6).

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

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

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

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

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

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

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

24.61 (2) (b) ~~Deposited with secretary of administration~~ Manner for holding securities. All bonds, notes, and other instruments of indebtedness and securities

, metropolitan sewerage district, technical college district,

or refinancing

1 purchased under par. (a) shall be ~~deposited with the secretary of administration held~~
2 in a manner determined by the board.

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

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

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

6 24.61 (4) (title) LOAN LIMITATIONS TO COUNTIES.

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

8 24.61 (4m) LOANS TO PAY OFF EXISTING INDEBTEDNESS. If the board makes a loan
9 to a municipality to pay off existing indebtedness, the making of the loan and the
10 payment of the existing indebtedness shall be treated as if they occur
11 simultaneously.

***NOTE: I'm not sure that this language correctly describes the manner in which
this type of loan is made. Please review this language for accuracy.

INS,
3-11

12 SECTION 11. 24.63 (1) of the statutes is renumbered 24.63 (1) (a) and amended
13 to read:

14 24.63 (1) (a) A state general obligation trust fund loan, other than a loan to a
15 school district, may be made for any term not exceeding 20 years and may be made
16 payable in installments. A state general obligation trust fund loan to a municipality
17 other than a school district shall be in an amount which does not, together with all
18 other indebtedness of the municipality applying for the loan, exceed 5% of the
19 valuation of the taxable property within the municipality as equalized for state
20 purposes. ~~If a state trust fund loan is made to pay off existing indebtedness, it may~~
21 ~~be advanced to the borrower in installments as fast as the indebtedness or the~~
22 ~~evidence of indebtedness is canceled.~~

23 SECTION 12. 24.63 (1) (b) of the statutes is created to read:

1 24.63 (1) (b) 1. A revenue obligation trust fund loan to a municipality may be
2 made for any term not exceeding 30 years and may be made payable in installments.

3 2. If the board makes a revenue obligation trust fund loan to a municipality as
4 described in s. 24.60 (2m) (b), the loan may not exceed an amount that would require
5 the municipality to make annual payments, including principal and interest, of more
6 than 80 percent of the municipality's shared revenue payments received under
7 subch. I of ch. 79 in the year immediately preceding the year in which the loan
8 application is made.

insult
48

***NOTE: Is it possible to make a loan that is only partially secured by tax
increments? If so, I think this provision requires additional drafting.

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

11 24.66 (1) (ag) No trust fund loan may be made unless an application is made
12 to the board under this section. The application shall state the amount of money
13 required, the purpose to which it is to be applied, the times and terms of repayment,
14 ~~whether the loan is sought for an educational technology or distance education~~
15 ~~project under s. 24.61 (3) (d), and, in the case of a cooperative educational service~~
16 agency, the names of the school districts participating in the distance education
17 project for which the loan is sought. The

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

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

22 24.66 (1) (bg) 1. ~~Of the~~ The valuation of all the taxable property within the
23 municipality as equalized for state purposes;

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

3 24.66 (1) (bg) 2. ~~Of all~~ All the existing indebtedness of the municipality; ~~and.~~

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

6 24.66 (1) (bg) 3. ~~Of the~~ The approval of the application as required by subs. (2)
7 to (4).

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

9 24.66 (1) (cg) An application for a revenue obligation trust fund loan shall be
10 accompanied by all of the following:

11 1. If the loan is for a project that will be secured in the manner specified in s.
12 24.60 (2m) (a), a statement of the ~~amounts~~^{revenue} that the municipality anticipates
13 receiving from moneys generated by that project, and the municipality's pledge to
14 ~~repay the loan from those amounts~~ INS. 5-14

15 2. If the loan is for project costs that will be secured in the manner specified in
16 s. 24.60 (2m) (b), a statement of the tax increments that the municipality anticipates
17 will be allocated to the municipality for those project costs by the department of
18 revenue under s. 66.1105 (6), and the municipality's pledge to repay the loan from
19 that allocation INS. 5-19

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

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

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

SECTION 18

1 **24.66 (3m)** FOR EDUCATIONAL TECHNOLOGY OR DISTANCE EDUCATION LOANS. An
2 application by a county, city, village or town to undertake an educational technology
3 or distance education project, ~~or by a consortium that includes a county, city, village~~
4 ~~or town under s. 24.61 (3) (d)~~ shall be accompanied by a resolution of the county or
5 municipal library board for that county, city, village or town, ~~or the county or~~
6 ~~municipal library board of each county, city, village or town participating in the~~
7 ~~consortium~~, requesting the county, city, village or town to apply for the loan for the
8 purpose of conducting an educational technology or distance education project.

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

10 **24.66 (5) (a)** Every application for a general obligation trust fund loan under
11 this section by a municipality shall be accompanied by a certified copy under the
12 hand of the proper clerk of a recorded resolution adopted by the municipality
13 applying for or approving the loan, levying, except as provided in par. (b), upon all
14 the taxable property of the municipality a direct annual tax for the purpose of paying
15 and sufficient to pay the principal and interest on the proposed loan as they become
16 due. In a 1st class city school district, the application shall be accompanied by a
17 certified copy of a resolution, adopted by the board of school directors, stating that
18 it is the intention of the board of school directors to include in its budget transmitted
19 to the common council under s. 119.16 (8) (b) a written notice specifying the amount
20 of money necessary to pay the principal and interest on the loan as they become due.
21 Every application for a general obligation trust fund loan under this subsection by
22 a cooperative educational service agency shall be accompanied by a copy of a recorded
23 resolution adopted by the school board of each school district for which the loan is
24 sought, certified by the school district clerk of that school district, levying upon all
25 taxable property of the school district a direct annual tax for the purpose of paying

1 and sufficient to pay the school district's share of the principal and interest on the
2 proposed loan as they become due. The levy imposed by the municipality shall be
3 void if the board declines to make the loan; otherwise it shall remain valid and
4 irrepealable until the loan and all interest on the loan are fully paid.

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

6 24.67 (1) (d) For a city, by its mayor or city manager.

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

8 24.67 (2) (a) For the county, town, village, or city, by the clerk of that county,
9 town, village, or city.

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

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

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

1 **24.68 Payment of state trust fund loans.** All the taxable property in any
2 municipality which obtains a general obligation trust fund loan shall stand charged
3 for the payment of the principal and interest on that loan.

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

5 **24.70 (3) AMOUNT ADDED TO MUNICIPAL LEVY.** Upon receipt of a certified
6 statement by a municipal clerk, the municipal clerk shall then cause the amount to
7 be added to the municipal levy and collected in the same manner as the municipal
8 tax except the amount for the state trust fund loan shall be separately designated.
9 Upon receipt of a certified statement by a school district clerk from a cooperative
10 educational service agency, the clerk shall cause the amount for which the district
11 is responsible under s. 24.61 (7) to be added to the school district levy and collected
12 in the same manner as the school district tax, except that the amount for the loan
13 shall be separately stated. This subsection does not apply to revenue obligation trust
14 fund loans.

15 **SECTION 25.** 24.70 (6) of the statutes is amended to read:

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

23 **SECTION 26.** 24.71 (5) of the statutes is amended to read:

24 **24.71 (5) FAILURE TO MAKE PAYMENT.** If the school district treasurer fails to remit
25 the amounts due under sub. (4), the state superintendent, upon certification of

1 delinquency by the board, shall deduct the amount due including any penalty from
2 any school aid payments due the school district, shall remit such amount to the
3 ~~secretary of administration board~~ and, no later than June 15, shall notify the school
4 district treasurer ~~and the board~~ to that effect.

