



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1192/P4 1PS
EVM:kjf:jm

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

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

RMP

INSERTS

1/25/15

Don't Gen

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.

INS-Analysis

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 ^{an} 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



required to be made by
the building commission

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) (b) 1m. of the statutes is amended to read:

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

10 **SECTION 6.** 13.48 (2) (b) 2. of the statutes is amended to read:

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

20 **SECTION 7.** 13.48 (2) (e) of the statutes is repealed.

21 **SECTION 8.** 13.48 (2) (f) of the statutes is repealed.

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

23 13.48 (2) (g) The building commission shall under par. (at) review assessments
24 on property of the state under s. 66.0703 (6).

25 **SECTION 10.** 13.48 (4) of the statutes is repealed.

1 **SECTION 11.** 13.48 (6) of the statutes is repealed.

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

3 13.48 **(12)** (a) Except as provided in par. (b), no state board, agency, officer,
4 department, commission or body corporate which has authority to permit a privately
5 owned or operated facility to be constructed on state-owned land may permit a
6 facility that would be privately owned or operated to be constructed on state-owned
7 land without prior approval under ~~par. (a)~~ ^{sub. (2)} of the building commission.

8 **SECTION 13.** 13.48 (19) of the statutes is renumbered 13.48 (19) (a) and
9 amended 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)
14 (a) to (c), if such the action is in the best interest of the state and if the waiver is
15 accomplished through formal action of the building commission. ~~The building~~
16 ~~commission may authorize the lease, lease purchase or acquisition of such facilities~~
17 ~~constructed in the manner authorized by the building commission is approved by the~~
18 building commission.

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

23 **SECTION 14.** 13.48 (22) of the statutes is amended to read:

24 13.48 **(22)** SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may
25 under sub. (2) (a) lease or resell lands acquired in the capitol planning area for public

1 or private redevelopment and may set such conditions of sale or lease as it deems
2 necessary to ensure development compatible with the needs of the community and
3 the state. This subsection does not apply to lands that are authorized to be sold or
4 leased under s. 16.848 while an offer of sale, sale, or lease agreement is pending or
5 while the lands are leased.

6 **SECTION 15.** 13.48 (23) of the statutes is amended to read:

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

15 **SECTION 16.** 13.48 (26) of the statutes is amended to read:

16 13.48 (26) ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE PLAN APPROVAL. The
17 building commission shall review the versions of the biennial finance plan and any
18 amendments to the biennial finance plan submitted to it by the department of
19 natural resources and the department of administration under s. 281.59 (3) (bm) and
20 the recommendations of the joint committee on finance and the standing committees
21 to which the versions of the biennial finance plan and any amendments were
22 submitted under s. 281.59 (3) (bm). The building commission shall consider the
23 extent to which that version of the biennial finance plan that is updated to reflect the
24 adopted biennial budget act will maintain the funding for the clean water fund
25 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.

strike

insert 6-15

SECTION 17. 13.48 (27) of the statutes is amended to read:

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

SECTION 18. 13.488 (1) (m) of the statutes is amended to read:

note: reconciliation → * * * * reconciled with

1186

1 13.488 (1) (m) The duty to determine and make payments to the United States
2 required so as to avoid an adverse effect on any exclusion of interest from gross
3 income for federal income tax purposes on public debt, revenue obligations, and
4 operating notes issued pursuant to ~~ch. 18 s. 16.526~~, master lease obligations issued
5 pursuant to s. 16.76, and appropriation obligations issued pursuant to s. 16.527 and
6 to make any payments to advisors that assist in making the determination. If the
7 proceeds of an obligation are utilized for an activity that is financed from program
8 revenue, the building commission shall make the payments required under this
9 paragraph from that revenue, to the extent it is available.

10 **SECTION 19.** 13.90 (5) of the statutes is amended to read:

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

15 **SECTION 20.** 16.004 (9) of the statutes is amended to read:

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

22 **SECTION 21.** 16.287 (2) (a) of the statutes is amended to read:

23 16.287 (2) (a) For the purposes of ss. 16.526 (8), 16.75 (3m), 16.855 (10m), 16.87
24 (2), 18.16, 18.64, ~~18.77~~, 25.185, 119.495 (2), 200.57, 231.27 and 234.35, the
25 department shall establish and periodically update a list of certified minority

1 businesses, minority financial advisers and minority investment firms. Any
2 business, financial adviser or investment firm may apply to the department for
3 certification. For purposes of this paragraph, unless the context otherwise requires,
4 a “business” includes a financial adviser or investment firm.

5 **SECTION 22.** 16.40 (16) of the statutes is amended to read:

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

10 **SECTION 23.** 16.405 (1) of the statutes is amended to read:

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

17 **SECTION 24.** 16.405 (2) of the statutes is amended to read:

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

21 **SECTION 25.** 16.405 (3) of the statutes is amended to read:

22 16.405 (3) If the department proposes to ~~submit a request to the building~~
23 ~~commission~~ issue a resolution under sub. (1), the secretary shall notify the joint
24 committee on finance in writing of the proposed action. If the cochairpersons of the
25 committee do not notify the secretary that the committee has scheduled a meeting

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

INS
9-8

INS
9-10

9 SECTION 26. 16.526 (title) of the statutes is created to read:

10 16.526 (title) **Operating notes.**

11 SECTION 27. 16.526 (9) of the statutes is created to read:

12 16.526 (9) The provisions ^{governing appropriation obligations} of section 16.527 (4) (a) to (g) and (6) apply to this
 13 section.

