



2013 SENATE BILL 358

October 22, 2013 – Introduced by Senators VUKMIR and LAZICH, cosponsored by Representatives HUTTON, SANFELIPPO, BIES, BORN, CRAIG, JACQUE, KAPENGA, KESTELL, KNODL, KOOYENGA, KUGLITSCH, T. LARSON, NASS, PETRYK, PRIDEMORE, STRACHOTA, STROEBEL and TITTL. Referred to Committee on Judiciary and Labor.

1 **AN ACT** *to renumber and amend* 24.66 (3) (c) 2.; *to amend* 67.05 (3) (d) and
2 67.05 (6a) (a) 2. (intro.); and *to create* 66.0903 (5) (h) of the statutes; **relating**
3 **to:** exempting from the prevailing wage law public works projects erected,
4 constructed, repaired, remodeled, or demolished for a school district or for a
5 cooperative educational service agency.

Analysis by the Legislative Reference Bureau

Under current law, laborers, workers, mechanics, and truck drivers employed on the site of certain state or local projects of public works (generally single-trade projects whose estimated cost of completion is \$48,000 or more and multiple-trade projects whose estimated cost of completion is \$100,000 or more) must be paid at the rate paid for a majority of the hours worked in the person's trade or occupation in the county in which the project is located, as determined by the Department of Workforce Development (prevailing wage law).

This bill exempts from the prevailing wage law a project of public works that is erected, constructed, repaired, remodeled, or demolished for a school district or for a cooperative educational service agency (CESA), except that the bill does not preclude a school district or a CESA from choosing to comply with the prevailing wage law in the same manner as any other local governmental unit contracting for the erection, construction, repair, remodeling, or demolition of a project of public works is required to comply with that law.

Under current law, if the governing body of a school district adopts a resolution to raise money by bond issue or by borrowing money from the common school fund

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under a certificate of indebtedness, the school district clerk must publish notice of that adoption. The notice must state the maximum amount proposed to be borrowed, the purpose of the borrowing, and when and where the resolution may be inspected. A referendum must then be held on the resolution, unless certain circumstances apply. If a referendum is held, the referendum question must indicate the purpose for which the bonds or certificate of indebtedness is to be issued and the maximum amount of the bonds or certificate of indebtedness to be issued.

This bill requires notice of a resolution to raise money by bond issue or by borrowing money from the common school fund under a certificate of indebtedness for the erection, construction, repair, remodeling, or demolition of a project of public works to which the governing body of a school district intends to apply the prevailing wage law, and the referendum question on such a resolution, to indicate that the maximum amount proposed to be borrowed is based, in part, on application of the prevailing wage law to that project.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 24.66 (3) (c) 2. of the statutes is renumbered 24.66 (3) (c) 2. a. and
2 amended to read:
3 24.66 (3) (c) 2. a. Unless the purpose and amount of the borrowing have been
4 approved by the electors under s. 67.05 (6a) or considered approved by the electors
5 under s. 67.05 (7) (d) 3., the purpose is to refund any outstanding obligation, the
6 purpose is to pay unfunded prior service liability contributions under the Wisconsin
7 Retirement System if all of the proceeds of the note will be used for that purpose, or
8 the borrowing would not be subject to a referendum as a bond issue under s. 67.05
9 (7) (cc), (h), or (i), or s. 67.12 (12) (e) 2g., (f), or (h) applies, the school district clerk
10 shall, within 10 days after a governing body of a school district adopts a resolution
11 as described above to issue a certificate of indebtedness, publish notice of such
12 adoption as a class 1 notice, under ch. 985. Alternatively, the notice may be posted
13 as provided under s. 10.05. The notice need not set forth the full contents of the

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1 resolution, but shall state the maximum amount proposed to be borrowed, the
2 purpose thereof, that the resolution was adopted under this subsection, and the place
3 where, and the hours during which, the resolution may be inspected. If the
4 resolution is to issue a certificate of indebtedness for the erection, construction,
5 repair, remodeling, or demolition of a project of public works to which the governing
6 body of the school district intends to apply s. 66.0903, the notice shall indicate that
7 the maximum amount of the proposed indebtedness is based, in part, on application
8 of s. 66.0903 to the project.

