



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0737/P1
MPG:cdc

DOA:.....Subach, BB0234 - State Bond Administration - Purchase
Premiums

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

Use of bond premium proceeds for costs incurred in contracting and administering public debt

This bill authorizes the state to use premium proceeds from the sale of bonds for costs incurred in contracting and administering public debt. Premium proceeds are proceeds received at the time of the bond sale that are in excess of the actual amount of principal borrowed.

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. 18.04 (3) of the statutes is amended to read:

18.04 (3) Each purpose enumerated in sub. (1) shall be construed to include any premium payable with respect thereto and the expenses of funding, refunding and

acquiring public debt. Each purpose specified by the legislature under subs. (1) and (2) shall be construed to include the expenses of contracting and administering public debt.

SECTION 2. 18.08 (1) (a) 3. of the statutes is amended to read:

18.08 **(1)** (a) 3. Premiums required for deposit in reserve funds or those necessary to pay expenses incurred in contracting and administering public debt or to make cost of issuance and other ancillary payments may be credited to one or more of the sinking funds of the bond security and redemption fund or to the capital improvement fund, as determined by the commission.

SECTION 3. 18.08 (1) (b) of the statutes is amended to read:

18.08 **(1)** (b) Moneys within the capital improvement fund shall be segregated into separate and distinct accounts according to the program purposes defined under ch. 20 for which public debt has been authorized by the legislature or for the payment of expenses incurred in contracting and administering public debt.

SECTION 4. 18.08 (1m) (a) of the statutes is renumbered 18.08 (1m) (am) and amended to read:

18.08 **(1m)** (am) Premium proceeds not used under par. (ag) shall first be used for the purposes for which the bonds were issued in proportion to the par value of the bond issue. If the premiums are used for the purposes, the authorized bonding authorization for those purposes is reduced by the amount of premiums that are used.

SECTION 5. 18.08 (1m) (ag) of the statutes is created to read:

18.08 **(1m)** (ag) Premium proceeds may be used for the payment of expenses incurred in contracting and administering public debt, as determined by the

commission. The authorized bonding authorization is not reduced by the amount of premiums that are used for those expenses.

SECTION 6. 18.08 (1m) (b) of the statutes is amended to read:

18.08 **(1m)** (b) Any ~~premiums~~ premium proceeds not used for the purposes for which ~~bonding was authorized under pars. (ag) and (am)~~ may be used for other purposes, as determined by the commission. If the premiums are used for any other purposes, the authorized bonding authorization for those purposes is reduced by the amount of premiums that are used.

SECTION 7. 18.08 (2) of the statutes is amended to read:

18.08 **(2)** The capital improvement fund may be expended, pursuant to appropriations, only for the purposes and in the amounts for which the public debts have been contracted, for the payment of principal and interest on loans or on notes, for the payment due, if any, under an agreement or ancillary arrangement entered into under s. 18.06 (8) (a) with respect to any such public debt, for the purposes identified under s. 20.867 (2) (v) and (4) (q), and for expenses incurred in contracting and administering public debt.

(END)