✓
 ✓
 (8), and (a)
 ✓
 operating notes under

14 SECTION 28. 16.53 (10) (a) of the statutes is amended to read:

15 16.53 (10) (a) If an emergency arises which requires the department to draw
 16 vouchers for payments which will be in excess of available moneys in any state fund,
 17 the secretary, after notifying the joint committee on finance under par. (b), may
 18 prorate and establish priority schedules for all payments within each fund, including
 19 those payments for which a specific payment date is provided by statute, except as
 20 otherwise provided in this paragraph. The secretary shall draw all vouchers
 21 according to the preference provided in this paragraph. All direct or indirect
 22 payments of principal or interest on state bonds and notes issued under subch. I of
 23 ch. 18 and payments due, if any, under an agreement or ancillary arrangement
 24 entered into under s. 18.06 (8) (a) relating to any public debt contracted under
 25 subchs. I and IV of ch. 18 have first priority. All direct or indirect payments of

1 principal or interest on state notes issued under ~~subch. III of ch. 18 s. 16.526~~ have
2 2nd priority. No payment having a 1st or 2nd priority may be prorated or reduced
3 under this subsection. All state employee payrolls have 3rd priority. The secretary
4 shall draw all remaining vouchers according to a priority determined by the
5 secretary. The secretary shall maintain records of all claims prorated under this
6 subsection.

7 **SECTION 29.** 16.531 (1) of the statutes is amended to read:

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

14 **SECTION 30.** 16.531 (2) of the statutes is amended to read:

15 16.531 (2) If the secretary determines during any calendar quarter that action
16 under s. 16.526, 16.53 (10) (a) or 20.002 (11) ~~or subch. III of ch. 18~~ should be taken
17 that is different from the action specified in the plan submitted under sub. (1), the
18 secretary shall provide notice to the joint committee on finance of the specific nature
19 of any such action that may be required. If the joint committee on finance has not,
20 within 2 working days after such notification, scheduled a meeting to review the
21 secretary's proposal, the secretary may proceed with the proposed action. If, within
22 2 working days after such notification, the committee schedules a meeting, the
23 secretary may not proceed with the proposed action until after the meeting is held.

24 **SECTION 31.** 16.531 (3) of the statutes is amended to read:

1 16.531 (3) Within 30 days after the end of each calendar quarter during which
2 the secretary exercises the authority conferred in s. 16.53 (10) (a), during which there
3 is any outstanding reallocation of moneys under s. 20.002 (11) (a) or during which
4 there are any outstanding operating notes issued under subch. III of ch. 18 s. 16.526,
5 the secretary shall submit to the joint committee on finance a report on the status
6 of all such matters, together with an assessment of the degree to which the secretary
7 anticipates that state funds and accounts will have sufficient revenues to meet
8 anticipated obligations during the 6-month period following the calendar quarter for
9 which the report is issued.

10 **SECTION 32.** 16.855 (1m) of the statutes is amended to read:

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

17 **SECTION 33.** 16.855 (13) (a) 2. of the statutes is amended to read:

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

24 **SECTION 34.** 16.855 (14) (am) of the statutes is amended to read:

1 16.855 (14) (am) Except as provided in s. 13.48 (19) (a), the department shall
2 let all construction projects that exceed \$185,000 through single prime contracting.
3 The department may not request or accept any alternate bids when letting a
4 construction project through single prime contracting.

5 **SECTION 35.** 18.06 (6) of the statutes is amended to read:

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

18 **SECTION 36.** 18.55 (5) of the statutes is amended to read:

19 18.55 (5) EXERCISE OF AUTHORITY. Money may be borrowed and evidences of
20 revenue obligation issued therefor pursuant to one or more authorizing resolutions,
21 unless otherwise provided in the resolution or in this subchapter, at any time and
22 from time to time, for any combination of purposes, in any specific amounts, at any
23 rates of interest, for any term, payable at any intervals, at any place, in any manner
24 and having any other terms or conditions deemed necessary or useful. Revenue
25 obligation bonds may bear interest at variable or fixed rates, bear no interest or bear

1 interest payable only at maturity or upon redemption prior to maturity. Unless
2 sooner exercised or unless a different period is provided in the resolution, every
3 authorizing resolution, except as provided in s. 18.59 (1), shall expire ~~one year~~ 2 years
4 after the date of its adoption.

5 **SECTION 37.** Subchapter III (title) of chapter 18 [precedes 18.70] of the statutes
6 is repealed.

7 **SECTION 38.** 18.70 of the statutes is repealed.

