



D Note
State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1192/P3/P4
EVM:kjfrs

RMR

DOA:.....Bong, BB0380 – Building commission approval process

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

INSECTS

1/28/15

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1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

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

For further information see the *state* 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:

2 **SECTION 1.** 13.48 (2) (ad) of the statutes is created to read:

3 13.48 (2) (ad) At the first meeting of the building commission following the
4 enactment of the biennial budget act, the commission may take any of the following
5 actions:

6 1. Authorize the department of administration to contract public debt or
7 obligations under subch. II of ch. 18 in an amount not to exceed the amount that the

1 building commission is authorized by the laws of this state to contract. If
2 authorization is granted under this subdivision, the department of administration
3 shall provide periodic reports regarding the contracting of debt or obligations under
4 this subdivision to the commission.

5 2. Release an amount not to exceed the amount of state building trust fund
6 moneys to the department of administration for planning for enumerated projects.

7 3. Authorize the department of administration to issue revenue-obligation
8 refunding obligations under s. 18.60.

9 **SECTION 2.** 13.48 (2) (ah) of the statutes is created to read:

10 13.48 (2) (ah) After the first meeting of the building commission following the
11 enactment of the biennial budget act, the department of administration shall report
12 quarterly to the commission regarding the status of projects under the state building
13 program.

14 **SECTION 3.** 13.48 (2) (ap) of the statutes is created to read:

15 13.48 (2) (ap) After the enactment of the biennial budget act in any biennium,
16 any request for approval from the building commission of a project budget increase
17 or of a substantial change in an enumerated project shall be submitted in writing to
18 the commission. If, within 14 working days after the date of that written request,
19 a majority of the members of the commission do not request that the commission
20 schedule a meeting to review the request under this paragraph, the request is
21 approved.

22 **SECTION 4.** 13.48 (2) (at) of the statutes is created to read:

23 13.48 (2) (at) Any request for approval, other than a request for approval of a
24 project budget increase or of a substantial change in an enumerated project, shall be
25 submitted in writing to the commission. If, within 14 working days after the date

1 of that written request, a majority of the members of the commission do not request
2 that the commission schedule a meeting to review the request under this paragraph,
3 the request is approved.

4 **SECTION 5.** 13.48 (2) (e) of the statutes is repealed.

5 **SECTION 6.** 13.48 (2) (f) of the statutes is repealed.

6 **SECTION 7.** 13.48 (4) of the statutes is repealed.

7 **SECTION 8.** 13.48 (6) of the statutes is repealed.

8 **SECTION 9.** 13.48 (19) of the statutes is renumbered 13.48 (19) (a) and amended

9 to read:

10 13.48 (19) (a) Whenever the building commission determines that the use of
11 innovative types of design and construction processes will make better use of the
12 resources and technology available in the building industry, the building commission
13 may ^{under sub. (2) (a)} waive any or all of s. 16.855, except s. 16.855 (13) and (14m) (a) to (c), if ~~such~~ the
14 action is in the best interest of the state and if ~~the waiver is accomplished through~~
15 ~~formal action of the building commission.~~ The building commission may authorize
16 ~~the lease, lease purchase or acquisition of such facilities constructed in the manner~~
17 ~~authorized by the building commission~~ is approved by the building commission.

18 (b) Subject to the requirements of s. 20.924 (1) (i), the building commission may
19 ^{under sub. (2) (a)} also authorize the lease, lease purchase, or acquisition of ~~existing~~ existing facilities in lieu of
20 state construction of any project enumerated in the authorized state building
21 program.

22 **SECTION 10.** 13.488 (1) (m) of the statutes is amended to read:

23 13.488 (1) (m) The duty to determine and make payments to the United States
24 required so as to avoid an adverse effect on any exclusion of interest from gross
25 income for federal income tax purposes on public debt, revenue obligations, and

1 operating notes issued pursuant to ~~ch. 18 s. 16.526~~, master lease obligations issued
2 pursuant to s. 16.76, and appropriation obligations issued pursuant to s. 16.527 and
3 to make any payments to advisors that assist in making the determination. If the
4 proceeds of an obligation are utilized for an activity that is financed from program
5 revenue, the building commission shall make the payments required under this
6 paragraph from that revenue, to the extent it is available.

7 **SECTION 11.** 13.90 (5) of the statutes is amended to read:

8 13.90 (5) The joint committee on legislative organization may contract for the
9 services of persons to advise those building commission members who also are
10 legislators on matters related to the state's issuance of state debt, and revenue
11 obligations ~~and operating notes under ch. 18.~~

12 **SECTION 12.** 16.004 (9) of the statutes is amended to read:

13 16.004 (9) AGREEMENTS TO MAINTAIN AN ACCOUNTING FOR OPERATING NOTES. The
14 secretary may enter into agreements to maintain an accounting of, forecast and
15 administer those moneys that are in the process of collection by the state and that
16 are pledged for the repayment of operating notes issued under ~~subch. III of ch. 18~~
17 s.16.526, in accordance with resolutions of ~~the building commission~~ authorizing the
18 issuance of the operating notes.

19 **SECTION 13.** 16.287 (2) (a) of the statutes is amended to read:

20 16.287 (2) (a) For the purposes of ss. 16.526 (8), 16.75 (3m), 16.855 (10m), 16.87
21 (2), 18.16, 18.64, ~~18.77~~, 25.185, 119.495 (2), 200.57, 231.27 and 234.35, the
22 department shall establish and periodically update a list of certified minority
23 businesses, minority financial advisers and minority investment firms. Any
24 business, financial adviser or investment firm may apply to the department for

1 certification. For purposes of this paragraph, unless the context otherwise requires,
2 a “business” includes a financial adviser or investment firm.

3 SECTION 14. 16.40 (16) of the statutes is amended to read:

4 16.40 (16) MAINTAIN AN ACCOUNTING FOR OPERATING NOTES. Maintain an
5 accounting of, forecast and administer those moneys pledged for the repayment of
6 operating notes issued under ~~subch. III of ch. 18 s. 16.526~~, in accordance with
7 agreements entered into by the secretary under s. 16.004 (9).

8 SECTION 15. 16.405 (1) of the statutes is amended to read:

9 16.405 (1) ~~At~~ Subject to subs. (2) and (3), at any time the department
10 determines that a deficiency will occur in the funds of the state which will not permit
11 the state to meet its operating obligations in a timely manner, it may prepare ~~a~~
12 ~~request~~ an authorizing resolution for the issuance of operating notes under ~~subch.~~
13 ~~III of ch. 18 and, subject to subs. (2) and (3), may submit the request to the building~~
14 ~~commission~~ s. 16.526.

15 SECTION 16. 16.405 (2) of the statutes is amended to read:

16 16.405 (2) The department may not ~~submit a request to the building~~
17 ~~commission~~ issue an authorizing resolution under sub. (1) unless the request
18 resolution is signed by the secretary and the governor.

19 SECTION 17. 16.405 (3) of the statutes is amended to read:

20 16.405 (3) If the department proposes to ~~submit a request to the building~~
21 ~~commission~~ issue a resolution under sub. (1), the secretary shall notify the joint
22 committee on finance in writing of the proposed action. If the cochairpersons of the
23 committee do not notify the secretary that the committee has scheduled a meeting
24 for the purpose of reviewing the proposed ~~submission~~ resolution within 14 working
25 days after the date of the secretary’s notification, the department may ~~submit the~~

1 ~~request to the building commission~~ issue the resolution as proposed. If, within 14
2 working days after the date of the secretary's notification, the cochairpersons of the
3 committee notify the secretary that the committee has scheduled a meeting for the
4 purpose of reviewing the proposed ~~submission~~ resolution, the department may
5 ~~submit the request to the building commission~~ issue the resolution only upon
6 approval of the committee.

7 SECTION 18. 16.526 (title) of the statutes is created to read:

8 **16.526 (title) Operating notes.**

9 SECTION 19. 16.53 (10) (a) of the statutes is amended to read:

10 16.53 (10) (a) If an emergency arises which requires the department to draw
11 vouchers for payments which will be in excess of available moneys in any state fund,
12 the secretary, after notifying the joint committee on finance under par. (b), may
13 prorate and establish priority schedules for all payments within each fund, including
14 those payments for which a specific payment date is provided by statute, except as
15 otherwise provided in this paragraph. The secretary shall draw all vouchers
16 according to the preference provided in this paragraph. All direct or indirect
17 payments of principal or interest on state bonds and notes issued under subch. I of
18 ch. 18 and payments due, if any, under an agreement or ancillary arrangement
19 entered into under s. 18.06 (8) (a) relating to any public debt contracted under
20 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of
21 principal or interest on state notes issued under ~~subch. III of ch. 18~~ s. 16.526 have
22 2nd priority. No payment having a 1st or 2nd priority may be prorated or reduced
23 under this subsection. All state employee payrolls have 3rd priority. The secretary
24 shall draw all remaining vouchers according to a priority determined by the

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1 secretary. The secretary shall maintain records of all claims prorated under this
2 subsection.

