



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0438/P1
EVM:kjf

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to amend** 38.20 (2) (e) and 67.12 (12) (a) of the statutes; **relating to:**
2 promissory notes of certain public bodies.

Analysis by the Legislative Reference Bureau

Under current law, a public body that has the authority to borrow money and issue obligations to repay the money out of public funds or revenues and that has the authority to levy a tax may issue promissory notes for any public purpose. Public bodies covered by this provision include cities, villages, towns, counties, and school districts. Each promissory note, with several exceptions, must be repaid within ten years after the original date of the note. Under this bill, each promissory note must be repaid within 20 years after the original date of the note.

For further information see the **local** 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:

3 **SECTION 1.** 38.20 (2) (e) of the statutes is amended to read:
4 38.20 (2) (e) The district purchasing property under this subsection may, with
5 approval of the city council or village board involved, pay the purchase price by
6 issuing and delivering directly to the city or village the general obligation promissory

1 notes or the notes of the district under s. 67.12 (12), except that no referendum may
2 be held and the 10-year 20-year limitation on such notes shall be inapplicable to
3 such notes issued under this paragraph. Such notes shall mature and be payable at
4 such times, in such amounts and at such rate of interest as will amortize and pay
5 when due the principal and interest on the outstanding obligations of the city or
6 village for technical college purposes. All such notes, upon execution and delivery
7 to the city or village, shall in all respects be held and considered as an authorized
8 investment under s. 66.0603 (1m) or 67.11 (2) and (3) of the debt service fund created
9 for payment of the city or village obligations issued for technical college purposes and
10 shall be offset against city or village indebtedness in computing legal debt limit to
11 the same extent as other authorized investments of the debt service fund and such
12 notes may be sold and hypothecated. If the offset against city or village indebtedness
13 under this paragraph is determined to be invalid in any respect, such city or village
14 immediately may require the district issuing the promissory notes to such city or
15 village to comply with pars. (c) and (d) to the extent necessary to cure such invalidity.

16 **SECTION 2.** 67.12 (12) (a) of the statutes is amended to read:

17 67.12 (12) (a) Any municipality may issue promissory notes as evidence of
18 indebtedness for any public purpose, as defined in s. 67.04 (1) (b), including but not
19 limited to paying any general and current municipal expense, and refunding any
20 municipal obligations, including interest on them. Each note, plus interest if any,
21 shall be repaid ~~within 10 years after the original date of the note, except that notes~~
22 ~~issued under this section for purposes of ss. 119.498, 281.58, 281.59, 281.60, 281.61,~~
23 ~~and 292.72, issued to raise funds to pay a portion of the capital costs of a metropolitan~~
24 ~~sewerage district, or issued by a 1st class city or a county having a population of~~

1 ~~750,000 or more, to pay unfunded prior service liability with respect to an employee~~
2 ~~retirement system, shall be repaid within 20 years after the original date of the note.~~

3 (END)