8 **SECTION 39.** 18.71 (intro.), (1d), (3), (4) and (5) of the statutes are renumbered
9 16.526 (1) (intro), (a), (b), (c) and (d), and 16.526 (1) (intro.), (a) 1. and 3. and (c) 2.,
10 as renumbered, are amended to read:

11 16.526 (1) DEFINITIONS. (intro.) In this ~~subchapter~~ section, unless the context
12 requires otherwise:

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

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

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

21 **SECTION 40.** 18.71 (1m) and (2) of the statutes are repealed.

22 **SECTION 41.** 18.72 of the statutes is renumbered 16.526 (2), and 16.526 (2) (a)
23 to (c), as renumbered, are amended to read:

24 16.526 (2) (a) The ~~commission~~ department may authorize financial obligations
25 to be incurred and evidences of operating notes to be issued therefor in an amount

INS
13-18

✓
i.
and

Strike certification ✓

1 sufficient to fund or refund the whole or any part of any operating note issued under
2 this ~~subchapter~~ section. However, no operating notes originally issued in a fiscal
3 year may be funded or refunded by proceeds of an operating note to mature in a later
4 fiscal year.

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

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

12 **SECTION 42.** 18.725 of the statutes is renumbered 16.526 (3) and amended to
13 read:

14 16.526 (3) LIMIT ON AMOUNT OF OPERATING NOTES. The ~~building commission~~
15 department may not sell operating notes under s. 18.73 (2) sub. (4) (b) at any time
16 if the amount of operating notes to be sold at that time plus the amount of operating
17 notes outstanding at that time exceed 10% of the amounts shown in the schedule
18 under s. 20.005 (3) of appropriations of general purpose revenues, as defined in s.
19 20.001 (2) (a), plus the amounts shown in the schedule of appropriations of program
20 revenues, as defined in s. 20.001 (2) (b), both calculated as of that time and for that
21 fiscal year.

22 **SECTION 43.** 18.73 (1), (2), (4) and (5) (a), (b), (c), (d) (intro.), 1. and 2., (e) 1. and
23 3. and (f) of the statutes are renumbered 16.526 (4) (a), (b), (d) and (e) 1., 2., 3., 4.
24 (intro.), a. and b., 5. a. and c. and 6., and 16.526 (4) (a), (b), (d) and (e) 1., 2., 4. (intro.),
25 a. and b., 5. a. and 6. (intro.), as renumbered, are amended to read:

1 16.526 (4) (a) *Authorizing resolution.* No financial obligations may be incurred
2 under this subchapter ~~section~~ nor may any evidence of operating notes be issued by
3 the state except upon submission of a request issuance of an authorizing resolution
4 by the department under s. 16.405 and ~~pursuant to an authorizing resolution of the~~
5 ~~commission.~~ Each authorizing resolution shall state each purpose of the operating
6 notes it authorizes, which need not be more specific but may not be more general than
7 those purposes provided in or pursuant to law, and the maximum principal amount
8 of the operating notes. The operating notes may be designated by any name as
9 determined by the ~~commission~~ department.

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

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

24 (e) 1. Subject to pars. (d) and (e) subd. 4. and 5., at the time of, or in anticipation
25 of, contracting operating notes and at any time thereafter while the operating notes

1 are outstanding, the ~~commission~~ department may enter into agreements and
2 ancillary arrangements relating to the operating notes, including liquidity facilities,
3 remarketing or dealer agreements, letter of credit agreements, insurance policies,
4 guaranty agreements, reimbursement agreements, indexing agreements, or interest
5 exchange agreements. Any payment received pursuant to any such agreements or
6 ancillary arrangements shall be deposited in, and any payments made pursuant to
7 any such agreements or ancillary arrangements will be made from, the general fund
8 or the operating note redemption fund, as determined by the ~~commission~~
9 department. The determination of the ~~commission~~ department included in an
10 interest exchange agreement that such an agreement relates to an operating note
11 shall be conclusive.

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

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

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

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

24 5. a. Subject to subd. ~~2.~~ 5. b., the terms and conditions of an interest exchange
25 agreement under ~~par. (a)~~ subd. 1. shall not be structured so that, as of the trade date

1 of the agreement, the aggregate expected debt service and net exchange payments
2 relating to the agreement during the fiscal year in which the trade date occurs will
3 be less than the aggregate expected debt service and net exchange payments relating
4 to the agreement that would be payable during that fiscal year if the agreement is
5 not executed.

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

11 SECTION 44. 18.73 (5) (d) 3. (intro.) and a. to g. of the statutes are consolidated,
12 renumbered 16.526 (4) (e) 4. c. and amended to read:

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

1 SECTION 45. 18.73 (5) (e) 2. (intro.), a. and b. of the statutes are consolidated,
2 renumbered 16.526 (4) (e) 5. b. and amended to read:

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

13 SECTION 46. 18.74 of the statutes is renumbered 16.526 (5) and amended to
14 read:

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

22 SECTION 47. 18.75 of the statutes is renumbered 16.526 (6), and 16.526 (6) (b)
23 and (d), as renumbered, are amended to read:

24 16.526 (6) (b) The operating note redemption fund shall be expended and all
25 moneys from time to time on hand therein are irrevocably appropriated, in sums

(a)
(b)
(c)

INS 18-24

1 sufficient, only for the payment of principal and interest on operating notes giving
2 rise to it and premium, if any, due upon refunding or early redemption of such
3 operating notes, and for the payment due, if any, under an agreement or ancillary
4 arrangement entered into under ~~s. 18.73 (5)~~ sub. (4) (e) with respect to such operating
5 notes.