3 **SECTION 20.** 16.531 (1) of the statutes is amended to read:

4 16.531 (1) At least 15 days prior to the beginning of any calendar quarter in
5 which the secretary anticipates that it may be necessary to exercise the authority
6 conferred in s. 16.53 (10) (a) or 20.002 (11) (a) or to incur financial obligations and
7 issue operating notes under ~~subch. III of ch. 18~~ s. 16.526, the secretary shall submit
8 a plan to the joint committee on finance describing the specific nature of any
9 proposed action that may be required.

10 **SECTION 21.** 16.531 (2) of the statutes is amended to read:

11 16.531 (2) If the secretary determines during any calendar quarter that action
12 under s. 16.526, 16.53 (10) (a) or 20.002 (11) ~~or subch. III of ch. 18~~ should be taken
13 that is different from the action specified in the plan submitted under sub. (1), the
14 secretary shall provide notice to the joint committee on finance of the specific nature
15 of any such action that may be required. If the joint committee on finance has not,
16 within 2 working days after such notification, scheduled a meeting to review the
17 secretary's proposal, the secretary may proceed with the proposed action. If, within
18 2 working days after such notification, the committee schedules a meeting, the
19 secretary may not proceed with the proposed action until after the meeting is held.

20 **SECTION 22.** 16.531 (3) of the statutes is amended to read:

21 16.531 (3) Within 30 days after the end of each calendar quarter during which
22 the secretary exercises the authority conferred in s. 16.53 (10) (a), during which there
23 is any outstanding reallocation of moneys under s. 20.002 (11) (a) or during which
24 there are any outstanding operating notes issued under ~~subch. III of ch. 18~~ s. 16.526,
25 the secretary shall submit to the joint committee on finance a report on the status

1 of all such matters, together with an assessment of the degree to which the secretary
2 anticipates that state funds and accounts will have sufficient revenues to meet
3 anticipated obligations during the 6-month period following the calendar quarter for
4 which the report is issued.

5 **SECTION 23.** 16.855 (1m) of the statutes is amended to read:

6 16.855 (1m) The department shall let by contract to the lowest qualified
7 responsible bidder all construction work when the estimated construction cost of the
8 project exceeds \$50,000, except for construction work authorized under s. 16.858 and
9 except as provided in sub. (1r) or (10m) or s. 13.48 (19) (a). If factors other than dollar
10 amounts are required to be evaluated for a project, the department shall specify a
11 formula that will convert the other factors into a dollar value for comparison.

12 **SECTION 24.** 16.855 (13) (a) 2. of the statutes is amended to read:

13 16.855 (13) (a) 2. In any project under this section that is let under s. 13.48 (19)
14 (a), the department shall identify, as provided under par. (b), the mechanical,
15 electrical, or plumbing subcontractors who have submitted the lowest bids and who
16 are qualified responsible bidders. The contractor awarded a contract under s. 13.48
17 (19) (a) shall contract with the mechanical, electrical, or plumbing subcontractors so
18 identified.

19 **SECTION 25.** 16.855 (14) (am) of the statutes is amended to read:

20 16.855 (14) (am) Except as provided in s. 13.48 (19) (a), the department shall
21 let all construction projects that exceed \$185,000 through single prime contracting.
22 The department may not request or accept any alternate bids when letting a
23 construction project through single prime contracting.

24 **SECTION 26.** 18.06 (6) of the statutes is amended to read:

1 18.06 (6) EXERCISE OF AUTHORITY. Public debt may be contracted and evidence
2 of indebtedness issued therefor under one or more authorizing resolutions, unless
3 otherwise provided in the resolution, at any time and from time to time, for any
4 combination of purposes, in any specific amounts, at any rates of interest, at any
5 price or percentage of par value, for any term, payable at any intervals, at any place,
6 in any manner and having any other terms or conditions deemed necessary or useful.
7 A resolution authorizing the contracting of public debt may provide that the public
8 debt bear interest at variable or fixed rates, bear no interest, bear interest payable
9 at any time or bear interest payable only at maturity or upon redemption prior to
10 maturity. Unless sooner exercised and unless a shorter period is provided in such
11 resolution, every authorizing resolution shall expire ~~one year~~ 2 years after the date
12 of its adoption.

13 **SECTION 27.** 18.55 (5) of the statutes is amended to read:

14 18.55 (5) EXERCISE OF AUTHORITY. Money may be borrowed and evidences of
15 revenue obligation issued therefor pursuant to one or more authorizing resolutions,
16 unless otherwise provided in the resolution or in this subchapter, at any time and
17 from time to time, for any combination of purposes, in any specific amounts, at any
18 rates of interest, for any term, payable at any intervals, at any place, in any manner
19 and having any other terms or conditions deemed necessary or useful. Revenue
20 obligation bonds may bear interest at variable or fixed rates, bear no interest or bear
21 interest payable only at maturity or upon redemption prior to maturity. Unless
22 sooner exercised or unless a different period is provided in the resolution, every
23 authorizing resolution, except as provided in s. 18.59 (1), shall expire ~~one year~~ 2 years
24 after the date of its adoption.

1 **SECTION 28.** Subchapter III (title) of chapter 18 [precedes 18.70] of the statutes
2 is repealed.

3 **SECTION 29.** 18.70 of the statutes is repealed.

4 **SECTION 30.** 18.71 (intro.), (1d), (3), (4) and (5) of the statutes are renumbered
5 16.526 (1) (intro), (a), (b), (c) and (d), and 16.526 (1) (intro.), (a) 1. and 3. and (c) 2.,
6 as renumbered, are amended to read:

7 16.526 (1) **DEFINITIONS.** (intro.) In this ~~subchapter~~ section, unless the context
8 requires otherwise:

9 (a) 1. The aggregate net payments expected to be made and received under a
10 specified interest exchange agreement under s. ~~18.73 (5) (a)~~ sub. (4) (e) 1.

11 3. The aggregate net payments expected to be made and received under all
12 other interest exchange agreements under s. ~~18.73 (5) (a)~~ sub. (4) (e) 1. relating to
13 those notes that are in force at the time of executing the agreement.

14 (c) 2. Payable from and secured solely by revenues pledged by ~~the commission~~
15 ~~and the department~~ pursuant to the authorizing resolution provided that all such
16 pledged revenues must first be available for the payment of public debt; and

17 **SECTION 31.** 18.71 (1m) and (2) of the statutes are repealed.

18 **SECTION 32.** 18.72 of the statutes is renumbered 16.526 (2), and 16.526 (2) (a)
19 to (c), as renumbered, are amended to read:

20 16.526 (2) **PURPOSES OF OPERATING NOTES.** (a) ~~The commission~~ department may
21 authorize financial obligations to be incurred and evidences of operating notes to be
22 issued therefor in an amount sufficient to fund or refund the whole or any part of any
23 operating note issued under this ~~subchapter~~ section. However, no operating notes
24 originally issued in a fiscal year may be funded or refunded by proceeds of an
25 operating note to mature in a later fiscal year.

1 (b) The ~~commission~~ department may authorize financial obligations to be
2 incurred and evidences of operating notes to be issued therefor to fund operating
3 deficits as moneys are required. The requirements for moneys shall be established
4 by the department.

5 (c) Each purpose specified in ~~subs. (1) and (2)~~ pars. (a) and (b) may include the
6 expenses of issuance of the operating notes and reserves securing the operating
7 notes.

8 **SECTION 33.** 18.725 of the statutes is renumbered 16.526 (3) and amended to
9 read:

10 16.526 (3) LIMIT ON AMOUNT OF OPERATING NOTES. The ~~building commission~~
11 department may not sell operating notes under ~~s. 18.73 (2) sub. (4) (b)~~ at any time
12 if the amount of operating notes to be sold at that time plus the amount of operating
13 notes outstanding at that time exceed 10% of the amounts shown in the schedule
14 under s. 20.005 (3) of appropriations of general purpose revenues, as defined in s.
15 20.001 (2) (a), plus the amounts shown in the schedule of appropriations of program
16 revenues, as defined in s. 20.001 (2) (b), both calculated as of that time and for that
17 fiscal year.

18 **SECTION 34.** 18.73 (1), (2), (4) and (5) (a), (b), (c), (d) (intro.), 1. and 2., (e) 1. and
19 3. and (f) of the statutes are renumbered 16.526 (4) (a), (b), (d) and (e) 1., 2., 3., 4.
20 (intro.), a. and b., 5. a. and c. and 6., and 16.526 (4) (a), (b), (d) and (e) 1., 2., 4. (intro.),
21 a. and b., 5. a. and 6. (intro.), as renumbered, are amended to read:

22 16.526 (4) PROCEDURES. (a) *Authorizing resolution.* No financial obligations
23 may be incurred under this subchapter ~~section~~ nor may any evidence of operating
24 notes be issued by the state except upon ~~submission of a request~~ issuance of an
25 authorizing resolution by the department under s. 16.405 and ~~pursuant to an~~

1 ~~authorizing resolution of the commission.~~ Each authorizing resolution shall state
2 each purpose of the operating notes it authorizes, which need not be more specific but
3 may not be more general than those purposes provided in or pursuant to law, and the
4 maximum principal amount of the operating notes. The operating notes may be
5 designated by any name as determined by the ~~commission~~ department.

