

**1981 Assembly Bill 1013**

Date published: **April 26, 1982**

**CHAPTER 238 , Laws of 1981**

**AN ACT** to amend 30.34 (3) (title) and (a) and (5), 30.25 (title), (1), (2) (intro.) and (b), (3) to (6), (7) (intro.) and (8) and 30.38 (13) (a); to repeal and recreate 30.35 (2) (c); and to create 30.35 (2m) of the statutes, relating to financing of harbor improvements.

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

SECTION 1. 30.34 (3) (title) and (a) and (5) of the statutes are amended to read:

30.34 (3) (title) FINANCING BY MEANS OF NOTES, BONDS, MORTGAGE CERTIFICATES OR ASSIGNMENTS OF NET PROFITS. (a) Any municipality may, with the consent of its board of harbor commissioners, finance the cost of acquisition, construction, alteration or repair of any harbor facility by issuing evidences of indebtedness payable only out of the revenue obtained from the public harbor facilities. Such evidences of indebtedness may be revenue bonds, refunding bonds or bond anticipation notes issued under s. 30.35 or 66.521 or may be mortgage certificates or pledges or assignments of net profits, issued pursuant to s. 66.066 (3) or (4) as if the harbor facility were a public utility.

(5) OTHER FINANCING. Nothing in this section is intended to prevent a municipality not operating its harbor as a commercial enterprise from raising and appropriating funds for construction, improvement, alteration or repair of its harbor and harbor facilities in the same manner as it may raise and appropriate funds for other legitimate municipal purposes.

SECTION 2. 30.35 (title), (1) and (2) (intro.) and (b) of the statutes are amended to read:

**30.35 (title) Financing harbor improvements through bonds or notes.** (1) (title) ISSUANCE OF BONDS OR NOTES TO BE AUTHORIZED BY ORDINANCE. Whenever the governing body of a municipality, after having obtained the consent of the board of harbor commissioners, determines to finance the acquisition, construction, alteration or repair of a harbor facility through revenue bonds, refunding bonds or bond anticipation notes, the governing body shall proceed by ordinance to authorize the issuance and sale of such bonds or notes. The ordinance shall set forth the purposes for which the ~~revenue bonds or notes~~ are to be issued and shall state either the amount of such issue or an amount which such issue shall not exceed. The ordinance shall be offered and read at a regular meeting of the governing body and a notice of the amount and purposes of such bonds or notes shall be published as a class 1 notice, under ch. 985, not less than 10 days prior to the meeting at which such ordinance is to be considered for final passage. The ordinance is not valid unless supported by the affirmative vote of at least three-fourths of all of the members of the governing body taken at a regular meeting held after such publication. No referendum is required before such revenue bonds, refunding bonds or bond anticipation notes are issued.

(2) (title) CONTENTS OF ORDINANCE AUTHORIZING BOND OR NOTE ISSUE. (intro.) The ordinance authorizing the issuance of revenue bonds, refunding bonds or bond anticipation notes constitutes a contract with the holder of such bonds or notes and shall include covenants and provisions for the security of the bondholders and noteholders and the payment of the bonds or notes as the governing body deems necessary or desirable for the security of the bondholders and noteholders, including, but not limited to, provisions for the establishment of adequate rates or charges for the use of the public harbor facilities, insurance against loss and covenants against the sale or alienation of such facilities and establishment of budgets relating to operation of such facilities. Any such ordinance shall contain provisions for:

(b) The establishment of a debt amortization and interest fund sufficient to provide for the payment of ~~interest on~~ the principal of, and interest on, the bonds or notes authorized by the ordinance.

SECTION 3. 30.35 (2) (c) of the statutes is repealed and recreated to read:

30.35 (2) (c) The establishment of the bond proceeds funds and reserve funds that the governing body believes necessary or desirable for the security of the bondholders and noteholders.

SECTION 4. 30.35 (2m) of the statutes is created to read:

30.35 (2m) **TERMS OF THE BONDS AND NOTES.** The provisions applicable to mortgage bonds under s. 66.066 (2) (i) and (m) apply to revenue bonds, refunding bonds and bond anticipation notes under this section. The provisions applicable to mortgage bonds under s. 66.066 (2) (a) shall apply to revenue bonds, refunding bonds and bond anticipation notes under this section except that the ordinance or resolution authorizing the bonds or notes may specify the time they mature, the amounts in which they mature, the conditions of redemption, the number of times they are issuable and the ranking of the issues.

SECTION 5. 30.35 (3) to (6), (7) (intro.) and (8) of the statutes are amended to read:

30.35 (3) (title) **FORM OF THE BONDS OR NOTES.** Revenue bonds, refunding bonds and bond anticipation notes shall be in the form designated by the governing body and shall be signed by those persons who regularly execute instruments of indebtedness on behalf of the municipality. Any of such signatures may be in facsimile form, except that at least one shall be a manual signature.

(4) (title) **BONDS AND NOTES NOT AN OBLIGATION OF THE MUNICIPALITY.** Bonds and notes issued pursuant to this section shall not be the general obligation of the municipality and shall expressly so state on their face. Any indebtedness created pursuant to this section is deemed to be incurred for a public utility, and shall not be included in indebtedness subject to any debt limitation.

(5) (title) **SALE OF THE BONDS OR NOTES.** The governing body may authorize the purchase of a part or all of such revenue bonds, refunding bonds or bond anticipation notes out of moneys accruing to or held in the debt amortization and interest fund or any other municipal funds not immediately needed, and such funds may be invested in such bonds or notes. If the municipality does not purchase such bonds or notes, as authorized by this subsection, or determines to sell such bonds or notes after having so purchased them, the bonds or notes shall be offered at public sale after advertising as provided in ch. 67 in the manner and at the time and place that the governing body determines. In cities of the 1st class, such bonds or notes shall be sold under the direction of the public debt commission.

(6) (title) **BONDHOLDERS AND NOTEHOLDERS HAVE LIEN.** Title to all of the harbor facilities for which revenue bonds, refunding bonds or bond anticipation notes are issued remains in the municipality, but a statutory lien exists in favor of the bondholders and noteholders against the facilities which have been acquired, constructed, altered or remodeled and the cost of which has been financed with funds obtained through the issuance of such revenue bonds and notes. To provide further security for the bondholders and noteholders, the ordinance or resolution authorizing the issuance of revenue bonds, refunding bonds or bond anticipation notes may provide for a pledge of the revenues of the facilities, including, if the facilities are leased under sub. (6), an assignment of all or part of the municipality's rights as lessor.

(7) (title) **BONDS AND NOTES MAY BE PURCHASED BY FIDUCIARIES.** (intro.) Bonds and notes issued pursuant to this section are hereby made securities in which any of the following may legally invest any funds, including capital, belonging to them or within their control:

(8) (title) **BONDS AND NOTES MAY BE ACCEPTED BY STATE OR MUNICIPAL OFFICER.** The bonds and notes issued pursuant to this section are made securities which may properly and legally be deposited with and shall be received by any state or municipal officer or agency for which the deposit of bonds or other obligations of the state is authorized.

SECTION 6. 30.38 (13) (a) of the statutes is amended to read:

30.38 (13) (a) All moneys appropriated to a board of harbor commissioners, all revenues derived from the operation of the public harbor except (in the case of a joint harbor) revenue from joint improvements before division thereof, and all other revenues of the board shall be paid into the municipal treasury and credited to the harbor fund, except that revenues assigned or pledged under ss. 30.35 (6) or 66.521 shall be paid into the fund or funds provided for in the ordinance or resolution authorizing the issuance of the bonds and shall be applied in accordance with that ordinance or resolution.

---