5 **SECTION 27.** 24.715 (4) of the statutes is amended to read:

6 24.715 (4) FAILURE TO MAKE PAYMENT. If the system board fails to remit the
7 amounts due under sub. (3), the state superintendent, upon certification of
8 delinquency by the board, shall deduct the amount due, including any penalty, from
9 any aid payments due the system, shall remit such amount to the ~~state treasurer~~
10 ~~board~~ and, no later than June 15, shall notify the system board ~~and the board~~ to that
11 effect.

12 **SECTION 28.** 24.716 (4) of the statutes is amended to read:

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

19 **SECTION 29.** 24.717 (4) of the statutes is amended to read:

20 24.717 (4) FAILURE TO MAKE PAYMENT. If the local professional baseball park
21 district board fails to remit the amounts due under sub. (3), the secretary of
22 administration, upon certification of delinquency by the board of commissioners of
23 public lands, shall deduct the amount due, including any penalty, from any state
24 payments due the district, shall remit such amount to the ~~secretary of~~

1 ~~administration board~~, and, no later than June 15, shall notify the district board and
2 the board of commissioners of public lands to that effect.

3 **SECTION 30.** 121.07 (1) (a) of the statutes is amended to read:

4 121.07 (1) (a) The membership of the school district in the previous school year
5 and the shared cost for the previous school year shall be used in computing general
6 aid. ~~If a school district has a state trust fund loan as a result of s. 24.61 (3) (c) 2., the~~
7 ~~school district's debt service costs shall be based upon current school year costs for~~
8 ~~the term of the loan and for one additional school year.~~

9 (END)

D-Note

INSERT RELATING CLAUSE

1 , authorizing the Board of Commissioners of Public Lands to make certain
2 investments, application requirements for certain state trust fund loans, persons
3 authorized to execute certificates of indebtedness, and collection procedures for
4 outstanding state trust fund loans

INSERT ANALYSIS

Under current law, the Board of Commissioners of Public Lands (BCPL) may invest moneys in the common school fund, the normal school fund, the university fund, and the agricultural college fund (~~collectively the~~ trust funds) in certain specified investments. Under current law, BCPL also administers a state trust fund loan program under which it makes loans from moneys belonging to the trust funds to school districts, local governments, and certain other public entities for certain public purposes.

This bill authorizes BCPL, in addition to its authority under current law to make loans that are the general obligation of the borrower (~~general obligation loans~~), to make loans that are secured by the revenue generated by the activity for which the loan is made (~~revenue obligation loans~~). Under the bill, BCPL may make a revenue obligation loan only if it is made for the purpose of financing, or refinancing, a project that is secured by a pledge and first priority assignment of the revenue that the municipality will receive from moneys generated by the project or for the purpose of financing, or refinancing, project costs that are secured by a pledge and first priority assignment of tax increments that will be allocated to the municipality for those costs by the Department of Revenue under the tax incremental financing program. The bill provides that a revenue obligation loan may be made for any term not exceeding 30 years and may be made payable in installments. The bill further specifies that if a revenue obligation loan is secured by a pledge and assignment of tax increments, then the loan may not exceed an amount that would require the municipality to make annual payments of more than 80 percent of the municipality's shared revenue payments received in the previous year.

The bill also does the following:

1. It provides that, in addition to BCPL's authority under current law to invest in bonds issued by this state, or by a town, village, city, county, or school district, it may also invest in notes or other instruments of indebtedness issued by any of those entities.
2. It authorizes BCPL to invest in bonds, notes, and other instruments of indebtedness issued by a metropolitan sewerage district or a technical college district.
3. It authorizes BCPL to invest in financial institution accounts that are insured by a deposit insurance corporation.

X 4. (It) specifies that all bonds, notes, or other instruments of indebtedness and securities purchased by BCPL must be deposited in a manner determined by the board. Under current law, the deposit must be made with the secretary of administration.

X 5. (It) provides that if BCPL makes a loan for the purpose of paying off existing indebtedness, the making of the loan and the payment of the existing indebtedness must be treated as if they occur simultaneously.

INSERT 3-11

1 SECTION 1. 24.63 (1) (title) of the statutes is amended to read:

2 24.63 (1) (title) LOANS GENERAL OBLIGATION LOANS OTHER THAN TO SCHOOL
3 DISTRICTS.

Insert 4-8

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

4 SECTION 2. 24.63 (2) of the statutes is amended to read:

5 24.63 (2) SCHOOL DISTRICT GENERAL OBLIGATION LOANS. A general obligation state
6 trust fund loan to a school district may be made for any time, not exceeding 20 years,
7 as is agreed upon between the school district and the board, and for an amount which,
8 together with all other indebtedness of that district, does not exceed its allowable
9 indebtedness as determined under s. 67.03 (1).

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

INSERT 5-14

10 and first priority assignment of those revenues to pay off the loan

INSERT 5-19

11 and first priority assignment of that allocation to pay off the loan

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2150/1dn

RNK: *kgf*

Date

This redraft incorporates the changes discussed at our recent meeting. Please have Tom German at the Board of Commissioners of Public Lands (BCPL) closely review the language in the draft with regard to assignment of revenues and tax increments as security for making a revenue obligation loan. I am deferring to his expertise to ensure that this language is sufficient to fully protect BCPLs interests with regard to making revenue obligation loans.

Please feel free to contact me if you have any questions with regard to this draft.

Robin N. Kite
Senior Legislative Attorney
Phone: (608) 266-7291
E-mail: robin.kite@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

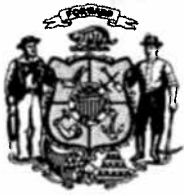
LRB-2150/1dn
RNK:kjf:jf

September 1, 2011

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Robin N. Kite
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Phone: (608) 266-7291
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Wed. 9/7
State of Wisconsin
2011 - 2012 LEGISLATURE



RM rw
2

LRB-2150/19

RNK/MES/EVM:jld&kjf:jf

Stays

2011 BILL

In 9/6

D-Note

Regen

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

Analysis by the Legislative Reference Bureau

Under current law, the Board of Commissioners of Public Lands (BCPL) may invest moneys in the common school fund, the normal school fund, the university

BILL

fund, and the agricultural college fund (trust funds) in certain specified investments. Under current law, BCPL also administers a state trust fund loan program under which it makes loans from moneys belonging to the trust funds to school districts, local governments, and certain other public entities for certain public purposes.

This bill authorizes BCPL, in addition to its authority under current law to make loans that are the general obligation of the borrower, to make loans that are secured by the revenue generated by the activity for which the loan is made (revenue obligation loans). Under the bill, BCPL may make a revenue obligation loan only if it is made for the purpose of financing, or refinancing, a project that is secured by a pledge and first priority assignment of the revenue that the municipality will receive from moneys generated by the project or for the purpose of financing, or refinancing, project costs that are secured by a pledge and first priority assignment of tax increments that will be allocated to the municipality for those costs by the Department of Revenue under the tax incremental financing program. The bill provides that a revenue obligation loan may be made for any term not exceeding 30 years and may be made payable in installments. The bill further specifies that if a revenue obligation loan is secured by a pledge and assignment of tax increments, then the loan may not exceed an amount that would require the municipality to make annual payments of more than 80 percent of the municipality's shared revenue payments received in the previous year.