6 (b) *Sale.* Operating notes may be sold at either public or private sale. The
7 ~~commission~~ department may provide in an authorizing resolution for the refunding
8 of operating notes, for their exchange privately, in payment and discharge of any of
9 the outstanding operating notes being refunded. All operating notes sold at public
10 sale shall be noticed as provided in the authorizing resolution. Any bids received at
11 public sale may be rejected.

12 (d) *Exercise of authority.* Financial obligations may be incurred and evidences
13 of operating notes issued therefor pursuant to one or more authorizing resolutions,
14 unless otherwise provided in the resolution or in this ~~subchapter~~ section, at any time
15 and from time to time, for any combination of purposes, in any specific amounts, at
16 any rates of interest, for any term, payable at any intervals, at any place, in any
17 manner and having any other terms or conditions deemed necessary or useful.
18 ~~Unless sooner exercised or unless a shorter period is provided in the resolution, every~~
19 ~~authorizing resolution shall expire 3 months after the date of its adoption.~~

20 (e) *Agreements and arrangements; delegation; use of operating notes.* 1. Subject
21 to ~~pars. (d) and (e) subd. 4. and 5.,~~ at the time of, or in anticipation of, contracting
22 operating notes and at any time thereafter while the operating notes are
23 outstanding, the ~~commission~~ department may enter into agreements and ancillary
24 arrangements relating to the operating notes, including liquidity facilities,
25 remarketing or dealer agreements, letter of credit agreements, insurance policies,

1 guaranty agreements, reimbursement agreements, indexing agreements, or interest
2 exchange agreements. Any payment received pursuant to any such agreements or
3 ancillary arrangements shall be deposited in, and any payments made pursuant to
4 any such agreements or ancillary arrangements will be made from, the general fund
5 or the operating note redemption fund, as determined by the ~~commission~~
6 department. The determination of the ~~commission~~ department included in an
7 interest exchange agreement that such an agreement relates to an operating note
8 shall be conclusive.

9 2. The ~~commission~~ department may delegate to other persons the authority and
10 responsibility to take actions necessary and appropriate to implement agreements
11 and ancillary arrangements under ~~par. (a)~~ subd. 1.

12 4. (intro.) With respect to any interest exchange agreement or agreements
13 specified in ~~par. (a)~~ subd. 1, all of the following shall apply:

14 a. The ~~commission~~ department shall contract with an independent financial
15 consulting firm to determine if the terms and conditions of the agreement reflect a
16 fair market value, as of the proposed date of the execution of the agreement.

17 b. The interest exchange agreement must identify the note to which the
18 agreement is related. The determination of the ~~commission~~ department included in
19 an interest exchange agreement that such agreement relates to a note shall be
20 conclusive.

21 5. a. Subject to subd. ~~2.~~ 5. b., the terms and conditions of an interest exchange
22 agreement under ~~par. (a)~~ subd. 1. shall not be structured so that, as of the trade date
23 of the agreement, the aggregate expected debt service and net exchange payments
24 relating to the agreement during the fiscal year in which the trade date occurs will
25 be less than the aggregate expected debt service and net exchange payments relating

1 to the agreement that would be payable during that fiscal year if the agreement is
2 not executed.

3 6. (intro.) Semiannually, during any year in which the state is a party to an
4 agreement entered into pursuant to ~~par. (a) subd. 1.~~, the department of
5 ~~administration~~ shall submit a report to the ~~commission~~ and to the cochairpersons of
6 the joint committee on finance listing all such agreements. The report shall include
7 all of the following:

8 SECTION 35. 18.73 (5) (d) 3. (intro.) and a. to g. of the statutes are consolidated,
9 renumbered 16.526 (4) (e) 4. c. and amended to read:

10 16.526 (4) (e) 4. c. The resolution authorizing the ~~commission~~ department to
11 enter into any interest exchange agreement shall require that the terms and
12 conditions of the agreement reflect a fair market value as of the date of execution of
13 the agreement, as reflected by the determination of the independent financial
14 consulting firm under subd. ~~1.~~ 4. a., and shall establish guidelines for any such
15 agreement, including the following: ~~a. The~~ the conditions under which the
16 commission may enter into the agreements. ~~b. The;~~ the form and content of the
17 agreements. ~~c. The;~~ the aspects of risk exposure associated with the agreements. ~~d.~~
18 ~~The;~~ the standards and procedures for counterparty selection. ~~e. The;~~ the standards
19 for the procurement of, and the setting aside of reserves, if any, in connection with,
20 the agreements. ~~f. The;~~ the provisions, if any, for collateralization or other
21 requirements for securing any counterparty's obligations under the agreements. ~~g.~~
22 ~~A;~~ and a system for financial monitoring and periodic assessment of the agreements.

23 SECTION 36. 18.73 (5) (e) 2. (intro.), a. and b. of the statutes are consolidated,
24 renumbered 16.526 (4) (e) 5. b. and amended to read:

1 16.526 (4) (e) 5. b. Subdivision ~~1~~ 5. a. shall not apply if either of the follow
2 occurs: ~~a.~~ ~~The commission~~ the department receives a determination by the
3 independent financial consulting firm under ~~par. (d) 1.~~ subd. 4. a. that the terms and
4 conditions of the agreement reflect payments by the state that represent on-market
5 rates as of the trade date for the particular type of agreement. ~~b.~~ ~~The commission~~
6 or the department provides written notice to the joint committee on finance of its
7 intention to enter into an agreement that is reasonably expected to satisfy ~~subd. 1.~~
8 subd. 5. a., and the joint committee on finance either approves or disapproves, in
9 writing, the ~~commission's~~ department's entering into the agreement within 14 days
10 of receiving the written notice from the ~~commission~~ department.

11 **SECTION 37.** 18.74 of the statutes is renumbered 16.526 (5) and amended to
12 read:

13 16.526 (5) APPLICATION OF OPERATING NOTE PROCEEDS. All moneys resulting from
14 the contracting of operating notes or any payment to be received under an agreement
15 or ancillary arrangement entered into under ~~s. 18.73 (5)~~ sub. (4) (e) with respect to
16 any such operating notes shall be credited to the general fund, except that moneys
17 which represent premium and accrued interest on operating notes, or moneys for
18 purposes of funding or refunding operating notes pursuant to ~~s. 18.72 (1)~~ sub. (2) (a)
19 shall be credited to the operating note redemption fund.

20 **SECTION 38.** 18.75 of the statutes is renumbered 16.526 (6), and 16.526 (6) (b)
21 and (d), as renumbered, are amended to read:

22 16.526 (6) (b) The operating note redemption fund shall be expended and all
23 moneys from time to time on hand therein are irrevocably appropriated, in sums
24 sufficient, only for the payment of principal and interest on operating notes giving
25 rise to it and premium, if any, due upon refunding or early redemption of such

1 operating notes, and for the payment due, if any, under an agreement or ancillary
2 arrangement entered into under ~~s. 18.73 (5)~~ sub. (4) (e) with respect to such operating
3 notes.

4 (d) There shall be transferred, under s. 20.855 (1) (a), a sum sufficient for the
5 payment of the principal, interest and premium due, if any, and for the payment due,
6 if any, under an agreement or ancillary arrangement entered into pursuant to ~~s.~~
7 ~~18.73 (5)~~ sub. (4) (e) with respect to operating notes giving rise to it as the same falls
8 due. Such transfers shall be so timed that there is at all times on hand in the fund
9 an amount not less than the amount to be paid out of it during the ensuing 30 days
10 or such other period if so provided for in the authorizing resolution. ~~The commission~~
11 department may pledge the deposit of additional amounts at periodic intervals and
12 ~~the secretary of the department~~ may impound moneys of the general fund, including
13 moneys temporarily reallocated from other funds under s. 20.002 (11), in accordance
14 with the pledge of revenues in the authorizing resolution, and all such
15 impoundments are deemed to be payments for purposes of s. 16.53 (10), but no such
16 impoundment may be made until the amounts to be paid into the bond security and
17 redemption fund under s. 18.09 during the ensuing 30 days have been deposited in
18 the bond security and redemption fund.

19 **SECTION 39.** 18.76 of the statutes is renumbered 16.526 (7).

20 **SECTION 40.** 18.77 of the statutes is renumbered 16.526 (8), and 16.526 (8) (b)
21 1. and 2., (c) 1. and 2., (d) 1. and 2., (e) 1. and 2., (f) and (g), as renumbered, are
22 amended to read:

23 16.526 (8) (b) 1. Except as provided under ~~sub. (7) par. (g)~~, in contracting
24 operating notes by competitive sale, the ~~commission~~ department shall ensure that

1 at least 6% of total operating note indebtedness contracted in each fiscal year is
2 underwritten by minority investment firms.

3 2. Except as provided under sub. (7) par. (g), in contracting operating notes by
4 competitive sale, the ~~commission~~ department shall make efforts to ensure that at
5 least 1 percent of total operating note indebtedness contracted in each fiscal year is
6 underwritten by disabled veteran-owned investment firms.