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

21 **SECTION 48.** 18.76 of the statutes is renumbered 16.526 (7).

22 **SECTION 49.** 18.77 of the statutes is renumbered 16.526 (8), and 16.526 (8) (b)

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

1/RS
19-5

1 16.526 (8) (b) 1. Except as provided under ~~sub. (7) par. (g)~~, in contracting
2 operating notes by competitive sale, the ~~commission~~ department shall ensure that
3 at least 6% of total operating note indebtedness contracted in each fiscal year is
4 underwritten by minority investment firms.

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

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

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

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

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

1 (e) 1. Except as provided under sub. ~~(7)~~ par. (g), an individual underwriter or
2 syndicate of underwriters shall ensure that each bid or proposal, submitted by that
3 individual or syndicate in a competitive or negotiated sale of an operating note,
4 provides for a portion of sales to minority investment firms.

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

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

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

21 **SECTION 50.** 20.855 (1) (a) of the statutes is amended to read:

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

INS
21-20

Strike

certifications

1

~~resolutions~~ authorizing the issuance of the operating notes under s. 18.73 (1) 16.526

2

~~(4) (a)~~ *(am)*

3

SECTION 51. 20.855 (1) (b) of the statutes is amended to read:

4

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

7

SECTION 52. 20.855 (1) (q) of the statutes is amended to read:

8

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

11

SECTION 53. 20.924 (1) (d) of the statutes is amended to read:

12

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

19

SECTION 54. 20.924 (1) (e) of the statutes is amended to read:

20

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

23

SECTION 55. 20.924 (1) (em) of the statutes is amended to read:

24

20.924 (1) (em) May under s. 13.48 (2) (at) substitute any available source of funding in whole or in part for borrowing authority under s. 20.866 (2) (s) to (zm) and

25

1 (zz) that is authorized to be used to fund a project enumerated under the authorized
2 state building program.

3 (END)

DNote

**2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1192/P5ins
EVM:kjf:jm

INSERT 6-15

***NOTE: This is reconciled s. 13.48 (26). This SECTION has been affected by drafts with the following LRB numbers: -1192 and -1186.

1 INS-Analysis

2

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Building
X Under current law, the Building Commission has a variety of powers. Among these, the Commission adopts recommendations for the long-range state building program, reviews and approves construction projects involving an estimated cost of more than \$185,000, and, with certain limitations, may sell or lease all or any part of state-owned real property.

Building
X This bill specifies a method by which most Building Commission approvals will be made. Other than a pre-budget request for a project budget increase or of a substantial change in an enumerated project, from the Building Commission approvals are made by a passive review process. Requests for approval are submitted in writing to the Commission. If, within 14 working days after the date of that written request, a majority of the members of the Commission do not request that the Commission schedule a meeting to review the request, the request is approved.

Building
X Also under this bill, at the first meeting of the Building Commission following the enactment of the biennial budget act, the commission may: 1) authorize DOA to contract certain public debt in an amount not to exceed the amount that the Building Commission is authorized by the laws of this state to contract; 2) release an amount not to exceed the amount of state building trust fund moneys to DOA for planning for enumerated projects; and 3) authorize DOA to issue revenue-obligation refunding obligations. Also, after this first meeting of the Building Commission, DOA must report quarterly to the Commission regarding the status of projects under the state building program.

Building
X Under current law, if DOA determines that a deficiency will occur in the funds of the state which will not permit the state to meet its operating obligations in a timely manner, it may prepare a request for the issuance of operating notes and may submit the request to the building commission. The request must be signed by the governor and the secretary of DOA and is subject to review by the joint committee on finance. *JCF*

Building
X Under this bill, DOA is not required to submit a request for the issuance of operating notes to the Building Commission. Instead, DOA may prepare an authorizing certification for the issuance of operating notes that must be signed by the secretary, must be transmitted to the governor, and is subject to review by the joint committee on finance. *JCF*

3

4

1 INS 9-8

2
3 SECTION 1. 16.405 (1) of the statutes is renumbered 16.526 (1m) (a) and
4 amended to read:

5 16.526 (1m) (a) ~~At~~ Subject to par. (b), at any time the department determines
6 that a deficiency will occur in the funds of the state which will not permit the state
7 to meet its operating obligations in a timely manner, it may prepare ~~a request~~ an
8 authorizing certification for the issuance of operating notes under subch. III of ch.
9 18 and, ~~subject to subs. (2) and (3), may submit the request to the building~~
10 ~~commission~~ this section.