The bill also does the following:

1. Provides that, in addition to BCPL's authority under current law to invest in bonds issued by this state, or by a town, village, city, county, or school district, it may also invest in notes or other instruments of indebtedness issued by any of those entities.
2. Authorizes BCPL to invest in bonds, notes, and other instruments of indebtedness issued by a metropolitan sewerage district or a technical college district.
3. Authorizes BCPL to invest in financial institution accounts that are insured by a deposit insurance corporation.
4. Specifies that all bonds, notes, or other instruments of indebtedness and securities purchased by BCPL must be deposited in a manner determined by the board. Under current law, the deposit must be made with the secretary of administration.
5. Provides that if BCPL makes a loan for the purpose of paying off existing indebtedness, the making of the loan and the payment of the existing indebtedness must be treated as if they occur simultaneously.

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:

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BILL

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2 that is the general obligation of the borrower.

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4 24.60 (2m) "Revenue obligation trust fund loan" means a state trust fund loan
5 that is made to a municipality and to which any of the following applies:

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

9 (b) It is made for the purpose of financing or refinancing project costs, as defined
10 in s. 66.1105 (2) (f), and is secured by a pledge and assignment of the tax increments
11 that will be allocated to the municipality for those project costs by the department
12 of revenue under s. 66.1105 (6).

INS.
3-12

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

14 24.61 (2) (a) 3. Bonds of, notes, or other instruments of indebtedness issued by
15 this state.

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

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21 24.61 (2) (a) 11. Financial institution accounts that are insured by a deposit
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23 **SECTION 6.** 24.61 (2) (b) of the statutes is amended to read:

24 24.61 (2) (b) ~~Deposited with secretary of administration~~ Manner for holding
25 securities. All bonds, notes, and other instruments of indebtedness and securities

BILL

SECTION 6

1 purchased under par. (a) shall be ~~deposited with the secretary of administration held~~
2 in a manner determined by the board.

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

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

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

6 24.61 (4) (title) LOAN LIMITATIONS TO COUNTIES.

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

8 24.61 (4m) LOANS TO PAY OFF EXISTING INDEBTEDNESS. If the board makes a loan
9 to a municipality to pay off existing indebtedness, the making of the loan and the
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13 24.63 (1) (title) ~~LOANS~~ GENERAL OBLIGATION LOANS OTHER THAN TO SCHOOL
14 DISTRICTS.

15 **SECTION 12.** 24.63 (1) of the statutes is renumbered 24.63 (1) (a) and amended
16 to read:

17 24.63 (1) (a) A state general obligation trust fund loan, other than a loan to a
18 school district, may be made for any term not exceeding 20 years and may be made
19 payable in installments. A state general obligation trust fund loan to a municipality
20 other than a school district shall be in an amount which does not, together with all
21 other indebtedness of the municipality applying for the loan, exceed 5% of the
22 valuation of the taxable property within the municipality as equalized for state
23 purposes. ~~If a state trust fund loan is made to pay off existing indebtedness, it may~~
24 ~~be advanced to the borrower in installments as fast as the indebtedness or the~~
25 ~~evidence of indebtedness is canceled.~~

Revenue obligation loans. (CS)

SECTION 13

city, county, village, or town

INS.
5-1

BILL

SECTION 13. 24.63 (1) (b) of the statutes is created to read:

24.63 (1) (b) 1. A revenue obligation trust fund loan to a municipality may be made for any term not exceeding 30 years and may be made payable in installments.

(2) If the board makes a revenue obligation trust fund loan to a municipality as described in s. 24.60 (2m) (b), the loan may not exceed an amount that would require the municipality to make annual payments, including principal and interest, of more than 80 percent of the municipality's shared revenue payments received under subch. I of ch. 79 in the year immediately preceding the year in which the loan application is made.

SECTION 14. 24.63 (2) of the statutes is amended to read:

~~24.63 (2) SCHOOL DISTRICT GENERAL OBLIGATION LOANS. A general obligation state trust fund loan to a school district may be made for any time, not exceeding 20 years, as is agreed upon between the school district and the board, and for an amount which, together with all other indebtedness of that district, does not exceed its allowable indebtedness as determined under s. 67.03 (1).~~

SECTION 15. 24.66 (1) (intro.) of the statutes is renumbered 24.66 (1) (ag) and amended to read:

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

by the city, county, village, or town

BILL

SECTION 15

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

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

5 24.66 (1) (bg) 1. ~~Of the~~ The valuation of all the taxable property within the
6 municipality as equalized for state purposes;

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

9 24.66 (1) (bg) 2. ~~Of all~~ All the existing indebtedness of the municipality; ~~and~~

10 **SECTION 18.** 24.66 (1) (c) of the statutes is renumbered 24.66 (1) (bg) 3. and
11 amended to read:

12 24.66 (1) (bg) 3. ~~Of the~~ The approval of the application as required by subs. (2)
13 to (4).

14 **SECTION 19.** 24.66 (1) (cg) of the statutes is created to read:

15 24.66 (1) (cg) An application for a revenue obligation trust fund loan shall be
16 accompanied by all of the following:

17 1. If the loan is for a project that will be secured in the manner specified in s.
18 24.60 (2m) (a), a statement of the revenue that the municipality anticipates receiving
19 from moneys generated by that project, and the municipality's pledge and first
20 priority assignment of those revenues to pay off the loan.

21 2. If the loan is for project costs that will be secured in the manner specified in
22 s. 24.60 (2m) (b), ^{+o (d) ✓} a statement of the tax increments that the municipality anticipates
23 will be allocated to the municipality for those project costs by the department of
24 revenue under s. 66.1105 (6) and the municipality's pledge and first priority
25 assignment of that allocation to pay off the loan.

BILL

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

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

5 **SECTION 20.** 24.66 (3m) of the statutes is amended to read:

6 **24.66 (3m)** FOR EDUCATIONAL TECHNOLOGY OR DISTANCE EDUCATION LOANS. An
7 application by a county, city, village or town to undertake an educational technology
8 or distance education project, ~~or by a consortium that includes a county, city, village~~
9 ~~or town under s. 24.61 (3) (d)~~ shall be accompanied by a resolution of the county or
10 municipal library board for that county, city, village or town, ~~or the county or~~
11 ~~municipal library board of each county, city, village or town participating in the~~
12 ~~consortium~~, requesting the county, city, village or town to apply for the loan for the
13 purpose of conducting an educational technology or distance education project.

14 **SECTION 21.** 24.66 (5) (a) of the statutes is amended to read:

15 **24.66 (5) (a)** Every application for a general obligation trust fund loan under
16 this section by a municipality shall be accompanied by a certified copy under the
17 hand of the proper clerk of a recorded resolution adopted by the municipality
18 applying for or approving the loan, levying, except as provided in par. (b), upon all
19 the taxable property of the municipality a direct annual tax for the purpose of paying
20 and sufficient to pay the principal and interest on the proposed loan as they become
21 due. In a 1st class city school district, the application shall be accompanied by a
22 certified copy of a resolution, adopted by the board of school directors, stating that
23 it is the intention of the board of school directors to include in its budget transmitted
24 to the common council under s. 119.16 (8) (b) a written notice specifying the amount
25 of money necessary to pay the principal and interest on the loan as they become due.