7 (c) 1. Except as provided under sub. (7) par. (g), in contracting operating notes
8 by negotiated sale, the ~~commission~~ department shall ensure that at least 6% of total
9 operating note indebtedness contracted in each fiscal year is underwritten by
10 minority investment firms.

11 2. Except as provided under sub. (7) par. (g), in contracting operating notes by
12 negotiated sale, the ~~commission~~ department shall make efforts to ensure that at
13 least 1 percent of total operating note indebtedness contracted in each fiscal year is
14 underwritten by disabled veteran-owned investment firms.

15 (d) 1. Except as provided under sub. (7) par. (g), in contracting operating notes
16 by competitive sale or negotiated sale, the ~~commission~~ department shall ensure that
17 at least 6% of the total moneys expended in such fiscal year for the services of
18 financial advisers are expended for the services of minority financial advisers.

19 2. Except as provided under sub. (7) par. (g), in contracting operating notes by
20 competitive sale or negotiated sale, the ~~commission~~ department shall make efforts
21 to ensure that at least 1 percent of the total moneys expended in such fiscal year for
22 the services of financial advisers are expended for the services of disabled
23 veteran-owned financial advisers.

24 (e) 1. Except as provided under sub. (7) par. (g), an individual underwriter or
25 syndicate of underwriters shall ensure that each bid or proposal, submitted by that

1 individual or syndicate in a competitive or negotiated sale of an operating note,
2 provides for a portion of sales to minority investment firms.

3 2. Except as provided under sub. ~~(7)~~ par. (g), an individual underwriter or
4 syndicate of underwriters shall make efforts to ensure that each bid or proposal,
5 submitted by that individual or syndicate in a competitive or negotiated sale of an
6 operating note, provides for at least 1 percent of sales to disabled veteran-owned
7 investment firms.

8 (f) The ~~commission~~ department shall annually report ~~to the department of~~
9 ~~administration to the cochairpersons of the joint committee on finance~~ the total
10 amount of operating note indebtedness contracted with the underwriting services of
11 minority investment firms and the total amount of moneys expended for the services
12 of minority financial advisers and disabled veteran-owned financial advisers during
13 the preceding fiscal year.

14 (g) The requirements of any of ~~subs. (2) to (5)~~ pars. (b) to (e) do not apply to a
15 contracting of operating notes, if the secretary of ~~administration~~ submits a report in
16 writing to the joint committee on finance specifying the ~~building commission's~~
17 department's reasons for not complying with the requirements of any of ~~subs. (2) to~~
18 ~~(5)~~ pars. (b) to (e) for that contracting.

19 **SECTION 41.** 20.855 (1) (a) of the statutes is amended to read:

20 20.855 (1) (a) *Obligation on operating notes.* A sum sufficient to pay principal,
21 interest and premium, if any, due on operating notes, including amounts due on
22 periodic payments, and to make payments under an agreement or ancillary
23 arrangement entered into under s. ~~18.73 (5) (a)~~ 16.526 (4) (e) 1., pursuant to
24 resolutions authorizing the issuance of the operating notes under s. ~~18.73 (1)~~ 16.526
25 (4) (a).

1 **SECTION 42.** 20.855 (1) (b) of the statutes is amended to read:

2 20.855 (1) (b) *Operating note expenses.* A sum sufficient to pay for the expenses
3 of issuing operating notes and reserves securing such notes issued under ~~subch. III~~
4 of ~~ch. 18~~ s. 16.526.

5 **SECTION 43.** 20.855 (1) (q) of the statutes is amended to read:

6 20.855 (1) (q) *Redemption of operating notes.* From the operating note
7 redemption fund, a sum sufficient to pay principal, interest and premium, if any, due
8 on operating notes issued under ~~subch. III~~ of ~~ch. 18~~ s. 16.526.

9

(END)

INS
19-8

DABK

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1192/P4ins
EVM:kjfrs

1 INS 3-3

2

3 **SECTION 1.** 13.48 (2) (b) 1m. of the statutes is amended to read:

4 13.48 (2) (b) 1m. The University of Wisconsin System may not accept any gift,
5 grant or bequest of real property with a value in excess of \$150,000 or any gift, grant
6 or bequest of a building or structure that is constructed for the benefit of the system
7 or any institution thereof without the approval under par. (at) of the building
8 commission.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

9 **SECTION 2.** 13.48 (2) (b) 2. of the statutes is amended to read:

10 13.48 (2) (b) 2. In the construction of all new buildings or additions to existing
11 buildings used for housing state offices and constructed for general state purposes
12 and not specially for the use of any particular state agency, the building commission
13 shall function with respect to such construction in the same manner as other state
14 agencies function with respect to buildings constructed for such agencies. The
15 building commission shall under par. (at) fix the rental for all space in such
16 buildings, and, notwithstanding any other statute, may remove to any building any
17 department housed in the state capitol. After the completion of such buildings, they
18 shall be in the charge of the department of administration as provided by s. 16.84.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

19

20 INS 3-5

21

1 **SECTION 3.** 13.48 (2) (g) of the statutes is amended to read:

2 13.48 (2) (g) The building commission shall under par. (at) review assessments
3 on property of the state under s. 66.0703 (6).

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

4

5 INS 3-7

6

7 **SECTION 4.** 13.48 (12) (a) of the statutes is amended to read:

8 13.48 (12) (a) Except as provided in par. (b), no state board, agency, officer,
9 department, commission or body corporate which has authority to permit a privately
10 owned or operated facility to be constructed on state-owned land may permit a
11 facility that would be privately owned or operated to be constructed on state-owned
12 land without prior approval under par. (at) of the building commission.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

13

14 INS 3-21

15

16 **SECTION 5.** 13.48 (22) of the statutes is amended to read:

17 13.48 (22) SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may
18 under sub. (2) (at) lease or resell lands acquired in the capitol planning area for
19 public or private redevelopment and may set such conditions of sale or lease as it
20 deems necessary to ensure development compatible with the needs of the community
21 and the state. This subsection does not apply to lands that are authorized to be sold

1 or leased under s. 16.848 while an offer of sale, sale, or lease agreement is pending
2 or while the lands are leased.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20, s. 35.17 correction in (39h) (c).

3 **SECTION 6. 13.48 (23) of the statutes is amended to read:**

4 **13.48 (23) LEASE OF SPACE FOR COMMERCIAL USE.** Except as provided in sub. (14)
5 (am), the building commission may under sub. (2) (at) lease space in state office
6 buildings for commercial use, including without limitation because of enumeration,
7 retail, service and office uses. In doing so the building commission shall consider the
8 cost and fair market value of the space as well as the desirability of the proposed use.
9 Such leases may be negotiated or awarded by competitive bid procedures. All such
10 leases of space in state office buildings shall provide for payments in lieu of property
11 taxes.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20, s. 35.17 correction in (39h) (c).

12 **SECTION 7. 13.48 (26) of the statutes is amended to read:**

13 **13.48 (26) ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE PLAN APPROVAL.** The
14 building commission shall review the versions of the biennial finance plan and any
15 amendments to the biennial finance plan submitted to it by the department of
16 natural resources and the department of administration under s. 281.59 (3) (bm) and
17 the recommendations of the joint committee on finance and the standing committees
18 to which the versions of the biennial finance plan and any amendments were
19 submitted under s. 281.59 (3) (bm). The building commission shall consider the
20 extent to which that version of the biennial finance plan that is updated to reflect the
21 adopted biennial budget act will maintain the funding for the clean water fund
22 program and the safe drinking water loan program, in the environmental

1 improvement fund, in perpetuity. The building commission shall consider the extent
 2 to which the implementation of the clean water fund program, the safe drinking
 3 water loan program and the land recycling loan program, as set forth in the biennial
 4 finance plan updated to reflect the adopted biennial budget act, implements
 5 legislative intent on the clean water fund program, the safe drinking water loan
 6 program and the land recycling loan program. The building commission shall under
 7 sub. (2) (at), no later than 60 days after the date of enactment of the biennial budget
 8 act, either approve or disapprove the biennial finance plan that is updated to reflect
 9 the adopted biennial budget act, except that the building commission may not
 10 disapprove those amounts that the legislature approves under s. 281.59 (3e) (a), (3m)
 11 (a) and (3s) (a). If the building commission disapproves the version of the biennial
 12 finance plan that is updated to reflect the adopted biennial budget act, it must notify
 13 the department of natural resources and the department of administration of its
 14 reasons for disapproving the plan, and those departments must revise that version
 15 of the biennial finance plan and submit the revision to the building commission.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

16 **SECTION 8. 13.48 (27) of the statutes is amended to read:**

17 **13.48 (27) LEASE OF CORRECTIONAL FACILITIES.** Subject to the requirements of s.
 18 20.924 (1) (i), the building commission may under sub. (2) (at) lease any facility for
 19 use of the department of corrections as a part of the authorized state building
 20 program, with an option to purchase the facility by the state. Any lease shall provide
 21 for the facility to be constructed in accordance with requirements and specifications

1 approved by the department of administration and shall permit inspection of the site
2 and facility by agents of the department.

