
1 AN ACT relating to: loans awarded by the Board of Commissioners of Public Lands to ensure municipal utilities maintain liquidity.

Analysis by the Legislative Reference Bureau

Under current law, the Board of Commissioners of Public Lands manages the common school fund, the normal school fund, the university fund, and the agricultural college fund (trust funds). Current law authorizes BCPL to manage and invest moneys belonging to the trust funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.

This bill authorizes BCPL to loan moneys belonging to the trust funds to cities, villages, and towns to ensure that a municipal utility under the control of the city, village, or town is able to maintain liquidity. A municipal utility is a public utility that is a city, village, or town or that is wholly owned or operated by a city, village, or town. Each trust fund loan BCPL awards to a city, village, or town under the bill is secured in the same manner as other trust fund loans BCPL awards to cities, villages, and towns under current law. BCPL may not award a loan under the bill after April 15, 2021.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:
SECTION 9135. Nonstatutory provisions; Public Lands, Board of Commissioners of.

(1) LOANS TO MUNICIPAL UTILITIES.

(a) Definitions. In this subsection:

1. “Board” means the board of commissioners of public lands.
2. “Municipal utility” has the meaning given in s. 196.377 (2) (a) 3.
3. “Trust funds” has the meaning given in s. 24.60 (5).

(b) Loans.

1. The board may loan moneys under its control or belonging to the trust funds to a city, village, or town to ensure that a municipal utility under the control of the city, village, or town is able to maintain liquidity. The loan shall be for the sum of money, for the time, and upon the conditions as may be agreed upon between the board and the borrower.

2. Each loan under this subsection shall be considered a state trust fund loan for purposes of s. 24.70.

3. The board may not award a loan under this subsection after April 15, 2021.

4. The legislature finds and determines that the loans authorized under this subsection serve a public purpose.

(END)