BILL**SECTION 21**

1 Every application for a general obligation trust fund loan under this subsection by
2 a cooperative educational service agency shall be accompanied by a copy of a recorded
3 resolution adopted by the school board of each school district for which the loan is
4 sought, certified by the school district clerk of that school district, levying upon all
5 taxable property of the school district a direct annual tax for the purpose of paying
6 and sufficient to pay the school district's share of the principal and interest on the
7 proposed loan as they become due. The levy imposed by the municipality shall be
8 void if the board declines to make the loan; otherwise it shall remain valid and
9 irrevocable until the loan and all interest on the loan are fully paid.

10 **SECTION 22.** 24.67 (1) (d) of the statutes is amended to read:

11 24.67 (1) (d) For a city, by its mayor or city manager.

12 **SECTION 23.** 24.67 (2) (a) of the statutes is amended to read:

13 24.67 (2) (a) For the county, town, village, or city, by the clerk of that county,
14 town, village, or city.

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

16 24.67 (3) If a municipality has acted under subs. (1) and (2), it shall certify that
17 fact to the ~~department of administration~~ board. Upon receiving a certification from
18 a municipality, or upon direction of the board if a loan is made to a cooperative
19 educational service agency, drainage district created under ch. 88, local professional
20 baseball park district created under subch. III of ch. 229, or a federated public library
21 system, the ~~secretary of administration~~ board shall ~~draw a warrant for~~ disburse the
22 ~~amount of the loan~~ amount, payable to the treasurer of the municipality, cooperative
23 educational service agency, drainage district, or federated public library system
24 making the loan or as the treasurer of the municipality, cooperative educational
25 service agency, drainage district, local professional baseball park district, or

BILL

1 federated public library system directs. The certificate of indebtedness shall then be
2 conclusive evidence of the validity of the indebtedness and that all the requirements
3 of law concerning the application for the making and acceptance of the loan have
4 been complied with.

5 **SECTION 25.** 24.68 of the statutes is amended to read:

6 **24.68 Payment of state trust fund loans.** All the taxable property in any
7 municipality which obtains a general obligation trust fund loan shall stand charged
8 for the payment of the principal and interest on that loan.

9 **SECTION 26.** 24.70 (3) of the statutes is amended to read:

10 24.70 (3) AMOUNT ADDED TO MUNICIPAL LEVY. Upon receipt of a certified
11 statement by a municipal clerk, the municipal clerk shall then cause the amount to
12 be added to the municipal levy and collected in the same manner as the municipal
13 tax except the amount for the state trust fund loan shall be separately designated.
14 Upon receipt of a certified statement by a school district clerk from a cooperative
15 educational service agency, the clerk shall cause the amount for which the district
16 is responsible under s. 24.61 (7) to be added to the school district levy and collected
17 in the same manner as the school district tax, except that the amount for the loan
18 shall be separately stated. This subsection does not apply to revenue obligation trust
19 fund loans.

20 **SECTION 27.** 24.70 (6) of the statutes is amended to read:

21 24.70 (6) FAILURE TO MAKE PAYMENTS. If any municipality fails to remit the
22 amount due by the date specified under sub. (4), the board ~~may~~ shall file a certified
23 statement of the delinquent amount with the department of administration. The
24 secretary of administration shall collect the amount due, including any penalty, by
25 deducting that amount from any state payments due the municipality ~~and~~, shall

BILL**SECTION 27**

1 notify the treasurer and the board of that action, and shall immediately remit to the
2 board any amounts deducted from any state payments due to the municipality.

3 **SECTION 28.** 24.71 (5) of the statutes is amended to read:

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

10 **SECTION 29.** 24.715 (4) of the statutes is amended to read:

11 24.715 (4) FAILURE TO MAKE PAYMENT. If the system board fails to remit the
12 amounts due under sub. (3), the state superintendent, upon certification of
13 delinquency by the board, shall deduct the amount due, including any penalty, from
14 any aid payments due the system, shall remit such amount to the ~~state treasurer~~
15 board and, no later than June 15, shall notify the system board ~~and the board~~ to that
16 effect.

17 **SECTION 30.** 24.716 (4) of the statutes is amended to read:

18 24.716 (4) FAILURE TO MAKE PAYMENT. If the district board fails to remit the
19 amounts due under sub. (3), the secretary of administration, upon certification of
20 delinquency by the board of commissioners of public lands, shall deduct the amount
21 due, including any penalty, from any state aid payments due the district, shall remit
22 such amount to the ~~secretary of administration~~ board, and, no later than June 15,
23 shall notify the district board ~~and the board~~ to that effect.

24 **SECTION 31.** 24.717 (4) of the statutes is amended to read:

BILL

1 24.717 (4) FAILURE TO MAKE PAYMENT. If the local professional baseball park
 2 district board fails to remit the amounts due under sub. (3), the secretary of
 3 administration, upon certification of delinquency by the board of commissioners of
 4 public lands, shall deduct the amount due, including any penalty, from any state
 5 payments due the district, shall remit such amount to the ~~secretary of~~
 6 ~~administration~~ board, and, no later than June 15, shall notify the district board and
 7 the board of commissioners of public lands to that effect.

8 **SECTION 32.** 121.07 (1) (a) of the statutes is amended to read:

9 121.07 (1) (a) ~~The membership of the school district in the previous school year~~
 10 ~~and the shared cost for the previous school year shall be used in computing general~~
 11 ~~aid. If a school district has a state trust fund loan as a result of s. 24.61 (3) (c) 2., the~~
 12 ~~school district's debt service costs shall be based upon current school year costs for~~
 13 ~~the term of the loan and for one additional school year.~~

14

(END)

INS.
11-13

D-Note

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2150/2ins.
RNK:.....

INSERT 3-12

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

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

INSERT 5-1

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

10 24.63 (1) LOANS GENERAL OBLIGATION LOANS OTHER THAN TO SCHOOL DISTRICTS.

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

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

20 (2) SCHOOL GENERAL OBLIGATION SCHOOL DISTRICT LOANS. A state general

21 obligation trust fund loan to a school district may be made for any time, not exceeding
22 20 years, as is agreed upon between the school district and the board, and for an

1 amount which, together with all other general obligation indebtedness of that
2 district, does not exceed its allowable indebtedness as determined under s. 67.03 (1).

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

3 **(2m)** COOPERATIVE GENERAL OBLIGATION COOPERATIVE EDUCATIONAL SERVICE
4 AGENCY LOANS. A state general obligation trust fund loan to a cooperative educational
5 service agency may be made for any term, not exceeding 20 years, as is agreed upon
6 between the agency and the board, and for a total amount which, for each school
7 district for which the loan is sought, in the proportion determined under s. 24.61 (7),
8 together with all other general obligation indebtedness of the school district, does not
9 exceed the school district's allowable indebtedness under s. 67.03 (1).

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

10 **(2r)** FEDERATED GENERAL OBLIGATION FEDERATED PUBLIC LIBRARY SYSTEM LOANS.
11 A state general obligation trust fund loan to a federated public library system may
12 be made for any term, not exceeding 20 years, that is agreed upon between the
13 federated public library system and the board and may be made for a total amount
14 that, together with all other general obligation indebtedness of the federated public
15 library system, does not exceed the federated public library system's allowable
16 indebtedness under s. 43.17 (9) (b).

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27; 1999 a. 9; 2001 a. 16, 104; 2009 a. 2.

INSERT 11-13

17 **SECTION 2.** 121.07 (1) (a) of the statutes is amended to read:

18 121.07 (1) (a) The membership of the school district in the previous school year
19 and the shared cost for the previous school year shall be used in computing general
20 aid. If a school district has a state trust fund loan as a result of s. 24.61 (3) (c) 2., 2009


- 1 stats., the school district's debt service costs shall be based upon current school year
- 2 costs for the term of the loan and for one additional school year.