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91; 2005 a. 25, 253, 391; 2007 a. 20; 2009 a. 28, 185, 361; 2011 a. 7, 10, 32; 2013 a. 20; s. 35.17 correction in (39h) (c).

3

4 INS 6-8

5

6 **SECTION 9.** 16.526 (9) of the statutes is created to read:

7 16.526 (9) The provisions of section ^{16.527}~~20.527~~ (4) (a) to (g) and (6) apply to this
8 section.

9

10 INS 19-8

11

12 **SECTION 10.** 20.924 (1) (d) of the statutes is amended to read:

13 20.924 (1) (d) Shall exercise considered judgment in supervising the
14 implementation of the state building program, and may under s. 13.48 (2) (at)
15 authorize limited changes in the project program, and in the project budget if the
16 commission determines that unanticipated program conditions or bidding
17 conditions require the change to effectively and economically construct the project.
18 However, total state funds for major projects under the authorized state building
19 program for each agency shall not be exceeded.

History: 1971 c. 125; 1973 c. 90; 1979 c. 34 s. 2102 (6) (a), (23) (a); 1983 a. 27 s. 2202 (23); 1985 a. 29 s. 3202 (26) (a); 1991 a. 269; 1993 a. 16; 1997 a. 5, 27; 1999 a. 9, 197; 2001 a. 16, 109; 2003 a. 326; 2005 a. 141, 391; 2011 a. 32.

20 **SECTION 11.** 20.924 (1) (e) of the statutes is amended to read:

1 20.924 (1) (e) May under s. 13.48 (2) (at) authorize the application of federal
2 grants or private gift funds or other moneys in addition to or in lieu of the projects
3 and project funds enumerated in the authorized state building program.

History: 1971 c. 125; 1973 c. 90; 1979 c. 34 s. 2102 (6) (a), (23) (a); 1983 a. 27 s. 2202 (23); 1985 a. 29 s. 3202 (26) (a); 1991 a. 269; 1993 a. 16; 1997 a. 5, 27; 1999 a. 9, 197; 2001 a. 16, 109; 2003 a. 326; 2005 a. 141, 391; 2011 a. 32.

4 **SECTION 12.** 20.924 (1) (em) of the statutes is amended to read:

5 20.924 (1) (em) May under s. 13.48 (2) (at) substitute any available source of
6 funding in whole or in part for borrowing authority under s. 20.866 (2) (s) to (zm) and
7 (zz) that is authorized to be used to fund a project enumerated under the authorized
8 state building program.

History: 1971 c. 125; 1973 c. 90; 1979 c. 34 s. 2102 (6) (a), (23) (a); 1983 a. 27 s. 2202 (23); 1985 a. 29 s. 3202 (26) (a); 1991 a. 269; 1993 a. 16; 1997 a. 5, 27; 1999 a. 9, 197; 2001 a. 16, 109; 2003 a. 326; 2005 a. 141, 391; 2011 a. 32.

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

LRB-1192/P4dn
EVM:kjf:rs

A handwritten signature in cursive script, appearing to read "Date".

ATTN: Sasha Bong

This version of the draft includes the changes requested by Naomi De Mers, but, other than the addition of s. 16.526 (9), does not include the changes requested by David Erdman. Please let me know if you have any questions.

Eric V. Mueller
Legislative Attorney
(608) 261-7032
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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1192/P4dn
EVM:kjf:jm

January 28, 2015

ATTN: Sasha Bong

This version of the draft includes the changes requested by Naomi De Mers, but, other than the addition of s. 16.526 (9), does not include the changes requested by David Erdman. Please let me know if you have any questions.

Eric V. Mueller
Legislative Attorney
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Authorizing certification. No financial obligations may be incurred under this section nor any evidence of operating notes issued by the state except pursuant to a written authorizing certification. The certification shall set forth the aggregate principal amount of operating notes authorized thereby, each purpose of the operating notes it authorizes, which need not be more specific but may not be more general than those purposes provided in or pursuant to law, the manner of sale of the evidences of appropriation obligation, and the form and terms thereof. The certification shall be signed by the secretary, or his or her designee, and shall be transmitted to the governor.

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

LRB-1192/P3dn
EVM:kjfrs

January 26, 2015

ATTN: Sasha Bong

This version of the draft adds to the /P2 version, the changes requested in David Erdman's email. Please review, in particular, the addition of subd. 3. under s. 13.48 (2) (ad), related to refunding authority, and the materials moved from subch. III of ch. 18 to s. 16.526.

In regards to the operating note authority shift, only the materials that appeared to relate solely to the building commission were repealed or eliminated. Please let me know if additional changes are necessary to conform the revised section to your intent.

For convenience this draft retains an "authorizing resolution." Rather than being issued by the building commission, however, the resolution is provided by the department and approved by the secretary of administration, the governor, and the Joint Finance Committee under s. 16.405. Do you want to handle this another way?

Also:

1. This draft repeals s. 18.70. Does this section or portions of it need to be retained and shifted to ch. 16?
2. The expiration date in former s. 18.73 (4) is eliminated. Does some sort of expiration date need to be provided here?
3. For former s. 18.77, instead of having DOA report to itself, I required a report to the co-chairs of the Joint Committee on Finance. Is there a more appropriate place to make the report? Do you want to eliminate this report?

Please let me know if you have any questions or further instructions.

Eric V. Mueller
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Add similar items for 16.527(4)-(5) to new 16.526



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1192/P3
EVM:kjfrs

537-
6363

DOA:.....Bong, BB0380 - Building commission approval process

FOR 2015-2017 BUDGET — NOT READY FOR INTRODUCTION

Add provision similar to 16.527(8)(f), Stat to this.

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau
STATE GOVERNMENT
OTHER STATE GOVERNMENT

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

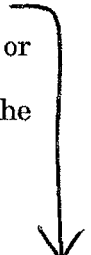
For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 **SECTION 1.** 13.48 (2) (ad) of the statutes is created to read:

3 13.48 (2) (ad) At the first meeting of the building commission following the
4 enactment of the biennial budget act, the commission may take any of the following
5 actions:

6 1. Authorize the department of administration to contract public debt or
7 obligations under subch. II of ch. 18 in an amount not to exceed the amount that the



1 building commission is authorized by the laws of this state to contract. If
 2 authorization is granted under this subdivision, the department of administration
 3 shall provide periodic reports regarding the contracting of debt or obligations under
 4 this subdivision to the commission.

Assumption is BC
 could still meet, if
 needed, At any time to
 Address m/v Admin. 0.30 .last

5 2. Release an amount not to exceed the amount of state building trust fund
 6 moneys to the department of administration for planning for enumerated projects.

7 3. Authorize the department of administration to issue revenue-obligation
 8 refunding obligations under s. 18.60.

9 SECTION 2. 13.48 (2) (ah) of the statutes is created to read:

10 13.48 (2) (ah) After the first meeting of the building commission following the
 11 enactment of the biennial budget act, the department of administration shall report
 12 quarterly to the commission regarding the status of projects under the state building
 13 program.

14 SECTION 3. 13.48 (2) (ap) of the statutes is created to read:

15 13.48 (2) (ap) After the enactment of the biennial budget act in any biennium,
 16 any request for approval from the building commission of a project budget increase
 17 or of a substantial change in an enumerated project shall be submitted in writing to
 18 the commission. If, within 14 working days after the date of that written request,
 19 a majority of the members of the commission do not request that the commission
 20 schedule a meeting to review the request under this paragraph, the request is
 21 approved.

For example still can do debt
 management item here?

22 SECTION 4. 13.48 (2) (at) of the statutes is created to read:

23 13.48 (2) (at) Any request for approval, other than a request for approval of a
 24 project budget increase or of a substantial change in an enumerated project, shall be
 25 submitted in writing to the commission. If, within 14 working days after the date

1 of that written request, a majority of the members of the commission do not request
2 that the commission schedule a meeting to review the request under this paragraph,
3 the request is approved.

4 **SECTION 5.** 13.48 (2) (e) of the statutes is repealed.

5 **SECTION 6.** 13.48 (2) (f) of the statutes is repealed.

6 **SECTION 7.** 13.48 (4) of the statutes is repealed.

7 **SECTION 8.** 13.48 (6) of the statutes is repealed.

8 **SECTION 9.** 13.48 (19) of the statutes is renumbered 13.48 (19) (a) and amended
9 to read:

10 13.48 (19) (a) Whenever the building commission determines that the use of
11 innovative types of design and construction processes will make better use of the
12 resources and technology available in the building industry, the building commission
13 may waive any or all of s. 16.855, except s. 16.855 (13) and (14m) (a) to (c), if such the
14 action is in the best interest of the state and if the waiver is accomplished through
15 formal action of the building commission. ~~The building commission may authorize~~
16 ~~the lease, lease purchase or acquisition of such facilities constructed in the manner~~
17 ~~authorized by the building commission is approved by the building commission.~~

18 (b) Subject to the requirements of s. 20.924 (1) (i), the building commission may
19 also authorize the lease, lease purchase, or acquisition of existing facilities in lieu of
20 state construction of any project enumerated in the authorized state building
21 program.