11 History: 1983 a. 3; 1985 a. 29; 1997 a. 27.

11 SECTION 2. 16.526 (2) of the statutes is repealed.

12 SECTION 3. 16.405 (3) of the statutes is renumbered 16.526 (1m) (b) and
13 amended to read:

14 16.526 (1m) (b) If the department proposes to ~~submit a request to the building~~
15 ~~commission~~ prepare an authorizing certification under sub. (1) par. (a), the secretary
16 shall notify the joint committee on finance in writing of the proposed action. If the
17 cochairpersons of the committee do not notify the secretary that the committee has
18 scheduled a meeting for the purpose of reviewing the proposed ~~submission~~
19 certification within 14 working days after the date of the secretary's notification, the
20 department ~~may~~ submit the request to the building commission issue operating
21 notes pursuant to the certification as proposed. If, within 14 working days after the
22 date of the secretary's notification, the cochairpersons of the committee notify the
23 secretary that the committee has scheduled a meeting for the purpose of reviewing
24 the proposed ~~submission~~ certification, the department may ~~submit the request to the~~

1 ~~building commission issue operating notes pursuant to the certification~~ only upon
2 approval of the committee.

3 History: 1983 a. 3; 1985 a. 29; 1997 a. 27.

3

4

5

INS 9-10

6

7

SECTION 4. 16.526 (4) (am) of the statutes is created to read:

8

16.526 (4) (am) *Authorizing certification*. No financial obligations may be

9

incurred under this section nor may any evidence of operating notes be issued by the

10

state except pursuant to a written authorizing certification. The certification shall

11

set forth the aggregate principal amount of operating notes, the purpose of the

12

operating notes, which need not be more specific but may not be more general than

13

those purposes provided in or pursuant to law, the manner of sale of notes, and the

14

form and terms of the notes. The certification shall be signed by the secretary, or his

15

or her designee, and shall be transmitted to the governor.

16 History: 1983 a. 3; 1985 a. 29; 1989 a. 31; 2007 a. 20.

16

17

18

INS 13-18

19

20

1. Created for the purpose of funding operating deficits of the state as

21

determined under s. ~~16.405 (1)~~ 16.526 (1m) (a), which must be repaid not later than

22

the last day of the fiscal year during which the operating note is issued;

23 History: 1983 a. 3; 1983 a. 36 s. 96 (4); 1983 a. 192; 1985 a. 29; 2007 a. 20.

23

24

1 INS 14-21

2

3 **SECTION 5.** 18.73 (1) of the statutes is repealed.

4

5 INS 18-24

6

7 (a) When operating notes are authorized, there shall be established in the state
8 treasury or with a trustee if so required in the authorizing ~~resolution~~ certification,
9 an operating note redemption fund separate and distinct from every other fund,
10 which may contain separate and distinct accounts for each particular operating note
11 issue.

12 **History:** 1983 a. 3; 1985 a. 29 s. 3202 (56); 2007 a. 20.

12

13 INS 19-5

14

15 ~~**SECTION 6.** 18.75 (3) of the statutes is amended to read:~~

16 (c) Moneys of the operating note redemption fund may be commingled only for
17 the purpose of investment with other public funds, but they may be invested only as
18 provided in the authorizing ~~resolution~~ certification. All such reinvestments shall be
19 the exclusive property of such fund and all earnings on or income from such
20 investments shall be used in meeting principal and interest payments on operating
21 notes issued.

22 **History:** 1983 a. 3; 1985 a. 29 s. 3202 (56); 2007 a. 20.

22

23 INS 21-20

24

1

SECTION 7. 18.77 of the statutes is repealed.

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

LRB-1192/P5dn
EVM:kjf:ja

Date

ATTN: Sasha Bong

This draft incorporates the changes requested by David Erdman and a modification of s. 13.48 (2) (at). You may wish to review ss. 13.48 (2) (at), 16.526 (1m), (4) (am), and (9) with particular care. Please note, this draft does not include any provision similar to s. 18.10 (12). Please let me know if something needs to be included in regards to this.

This draft reconciles LRB-1186 and LRB-1192. Both of these drafts should continue to appear in the compiled bill.

Eric V. Mueller
Legislative Attorney
(608) 261-7032
eric.mueller@legis.wisconsin.gov



State of Wisconsin
2015 - 2016 LEGISLATURE

Q & B Comments

1/29/15

LRB-1192/P5
EVM:kjfrs

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

add

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

- Add provisions similar to s. 18.10(12) + 18.17 ?

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

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the Building Commission has a variety of powers. Among these, the Building Commission adopts recommendations for the long-range state building program, reviews and approves construction projects involving an estimated cost of more than \$185,000, and, with certain limitations, may sell or lease all or any part of state-owned real property.

This bill specifies a method by which most Building Commission approvals will be made. Other than a pre-budget request for a project budget increase or of a substantial change in an enumerated project, from the Building Commission approvals are made by a passive review process. Requests for approval are submitted in writing to the Building Commission. If, within 14 working days after the date of that written request, a majority of the members of the Building Commission do not request that the Building Commission schedule a meeting to review the request, the request is approved.

