



2013 SENATE BILL 408

November 21, 2013 – Introduced by Senators LASEE and LAZICH, cosponsored by Representatives STRACHOTA, STROEBEL, NYGREN, MURPHY, KOOYENGA, MARKLEIN, NASS, PRIDEMORE, BIES, KESTELL, CRAIG and THIESFELDT. Referred to Committee on Education.

1 **AN ACT to amend** 24.66 (3) (c) 2., 24.66 (4), 67.05 (6a) (a) 2. (intro.) and 67.12 (12)
2 (e) 2. of the statutes; **relating to:** school district bonds, promissory notes, and
3 state trust fund loans.

Analysis by the Legislative Reference Bureau

Under current law, if a school board adopts a resolution to issue a bond or a promissory note, the school district clerk must publish or post a notice except in certain specified situations. The notice must state the maximum amount proposed to be borrowed, the purpose of the borrowing, and the place where and the hours during which the resolution may be inspected. If a school district applies for a state trust fund loan, the notice must state the amount of the proposed loan and the purpose for which it will be used.

This bill requires the above notices to also include the estimated amount of interest costs, the estimated amount of other costs associated with issuing the bond or promissory note or obtaining the loan, and the assumptions made with regard to estimating interest and other costs.

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

4 **SECTION 1.** 24.66 (3) (c) 2. of the statutes is amended to read:

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1 24.66 (3) (c) 2. Unless the purpose and amount of the borrowing have been
2 approved by the electors under s. 67.05 (6a) or considered approved by the electors
3 under s. 67.05 (7) (d) 3., the purpose is to refund any outstanding obligation, the
4 purpose is to pay unfunded prior service liability contributions under the Wisconsin
5 Retirement System if all of the proceeds of the note will be used for that purpose, or
6 the borrowing would not be subject to a referendum as a bond issue under s. 67.05
7 (7) (cc), (h), or (i), or s. 67.12 (12) (e) 2g., (f), or (h) applies, the school district clerk
8 shall, within 10 days after a governing body of a school district adopts a resolution
9 as described above to issue a certificate of indebtedness, publish notice of such
10 adoption as a class 1 notice, under ch. 985. Alternatively, the notice may be posted
11 as provided under s. 10.05. The notice need not set forth the full contents of the
12 resolution, but shall state the ~~maximum amount proposed to be borrowed, the~~
13 ~~purpose thereof, that the resolution was adopted under this subsection, and the place~~
14 ~~where, and the hours during which, the resolution may be inspected~~ information
15 specified for the notice under s. 67.05 (6a) (a) 2. If, within 30 days after publication
16 or posting, a petition conforming to the requirements of s. 8.40 is filed with the school
17 district clerk for a referendum on the resolution signed by at least 7,500 electors of
18 the district or at least 20 percent of the number of district electors voting for governor
19 at the last general election, as determined under s. 115.01 (13), whichever is the
20 lesser, then the resolution shall not be effective unless adopted by a majority of the
21 district electors voting at the referendum. The referendum shall be called in the
22 manner provided under s. 67.05 (6a), except that the question which appears on the
23 ballot shall be “Shall (name of district) borrow the sum of \$.... for (state purpose)
24 by issuing its general obligation promissory note (or notes) under section 24.66 (3)
25 of the Wisconsin Statutes?”. If a governing body of a school district adopts a

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

6 **SECTION 2.** 24.66 (4) of the statutes is amended to read:

7 24.66 (4) POPULAR VOTE, WHEN REQUIRED. If any municipality is not empowered
8 by law to incur indebtedness for a particular purpose without first submitting the
9 question to its electors, the application for a state trust fund loan for that purpose
10 must be approved and authorized by a majority vote of the electors at a special
11 election called, noticed and held in the manner provided for other special elections.
12 The question to be voted on shall be filed as provided in s. 8.37. The notice of the
13 election shall state the amount of the proposed loan and the purpose for which it will
14 be used, except that the notice of the election in a school district shall state the
15 amount of the proposed loan, the estimated amount of interest costs, the estimated
16 amount of other costs associated with obtaining the loan, the assumptions made with
17 regard to estimating interest and other costs, and the purpose of the borrowing.

18 **SECTION 3.** 67.05 (6a) (a) 2. (intro.) of the statutes is amended to read:

19 67.05 (6a) (a) 2. (intro.) Except as provided under pars. (b) and (c) and subs.
20 (7) and (15), if the board of any school district, or the electors at a regularly called
21 school district meeting, by a majority vote adopt an initial resolution to raise an
22 amount of money by a bond issue, the school district clerk shall, within 10 days,
23 publish notice of such adoption as a class 1 notice under ch. 985 or post the notice as
24 provided under s. 10.05. The notice shall state the maximum amount proposed to
25 be borrowed, the estimated amount of interest costs, the estimated amount of other

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1 costs associated with issuing the bond, the assumptions made with regard to
2 estimating interest and other costs, the purpose of the borrowing, that the statute
3 under which the resolution was adopted ~~under this subdivision,~~ and the place where
4 and the hours during which the resolution may be inspected. The school board shall
5 also do one of the following:

6 **SECTION 4.** 67.12 (12) (e) 2. of the statutes is amended to read:

7 67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been
8 approved by the electors under s. 67.05 (6a) or deemed approved by the electors under
9 s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the
10 purpose is to pay unfunded prior service liability contributions under the Wisconsin
11 retirement system if all of the proceeds of the note will be used for that purpose, the
12 borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),
13 (h) or (i), or subd. 2g. or par. (f) or (h) applies, the school district clerk shall, within
14 10 days after a school board adopts a resolution under subd. 1. to issue a promissory
15 note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch.
16 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice
17 need not set forth the full contents of the resolution, but shall state the ~~maximum~~
18 ~~amount proposed to be borrowed, the purpose thereof, that the resolution was~~
19 ~~adopted under this subsection, and the place where, and the hours during which, the~~
20 ~~resolution may be inspected~~ information specified for the notice published under s.
21 67.05 (6a) (a) 2. If, within 30 days after publication or posting, a petition conforming
22 to the requirements of s. 8.40 is filed with the school district clerk for a referendum
23 on the resolution signed by at least 7,500 electors of the district or at least 20% of the
24 number of district electors voting for governor at the last general election, as
25 determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not

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1 be effective unless adopted by a majority of the district electors voting at the
2 referendum. The referendum shall be called in the manner provided under s. 67.05
3 (6a), except that the question which appears on the ballot shall be “Shall (name
4 of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation
5 promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes?”.

6 **SECTION 5. Initial applicability.**

7 (1) This act first applies to a resolution adopted under section 67.05 (1) or (2)
8 or 67.12 (12) (e) 1. of the statutes, or an application for a state trust fund loan filed
9 under section 24.66 (1) of the statutes, on the effective date of this subsection.

10 **SECTION 6. Effective date.**

11 (1) This act takes effect on July 1, 2014.

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(END)