22 **SECTION 10.** 13.488 (1) (m) of the statutes is amended to read:

23 13.488 (1) (m) The duty to determine and make payments to the United States
24 required so as to avoid an adverse effect on any exclusion of interest from gross
25 income for federal income tax purposes on public debt, revenue obligations, and

Does this
re-numbering
work?

1 operating notes issued pursuant to ~~ch. 18 s. 16.526~~, master lease obligations issued
2 pursuant to s. 16.76, and appropriation obligations issued pursuant to s. 16.527 and
3 to make any payments to advisors that assist in making the determination. If the
4 proceeds of an obligation are utilized for an activity that is financed from program
5 revenue, the building commission shall make the payments required under this
6 paragraph from that revenue, to the extent it is available.

7 **SECTION 11.** 13.90 (5) of the statutes is amended to read:

8 13.90 (5) The joint committee on legislative organization may contract for the
9 services of persons to advise those building commission members who also are
10 legislators on matters related to the state's issuance of state debt, and revenue
11 obligations ~~and operating notes under ch. 18.~~

12 **SECTION 12.** 16.004 (9) of the statutes is amended to read:

13 16.004 (9) AGREEMENTS TO MAINTAIN AN ACCOUNTING FOR OPERATING NOTES. The
14 secretary may enter into agreements to maintain an accounting of, forecast and
15 administer those moneys that are in the process of collection by the state and that
16 are pledged for the repayment of operating notes issued under ~~subch. III of ch. 18~~
17 s. 16.526, in accordance with ~~resolutions of the building commission~~ authorizing the
18 issuance of the operating notes. CERTIFICATIONS

*Global
Agreement*

19 **SECTION 13.** 16.287 (2) (a) of the statutes is amended to read:

20 16.287 (2) (a) For the purposes of ss. 16.526 (8), 16.75 (3m), 16.855 (10m), 16.87
21 (2), 18.16, 18.64, ~~18.77~~, 25.185, 119.495 (2), 200.57, 231.27 and 234.35, the
22 department shall establish and periodically update a list of certified minority
23 businesses, minority financial advisers and minority investment firms. Any
24 business, financial adviser or investment firm may apply to the department for

1 certification. For purposes of this paragraph, unless the context otherwise requires,
2 a "business" includes a financial adviser or investment firm.

3 SECTION 14. 16.40 (16) of the statutes is amended to read:

4 16.40 (16) MAINTAIN AN ACCOUNTING FOR OPERATING NOTES. Maintain an
5 accounting of, forecast and administer those moneys pledged for the repayment of
6 operating notes issued under subch. III of ch. 18 s. 16.526, in accordance with
7 agreements entered into by the secretary under s. 16.004 (9).

8 SECTION 15. 16.405 (1) of the statutes is amended to read:

9 16.405 (1) ~~At Subject to subs. (2) and (3),~~ at any time the department
10 determines that a deficiency will occur in the funds of the state which will not permit
11 the state to meet its operating obligations in a timely manner, it may prepare ~~a~~
12 ~~request an authorizing resolution~~ for the issuance of operating notes under subch.
13 III of ch. 18 and, subject to subs. (2) and (3), may submit the request to the building
14 commission s. 16.526.

Certification

Consider making this part of new 16.526?

15 SECTION 16. 16.405 (2) of the statutes is amended to read:

16 ~~16.405 (2) The department may not submit a request to the building~~
17 ~~commission issue an authorizing resolution~~ under sub. (1) unless the request
18 ~~resolution~~ is signed by the secretary and the governor.

delete?

19 SECTION 17. 16.405 (3) of the statutes is amended to read:

20 16.405 (3) If the department proposes to ~~submit a request to the building~~
21 ~~commission issue a resolution~~ under sub. (1), the secretary shall notify the joint
22 committee on finance in writing of the proposed action. If the cochairpersons of the
23 committee do not notify the secretary that the committee has scheduled a meeting
24 for the purpose of reviewing the proposed ~~submission resolution~~ within 14 working
25 days after the date of the secretary's notification, the department may submit the

Prepare An Authorizing Certification for the issuance of operating notes

6 - ISSUE OPERATING NOTES AUTHORITY TO
~~APPROVE~~ THE AUTHORIZING CERTIFICATION

1 ~~request to the building commission issue the resolution~~ as proposed. If, within 14
2 working days after the date of the secretary's notification, the cochairpersons of the
3 committee notify the secretary that the committee has scheduled a meeting for the
4 purpose of reviewing the proposed ~~submission resolution~~, the department may
5 ~~submit the request to the building commission issue the resolution~~ only upon
6 approval of the committee.

ISSUE OPERATING NOTES AUTHORITY TO
COMPLETE THE AUTHORIZING CERTIFICATION

7 SECTION 18. 16.526 (title) of the statutes is created to read:

8 16.526 (title) **Operating notes.**

9 SECTION 19. 16.53 (10) (a) of the statutes is amended to read:

10 16.53 (10) (a) If an emergency arises which requires the department to draw
11 vouchers for payments which will be in excess of available moneys in any state fund,
12 the secretary, after notifying the joint committee on finance under par. (b), may
13 prorate and establish priority schedules for all payments within each fund, including
14 those payments for which a specific payment date is provided by statute, except as
15 otherwise provided in this paragraph. The secretary shall draw all vouchers
16 according to the preference provided in this paragraph. All direct or indirect
17 payments of principal or interest on state bonds and notes issued under subch. I of
18 ch. 18 and payments due, if any, under an agreement or ancillary arrangement
19 entered into under s. 18.06 (8) (a) relating to any public debt contracted under
20 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of
21 principal or interest on state notes issued under subch. III of ch. 18 s. 16.526 have
22 2nd priority. No payment having a 1st or 2nd priority may be prorated or reduced
23 under this subsection. All state employee payrolls have 3rd priority. The secretary
24 shall draw all remaining vouchers according to a priority determined by the

1 secretary. The secretary shall maintain records of all claims prorated under this
2 subsection.

3 **SECTION 20.** 16.531 (1) of the statutes is amended to read:

4 16.531 (1) At least 15 days prior to the beginning of any calendar quarter in
5 which the secretary anticipates that it may be necessary to exercise the authority
6 conferred in s. 16.53 (10) (a) or 20.002 (11) (a) or to incur financial obligations and
7 issue operating notes under ~~subch. III of ch. 18 s. 16.526~~, the secretary shall submit
8 a plan to the joint committee on finance describing the specific nature of any
9 proposed action that may be required.

10 **SECTION 21.** 16.531 (2) of the statutes is amended to read:

11 16.531 (2) If the secretary determines during any calendar quarter that action
12 under s. 16.526, 16.53 (10) (a) or 20.002 (11) ~~or subch. III of ch. 18~~ should be taken
13 that is different from the action specified in the plan submitted under sub. (1), the
14 secretary shall provide notice to the joint committee on finance of the specific nature
15 of any such action that may be required. If the joint committee on finance has not,
16 within 2 working days after such notification, scheduled a meeting to review the
17 secretary's proposal, the secretary may proceed with the proposed action. If, within
18 2 working days after such notification, the committee schedules a meeting, the
19 secretary may not proceed with the proposed action until after the meeting is held.

20 **SECTION 22.** 16.531 (3) of the statutes is amended to read:

21 16.531 (3) Within 30 days after the end of each calendar quarter during which
22 the secretary exercises the authority conferred in s. 16.53 (10) (a), during which there
23 is any outstanding reallocation of moneys under s. 20.002 (11) (a) or during which
24 there are any outstanding operating notes issued under ~~subch. III of ch. 18 s. 16.526~~,
25 the secretary shall submit to the joint committee on finance a report on the status

1 of all such matters, together with an assessment of the degree to which the secretary
2 anticipates that state funds and accounts will have sufficient revenues to meet
3 anticipated obligations during the 6-month period following the calendar quarter for
4 which the report is issued.

5 **SECTION 23.** 16.855 (1m) of the statutes is amended to read:

6 16.855 (1m) The department shall let by contract to the lowest qualified
7 responsible bidder all construction work when the estimated construction cost of the
8 project exceeds \$50,000, except for construction work authorized under s. 16.858 and
9 except as provided in sub. (1r) or (10m) or s. 13.48 (19) (a). If factors other than dollar
10 amounts are required to be evaluated for a project, the department shall specify a
11 formula that will convert the other factors into a dollar value for comparison.

12 **SECTION 24.** 16.855 (13) (a) 2. of the statutes is amended to read:

13 16.855 (13) (a) 2. In any project under this section that is let under s. 13.48 (19)
14 (a), the department shall identify, as provided under par. (b), the mechanical,
15 electrical, or plumbing subcontractors who have submitted the lowest bids and who
16 are qualified responsible bidders. The contractor awarded a contract under s. 13.48
17 (19) (a) shall contract with the mechanical, electrical, or plumbing subcontractors so
18 identified.

19 **SECTION 25.** 16.855 (14) (am) of the statutes is amended to read:

20 16.855 (14) (am) Except as provided in s. 13.48 (19) (a), the department shall
21 let all construction projects that exceed \$185,000 through single prime contracting.
22 The department may not request or accept any alternate bids when letting a
23 construction project through single prime contracting.