Also under this bill, at the first meeting of the Building Commission following the enactment of the biennial budget act, the Building Commission may: 1) authorize DOA to contract certain public debt in an amount not to exceed the amount that the Building Commission is authorized by the laws of this state to contract; 2) release an amount not to exceed the amount of state building trust fund moneys to

1 sub. (2) (at), no later than 60 days after the date of enactment of the biennial budget
 2 act, either approve or disapprove the biennial finance plan that is updated to reflect
 3 the adopted biennial budget act, ~~except that the building commission may not~~
 4 ~~disapprove those amounts that the legislature approves under s. 281.59 (3e) (a), (3m)~~
 5 ~~(a) and (3e) (a)~~. If the building commission disapproves the version of the biennial
 6 finance plan that is updated to reflect the adopted biennial budget act, it must notify
 7 the department of natural resources and the department of administration of its
 8 reasons for disapproving the plan, and those departments must revise that version
 9 of the biennial finance plan and submit the revision to the building commission.

****NOTE: This is reconciled s. 13.48 (26). This SECTION has been affected by drafts with the following LRB numbers: -1192 and -1186.

10 **SECTION 17.** 13.48 (27) of the statutes is amended to read:

11 13.48 (27) LEASE OF CORRECTIONAL FACILITIES. Subject to the requirements of s.
 12 20.924 (1) (i), the building commission may under sub. (2) (at) lease any facility for
 13 use of the department of corrections as a part of the authorized state building
 14 program, with an option to purchase the facility by the state. Any lease shall provide
 15 for the facility to be constructed in accordance with requirements and specifications
 16 approved by the department of administration and shall permit inspection of the site
 17 and facility by agents of the department.

18 **SECTION 18.** 13.488 (1) (m) of the statutes is amended to read:

19 13.488 (1) (m) The duty to determine and make payments to the United States
 20 required so as to avoid an adverse effect on any exclusion of interest from gross
 21 income for federal income tax purposes on public debt, revenue obligations, and
 22 operating notes issued pursuant to ~~ch. 18~~ s. 16.526, master lease obligations issued
 23 pursuant to s. 16.76, and appropriation obligations issued pursuant to s. 16.527 and

and

issued pursuant to ch. 18

note that public debt and revenue obligations are not issued pursuant to s. 16.526

1 to make any payments to advisors that assist in making the determination. If the
2 proceeds of an obligation are utilized for an activity that is financed from program
3 revenue, the building commission shall make the payments required under this
4 paragraph from that revenue, to the extent it is available.

5 **SECTION 19.** 13.90 (5) of the statutes is amended to read:

6 13.90 (5) The joint committee on legislative organization may contract for the
7 services of persons to advise those building commission members who also are
8 legislators on matters related to the state's issuance of state debt, and revenue
9 obligations and operating notes under ch. 18 restore, since state debt and
revenue obligations
are issued
under
that
chapter

10 **SECTION 20.** 16.004 (9) of the statutes is amended to read:

11 16.004 (9) AGREEMENTS TO MAINTAIN AN ACCOUNTING FOR OPERATING NOTES. The
12 secretary may enter into agreements to maintain an accounting of, forecast and
13 administer those moneys that are in the process of collection by the state and that
14 are pledged for the repayment of operating notes issued under subch. III of ch. 18 s.
15 16.526, in accordance with ~~resolutions of the building commission~~ certifications
16 authorizing the issuance of the operating notes.

17 **SECTION 21.** 16.287 (2) (a) of the statutes is amended to read:

18 16.287 (2) (a) For the purposes of ss. 16.75 (3m), 16.855 (10m), 16.87 (2), 18.16,
19 18.64, ~~18.77~~, 25.185, 119.495 (2), 200.57, 231.27 and 234.35, the department shall
20 establish and periodically update a list of certified minority businesses, minority
21 financial advisers and minority investment firms. Any business, financial adviser
22 or investment firm may apply to the department for certification. For purposes of
23 this paragraph, unless the context otherwise requires, a "business" includes a
24 financial adviser or investment firm.

25 **SECTION 22.** 16.40 (16) of the statutes is amended to read:

(4)(a) works except for cross-reference, (4)(e) is in essence already contained in 16.526 (4)(e), and (4)(g), only the first sentence works, the second is inaccurate as applied to operating notes.

the proposed submission certification, the department may submit the request to the building commission issue operating notes pursuant to the certification only upon approval of the committee.

SECTION 26. 16.526 (title) of the statutes is created to read:

16.526 (title) **Operating notes.**

SECTION 27. 16.526 (4) (am) of the statutes is created to read:

16.526 (4) (am) *Authorizing certification.* No financial obligations may be incurred under this section nor may any evidence of operating notes be issued by the state except pursuant to a written authorizing certification. The certification shall set forth the aggregate principal amount of operating notes, the purpose of the operating notes, 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} notes, and the form and terms of the notes. The certification shall be signed by the secretary, or his or her designee, and shall be transmitted to the governor.

Authorized hereby

(b)(c) cross reference contained therein does not work

SECTION 28. 16.526 (9) of the statutes is created to read:

16.526 (9) The provisions governing ~~appropriation obligations~~ of section 16.527 (4) (a) to (g) and (6), (8), and (9) apply to operating notes under this section.

