



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-0741/P2
EVM:wlj:jf

DOA:.....Mette, BB0247 - Expand statutory purpose for transportation revenue bonding

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TRANSPORTATION

HIGHWAYS

Under current law, the Building Commission may issue revenue bonds for certain major highway projects and transportation administrative facilities in a principal amount that may not exceed \$3,768,059,300. This bill increases the revenue bond limit from \$3,768,059,300 to \$4,779,086,300.

Current law also provides for southeast Wisconsin freeway megaprojects, which are highway projects on southeast Wisconsin freeways that have a total cost of more than \$500,000,000, as adjusted annually for inflation by DOT. DOT may not provide funding for construction of these megaprojects without legislative approval, and the legislature has approved only the I 94 north-south corridor megaproject and the Zoo interchange megaproject. Currently, megaprojects are funded from several appropriations and proceeds of general obligation bonds. Revenue bond proceeds, however, may not be expended for these megaprojects. This bill provides that revenue bond proceeds may be expended for the southeast Wisconsin freeway megaprojects that have been approved by the legislature.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 20.395 (3) (ar) of the statutes is created to read:

20.395 (3) (ar) *Southeast Wisconsin freeway megaprojects, service funds.* All moneys received from the fund created under s. 18.57 (1) as reimbursement for the temporary financing under sub. (9) (th) of southeast Wisconsin freeway megaprojects enumerated under s. 84.0145 (3) (b) that are financed under s. 84.59, for the purpose of financing such projects.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.395 (4) (jq) of the statutes is amended to read:

20.395 (4) (jq) *Transportation facilities and highway project revenue obligation funding.* As a continuing appropriation, all proceeds from revenue obligations issued under s. 84.59 and deposited into the fund created under s. 18.57 (1), for the transportation administrative facilities purposes of s. 84.01 (28) ~~and~~, for major highway projects as defined under s. 84.013 (1) (a) for the purposes of ss. 84.06 and 84.09, for southeast Wisconsin freeway megaprojects enumerated under s. 84.0145 (3) (b), providing for reserves and for expenses of issuance and management of the revenue obligations. Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

SECTION 3. 20.395 (9) (th) of the statutes is amended to read:

20.395 (9) (th) *Temporary funding of projects financed by revenue bonds.* A sum sufficient to provide initial, temporary funding for any project to be financed under s. 84.59 which is a southeast Wisconsin freeway megaproject enumerated under s.

84.0145 (3) (b), a major highway project enumerated under s. 84.013 (3) or a project under s. 84.01 (28) approved under s. 13.48 (10) or authorized under s. 84.01 (30). The department shall keep a separate account of expenditures under this paragraph for each such project. As soon as moneys become available from the proceeds of the obligation issued under s. 84.59 to finance that project, an amount equal to the amounts expended under this paragraph shall be paid from those proceeds into the transportation fund and credited to the appropriation account under sub. (3) (ar) or (br) or (4) (at).

SECTION 4. 84.0145 (2) of the statutes is amended to read:

84.0145 (2) Subject to sub. (3) and s. 86.255, any southeast Wisconsin freeway megaproject may be funded only from the appropriations under ss. 20.395 (3) (aq), (ar), (av), (ax), and (ct) and 4 (jq) and 20.866 (2) (uup) and (uur).

SECTION 5. 84.59 (1) of the statutes is amended to read:

84.59 (1) Transportation facilities under s. 84.01 (28) and, major highway projects as defined under s. 84.013 (1) (a) for the purposes under ss. 84.06 and 84.09, and southeast Wisconsin freeway megaprojects enumerated under s. 84.0145 (3) (b) may be funded with the proceeds of revenue obligations issued subject to and in accordance with subch. II of ch. 18.

SECTION 6. 84.59 (6) of the statutes is amended to read:

84.59 (6) The building commission may contract revenue obligations when it reasonably appears to the building commission that all obligations incurred under this section can be fully paid from moneys received or anticipated and pledged to be received on a timely basis. Except as provided in this subsection, the principal amount of revenue obligations issued under this section may not exceed ~~\$3,768,059,300~~ \$4,779,086,300, excluding any obligations that have been defeased

under a cash optimization program administered by the building commission, to be used for transportation facilities under s. 84.01 (28) ~~and~~, major highway projects for the purposes under ss. 84.06 and 84.09, and southeast Wisconsin freeway megaprojects enumerated under s. 84.0145 (3) (b). In addition to the foregoing limit on principal amount, the building commission may contract revenue obligations under this section as the building commission determines is desirable to refund outstanding revenue obligations contracted under this section, to make payments under agreements or ancillary arrangements entered into under s. 18.55 (6) with respect to revenue obligations issued under this section, and to pay expenses associated with revenue obligations contracted under this section.

****NOTE: This is reconciled s. 84.59 (6). This SECTION has been affected by drafts with the following LRB numbers: -0741/P1 and -0938/P2.

(END)