LRB-2736/1 MES:wlj:km

2001 ASSEMBLY BILL 233

March 20, 2001 – Introduced by Committee on State and Local Finance (Select). Referred to Committee on State and Local Finance (Select).

AN ACT to repeal 66.0817 (1) to (7); to renumber and amend 66.0817 (intro.); and to amend 66.0807 (2) and 198.14 (4) of the statutes; relating to: the procedures used by a city, village, or town to sell or lease a municipal public utility plant.

Analysis by the Legislative Reference Bureau

Under current law, a municipality (a city, village, or town) may sell or lease any public utility plant that it owns only by completing a number of steps that must be performed according to a specified time table. The steps include the following: enacting an ordinance or resolution that summarizes the proposed terms of a sale or lease and that authorizes the negotiation of a preliminary agreement with a prospective purchaser; submitting a preliminary agreement to the department of transportation (DOT) or the public service commission (PSC) for a determination of whether the sale or lease is in the public interest; fixing the price and terms of the transaction by DOT or PSC if the transaction is found to be in the public interest; submitting the proposed transaction to the electors of the municipality for a referendum; and requiring that if the referendum is approved, the sale or lease be consummated within one year of the referendum, unless the time is extended by DOT or PSC, or the transaction is void.

This bill repeals all of the steps that must be completed. Under the bill, a municipality may sell or lease any public utility plant it owns in any manner that it considers appropriate.

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For further information see the *state and 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:

Section 1. 66.0807 (2) of the statutes is amended to read:

66.0807 (2) A city, village or town served by a privately owned public utility, motor bus or other systems of public transportation rendering local service may contract with the owner of the utility or system for the leasing, public operation, joint operation, extension and improvement of the utility or system by the municipality; or, with funds loaned by the municipality, may contract for the stabilization by municipal guaranty of the return upon or for the purchase by instalments out of earnings or otherwise of that portion of the public utility or system which is operated within the municipality and any territory immediately adjacent and tributary to the municipality; or may contract for the accomplishment of any object agreed upon between the parties relating to the use, operation, management, value, earnings, purchase, extension, improvement, sale, lease or control of the utility or system property. The provisions of s. 66.0817, 1999 stats., relating to preliminary agreement and approval by the department of transportation or public service commission apply to the contracts authorized by this section. The department of transportation or public service commission shall, when a contract under this section is approved by it and consummated, cooperate with the parties in respect to making valuations, appraisals, estimates and other determinations specified in the contract to be made by it.

SECTION 2. 66.0817 (intro.) of the statutes is renumbered 66.0817 and amended to read:

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66.0817 Sale or lease of municipal public utility plant. A town, village
or city, village, or town may sell or lease any complete public utility plant owned by
it in the following manner: any manner that it considers appropriate.

Section 3. 66.0817 (1) to (7) of the statutes are repealed.

Section 4. 198.14 (4) of the statutes is amended to read:

198.14 (4) Purchases, sales, conveyances. To lease, purchase, sell, convey and mortgage the property of the district and to authorize and order all instruments, contracts, deeds or mortgages to be executed on behalf of the district by the chairperson of the board and the clerk of the district, except that the sale or lease of any public utility equipment in excess of 10 per cent of the book value of the utility property of the district shall be made as nearly as may be in accordance with s. 66.0817, 1999 stats., except that the commission shall have no power to determine whether the interests of the district and the residents thereof will be best served by the sale or lease nor to fix the price and terms thereof other than to furnish the clerk of said district with its written recommendations thereon within 90 days.

16 (END)