



## 1995 ASSEMBLY BILL 490

July 24, 1995 - Introduced by Representatives DUFF, PORTER, HOVEN, LEHMAN, HAHN, OLSEN, GUNDERSON, OWENS, SCHNEIDERS, NASS, GOETSCH and SILBAUGH, cosponsored by Senators PANZER and BRESKE. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 24.61 (3) (b), 24.63 (1) and (4), 24.66 (1) (intro.) and (5) (a), 24.67  
2 (1) (intro.) and (3), 24.70, 24.72 and 24.73; and **to create** 24.60 (1g) and 24.61  
3 (3) (a) 9. of the statutes; **relating to:** authorization for privately organized fire  
4 companies and departments to obtain state trust fund loans.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the board of commissioners of public lands makes loans from the state trust funds (common school fund, normal school fund, agricultural college fund and university fund) to specified local governments. Certain terms of the loans are specified by law; others are specified in the loan agreements. Proceeds of a loan may only be used for purposes specified by law. A local government that obtains a loan must levy an irrevocable tax in an amount sufficient to guarantee repayment of the loan. No local government qualifies for a loan unless its total indebtedness, including the loan balance, does not exceed 5% of the value of its taxable property, as equalized for state purposes.

This bill permits a privately organized fire company or department to apply for and obtain a state trust fund loan for the purpose of purchasing fire fighting equipment or for the construction, alteration or repair of any building used for fire fighting purposes. The terms of any such loan are governed by the same provisions that govern the terms of other loans, except that there is no requirement for a tax to be levied and no limitation on the total indebtedness of the borrower.

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

5 **SECTION 1.** 24.60 (1g) of the statutes is created to read:

1           24.60 **(1g)** "Fire fighting service" means a fire company organized as trustees  
2 under s. 213.02 or as a nonprofit corporation under s. 213.05, or a fire department  
3 organized under s. 213.08.

4           **SECTION 2.** 24.61 (3) (a) 9. of the statutes is created to read:

5           24.61 **(3)** (a) 9. A fire fighting service for the purpose of purchasing fire fighting  
6 equipment or for the construction, alteration or repair of any building used for fire  
7 fighting purposes.

8           **SECTION 3.** 24.61 (3) (b) of the statutes is amended to read:

9           24.61 **(3)** (b) *Terms; conditions.* A municipality or fire fighting service may  
10 ~~borrow from the board or from moneys belonging to the trust funds~~ obtain a state  
11 trust fund loan for the sum of money, for the time and upon the conditions as may  
12 be agreed upon between the board and the borrower subject to the limitations,  
13 restrictions and conditions set forth in this subchapter.

14           **SECTION 4.** 24.63 (1) and (4) of the statutes are amended to read:

15           24.63 **(1)** (title) ~~MUNICIPAL LOANS~~ LOANS OTHER THAN TO SCHOOL DISTRICTS. State  
16 trust fund loans, other than those to school districts, may be made for any term not  
17 exceeding 20 years, and may be made payable in instalments ~~and~~. A state trust fund  
18 loan to a municipality other than a school district shall be in an amount which does  
19 not, ~~in connection~~ together with all other indebtedness of the municipality applying  
20 for the loan, exceed 5% of the valuation of the taxable property within the  
21 municipality as equalized for state purposes. If a state trust fund loan is made to pay  
22 off existing indebtedness, it may be advanced to the borrower in instalments as fast  
23 as the indebtedness or the evidence of indebtedness is canceled.

24           **(4)** REPAYMENT BEFORE DUE DATE PERMITTED. Any ~~municipality~~ borrower, after  
25 March 15 and prior to August 1 of any year, may repay one or more instalments in

1 advance of the due date, and all interest upon such advance payment shall thereupon  
2 terminate.

3 **SECTION 5.** 24.66 (1) (intro.) and (5) (a) of the statutes are amended to read:

4 24.66 (1) (title) FOR ALL MUNICIPALITIES BORROWERS. (intro.) No trust fund loan  
5 may be made unless an application is made to the board under this section. The  
6 application shall state the amount of money required, the purpose to which it is to  
7 be applied, and the times and terms of repayment. The For every municipality, the  
8 application shall be accompanied by satisfactory proof:

9 (5) (a) Every application for a loan under this section by a municipality shall  
10 be accompanied by a certified copy under the hand of the proper clerk of a recorded  
11 resolution adopted by the municipality applying for or approving the loan, levying,  
12 except as provided in par. (b), upon all the taxable property of the municipality a  
13 direct annual tax for the purpose of paying and sufficient to pay the interest on such  
14 proposed loan as it falls due, and also to pay and discharge the principal thereof  
15 within 20 years from the making of such loan. Such a levy shall become void and of  
16 no effect if the board declines to make the loan; otherwise it shall remain valid and  
17 irrevocable until the loan and all interest thereon is fully paid.