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286; 1999 a. 9, 17; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25; 2009 a. 28.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2150/2dn

RNK:...



Date

This redraft clarifies the kinds of revenue obligation loans that the Board of Commissioners of Public Lands will be authorized to make to municipalities. The changes in this version of the draft generally clarify that revenue obligation loans that are secured by an assignment of tax increments may only be made to cities, villages, counties, and towns and not to the other entities that are included in the definition of "municipality" under s. 24.60 (2).

Because this draft is complicated and technical, please have the interested parties review the draft closely.

Please feel free to contact me if you have any questions.

Robin N. Kite
Senior Legislative Attorney
Phone: (608) 266-7291
E-mail: robin.kite@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2150/2dn
RNK:kjf:ph

September 7, 2011

This redraft clarifies the kinds of revenue obligation loans that the Board of Commissioners of Public Lands will be authorized to make to municipalities. The changes in this version of the draft generally clarify that revenue obligation loans that are secured by an assignment of tax increments may only be made to cities, villages, counties, and towns and not to the other entities that are included in the definition of "municipality" under s. 24.60 (2).

Because this draft is complicated and technical, please have the interested parties review the draft closely.

Please feel free to contact me if you have any questions.

Robin N. Kite
Senior Legislative Attorney
Phone: (608) 266-7291
E-mail: robin.kite@legis.wisconsin.gov

Kite, Robin

From: Kite, Robin
Sent: Tuesday, September 13, 2011 3:30 PM
To: German, Tom - BCPL
Cc: Nelson, Tia - BCPL; Schmidt, Melissa; Griffiths, Terri
Subject: RE: Drafting question

Tom:

Thank you for responding to my question. It is impossible, of course, to predict how a court would rule on this issue. I wanted to raise the issue in the event that you thought that additional language might be needed in the draft. Based on your analysis and conclusion, I will not address the issue further in the draft.

Thanks again.
Robin

From: German, Tom - BCPL [mailto:Tom.German@Wisconsin.gov]
Sent: Tuesday, September 13, 2011 11:40 AM
To: Kite, Robin; Nelson, Tia - BCPL
Cc: Schmidt, Melissa; Shovers, Marc; Griffiths, Terri; Murphy, Anne C - DOJ
Subject: RE: Drafting question

Hi Robin,

I agree with your understanding of the proposed language.

When Rebecca raised the issue that the proposed new revenue loans might be considered general obligation debt, I had the same question that you did regarding the effect of the shared revenue intercept.

However, my concerns were diminished after talking separately to Jeff Peelen at Quarles and then listening to Rebecca's points during our meeting.

I believe the primary point that Rebecca was making is that unconditionally pledging a stream of tax increment revenue may turn the proposed trust fund loans into general obligation debt. Under the City of Hartford case, the court noted that "tax increments are not independent sources of revenue" and "the City will collect tax increments as a part of its general property taxes" and "the general property tax is the source of the revenue in the special fund" and finally, "we conclude that the City's TIF bonds ... constitute debt because they are payable solely from general property tax revenue." I believe that Rebecca's proposed language will effectively deal with this concern.

It is my understanding that a statute authorizing the interception of shared revenue would **not** necessarily turn the proposed new loans into general obligation debt. I base my conclusion on my understanding that clean water fund loans made by DOA pursuant to Wis. Stats. Section 281.59 may be considered "revenue loans" and not "general obligation loans" despite the existence of the state aid intercept provision contained in Wis. Stat. Section 281.59(11)(b).

I do not profess to be an expert on Section 281.59 so if there are lingering concerns about the effect of the intercept issue in our present situation, I would suggest a review of the drafting notes or other pertinent memos on Section 281.59. Otherwise, I don't think the issue would need to be addressed further in the draft.

Thank you again for your thoughtful questions and diligent work on this complex topic. If I can be of any further assistance, please do not hesitate to ask.

Sincerely,

9/14/2011

Tom German, Deputy Secretary
Office: (608) 267-2233
Fax: (608) 267-2787
Tom.German@wisconsin.gov

<mailto:Robin.Kite@legis.wisconsin.gov>
September 13, 2011 8:13 AM
CPL; German, Tom - BCPL
sa - LEGIS; Shovers, Marc - LEGIS; Griffiths, Terri - LEGIS
g question

Tia and Tom:

Melissa Schmidt raised an issue that I wanted to bring to your attention.

My understanding about the language that you proposed (i.e., specifying that a borrower's pledge of tax increments may be made subject to the borrower's future annual appropriations) is that this language is intended to sufficiently attenuate the borrower's repayment obligation so that a revenue loan would not be construed to be the general obligation of the borrower. Is there a risk that BCPL's ability to "intercept" state aid under s. 24.70 may be construed by a court to have the effect of making repayment of this loan a general obligation of the borrower given that this intercept provision is "unconditional"? Please let me know if you believe that this issue needs to be addressed in the draft.

Thank you.

Robin

Robin N. Kite
Senior Legislative Attorney
Wisconsin Legislative Reference Bureau
1 E. Main St., Suite 200
Madison, WI 53703
(608) 266-7291

9/14/2011

Kite, Robin

From: German, Tom - BCPL [Tom.German@Wisconsin.gov]
Sent: Friday, September 09, 2011 2:43 PM
To: Griffiths, Terri
Cc: Nelson, Tia - BCPL; Murphy, Anne C - DOJ; Kite, Robin; Schmidt, Melissa; Kelley, Margit; Mulmuley, Sanchit; Shovers, Marc
Subject: RE: Most Recent BCPL Draft
 Hi Terri,

After discussing the alternate proposals from Atty. Rebecca Speckhard with our counsel from D.O.J., we believe that Option 1 is the better way to go.

"The pledge of tax increments may be made subject to future annual appropriation by the governing body of the borrower and such other conditions as the board shall prescribe."

We believe that this language offers the best solution to the potential problem of an inadvertent conversion of the loan from a revenue loan to a general obligation loan.

There is one additional point that should also be addressed. At the end of our meeting yesterday, Margit noted that there was nothing in the bill regarding the interception of state aid or shared revenue. Originally, I thought there was no need to amend the "aid interception" statutes as I thought the language was broad enough to cover both revenue and general obligation trust fund loans. However, Margit's question prompted me to go back and look at those provisions more closely again. Upon further review, I believe a change is needed.

For example, Wis. Stats. Section 24.70 (6) contains the aid intercept provision. This subsection refers to loans not paid by the time referenced in subsection (4). Subsection (6) appears to be fine as is. However, the language in subsection (4) requires borrowers to transmit to BCPL, "...the full amount levied for state trust fund loans within 15 days after March 15." (emphasis added). While subsection (6) makes no reference to "levy" I suggest that subsection (4) be amended such that the word "levy" is deleted and replaced with the word "due" in order to properly address both general obligation loans and revenue loans. On a more minor note, I also suggest that the word "transmit" be deleted and replaced with the word "remit" in Subsection (4) to resolve the slight wording discrepancy with subsection (6). I also suggest that subsection (3) should be amended to reflect that this subsection applies only to general obligation loans. I discussed these items with Robin Kite earlier today.

Wis. Stats. Sections 24.71, 24.715, 24.716 and 24.717 have the same issues regarding the use of the words "levy" and "transmit." Each of these statutes should be amended similarly.

Thank you again for your help in addressing these matters.