SECTION 29. 16.53 (10) (a) of the statutes is amended to read:

16.53 (10) (a) If an emergency arises which requires the department to draw vouchers for payments which will be in excess of available moneys in any state fund, the secretary, after notifying the joint committee on finance under par. (b), may prorrate and establish priority schedules for all payments within each fund, including those payments for which a specific payment date is provided by statute, except as otherwise provided in this paragraph. The secretary shall draw all vouchers according to the preference provided in this paragraph. All direct or indirect

, except that all references to "appropriation obligation" shall be read to refer to "operating note"

1 under s. 20.005 (3) of appropriations of general purpose revenues, as defined in s.
 2 20.001 (2) (a), plus the amounts shown in the schedule of appropriations of program
 3 revenues, as defined in s. 20.001 (2) (b), both calculated as of that time and for that
 4 fiscal year.

5 **SECTION 44.** 18.73 (1) of the statutes is repealed.

6 **SECTION 45.** 18.73 (2), (4) and (5) (a), (b), (c), (d) (intro.), 1. and 2., (e) 1. and 3.
 7 and (f) of the statutes are renumbered 16.526 (4) (b), (d) and (e) 1., 2., 3., 4. (intro.),
 8 a. and b., 5. a. and c. and 6., and 16.526 (4) (b), (d) and (e) 1., 2., 4. (intro.), a. and b.,
 9 5. a. and 6. (intro.), as renumbered, are amended to read:

10 16.526 (4) (b) *Sale.* Operating notes may be sold at either public or private sale.
 11 The ~~commission~~ department may provide in an authorizing ~~resolution~~ certification
 12 for the refunding of operating notes, for their exchange privately, in payment and
 13 discharge of any of the outstanding operating notes being refunded. All operating
 14 notes sold at public sale shall be noticed as provided in the authorizing ~~resolution~~
 15 certification. Any bids received at public sale may be rejected.

16 (d) *Exercise of authority.* Financial obligations may be incurred and evidences
 17 of operating notes issued therefor pursuant to one or more authorizing ~~resolutions~~
 18 certifications, unless otherwise provided in the ~~resolution~~ certification or in this
 19 ~~subchapter~~ section, at any time and from time to time, for any combination of
 20 purposes, in any specific amounts, at any rates of interest, for any term, payable at
 21 any intervals, at any place, in any manner and having any other terms or conditions
 22 deemed necessary or useful. ~~Unless sooner exercised or unless a shorter period is~~
 23 ~~provided in the resolution, every authorizing resolution shall expire 3 months after~~
 24 ~~the date of its adoption.~~ Add statement similar to last sentence of
 18.73 (1) (which is being repealed) - "The operating notes ~~may~~ may be
 designated by any name as determined by the
 department," either here or in 16.526(4)(am)?"

1 or such other period if so provided for in the authorizing ~~resolution~~. The ~~commission~~
2 department may pledge the deposit of additional amounts at periodic intervals and
3 the secretary ~~of the department~~ may impound moneys of the general fund, including
4 moneys temporarily reallocated from other funds under s. 20.002 (11), in accordance
5 with the pledge of revenues in the authorizing ~~resolution~~, and all such
6 impoundments are deemed to be payments for purposes of s. 16.53 (10), but no such
7 impoundment may be made until the amounts to be paid into the bond security and
8 redemption fund under s. 18.09 during the ensuing 30 days have been deposited in
9 the bond security and redemption fund.

10 **SECTION 50.** 18.76 of the statutes is renumbered 16.526 (7).

11 **SECTION 51.** 18.77 of the statutes is repealed.

12 **SECTION 52.** 20.855 (1) (a) of the statutes is amended to read:

13 20.855 (1) (a) *Obligation on operating notes.* A sum sufficient to pay principal,
14 interest and premium, if any, due on operating notes, including amounts due on
15 periodic payments, and to make payments under an agreement or ancillary
16 arrangement entered into under s. ~~18.73 (5) (a)~~ 16.526 (4) (e) 1., pursuant to
17 ~~resolutions~~ certifications authorizing the issuance of the operating notes under s.
18 ~~18.73 (1)~~ 16.526 (4) (am).

19 **SECTION 53.** 20.855 (1) (b) of the statutes is amended to read:

20 20.855 (1) (b) *Operating note expenses.* A sum sufficient to pay for the expenses
21 of issuing operating notes and reserves securing such notes issued under ~~subch. III~~
22 ~~of ch. 18 s. 16.526~~.

23 **SECTION 54.** 20.855 (1) (q) of the statutes is amended to read:

certifications

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

LRB-1192/P5dn
EVM:kjfrs

January 28, 2015

ATTN: Sasha Bong

This draft incorporates the changes requested by David Erdman and a modification of s. 13.48 (2) (at). You may wish to review ss. 13.48 (2) (at), 16.526 (1m), (4) (am), and (9) with particular care. Please note, this draft does not include any provision similar to s. 18.10 (12). Please let me know if something needs to be included in regards to this.