9 b. If, within 30 days after publication or posting, a petition conforming to the
10 requirements of s. 8.40 is filed with the school district clerk for a referendum on the
11 resolution signed by at least 7,500 electors of the district or at least 20 percent of the
12 number of district electors voting for governor at the last general election, as
13 determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not
14 be effective unless adopted by a majority of the district electors voting at the
15 referendum. The referendum shall be called in the manner provided under s. 67.05
16 (6a), except that the question which appears on the ballot shall be “Shall (name
17 of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation
18 promissory note (or notes) under section 24.66 (3) of the Wisconsin Statutes?”. If the
19 referendum is being held on a resolution under subd. 1. to issue a certificate of
20 indebtedness for the erection, construction, repair, remodeling, or demolition of a
21 project of public works to which the governing body of the school district intends to
22 apply s. 66.0903, the question shall, in addition, contain a statement indicating that
23 the maximum amount of the proposed indebtedness is based, in part, on application
24 of s. 66.0903 to the project. If a governing body of a school district adopts a resolution
25 to borrow a sum of money under this subsection and a sufficient petition for

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1 referendum is not filed within the time permitted, then the power of the governing
2 body of a school district to borrow the sum and expend the sum for the purpose stated
3 shall be deemed approved by the school district electors upon the expiration of the
4 time for filing the petition.

5 **SECTION 2.** 66.0903 (5) (h) of the statutes is created to read:

6 66.0903 (5) (h) A project of public works that is erected, constructed, repaired,
7 remodeled, or demolished for a school district or for a cooperative educational service
8 agency, except that this paragraph does not preclude a school district or a cooperative
9 educational service agency from doing all of the following:

10 1. Prohibiting any employee working on such a project of public works who
11 would be entitled to receive the prevailing wage rate under this section and who
12 would not be required or permitted to work more than the prevailing hours of labor,
13 if the project of public works were subject to this section, from being paid less than
14 the prevailing wage rate or from being required or permitted to work more than the
15 prevailing hours of labor, except as permitted under sub. (4) (a).

16 2. Requiring any contractor, subcontractor, or agent thereof performing work
17 on such a project of public works to comply with this section in the same manner as
18 a contractor, subcontractor, or agent thereof performing work on a project of public
19 works that is subject to this section is required to comply with this section.

20 3. Otherwise complying with this section in the same manner as any other local
21 governmental unit contracting for the erection, construction, repair, remodeling, or
22 demolition of a project of public works is required to comply with this section.

23 **SECTION 3.** 67.05 (3) (d) of the statutes is amended to read:

24 67.05 (3) (d) The question shall contain a statement of the purpose for which
25 bonds are to be issued and the maximum amount of the bonds to be issued. If the

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1 referendum is being held on a resolution under sub. (6a) (a) 2. (intro.) to raise money
2 by bond issue for the erection, construction, repair, remodeling, or demolition of a
3 project of public works to which a school board or the electors of a school district
4 intend to apply s. 66.0903, the statement shall, in addition, indicate that the
5 maximum amount proposed to be borrowed is based, in part, on application of s.
6 66.0903 to that project.

7 **SECTION 4.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

8 67.05 (6a) (a) 2. (intro.) Except as provided under pars. (b) and (c) and subs.
9 (7) and (15), if the board of any school district, or the electors at a regularly called
10 school district meeting, by a majority vote adopt an initial resolution to raise an
11 amount of money by a bond issue, the school district clerk shall, within 10 days,
12 publish notice of such adoption as a class 1 notice under ch. 985 or post the notice as
13 provided under s. 10.05. The notice shall state the maximum amount proposed to
14 be borrowed, the purpose of the borrowing, that the resolution was adopted under
15 this subdivision and the place where and the hours during which the resolution may
16 be inspected. If the resolution is to raise money by bond issue for the erection,
17 construction, repair, remodeling, or demolition of a project of public works to which
18 the school board or electors intend to apply s. 66.0903, the notice shall indicate that
19 the maximum amount proposed to be borrowed is based, in part, on application of s.
20 66.0903 to that project. The school board shall also do one of the following:

21 **SECTION 5. Initial applicability.**

22 (1) EXEMPTION FROM PREVAILING WAGE LAW. This act first applies, with respect
23 to a project of public works that is subject to bidding, to a project for which the request
24 for bids is issued on the effective date of this subsection and, with respect to a project

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1 of public works that is not subject to bidding, to a project the contract for which is
2 entered into on the effective date of this subsection.

3 (END)