Sincerely,

Tom German, BCPL Deputy Secretary
 Office: (608) 267-2233
 Fax: (608) 267-2787
Tom.German@wisconsin.gov

*City of Hartford v. Kirley,
 Dick v. Unified School District
 of Arden*

From: Griffiths, Terri [mailto:Terri.Griffiths@legis.wisconsin.gov]
Sent: Thursday, September 08, 2011 10:08 AM
To: German, Tom - BCPL; Nelson, Tia - BCPL
Cc: Schmidt, Melissa - LEGIS; Kelley, Margit - LEGIS; Mulmuley, Sanchit - LEGIS
Subject: RE: Most Recent BCPL Draft

Thank you for taking time to meet this morning. You should have all received language from Att. Speckhard and I look forward to your comments.

Terri

9/12/2011

9/8/11 - Meeting
Rep. Brooks - 20 N

Bond counsel - Valley of Neecedah

pledge of tax increments

built in to documents -
annual appropriation conditions

case -

if subject to future annual approp. conditions -
then not debt -

need language to break "unconditional pledge"

pledge - shall be may be subject
to such conditions as BCPL finds acceptable

→ each payment is subject of Neecedah's
appropriation of that amount

24.70(6) - intercept statute

165 Wis 2d 458

Kite, Robin

From: Speckhard, Rebecca A. [rebecca.speckhard@quarles.com]
Sent: Thursday, September 08, 2011 10:00 AM
To: Griffiths, Terri; German, Tom - BCPL; Nelson, Tia - BCPL; Murphy, Anne C - DOJ
Cc: Schmidt, Melissa; Kelley, Margit; Mulmuley, Sanchit; Kite, Robin; Peelen, Jeffrey D.
Subject: RE: BCPL Draft

Ladies and Gentlemen,

Thank you all for taking the time to speak with us today. As discussed, below are two options for a sentence which could be added at the end of proposed Sections 24.60(2m)(b) and 24.66(1)(cg)2. to alleviate the debt concern associated with the unconditional pledge of tax increments.

OPTION 1:

The pledge of tax increments may be made subject to future annual appropriation by the governing body of the borrower and such other conditions as the board shall prescribe.

OPTION 2:

The pledge of tax increments may be made subject to such conditions as the board shall prescribe.

Again, we appreciate having the opportunity to review the draft legislation. Please do not hesitate to contact me if you have any questions.

Rebecca

Rebecca A. Speckhard
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 Quarles & Brady LLP
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 Suite 2040
 Milwaukee, Wisconsin 53202-4497
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 P: (414) 277-5761
 F: (414) 271-3552
rebecca.speckhard@quarles.com

From: Griffiths, Terri [mailto:Terri.Griffiths@legis.wisconsin.gov]
Sent: Wednesday, September 07, 2011 3:10 PM
To: German, Tom - BCPL; Nelson, Tia - BCPL; Murphy, Anne C - DOJ
Cc: Schmidt, Melissa; Kelley, Margit; Mulmuley, Sanchit; Kite, Robin; Speckhard, Rebecca A.
Subject: BCPL Draft

Today we learned of a constitutional concern regarding the draft LRB 2150 which relates to authorizing BCPL to make revenue obligation trust fund loans...

Legislative Council Attorney's Melissa Schmidt and Margit Kelley and I had a phone conference with Att. Rebecca Speckhard of Quarles and Brady who is bond counsel for the Village of Necedah.

Rebecca raised a concern with the draft as to "secured" and cited City of Hartford v. Kirley (172 Wis 2nd 191) and I will not attempt to summarize the specifics here.

I believe another meeting via phone is in order to clarify the concern and address proposed changes.

9/12/2011

I would like to invite you to join me in Rep. Brooks office Thursday morning at 9:00 for a phone conference with Att. Rebecca Speckhard. Or you may join by phone if that works better with your schedule.

Please let me know if you need me to call you to join the phone conference.

Thank you,

Terri S. Griffiths
Office of Rep. Ed Brooks
266-8531
888-534-0050

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Fri. 9/16
State of Wisconsin
2011 - 2012 LEGISLATURE

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3

LRB-2150/2

RNK/MES/EVM:jld&kjf:ph

Stays

2011 BILL

In
9/14

Reger

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 (6), 24.71 (5), 24.715 (4), 24.716 (4), 24.717 (4) and 121.07 (1) (a); and *to create*
6 24.60 (1w), 24.60 (2m), 24.61 (2) (a) 11., 24.61 (4m), 24.63 (2s) and 24.66 (1) (cg)
7 of the statutes; **relating to:** authorizing the Board of Commissioners of Public
8 Lands to make revenue obligation trust fund loans to certain municipalities,
9 authorizing the Board of Commissioners of Public Lands to make certain
10 investments, application requirements for certain state trust fund loans,
11 persons authorized to execute certificates of indebtedness, and collection
12 procedures for outstanding state trust fund loans.

Analysis by the Legislative Reference Bureau

Under current law, the Board of Commissioners of Public Lands (BCPL) may invest moneys in the common school fund, the normal school fund, the university

BILL

fund, and the agricultural college fund (trust funds) in certain specified investments. Under current law, BCPL also administers a state trust fund loan program under which it makes loans from moneys belonging to the trust funds to school districts, local governments, and certain other public entities for certain public purposes.

This bill authorizes BCPL, in addition to its authority under current law to make loans that are the general obligation of the borrower, to make loans that are secured by the revenue generated by the activity for which the loan is made (revenue obligation loans). Under the bill, BCPL may make a revenue obligation loan only if it is made for the purpose of financing, or refinancing, a project that is secured by a pledge and first priority assignment of the revenue that the municipality will receive from moneys generated by the project or for the purpose of financing, or refinancing, project costs that are secured by a pledge and first priority assignment of tax increments that will be allocated to the municipality for those costs by the Department of Revenue under the tax incremental financing program. The bill provides that a revenue obligation loan may be made for any term not exceeding 30 years and may be made payable in installments. The bill further specifies that if a revenue obligation loan is secured by a pledge and assignment of tax increments, then the loan may not exceed an amount that would require the municipality to make annual payments of more than 80 percent of the municipality's shared revenue payments received in the previous year.

The bill also does the following:

1. Provides that, in addition to BCPL's authority under current law to invest in bonds issued by this state, or by a town, village, city, county, or school district, it may also invest in notes or other instruments of indebtedness issued by any of those entities.
2. Authorizes BCPL to invest in bonds, notes, and other instruments of indebtedness issued by a metropolitan sewerage district or a technical college district.
3. Authorizes BCPL to invest in financial institution accounts that are insured by a deposit insurance corporation.
4. Specifies that all bonds, notes, or other instruments of indebtedness and securities purchased by BCPL must be deposited in a manner determined by the board. Under current law, the deposit must be made with the secretary of administration.
5. Provides that if BCPL makes a loan for the purpose of paying off existing indebtedness, the making of the loan and the payment of the existing indebtedness must be treated as if they occur simultaneously.

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 24.60 (1w) "General obligation trust fund loan" means a state trust fund loan
2 that is the general obligation of the borrower.

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

4 24.60 (2m) "Revenue obligation trust fund loan" means a state trust fund loan
5 to which any of the following applies:

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

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

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

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

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

23 24.61 (2) (a) 3. Bonds of, notes, or other instruments of indebtedness issued by
24 this state.

