

1971 Senate Bill 49

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CHAPTER 188, Laws of 1971

AN ACT to amend 67.01 (8) (g); and to create 66.059 of the statutes, relating to authorizing issuance of municipal public improvement bonds, which may be secured both by allocation of revenues derived from operation of public improvements and by supplemental tax levies.

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

SECTION 1. 66.059 of the statutes is created to read:

66.059 PUBLIC IMPROVEMENT BONDS: ISSUANCE. (1) Any county, town, sanitary district, city or village, in addition to any other authority to borrow money and issue its municipal obligations, may also borrow money and issue its public improvement bonds to finance the cost of construction or acquisition, including site acquisition, of any revenue-producing public improvement of such municipality. In this section, unless the context or subject matter otherwise requires:

(a) "Municipality" means county, sanitary district, town, city or village.

(b) "Public improvement" means any public improvement which a municipality may lawfully own and operate from which the municipality expects to derive revenues.

(c) "Debt service" means the amount of principal, interest and premium due and payable with respect to public improvement bonds.

(d) "Deficiency" means the amount by which debt service required to be paid in any calendar year exceeds the amount of revenues estimated to be derived from the ownership and operation of the public improvement for such calendar year, after first subtracting from the estimated revenues the estimated cost of paying the expenses of operating and maintaining the public improvement for such calendar year.

(2) The governing body of the municipality proposing to issue public improvement bonds shall adopt a resolution authorizing their issuance. The resolution shall set forth the amount of bonds authorized, or a sum not to exceed a stated amount, and the purpose for which the bonds are to be issued. The resolution shall prescribe the terms, form and contents of the bonds and such other matters as the governing body deems necessary or advisable. The bonds may be in any denomination of not less than \$1,000, shall bear interest at a rate not to exceed 8% per annum, payable annually or semiannually, shall be payable not later than 20 years from the date of the bonds, at such times and places as the governing body determines, and may be subject to redemption prior to maturity on such terms and conditions as the governing body determines. The bonds

may be issued either payable to bearer with interest coupons attached thereto, registrable as to principal only or as to both principal and interest, or may be issued in fully registered form. The bonds may be sold at public competitive sale or by private negotiation at the discretion of the governing body. Sections 67.08, 67.09 and 67.10 apply to public improvement bonds, except insofar as they are in conflict herewith, in which case this section controls.

(2m) (a) A resolution, adopted under sub. (2) by the governing body of a municipality, need not be submitted to the electors of the municipality for approval, unless within 30 days after the resolution is adopted there is filed with the clerk of the municipality a petition requesting a referendum thereon, signed by electors numbering at least 10% of the votes cast in the municipality for governor at the last general election. Any resolution, adopted under sub. (2) at the discretion of the municipal governing body, may be submitted to the electors without waiting for the filing of a petition.

(b) If a referendum is to be held on a resolution, the municipal governing body shall direct the municipal clerk to call a special election for the purpose of submitting the resolution to the electors for a referendum on approval or rejection. In lieu of a special election, the municipal governing body may specify that the election be held at the next succeeding spring primary or election or September primary or general election.

(c) The municipal clerk shall publish a class 2 notice, under ch. 985, containing a statement of the purpose of the referendum, giving the amount of the bonds proposed to be issued and the purpose for which they will be issued, and stating the time and places of holding the election and the hours during which the polls will be open.

(d) The election shall be held and conducted and the votes cast thereat canvassed as at regular municipal elections and the results certified to the municipal clerk. A majority of all votes cast in the municipality shall decide the question.

(3) The reasonable cost and value of any services rendered by the public improvement to the municipality shall be charged against the municipality and shall be paid by it in monthly instalments.

(4) (a) Gross revenues derived from the ownership and operation of the public improvement shall be first pledged to debt service on issued public improvement bonds. When in excess of such obligation, the revenues shall be subject to requirements set by resolution or ordinance of the governing body fixing:

1. The proportion of revenues of the public improvement necessary for the reasonable and proper operation and maintenance thereof; and

2. The proportion of revenues necessary for the payment of debt service on the public improvement bonds. Such revenues shall be paid into a special fund in the treasury of the municipality known as the "Public Improvement Bond Account".

(b) At any time after one year's operation, the governing body may recompute the proportion of revenues assignable under par. (a) based upon experience of operation.

(c) All funds on deposit in a public improvement bond account, which are not immediately required for the purposes specified in this section, shall be invested in accordance with s. 66.04.

(5) Annually, on or before August 1 the officer or department of the municipality responsible for the operation of the public improvement shall file with the governing body, or its designated representative, a detailed statement setting forth the amount of the debt service on the public improvement bonds issued for the public improvement for the succeeding calendar year and an estimate for such year of the total revenues to be derived from the ownership and operation of the public improvement and the total cost of operating and maintaining the public improvement.

(6) (a) If it is determined that there will be a deficiency for the ensuing calendar year, the municipality shall make up the deficiency, but the obligation to do so shall be limited to a sum which shall not cause the municipality to exceed its municipal debt limits. The deficiency may be made up by the municipality from any revenues available therefor, including a tax levy. The amount contributed by the municipality shall be deposited in the public improvement bond account and applied to the payment of debt service. Taxes levied under this paragraph shall not be subject to statutory limitations of rate or amount.

(b) The amount of any deficiency determined under par. (a) for the ensuing calendar year shall be related to the total debt service for such year. Such ratio shall determine the outstanding indebtedness of the issue to be reflected as part of the municipality's indebtedness for the year.

(7) Whenever mortgage revenue bonds have been issued by a municipality pursuant to law and an ordinance authorizing their issuance without limitation as to amount has been enacted by the governing body of the municipality, public improvement bonds may be issued under the ordinance with the same effect as though they were mortgage revenue bonds. Such bonds shall be public improvement bonds and this section shall apply thereto, except that nothing contained in this subsection shall in any way impair the contract between the municipality and the holders of any outstanding mortgage revenue bonds. Whatever liens have been created in favor of any outstanding mortgage revenue bonds issued under the ordinance shall apply to public improvement bonds so issued. The public improvement bonds shall be payable on a parity with the mortgage revenue bonds issued under the ordinance if the public improvement bonds are issued in compliance with the requirements of the ordinance for the issuance of parity bonds under the ordinance.

SECTION 2. 67.01 (8) (g) of the statutes is amended to read:

67.01 (8) (g) To mortgage bonds or mortgage certificates issued for the purpose of purchasing, acquiring, constructing, extending, adding to or improving public utilities, including street railways, pursuant to ss. 66.06 to 66.078, nor to refunding bonds authorized pursuant to s. 66.066 (2) (b), ~~nor to public improvement bonds authorized under s. 66.059.~~
