1973 Senate Bill 419 **Date published: April 8, 1974**

CHAPTER 172, Laws of 1973

AN ACT to amend 30.34 (2), 30.35 (5), 66.066 (2) (a) and (3) (b), 66.079 (2) (b), 66.25 (5) and (10), 66.40 (14) (a) and (b), 66.431 (5) (a) 4.c, 66.54 (6) (a) (4th paragraph of "contractor's certificate") and (d) and (7) (b), 66.94 (15) (c), 67.06, 67.12 (12) (b) and (c), 67.125 (1) and 119.49 (3) of the statutes, relating to deleting statutory interest limits on city and village bonds and metropolitan sewerage district obligations.

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

SECTION 1. 30.34 (2) of the statutes is amended to read:

30.34 (2) FINANCING DOCK WALLS AND SHORE PROTECTION WALLS. A municipality may pay either or both the assessable and nonassessable parts of the cost of the construction, maintenance or repair of any dock wall or shore protection wall, authorized by s. 30.30 (3), out of its general fund or other available funds, or it may finance such work through the issuance of its negotiable bonds as provided in ch. 67, except that it is not necessary to include such bonds in the municipal budget or to submit the question of their issuance to a referendum vote of the electors. The bonds shall be serial bonds, payable at any time within 10 years and shall bear interest ~~at a rate not to exceed 6% per annum,~~ payable either annually or semiannually as the governing body determines. The bonds shall be a direct obligation of the municipality and the full faith and credit of the municipality shall be pledged for their payment. No such bonds shall be issued unless at or before the time of their issuance the governing body levies a direct annual tax sufficient to pay the principal and interest thereon as they fall due.

SECTION 2. 30.35 (5) of the statutes is amended to read:

30.35 (5) SALE OF THE BONDS. The governing body may authorize the purchase of a part or all of such revenue bonds out of moneys accruing to or held in the debt amortization fund or any other municipal funds not immediately needed, and such funds may be invested in such bonds. If the municipality does not purchase such bonds, as authorized by this subsection, or determines to sell such bonds after having so purchased them, the bonds shall be offered at public sale after advertising as provided in ch. 67. In cities of the 1st class, such bonds shall be sold under the direction of the public debt commission. ~~No such issue of bonds shall be sold at an interest cost exceeding 4 1/2% per annum.~~

SECTION 3. 66.066 (2) (a) and (3) (b) of the statutes are amended to read:

66.066 (2) (a) The board or council shall order the issuance and sale of bonds bearing interest ~~at a rate not exceeding 8% per annum,~~ payable semiannually, executed by the chief executive and the clerk and payable at such times not exceeding 40 years from the date thereof, and at such places, as the board or council of such municipality shall determine, which bonds shall be payable only out of the said special redemption fund. Each such bond shall state plainly upon its face that it is payable only from the special redemption fund, naming the ordinance creating it and that it does not constitute an indebtedness of such municipality. The bonds may be issued either as registered bonds or as coupon bonds payable to bearer. Coupon and bearer bonds may be registered as to principal in the holder's name on the books of such municipality, such registration being noted on the bond by the clerk or other designated officer, after which no transfer shall be valid unless made on the books of such municipality by the registered holder and similarly noted on the bond. Any bond so registered as to principal may be discharged from such registration by being transferred to bearer after which it shall be transferable by delivery but may be again registered as to principal as before. The registration of the bonds as to the principal shall not restrain the negotiability of the coupons by delivery merely, but the coupons may be surrendered and the interest made payable only to the registered holder of the bonds. If the coupons are surrendered, the surrender and cancellation thereof shall be noted on the bond and thereafter interest on the bond shall be payable to the registered holder or order in cash or at his option by check or draft payable at the place or one of the places where the coupons were payable. Such bonds shall be sold in such manner and upon such terms as the board or council deems for the best interests of said municipality~~; provided, however, that if such bonds are issued bearing interest at the rate of 8% per annum, they shall not be sold for less than par; if issued bearing a lower rate than 8% per annum, they may be sold at less than par, provided always that the selling price is such that the interest cost to the municipality for the funds representing the proceeds of said bonds computed to maturity according to standard tables of bond values shall not exceed 8% per annum~~. All bonds shall mature serially commencing not later than 3 years after the date of issue in such amounts that the requirement each year to pay both principal and interest will be as nearly equal as practicable. All such bonds may contain a provision authorizing redemption thereof, in whole or in part, at stipulated prices, at the option of the municipality on any interest payment date after 3 years from the date of the bonds, and shall provide the method of selecting the bonds to be redeemed. The board or council may provide in any contract for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a public utility, that payment thereof shall be made in such bonds at not less than 95% of the par value thereof.