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

BILL**SECTION 4**

1 24.61 (2) (a) 4. Bonds, notes, or other instruments of indebtedness issued
2 pursuant to law by any town, village, city, county, metropolitan sewerage district,
3 technical college district, or school district of this state.

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

5 24.61 (2) (a) 11. Financial institution accounts that are insured by a deposit
6 insurance corporation, as defined in s. 214.01 (1) (h).

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

8 24.61 (2) (b) ~~Deposited with secretary of administration~~ Manner for holding
9 securities. All bonds, notes, and other instruments of indebtedness and securities
10 purchased under par. (a) shall be ~~deposited with the secretary of administration~~ held
11 in a manner determined by the board.

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

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

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

15 24.61 (4) (title) LOAN LIMITATIONS TO COUNTIES.

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

17 24.61 (4m) LOANS TO PAY OFF EXISTING INDEBTEDNESS. If the board makes a loan
18 to a municipality to pay off existing indebtedness, the making of the loan and the
19 payment of the existing indebtedness shall be treated as if they occur
20 simultaneously.

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

22 24.63 (1) LOANS GENERAL OBLIGATION LOANS OTHER THAN TO SCHOOL DISTRICTS.

23 A state general obligation trust fund loan, other than a loan to a school district, may
24 be made for any term not exceeding 20 years and may be made payable in
25 installments. A ~~state~~ general obligation trust fund loan to a municipality other than

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1 a school district shall be in an amount which does not, together with all other
2 indebtedness of the municipality applying for the loan, exceed 5% of the valuation
3 of the taxable property within the municipality as equalized for state purposes. If
4 a state trust fund loan is made to pay off existing indebtedness, it may be advanced
5 to the borrower in installments as fast as the indebtedness or the evidence of
6 indebtedness is canceled.

7 (2) ~~SCHOOL~~ GENERAL OBLIGATION SCHOOL DISTRICT LOANS. A state general
8 obligation trust fund loan to a school district may be made for any time, not exceeding
9 20 years, as is agreed upon between the school district and the board, and for an
10 amount which, together with all other general obligation indebtedness of that
11 district, does not exceed its allowable indebtedness as determined under s. 67.03 (1).

12 (2m) ~~COOPERATIVE~~ GENERAL OBLIGATION COOPERATIVE EDUCATIONAL SERVICE
13 AGENCY LOANS. A state general obligation trust fund loan to a cooperative educational
14 service agency may be made for any term, not exceeding 20 years, as is agreed upon
15 between the agency and the board, and for a total amount which, for each school
16 district for which the loan is sought, in the proportion determined under s. 24.61 (7),
17 together with all other general obligation indebtedness of the school district, does not
18 exceed the school district's allowable indebtedness under s. 67.03 (1).

19 (2r) ~~FEDERATED~~ GENERAL OBLIGATION FEDERATED PUBLIC LIBRARY SYSTEM LOANS.
20 A state general obligation trust fund loan to a federated public library system may
21 be made for any term, not exceeding 20 years, that is agreed upon between the
22 federated public library system and the board and may be made for a total amount
23 that, together with all other general obligation indebtedness of the federated public
24 library system, does not exceed the federated public library system's allowable
25 indebtedness under s. 43.17 (9) (b).

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

2 24.63 (2s) REVENUE OBLIGATION LOANS. (a) A revenue obligation trust fund loan
3 to a city, ~~county~~ village, ~~or town~~ ^{, or county} may be made for any term not exceeding 30 years
4 and may be made payable in installments.

5 (b) ^{1.} If the board makes a revenue obligation trust fund loan to a city, ~~county~~
6 village, ~~or town~~ ^{, or county} as described in s. 24.60 (2m) (b) to (d), the loan may not exceed an
7 amount that would require the city, ~~county~~ village, ~~or town~~ ^{, or county} to make annual
8 payments, including principal and interest, of more than 80 percent of the shared
9 revenue payments received by the city, ~~county~~ village, ~~or town~~ ^{, or county} under subch. I of ch.
10 79 in the year immediately preceding the year in which the loan application is made.

insert
6-10

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

13 24.66 (1) (ag) No trust fund loan may be made unless an application is made
14 to the board under this section. The application shall state the amount of money
15 required, the purpose to which it is to be applied, the times and terms of repayment,
16 ~~whether the loan is sought for an educational technology or distance education~~
17 ~~project under s. 24.61 (3) (d), and, in the case of a cooperative educational service~~
18 ~~agency, the names of the school districts participating in the distance education~~
19 ~~project for which the loan is sought. The~~

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

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

24 24.66 (1) (bg) 1. ~~Of the~~ The valuation of all the taxable property within the
25 municipality as equalized for state purposes;

BILL

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

3 24.66 (1) (bg) 2. ~~Of all~~ All the existing indebtedness of the municipality; ~~and.~~

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

6 24.66 (1) (bg) 3. ~~Of the~~ The approval of the application as required by subs. (2)
7 to (4).

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

9 24.66 (1) (cg) An application for a revenue obligation trust fund loan shall be
10 accompanied by all of the following:

11 1. If the loan is for a project that will be secured in the manner specified in s.
12 24.60 (2m) (a), a statement of the revenue that the municipality anticipates receiving
13 from moneys generated by that project, and the municipality's pledge and first
14 priority assignment of those revenues to pay off the loan.

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

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

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

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

BILL

1 24.66 (3m) FOR EDUCATIONAL TECHNOLOGY OR DISTANCE EDUCATION LOANS. An
2 application by a county, city, village or town to undertake an educational technology
3 or distance education project, ~~or by a consortium that includes a county, city, village~~
4 ~~or town under s. 24.61 (3) (d)~~ shall be accompanied by a resolution of the county or
5 municipal library board for that county, city, village or town, ~~or the county or~~
6 ~~municipal library board of each county, city, village or town participating in the~~
7 ~~consortium~~, requesting the county, city, village or town to apply for the loan for the
8 purpose of conducting an educational technology or distance education project.

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

10 24.66 (5) (a) Every application for a general obligation trust fund loan under
11 this section by a municipality shall be accompanied by a certified copy under the
12 hand of the proper clerk of a recorded resolution adopted by the municipality
13 applying for or approving the loan, levying, except as provided in par. (b), upon all
14 the taxable property of the municipality a direct annual tax for the purpose of paying
15 and sufficient to pay the principal and interest on the proposed loan as they become
16 due. In a 1st class city school district, the application shall be accompanied by a
17 certified copy of a resolution, adopted by the board of school directors, stating that
18 it is the intention of the board of school directors to include in its budget transmitted
19 to the common council under s. 119.16 (8) (b) a written notice specifying the amount
20 of money necessary to pay the principal and interest on the loan as they become due.
21 Every application for a general obligation trust fund loan under this subsection by
22 a cooperative educational service agency shall be accompanied by a copy of a recorded
23 resolution adopted by the school board of each school district for which the loan is
24 sought, certified by the school district clerk of that school district, levying upon all
25 taxable property of the school district a direct annual tax for the purpose of paying

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1 and sufficient to pay the school district's share of the principal and interest on the
2 proposed loan as they become due. The levy imposed by the municipality shall be
3 void if the board declines to make the loan; otherwise it shall remain valid and
4 irrevocable until the loan and all interest on the loan are fully paid.

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

6 24.67 (1) (d) For a city, by its mayor or city manager.

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

8 24.67 (2) (a) For the county, town, village, or city, by the clerk of that county,
9 town, village, or city.