24 **SECTION 26.** 18.06 (6) of the statutes is amended to read:

1 18.06 (6) EXERCISE OF AUTHORITY. Public debt may be contracted and evidence
2 of indebtedness issued therefor under one or more authorizing resolutions, unless
3 otherwise provided in the resolution, at any time and from time to time, for any
4 combination of purposes, in any specific amounts, at any rates of interest, at any
5 price or percentage of par value, for any term, payable at any intervals, at any place,
6 in any manner and having any other terms or conditions deemed necessary or useful.
7 A resolution authorizing the contracting of public debt may provide that the public
8 debt bear interest at variable or fixed rates, bear no interest, bear interest payable
9 at any time or bear interest payable only at maturity or upon redemption prior to
10 maturity. Unless sooner exercised and unless a shorter period is provided in such
11 resolution, every authorizing resolution shall expire ~~one-year~~ 2 years after the date
12 of its adoption.

13 **SECTION 27.** 18.55 (5) of the statutes is amended to read:

14 18.55 (5) EXERCISE OF AUTHORITY. Money may be borrowed and evidences of
15 revenue obligation issued therefor pursuant to one or more authorizing resolutions,
16 unless otherwise provided in the resolution or in this subchapter, at any time and
17 from time to time, for any combination of purposes, in any specific amounts, at any
18 rates of interest, for any term, payable at any intervals, at any place, in any manner
19 and having any other terms or conditions deemed necessary or useful. Revenue
20 obligation bonds may bear interest at variable or fixed rates, bear no interest or bear
21 interest payable only at maturity or upon redemption prior to maturity. Unless
22 sooner exercised or unless a different period is provided in the resolution, every
23 authorizing resolution, except as provided in s. 18.59 (1), shall expire ~~one-year~~ 2 years
24 after the date of its adoption.

Manses
reads
to
18.06(6)?

1 **SECTION 28.** Subchapter III (title) of chapter 18 [precedes 18.70] of the statutes
2 is repealed.

3 **SECTION 29.** 18.70 of the statutes is repealed.

4 **SECTION 30.** 18.71 (intro.), (1d), (3), (4) and (5) of the statutes are renumbered
5 16.526 (1) (intro), (a), (b), (c) and (d), and 16.526 (1) (intro.), (a) 1. and 3. and (c) 2.,
6 as renumbered, are amended to read:

7 16.526 (1) **DEFINITIONS.** (intro.) In this subchapter section, unless the context
8 requires otherwise:

9 (a) 1. The aggregate net payments expected to be made and received under a
10 specified interest exchange agreement under s. ~~18.73 (5) (a)~~ sub. (4) (e) 1.

11 3. The aggregate net payments expected to be made and received under all
12 other interest exchange agreements under s. ~~18.73 (5) (a)~~ sub. (4) (e) 1. relating to
13 those notes that are in force at the time of executing the agreement.

14 (c) 2. Payable from and secured solely by revenues pledged by the ~~commission~~
15 and the department pursuant to the authorizing resolution provided that all such
16 pledged revenues must first be available for the payment of public debt; and

17 **SECTION 31.** 18.71 (1m) and (2) of the statutes are repealed.

18 **SECTION 32.** 18.72 of the statutes is renumbered 16.526 (2), and 16.526 (2) (a)
19 to (c), as renumbered, are amended to read:

20 16.526 (2) **PURPOSES OF OPERATING NOTES.** (a) ~~The commission~~ department may
21 authorize financial obligations to be incurred and evidences of operating notes to be
22 issued therefor in an amount sufficient to fund or refund the whole or any part of any
23 operating note issued under this ~~subchapter~~ section. However, no operating notes
24 originally issued in a fiscal year may be funded or refunded by proceeds of an
25 operating note to mature in a later fiscal year.

1 (b) The ~~commission~~ department may authorize financial obligations to be
2 incurred and evidences of operating notes to be issued therefor to fund operating
3 deficits as moneys are required. The requirements for moneys shall be established
4 by the department.

5 (c) Each purpose specified in ~~subs. (1) and (2)~~ pars. (a) and (b) may include the
6 expenses of issuance of the operating notes and reserves securing the operating
7 notes.

8 **SECTION 33.** 18.725 of the statutes is renumbered 16.526 (3) and amended to
9 read:

10 16.526 (3) LIMIT ON AMOUNT OF OPERATING NOTES. The ~~building commission~~
11 department may not sell operating notes under s. 18.73 (2) sub. (4) (b) at any time
12 if the amount of operating notes to be sold at that time plus the amount of operating
13 notes outstanding at that time exceed 10% of the amounts shown in the schedule
14 under s. 20.005 (3) of appropriations of general purpose revenues, as defined in s.
15 20.001 (2) (a), plus the amounts shown in the schedule of appropriations of program
16 revenues, as defined in s. 20.001 (2) (b), both calculated as of that time and for that
17 fiscal year.

18 **SECTION 34.** 18.73 (1), (2), (4) and (5) (a), (b), (c), (d) (intro.), 1. and 2., (e) 1. and
19 3. and (f) of the statutes are renumbered 16.526 (4) (a), (b), (d) and (e) 1., 2., 3., 4.
20 (intro.), a. and b., 5. a. and c. and 6., and 16.526 (4) (a), (b), (d) and (e) 1., 2., 4. (intro.),
21 a. and b., 5. a. and 6. (intro.), as renumbered, are amended to read:

22 16.526 (4) PROCEDURES. (a) Authorizing resolution. No financial obligations
23 may be incurred under this subchapter section nor may any evidence of operating
24 notes be issued by the state except upon submission of a request issuance of an
25 authorizing resolution by the department under s. 16.405 and pursuant to an

Approved
(Signature)

1 ~~authorizing resolution of the commission.~~ Each authorizing resolution shall state
2 each purpose of the operating notes it authorizes, which need not be more specific but
3 may not be more general than those purposes provided in or pursuant to law, and the
4 maximum principal amount of the operating notes. The operating notes may be
5 designated by any name as determined by the ~~commission~~ department.

6 (b) *Sale.* Operating notes may be sold at either public or private sale. The
7 ~~commission~~ department may provide in an authorizing resolution for the refunding
8 of operating notes, for their exchange privately, in payment and discharge of any of
9 the outstanding operating notes being refunded. All operating notes sold at public
10 sale shall be noticed as provided in the ~~authorizing resolution~~. Any bids received at
11 public sale may be rejected.

12 (d) *Exercise of authority.* Financial obligations may be incurred and evidences
13 of operating notes issued therefor pursuant to one or more authorizing resolutions
14 unless otherwise provided in the resolution or in this subchapter section, at any time
15 and from time to time, for any combination of purposes, in any specific amounts, at
16 any rates of interest, for any term, payable at any intervals, at any place, in any
17 manner and having any other terms or conditions deemed necessary or useful.
18 ~~Unless sooner exercised or unless a shorter period is provided in the resolution, every~~
19 ~~authorizing resolution shall expire 3 months after the date of its adoption.~~

20 (e) *Agreements and arrangements; delegation; use of operating notes.* 1. Subject
21 to ~~pars. (d) and (e) subd. 4. and 5.~~, at the time of, or in anticipation of, contracting
22 operating notes and at any time thereafter while the operating notes are
23 outstanding, the ~~commission~~ department may enter into agreements and ancillary
24 arrangements relating to the operating notes, including liquidity facilities,
25 remarketing or dealer agreements, letter of credit agreements, insurance policies,

Authorizing Resolution

Resolutions

1 guaranty agreements, reimbursement agreements, indexing agreements, or interest
2 exchange agreements. Any payment received pursuant to any such agreements or
3 ancillary arrangements shall be deposited in, and any payments made pursuant to
4 any such agreements or ancillary arrangements will be made from, the general fund
5 or the operating note redemption fund, as determined by the ~~commission~~
6 department. The determination of the ~~commission~~ department included in an
7 interest exchange agreement that such an agreement relates to an operating note
8 shall be conclusive.

9 2. The ~~commission~~ department may delegate to other persons the authority and
10 responsibility to take actions necessary and appropriate to implement agreements
11 and ancillary arrangements under ~~par. (a) subd. 1.~~

12 4. (intro.) With respect to any interest exchange agreement or agreements
13 specified in ~~par. (a) subd. 1.~~, all of the following shall apply:

14 a. The ~~commission~~ department shall contract with an independent financial
15 consulting firm to determine if the terms and conditions of the agreement reflect a
16 fair market value, as of the proposed date of the execution of the agreement.

17 b. The interest exchange agreement must identify the note to which the
18 agreement is related. The determination of the ~~commission~~ department included in
19 an interest exchange agreement that such agreement relates to a note shall be
20 conclusive.

21 5. a. Subject to subd. 2. ~~5. b.~~, the terms and conditions of an interest exchange
22 agreement under ~~par. (a) subd. 1.~~ shall not be structured so that, as of the trade date
23 of the agreement, the aggregate expected debt service and net exchange payments
24 relating to the agreement during the fiscal year in which the trade date occurs will
25 be less than the aggregate expected debt service and net exchange payments relating

1 to the agreement that would be payable during that fiscal year if the agreement is
2 not executed.