(3) (b) Such mortgage certificates shall bear interest ~~not to exceed 6 per cent per annum,~~ payable semiannually, shall not be sold for less than 95 ~~per cent~~ <u>%</u> of the par value, and shall be made payable at the option of such municipality in not less than 3 years and in not more than 20 years from the date thereof.

SECTION 4. 66.079 (2) (b) of the statutes is amended to read:

66.079 (2) (b) The cost of operating and maintaining any parking system or facility may be assessed not more than once in each calendar year against all property in a benefited area, such area and such assessments to be determined in the manner prescribed by either s. 66.60 or by ch. 275, laws of 1931. Such costs may include a payment in lieu of taxes, operating, maintenance and replacement costs, and ~~a sum not to exceed 6 per cent~~ interest on any unpaid capital cost.

SECTION 5. 66.25 (5) and (10) of the statutes are amended to read:

66.25 (5) BORROWING; SHORT TERM. The district may borrow money and issue its obligations therefor, bearing interest ~~at the rate of not to exceed 8% per annum~~ for a term not exceeding 5 years. At the time any such money is borrowed, and before the obligation therefor has been issued, the commission shall levy a tax by a resolution similar to that required in sub. (8).

(10) BORROWING; INSTRUMENT. Every bond so issued by a district shall be a negotiable instrument payable to bearer, or, in case of bonds which are registerable, to bearer or the registered owner, with interest coupons attached payable annually or semiannually. They shall be payable not later than the termination of 20 years immediately following the date of the bonds; shall bear interest ~~at a rate not to exceed 8% per annum~~; shall specify the times and the place, or places, of payment of principal and interest; shall be numbered consecutively with the other bonds of the same issue which shall begin with number one and continue upward, or, if so directed by the commission, shall begin with any other number and continue upward; shall bear on its face a name indicative of the purpose specified therefor in the resolution; shall contain a statement of the value of all of the taxable property in the district according to the last preceding assessment thereof for state and county taxes, the aggregate amount of the existing bonded indebtedness of such district, that a direct annual irrepealable tax has been levied by the district sufficient to pay the interest when it falls due, and also to pay and discharge the principal at maturity; and may contain any other statement of fact not in conflict with the initial resolution. The entire issue may be composed of a single denomination, or 2 or more denominations.

SECTION 6. 66.40 (14) (a) and (b) of the statutes are amended to read:

66.40 (14) (a) Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, ~~not exceeding six per centum per annum,~~ be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide. Any bond reciting in substance that it has been issued by an authority to aid in financing a housing project to provide dwelling accommodations for persons of low income shall be conclusively deemed, in any suit, action or proceeding involving the validity or enforceability of such bond or the security therefor, to have been issued for a housing project of such character. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes.

(b) The bonds may be sold at public or private sale as the authority may provide. The bonds may be sold at such price or prices as the authority shall determine ~~provided that the interest cost to maturity of the money received for any issue of said bonds shall not exceed six per centum per annum~~.