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

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

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

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1 **24.68 Payment of state trust fund loans.** All the taxable property in any
2 municipality which obtains a general obligation trust fund loan shall stand charged
3 for the payment of the principal and interest on that loan.

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

5 **24.70 (3) AMOUNT ADDED TO MUNICIPAL LEVY.** Upon receipt of a certified
6 statement by a municipal clerk, the municipal clerk shall then cause the amount to
7 be added to the municipal levy and collected in the same manner as the municipal
8 tax except the amount for the state trust fund loan shall be separately designated.
9 Upon receipt of a certified statement by a school district clerk from a cooperative
10 educational service agency, the clerk shall cause the amount for which the district
11 is responsible under s. 24.61 (7) to be added to the school district levy and collected
12 in the same manner as the school district tax, except that the amount for the loan
13 shall be separately stated. This subsection does not apply to revenue obligation trust
14 fund loans.

15 **SECTION 25.** 24.70 (6) of the statutes is amended to read:

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

23 **SECTION 26.** 24.71 (5) of the statutes is amended to read:

24 **24.71 (5) FAILURE TO MAKE PAYMENT.** If the school district treasurer fails to remit
25 the amounts due under sub. (4), the state superintendent, upon certification of

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1 delinquency by the board, shall deduct the amount due including any penalty from
2 any school aid payments due the school district, shall remit such amount to the
3 ~~secretary of administration~~ board and, no later than June 15, shall notify the school
4 district treasurer ~~and the board~~ to that effect.

INSERT
11-5

5 **SECTION 27.** 24.715 (4) of the statutes is amended to read:

6 24.715 (4) FAILURE TO MAKE PAYMENT. If the system board fails to remit the
7 amounts due under sub. (3), the state superintendent, upon certification of
8 delinquency by the board, shall deduct the amount due, including any penalty, from
9 any aid payments due the system, shall remit such amount to the ~~state treasurer~~
10 board and, no later than June 15, shall notify the system board ~~and the board~~ to that
11 effect.

INSERT
11-11

12 **SECTION 28.** 24.716 (4) of the statutes is amended to read:

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

INSERT
11-18

19 **SECTION 29.** 24.717 (4) of the statutes is amended to read:

20 24.717 (4) FAILURE TO MAKE PAYMENT. If the local professional baseball park
21 district board fails to remit the amounts due under sub. (3), the secretary of
22 administration, upon certification of delinquency by the board of commissioners of
23 public lands, shall deduct the amount due, including any penalty, from any state
24 payments due the district, shall remit such amount to the ~~secretary of~~

BILL

1 ~~administration board~~ board, and, no later than June 15, shall notify the district board and
2 the board of commissioners of public lands to that effect.

3 **SECTION 30.** 121.07 (1) (a) of the statutes is amended to read:

4 121.07 (1) (a) The membership of the school district in the previous school year
5 and the shared cost for the previous school year shall be used in computing general
6 aid. If a school district has a state trust fund loan as a result of s. 24.61 (3) (c) 2., 2009
7 stats., the school district's debt service costs shall be based upon current school year
8 costs for the term of the loan and for one additional school year.

9 (END)

INSERT 6-10

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

5 3. The board may prescribe loan conditions in addition to the conditions
6 specified in this paragraph.

INSERT 10-14

7 **SECTION 1.** 24.70 (3) of the statutes is amended to read:

8 24.70 (3) AMOUNT ADDED TO MUNICIPAL LEVY. Upon receipt of a certified
9 statement by a municipal clerk, the municipal clerk shall then cause the amount to
10 be added to the municipal levy and collected in the same manner as the municipal
11 tax except the amount for the state trust fund loan shall be separately designated.
12 Upon receipt of a certified statement by a school district clerk from a cooperative
13 educational service agency, the clerk shall cause the amount for which the district
14 is responsible under s. 24.61 (7) to be added to the school district levy and collected
15 in the same manner as the school district tax, except that the amount for the loan
16 shall be separately stated. This subsection does not apply to the collection of revenue
17 obligation trust fund loans.

18 History: 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.70; 1987 a. 185, 378; 1995 a. 27; 2001 a. 16; 2003 a. 33; 2007 a. 20; 2009 a. 2, 28.

18 **SECTION 2.** 24.70 (4) of the statutes is amended to read:

19 24.70 (4) PAYMENT TO BOARD. The treasurer of each municipality shall ~~transmit~~
20 remit to the board on its order the full amount levied due for state trust fund loans
21 within 15 days after March 15. Each cooperative educational service agency shall
22 similarly ~~transmit~~ remit the annual amount owed on any state trust fund loan made

1 to the agency by that date. Any payment not made by March 30 is delinquent and
2 is subject to a penalty of one percent per month to be paid to the board with the
3 delinquent payment.

History: 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.70; 1987 a. 185, 378; 1995 a. 27; 2001 a. 16; 2003 a. 33; 2007 a. 20; 2009 a. 2, 28.

INSERT 10-22

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

5 24.71 (3) ADDED TO SCHOOL DISTRICT LEVY. The school district clerk shall then
6 cause the amount due to be added to the school district levy and collected in the same
7 manner as the school district tax except the amount for state trust fund loans shall
8 be separately designated. This subsection[✓] does not apply to revenue obligation trust
9 fund loans.

History: 1971 c. 262; 1973 c. 90; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.71; 1987 a. 185; 1995 a. 27 s. 9145 (1); 1997 a. 27; 2003 a. 33; 2009 a. 2.

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

(11) 24.71 (4) PAYMENT TO BOARD. The school district treasurer shall ~~transmit~~^{remit} to the
12 board the full amount levied due for state trust fund loans within 15 days after March
13 15. Any payment not made by March 30 is delinquent and is subject to a penalty of
14 one percent per month or fraction thereof, to be paid to the board with the delinquent
15 payment.

History: 1971 c. 262; 1973 c. 90; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.71; 1987 a. 185; 1995 a. 27 s. 9145 (1); 1997 a. 27; 2003 a. 33; 2009 a. 2.

INSERT 11-5

16 **SECTION 5.** 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

1 subject to a penalty of one percent per month or fraction thereof, to be paid to the
2 board with the delinquent payment.

History: 2001 a. 16, 104; 2009 a. 2.

INSERT 11-11

3 **SECTION 6.** 24.716 (3) of the statutes is amended to read:

4 24.716 (3) PAYMENT TO BOARD. The district board shall transmit remit to the
5 board on its own order the full amount levied due for state trust fund loans within
6 15 days after March 15. Any payment not made by March 30 is delinquent and is
7 subject to a penalty of 1 percent per month or fraction thereof, to be paid to the board
8 with the delinquent payment.

History: 2007 a. 20; 2009 a. 2.

INSERT 11-18

9 **SECTION 7.** 24.717 (3) of the statutes is amended to read:

10 24.717 (3) PAYMENT TO BOARD. The local professional baseball park district
11 board shall transmit remit to the board of commissioners of public lands on its own
12 order the full amount levied due for state trust fund loans within 15 days after March
13 15. Any payment not made by March 30 is delinquent and is subject to a penalty of
14 1 percent per month or fraction thereof, to be paid to the board of commissioners of
15 public lands with the delinquent payment.

History: 2009 a. 28.

Parisi, Lori

From: Griffiths, Terri

Sent: Monday, September 19, 2011 4:10 PM

To: LRB.Legal

Subject: Draft Review: LRB 11-2150/3 Topic: BCPL loan program

Please Jacket LRB 11-2150/3 for the ASSEMBLY.

9/19/2011