3 6. (intro.) Semiannually, during any year in which the state is a party to an
4 agreement entered into pursuant to ~~par. (a) subd. 1.~~, the department of
5 ~~administration~~ shall submit a report to the commission and to the cochairpersons of
6 the joint committee on finance listing all such agreements. The report shall include
7 all of the following:

8 SECTION 35. 18.73 (5) (d) 3. (intro.) and a. to g. of the statutes are consolidated,
9 renumbered 16.526 (4) (e) 4. c. and amended to read: *Co-chairperson*

10 16.526 (4) (e) 4. c. The ~~resolution~~ authorizing the ~~commission~~ department to
11 enter into any interest exchange agreement shall require that the terms and
12 conditions of the agreement reflect a fair market value as of the date of execution of
13 the agreement, as reflected by the determination of the independent financial
14 consulting firm under subd. 1. 4. a., and shall establish guidelines for any such
15 agreement, including the following: ~~a. The~~ the conditions under which the
16 commission may enter into the agreements. ~~b. The;~~ the form and content of the
17 agreements. ~~c. The;~~ the aspects of risk exposure associated with the agreements. ~~d.~~
18 ~~The;~~ the standards and procedures for counterparty selection. ~~e. The;~~ the standards
19 for the procurement of, and the setting aside of reserves, if any, in connection with,
20 the agreements. ~~f. The;~~ the provisions, if any, for collateralization or other
21 requirements for securing any counterparty's obligations under the agreements. ~~g.~~
22 ~~A;~~ and a system for financial monitoring and periodic assessment of the agreements.

23 SECTION 36. 18.73 (5) (e) 2. (intro.), a. and b. of the statutes are consolidated,
24 renumbered 16.526 (4) (e) 5. b. and amended to read:

1 16.526 (4) (e) 5. b. Subdivision ~~1. 5. a.~~ shall not apply if either of the follow
2 occurs: ~~a. The commission~~ the department receives a determination by the
3 independent financial consulting firm under ~~par. (d) 1. subd. 4. a.~~ that the terms and
4 conditions of the agreement reflect payments by the state that represent on-market
5 rates as of the trade date for the particular type of agreement. ~~b. The commission~~
6 or the department provides written notice to the joint committee on finance of its
7 intention to enter into an agreement that is reasonably expected to satisfy ~~subd. 1.~~
8 subd. 5. a., and the joint committee on finance either approves or disapproves, in
9 writing, the ~~commission's~~ department's entering into the agreement within 14 days
10 of receiving the written notice from the ~~commission~~ department.

11 **SECTION 37.** 18.74 of the statutes is renumbered 16.526 (5) and amended to
12 read:

13 16.526 (5) APPLICATION OF OPERATING NOTE PROCEEDS. All moneys resulting from
14 the contracting of operating notes or any payment to be received under an agreement
15 or ancillary arrangement entered into under ~~s. 18.73 (5) sub. (4) (e)~~ with respect to
16 any such operating notes shall be credited to the general fund, except that moneys
17 which represent premium and accrued interest on operating notes, or moneys for
18 purposes of funding or refunding operating notes pursuant to ~~s. 18.72 (1) sub. (2) (a)~~
19 shall be credited to the operating note redemption fund.

20 **SECTION 38.** 18.75 of the statutes is renumbered 16.526 (6), and 16.526 (6) (b)
21 and (d), as renumbered, are amended to read:

22 16.526 (6) (b) The operating note redemption fund shall be expended and all
23 moneys from time to time on hand therein are irrevocably appropriated, in sums
24 sufficient, only for the payment of principal and interest on operating notes giving
25 rise to it and premium, if any, due upon refunding or early redemption of such

1 operating notes, and for the payment due, if any, under an agreement or ancillary
2 arrangement entered into under ~~s. 18.73 (5) sub. (4) (e)~~ with respect to such operating
3 notes.

4 (d) There shall be transferred, under s. 20.855 (1) (a), a sum sufficient for the
5 payment of the principal, interest and premium due, if any, and for the payment due,
6 if any, under an agreement or ancillary arrangement entered into pursuant to ~~s.~~
7 ~~18.73 (5) sub. (4) (e)~~ with respect to operating notes giving rise to it as the same falls
8 due. Such transfers shall be so timed that there is at all times on hand in the fund
9 an amount not less than the amount to be paid out of it during the ensuing 30 days
10 or such other period if so provided for in the authorizing resolution. The ~~commission~~
11 department may pledge the deposit of additional amounts at periodic intervals and
12 the secretary ~~of the department~~ may impound moneys of the general fund, including
13 moneys temporarily reallocated from other funds under s. 20.002 (11), in accordance
14 with the pledge of revenues in the authorizing resolution, and all such
15 impoundments are deemed to be payments for purposes of s. 16.53 (10), but no such
16 impoundment may be made until the amounts to be paid into the bond security and
17 redemption fund under s. 18.09 during the ensuing 30 days have been deposited in
18 the bond security and redemption fund.

19 **SECTION 39.** 18.76 of the statutes is renumbered 16.526 (7).

20 **SECTION 40.** 18.77 of the statutes is renumbered 16.526 (8), and 16.526 (8) (b)

21 1. and 2., (c) 1. and 2., (d) 1. and 2., (e) 1. and 2., (f) and (g), as renumbered, are
22 amended to read:

23 16.526 (8) (b) 1. Except as provided under ~~sub. (7) par. (g)~~, in contracting
24 operating notes by competitive sale, the ~~commission~~ department shall ensure that

1 at least 6% of total operating note indebtedness contracted in each fiscal year is
2 underwritten by minority investment firms.

3 2. Except as provided under ~~sub. (7) par. (g)~~, in contracting operating notes by
4 competitive sale, the ~~commission~~ department shall make efforts to ensure that at
5 least 1 percent of total operating note indebtedness contracted in each fiscal year is
6 underwritten by disabled veteran-owned investment firms.

7 (c) 1. Except as provided under ~~sub. (7) par. (g)~~, in contracting operating notes
8 by negotiated sale, the ~~commission~~ department shall ensure that at least 6% of total
9 operating note indebtedness contracted in each fiscal year is underwritten by
10 minority investment firms.

11 2. Except as provided under ~~sub. (7) par. (g)~~, in contracting operating notes by
12 negotiated sale, the ~~commission~~ department shall make efforts to ensure that at
13 least 1 percent of total operating note indebtedness contracted in each fiscal year is
14 underwritten by disabled veteran-owned investment firms.

15 (d) 1. Except as provided under ~~sub. (7) par. (g)~~, in contracting operating notes
16 by competitive sale or negotiated sale, the ~~commission~~ department shall ensure that
17 at least 6% of the total moneys expended in such fiscal year for the services of
18 financial advisers are expended for the services of minority financial advisers.

19 2. Except as provided under ~~sub. (7) par. (g)~~, in contracting operating notes by
20 competitive sale or negotiated sale, the ~~commission~~ department shall make efforts
21 to ensure that at least 1 percent of the total moneys expended in such fiscal year for
22 the services of financial advisers are expended for the services of disabled
23 veteran-owned financial advisers.

24 (e) 1. Except as provided under ~~sub. (7) par. (g)~~, an individual underwriter or
25 syndicate of underwriters shall ensure that each bid or proposal, submitted by that

1 individual or syndicate in a competitive or negotiated sale of an operating note,
2 provides for a portion of sales to minority investment firms.

3 2. Except as provided under sub. (7) par. (g), an individual underwriter or
4 syndicate of underwriters shall make efforts to ensure that each bid or proposal,
5 submitted by that individual or syndicate in a competitive or negotiated sale of an
6 operating note, provides for at least 1 percent of sales to disabled veteran-owned
7 investment firms.

8 (f) ~~The commission department shall annually report to the department of~~
9 ~~administration to the cochairpersons of the joint committee on finance~~ the total
10 amount of operating note indebtedness contracted with the underwriting services of
11 minority investment firms and the total amount of moneys expended for the services
12 of minority financial advisers and disabled veteran-owned financial advisers during
13 the preceding fiscal year.

14 (g) The requirements of any of subs. (2) to (5) pars. (b) to (e) do not apply to a
15 contracting of operating notes, if the secretary of ~~administration~~ submits a report in
16 writing to the joint committee on finance specifying the ~~building commission's~~
17 ~~department's~~ reasons for not complying with the requirements of any of subs. (2) to
18 (5) pars. (b) to (e) for that contracting.

19 **SECTION 41.** 20.855 (1) (a) of the statutes is amended to read:

20 20.855 (1) (a) *Obligation on operating notes.* A sum sufficient to pay principal,
21 interest and premium, if any, due on operating notes, including amounts due on
22 periodic payments, and to make payments under an agreement or ancillary
23 arrangement entered into under s. 18.73 (5) (a) 16.526 (4) (e) 1., pursuant to
24 resolutions authorizing the issuance of the operating notes under s. 18.73 (1) 16.526
25 (4) (a).