SECTION 7. 66.431 (5) (a) 4. c of the statutes is amended to read:

66.431 (5) (a) 4. c. To issue bonds from time to time in its discretion to finance its activities under this section, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans, and shall have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the authority derived from or held in connection with its undertaking and carrying out of projects under this section; provided that payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant or contribution from the federal government or other source, in aid of any projects or activities of the authority under this section, and by a mortgage of any such projects, or any part thereof, title to which is in the authority. Bonds issued under this subsection shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction of the state, city or of any public body other than the authority issuing the bonds, and shall not be subject to any other law or charter relating to the authorization, issuance or sale of bonds. Bonds issued under this section are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempt from all taxes. Bonds issued under this subsection shall be authorized by resolution of the authority and may be issued in one or more series and shall bear such date, be payable upon demand or mature at such time, bear interest at such rate, ~~not exceeding 6 per cent per annum,~~ be in such denomination, be in such form either with or without coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as is provided by the resolution, trust indenture or mortgage issued pursuant thereto. Such bonds may be sold at not less than par at public sale held after a class 2 notice, under ch. 985, published prior to such sale in a newspaper having general circulation in the city and in such other medium of publication as the authority determines or may be exchanged for other bonds on the basis of par. Such bonds may be sold to the federal government at private sale (without publication of any notice) at not less than par, and, if less than all of the authorized principal amount of such bonds is sold to the federal government, the balance may be sold at private sale at not less than par at an interest cost to the authority of not to exceed the interest cost to the authority of the portion of the bonds sold to the federal government. In case any of the officials of the authority whose signatures appear on any bonds or coupons issued under this subsection cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this subsection shall be fully negotiable. In any suit, action or proceeding involving the validity or enforceability of any bond issued under this subsection or the security therefor, any such bond reciting in substance that it has been issued by the authority in connection with a project or activity under this subsection, shall be conclusively deemed to have been issued for such purpose and such project or activity shall be conclusively deemed to have been planned, located and carried out in accordance with this section.

SECTION 8. 66.54 (6) (a) (4th paragraph of "contractor's certificate") of the statutes is amended to read:

66.54 (6) (a) (4th paragraph of "contractor's certificate") This certificate shall bear interest ~~at 6% per annum~~ from its date to January 1 next succeeding. This certificate may be exchanged for the tax sale certificate resulting from the sale of the above described lands for failure to pay the special assessment levied for the work hereinabove described.

SECTION 9. 66.54 (6) (d) and (7) (b) of the statutes are amended to read:

66.54 (6) (d) If said certificates are not paid before December 1 in the year in which they are issued, the comptroller or clerk of the municipality shall thereupon include in the statement of special assessments to be placed in the next tax roll an amount sufficient to pay such certificates, with interest thereon ~~at the rate of 6 per cent per annum~~ from the date of such certificates to January 1 next succeeding, and thereafter the same proceedings shall be had as in the case of general property taxes, except as in this section otherwise provided. Such delinquent taxes shall be returned to the county treasurer in trust for collection and not for credit. All moneys collected by the municipal treasurer or by the county treasurer and remitted to the municipal treasurer on account of such special assessments and all the tax certificates issued to the county on the sale of the property for such special assessment, if the same is returned delinquent, shall be delivered to the owner of the contractor's certificate on demand.

(7) (b) The first instalment shall include a proportionate part of the principal of the special assessment, determined by the number of instalments, together with interest on the whole assessment ~~at a rate not exceeding 8% per annum and~~ from such date, not prior to the date of the notice hereinafter provided for, and to such date, not later than December 31, in the year in which same is to be collected as shall be determined by the governing body, and each subsequent instalment shall include a like proportion of the principal and one year's interest upon the unpaid portion of such assessment.

SECTION 10. 66.94 (15) (c) of the statutes is amended to read:

66.94 (15) (c) *Terms.* They may bear such date or dates, may mature at such time or times not exceeding 40 years from the date of issue, may bear interest at such rate ~~not exceeding 5 per cent per annum payable~~ <u>to be paid</u> semiannually, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place, may be made subject to redemption in such manner and upon such terms with or without premium as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided in such ordinance.

