



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-0739/P2  
EVM:klm

DOA:.....Subach, BB0233 - Municipal borrowing - purchase premiums

**FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

***Use of premiums received in issuance of municipal obligations***

Under current law, the proceeds of municipal obligations must be paid into a municipality's borrowed money fund, except that any accrued interest and any premium received when municipal obligations are sold above par value must be paid into the debt service fund. In general, moneys may be disbursed from the borrowed money fund only for the purposes for which the municipal obligations were issued and from the debt service fund only to pay debt service on the obligations. Under this bill, a premium received when municipal obligations are sold above par value is paid into the debt service fund only to the extent provided in a resolution authorizing the issuance of the municipal obligations.

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

**SECTION 1.** 67.10 (3) of the statutes is amended to read:

67.10 (3) BORROWED MONEY FUND, SOURCE AND USE. All borrowed money Each municipality that issues municipal obligations under this chapter shall establish

~~and maintain, separate and distinct from all other funds, a borrowed money fund. The fund may include a separate account for each municipal obligation issue. Except as provided under s. 67.11, all proceeds of municipal obligations issued under this chapter shall be paid into the treasury of the municipality borrowing it, issuing the obligations and shall be entered in an account separate and distinct from all other funds, disbursements a borrowed money fund. Except as provided under s. 67.11, disbursements charged thereto to the borrowed money fund shall be solely for the purpose for which it was borrowed and for no other purpose, except as provided by s. 67.11, but the municipal obligations were issued, including the reimbursement of a temporary advance from other funds of the municipality or the repayment of a temporary loan by the municipality if such the advance or loan has been made in anticipation of the borrowed money receipt of the proceeds of municipal obligations and for the same purpose, and such disbursements. Disbursements charged to the borrowed money fund shall be only upon orders or warrants charged to said the fund and expressing the purpose for which they are drawn. Money in the borrowed money fund may be temporarily invested as provided in s. 66.0603 (1m).~~

**SECTION 2.** 67.11 (1) (c) of the statutes is created to read:

67.11 (1) (c) Any accrued interest received as part of the purchase price for the municipal obligations.

**SECTION 3.** 67.11 (1) (d) of the statutes is amended to read:

67.11 (1) (d) ~~The~~ To the extent provided in a resolution authorizing the municipal obligations, the premium, if any, for which the municipal obligations have been sold above par value and accrued interest.

(END)