18 **SECTION 6.** 24.67 (1) (intro.) and (3) of the statutes are amended to read:

19 24.67 (1) (intro.) If the board approves the application, it shall cause  
20 certificates of indebtedness to be prepared in proper form and transmitted to the  
21 municipality or fire fighting service submitting the application. The certificate of  
22 indebtedness shall be executed and signed:

23 (3) If a ~~unit of government~~ municipality has acted under subs. (1) and (2), it  
24 shall certify that fact to the department of administration. The Upon receiving a  
25 certification from a municipality or upon direction of the board if a loan is made to

1 ~~a fire fighting service, the~~ department of administration shall then draw a warrant  
2 upon the state treasurer for the amount of the loan, payable to the treasurer of the  
3 municipality ~~or fire fighting service,~~ making the loan or as ~~he or she~~ the treasurer  
4 of the municipality or fire fighting service directs. The certificate of indebtedness  
5 shall then be conclusive evidence of the validity of the indebtedness and that all the  
6 requirements of law concerning the application for the making and acceptance of the  
7 loan have been complied with.

8 **SECTION 7.** 24.70 of the statutes is amended to read:

9 **24.70** (title) **Collection from municipalities borrowers other than**  
10 **school districts.** (1) APPLICABILITY. This section applies to all outstanding state  
11 trust fund loans to ~~municipalities~~ borrowers other than school districts.

12 (2) CERTIFIED STATEMENT. If a ~~municipality~~ borrower other than a school district  
13 has a state trust fund loan, the board shall transmit to the ~~municipal~~ clerk of the  
14 jurisdiction, or the person signing the application on behalf of the borrower in the  
15 case of a fire fighting service, a certified statement of the amount due on or before  
16 October 1 of each year until the loan is ~~paid~~ repaid. The board shall submit a copy  
17 of each certified statement to the state treasurer.

18 (3) AMOUNT ADDED TO MUNICIPAL LEVY. ~~The~~ Upon receipt of a certified statement  
19 by a municipal clerk, the municipal clerk shall then cause the amount to be added  
20 to the municipal levy and collected in the same manner as the municipal tax except  
21 the amount for the state trust fund loan shall be separately designated.

22 (4) PAYMENT TO STATE TREASURER. ~~The municipal~~ treasurer of each municipality  
23 shall transmit to the state treasurer on his or her order the full amount levied for  
24 state trust fund loans within 15 days after March 15. Each fire fighting service shall  
25 similarly transmit the annual amount owed on any state trust fund loan made to the

1 service by that date. The state treasurer shall notify the board when he or she  
2 receives payment. Any payment not made by March 30 is delinquent and is subject  
3 to a penalty of one percent per month to be paid to the state treasurer with the  
4 delinquent payment.

5 **(6) FAILURE TO MAKE PAYMENTS.** ~~If the municipal treasurer~~ any municipality fails  
6 to remit the amount due by the date specified under sub. (4), the board may file a  
7 certified statement of the amount delinquent with the department of administration.  
8 The department of administration shall collect the amount due, including any  
9 penalty, by deducting that amount from any state payments due the municipality,  
10 shall remit that amount to the state treasurer and shall notify the treasurer and the  
11 board of that action.

12 **SECTION 8.** 24.72 of the statutes is amended to read:

13 **24.72 Use of funds.** No money obtained by a ~~municipality~~ borrower from a  
14 state trust fund loan may be applied to or paid out for any purpose except that  
15 specified in the application for the loan without the consent of the board.

16 **SECTION 9.** 24.73 of the statutes is amended to read:

17 **24.73 Extension of loan.** All loans made or which may be made from any of  
18 ~~such state trust~~ funds to any ~~municipality~~ borrower may be extended for such time  
19 and upon such terms as may be agreed upon by and between the board and such  
20 borrower; provided, however, that no loan shall be extended upon which there is any  
21 default in the payment of interest at the time of making application therefor, nor to  
22 any period beyond 20 years from its inception, nor at any rate of interest less than  
23 the minimum established by law.

24 **(END)**