SECTION 11. 67.06 of the statutes is amended to read:

67.06 Form and contents of bonds. Every municipal bond shall be a negotiable instrument payable to bearer, or, in case of bonds which are registerable, to bearer or the registered owner, with interest coupons attached payable annually or semiannually; shall bear interest ~~at a rate not to exceed 8% per annum~~; shall specify the times and the place or places of payment of principal and interest; shall be numbered consecutively with the other bonds of the same issue which shall begin with number one and continue upward, or, if so directed by the governing body, shall begin with any other number and continue upward; shall bear on its face a name indicative of the purpose specified therefor in said resolution; shall contain a statement of the value of all of the taxable property in the municipality upon which the constitutional debt limit of the municipality is based, the aggregate amount of the existing bonded indebtedness of such municipality, that a direct annual irrepealable tax has been levied by the municipality sufficient to pay the interest when it falls due, and also to pay and discharge the principal at maturity; may contain a statement that the bond is callable with or without premium on conditions prescribed thereon; and may contain any other statement of fact not in conflict with said initial resolution. The entire issue may be composed of bonds of a single denomination or 2 or more denominations.

SECTION 12. 67.12 (12) (b) and (c) of the statutes are amended to read:

67.12 (12) (b) To evidence such indebtedness the county, city, village, town, school district, vocational, technical and adult education district or town sanitary district shall issue to the lender its promissory notes with interest ~~not exceeding 7% per annum~~, payable within a period not exceeding 10 years following the date of issuance of said notes.

(c) At any time during the term of any original promissory note, or thereafter, in the event the county, city, village, town, school district, vocational, technical and adult education district or town sanitary district has not paid the full amount due thereon: 1. the lender may grant an extension of time, or 2. if the terms of any note outstanding permits payment prior to maturity, the county, city, village, town, school district, vocational, technical and adult education district or town sanitary district may refund such note outstanding or any part thereof, such extension or refunding to be evidenced by a refunding note for payment of any amounts due or to become due under the provisions of such original promissory note upon such terms as may be agreed upon, with interest ~~not exceeding 7% per annum~~, for a term not exceeding 10 years following the date of issuance of any such refunding note.

SECTION 13. 67.125 (1) of the statutes is amended to read:

67.125 (1) In addition to the powers given under ~~section~~ s. 67.12, any city, village or town which is in need of money to pay its current and ordinary expenses or to pay off valid obligations theretofore issued by such municipality under ~~section~~ s. 67.12, may by resolution adopted by at least a three-fourths' affirmative vote of all of the members-elect of its governing body, borrow money for such purposes in an amount not exceeding the portion of the uncollected delinquent taxes which are to be returned to such municipality under the provisions of the law, when same shall have been collected. Such loans shall be evidenced by bonds or other evidence of indebtedness of the issuing municipality, bearing interest ~~at a rate not exceeding six per cent per annum~~ and payable at such times as the governing body shall determine, not exceeding, however, ~~five~~ 5 years from the date of such bonds or evidences of indebtedness. All money received by such municipality from such delinquent taxes shall be paid into a sinking fund for the sole purpose of paying said bonds or other evidences of indebtedness and the interest thereon until the amount of such sinking fund shall equal the amount of interest and principal due and unpaid on such bonds or other evidences of indebtedness. Such bonds or other evidences of indebtedness shall be the general obligations of the municipality issuing the same and the governing body shall before the issuance thereof levy by recorded resolution a direct annual tax sufficient in amount to pay, and for the express purpose of paying, the interest on such bonds or other evidences of indebtedness as it falls due and also to pay and discharge the principal thereof at maturity. Except as herein otherwise specifically provided for, ~~the provisions of chapter~~ ch. 67 relative to the issuance of bonds shall ~~be applicable~~ apply to the issuance of bonds or other evidences of indebtedness under this subsection, ~~provided that~~ but it shall not be necessary to submit the question of the issuance of such bonds or other evidences of indebtedness to the electors for approval.

SECTION 14. 119.49 (3) of the statutes is amended to read:

119.49 (3) The proper city officials shall sell or dispose of the bonds in the same manner as other bonds are disposed of. The entire proceeds of the sale of the bonds shall be placed in the city treasury, subject to the order of the board for the purposes named in the communication under sub. (1). Such school bonds shall ~~not bear a greater rate of interest than 6% per year and shall~~ be payable within 20 years from the date of their issue.