This draft reconciles LRB-1186 and LRB-1192. Both of these drafts should continue to appear in the compiled bill.

Eric V. Mueller
Legislative Attorney
(608) 261-7032
eric.mueller@legis.wisconsin.gov

Mueller, Eric

From: Bong, Sasha E - DOA <SashaE.Bong@wisconsin.gov>
Sent: Thursday, January 29, 2015 1:22 PM
To: Mueller, Eric
Subject: FW: Building commission approval draft
Attachments: Black PDF.PDF

Hi Eric,

Attached are comments from bond counsel. I also spoke with DFD, and they are ok with the related ss. 13.48 and 20.924 provisions as you've modified them in the draft.

Thanks!

Sasha Bong
Executive Policy and Budget Analyst
Department of Administration, State Budget Office
(608) 266-5468
SashaE.Bong@wisconsin.gov

From: Erdman, David R - DOA
Sent: Thursday, January 29, 2015 1:08 PM
To: Bong, Sasha E - DOA
Subject: FW: Building commission approval draft

Attached are Bond Counsel's comments. Discussed these with Bond Counsel and we can ignore comment on bottom of page 16. My previous email addresses section of this draft that incorporates terms from Section 16.527, Statutes. We are still OK with not cross-referencing the two subsection that I mentioned.

Thanks.

David Erdman
State of Wisconsin DOA Capital Finance Office
608-267-0374
david.erdman@wisconsin.gov
www.doa.state.wi.us/capitalfinance
FAX 608-266-7645

From: Speckhard, Rebecca A. (MKE x1761) [<mailto:rebecca.speckhard@quarles.com>]
Sent: Thursday, January 29, 2015 12:53 PM
To: Erdman, David R - DOA
Subject: RE: Building commission approval draft

It seems to me 16.527 (4) (b)(c) (d) and (f) work, and (6) works except for sub. (c), but I agree that the other sections raise questions. In some ways it might be easier just to restate those sections with appropriate adjustments, rather than trying to do it by cross-reference.

Attached is my mark-up with a few clean up comments - those on page 7 and 8 were made previously but I thought I'd repeat them again with an explanation.

Thanks, Rebecca

From: Erdman, David R - DOA [<mailto:David.Erdman@wisconsin.gov>]
Sent: Thursday, January 29, 2015 12:44 PM
To: Speckhard, Rebecca A. (MKE x1761)
Subject: RE: Building commission approval draft

Thanks. There are a couple other items in 16.527 (4) and (6) that are questionable. Not sure how much time I have to make changes – I am going to ask the drafter to exclude the items below from the cross-reference.

David Erdman
State of Wisconsin DOA Capital Finance Office
608-267-0374
david.erdman@wisconsin.gov
www.doa.state.wi.us/capitalfinance
FAX 608-266-7645

From: Speckhard, Rebecca A. (MKE x1761) [<mailto:rebecca.speckhard@quarles.com>]
Sent: Thursday, January 29, 2015 10:44 AM
To: Erdman, David R - DOA
Subject: RE: Building commission approval draft

Dave, I've just started my review, but one item that I think will need additional thought is Section 28. I don't think the incorporation by reference of some of those cross-references works. For example, s. 16.527(4) (g) does not really apply to operating notes, and s. 16.527(6)(c) requires obligations to contain a statement that they're only payable from appropriations (which is not true for operating notes). Just thought I'd raise that for your consideration as I complete my review. Thanks, Rebecca

From: Erdman, David R - DOA [<mailto:David.Erdman@wisconsin.gov>]
Sent: Thursday, January 29, 2015 8:50 AM
To: Speckhard, Rebecca A. (MKE x1761)
Subject: FW: Building commission approval draft

Rebecca – Please find attached updated draft of the legislation relating to changes with Building commission actions/operating notes. Per the drafter's notes, we will add something to the draft similar to 18.10(12). Please advise "asap" if you see anything critical – I only scanned it late last night, but based on that scan I think we are close. Thanks.

David Erdman
State of Wisconsin DOA Capital Finance Office
608-267-0374
david.erdman@wisconsin.gov
www.doa.state.wi.us/capitalfinance
FAX 608-266-7645

From: Bong, Sasha E - DOA
Sent: Wednesday, January 28, 2015 8:39 PM
To: Erdman, David R - DOA; De Mers, Naomi R - DOA; Binau, RJ - DOA
Subject: Building commission approval draft

Hi all,

Please see the attached P5 version of the building commission draft and drafter's note from Eric.

Please let me know ASAP if you have any questions or issues.

Thanks,

Sasha

CONFIDENTIALITY NOTICE: This electronic mail transmission and any attachments are confidential and may be privileged. They should be read or retained only by the intended recipient. If you have received this transmission in error, please notify the sender immediately and delete the transmission from your system.

CONFIDENTIALITY NOTICE: This electronic mail transmission and any attachments are confidential and may be privileged. They should be read or retained only by the intended recipient. If you have received this transmission in error, please notify the sender immediately and delete the transmission from your system.