



State of Wisconsin
2003 - 2004 LEGISLATURE

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2003 ASSEMBLY BILL 325

May 13, 2003 - Introduced by Representatives FRISKE, GARD, STONE, JENSEN, GIELOW, VAN ROY, HINES, SUDER, LADWIG, HAHN, F. LASEE, MUSSER, GUNDERSON, OWENS, TOWNSEND and FREESE, cosponsored by Senator COWLES. Referred to Committee on Campaigns and Elections.

1 **AN ACT to amend** 24.66 (4), 66.0619 (2m) (d), 66.0803 (1) (b), 66.1103 (10) (d),
2 67.05 (3) (d), 67.05 (4), 67.05 (5) (a), 67.05 (6), 67.05 (6a) (a) 2. a., 67.05 (6a) (am)
3 1., 67.12 (12) (e) 2. and 67.12 (12) (e) 5. of the statutes; **relating to:** requiring
4 certain referenda held by local governmental units to borrow money to contain
5 financial details.

Analysis by the Legislative Reference Bureau

Generally under current law, any local governmental unit (including a city, village, town, county, school district, technical college district, and metropolitan sewerage district) that is authorized to levy a tax may borrow money to finance any project that is undertaken for a public purpose. Under various circumstances, a local governmental unit that issues debt may be required to conduct a referendum on the question of its proposed borrowing.

Under this bill, if a local governmental unit that would like to borrow money is required to hold a referendum on the question of whether it may issue debt, the referendum question must specify the total estimated cost of debt service and the length of time until the debt is retired.

ASSEMBLY BILL 325

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:

1 **SECTION 1.** 24.66 (4) of the statutes is amended to read:

2 24.66 (4) POPULAR VOTE, WHEN REQUIRED. If any municipality is not empowered
3 by law to incur indebtedness for a particular purpose without first submitting the
4 question to its electors, the application for a state trust fund loan for that purpose
5 must be approved and authorized by a majority vote of the electors at a special
6 election called, noticed and held in the manner provided for other special elections.
7 The question to be voted on shall be filed as provided in s. 8.37. The notice of the
8 election shall state the amount of the proposed loan and the purpose for which it will
9 be used. The question submitted shall specify the total estimated cost of debt service
10 on the loan and the term of the loan.

11 **SECTION 2.** 66.0619 (2m) (d) of the statutes is amended to read:

12 66.0619 (2m) (d) The referendum shall be held and conducted and the votes
13 cast shall be canvassed as at regular municipal elections and the results certified to
14 the municipal clerk. The referendum question shall specify the total estimated cost
15 of debt service on the bonds and the length of time until the debt is retired. A majority
16 of all votes cast in the municipality decides the question.

17 **SECTION 3.** 66.0803 (1) (b) of the statutes is amended to read:

18 66.0803 (1) (b) A resolution, specifying the method of payment and submitting
19 the question to a referendum, shall be adopted by a majority of all the members of
20 the board or council at a regular meeting, after publication at least one week previous
21 in the official paper. If the method of payment includes borrowing money, the

ASSEMBLY BILL 325

1 referendum question shall specify the total estimated cost of debt service and the
2 length of time until the debt is retired.

3 **SECTION 4.** 66.1103 (10) (d) of the statutes is amended to read:

4 66.1103 (10) (d) The governing body may issue bonds under this section
5 without submitting the proposition to the electors of the municipality for approval
6 unless within 30 days from the date of publication of notice of adoption of the initial
7 resolution for the bonds, a petition conforming to the requirements of s. 8.40, signed
8 by not less than 5% of the registered electors of the municipality, or, if there is no
9 registration of electors in the municipality, by 10% of the number of electors of the
10 municipality voting for the office of governor at the last general election as
11 determined under s. 115.01 (13), is filed with the clerk of the municipality and as
12 provided in s. 8.37 requesting a referendum upon the question of the issuance of the
13 bonds. If a petition is filed, the bonds may not be issued until approved by a majority
14 of the electors of the municipality voting on the referendum at a general or special
15 election. The referendum question shall specify the total estimated cost of debt
16 service and the length of time until the debt is retired.

17 **SECTION 5.** 67.05 (3) (d) of the statutes is amended to read:

18 67.05 (3) (d) The question shall contain a statement of the purpose for which
19 bonds are to be issued, the total estimated cost of debt service on the bonds, the length
20 of time until the debt is retired, and the maximum amount of the bonds to be issued.

21 **SECTION 6.** 67.05 (4) of the statutes is amended to read:

22 67.05 (4) PERMISSIVE REFERENDUM IN COUNTIES. If a county board adopts an
23 initial resolution for an issue of county bonds to provide for the original construction
24 or for the improvement and maintenance of highways, to provide railroad aid, or to
25 construct, acquire or maintain, or to aid in constructing, acquiring or maintaining

ASSEMBLY BILL 325**SECTION 6**

1 a bridge over or across any stream or other body of water bordering upon or
2 intersecting any part of the county, the county clerk is not required to submit the
3 resolution for approval to the electors of the county at a special election unless within
4 30 days after the adoption thereof there is filed with the clerk a petition conforming
5 to the requirements of s. 8.40 requesting such submission, signed by electors
6 numbering at least 10% of the votes cast in the county for governor at the last general
7 election. If a petition is filed, the question submitted shall be whether the resolution
8 shall be or shall not be approved, and shall specify the total estimated cost of debt
9 service on the bonds and the length of time until the debt is retired. No such
10 resolution of a county board other than those specified in this subsection need be
11 submitted to county electors, except as provided otherwise in sub. (7).

12 **SECTION 7.** 67.05 (5) (a) of the statutes is amended to read:

13 67.05 (5) (a) Whenever an initial resolution has been so adopted by the
14 governing body of a town, the clerk of the municipality shall immediately record the
15 resolution and call a special election for the purpose of submitting the resolution to
16 the electors of the municipality for approval. The resolution question that is
17 submitted to the electors shall specify the total estimated cost of debt service on the
18 bonds and the length of time until the debt is retired. This paragraph does not apply
19 to bonds issued to finance low-interest mortgage loans under s. 62.237, unless a
20 number of electors equal to at least 15% of the votes cast for governor at the last
21 general election in their town sign and file a petition conforming to the requirements
22 of s. 8.40 with the town clerk requesting submission of the resolution. Whenever a
23 number of electors cannot be determined on the basis of reported statistics, the
24 number shall be determined in accordance with s. 60.74 (6). If a petition is filed, the
25 question submitted shall be whether the resolution shall or shall not be approved,

ASSEMBLY BILL 325

1 and shall specify the total estimated cost of debt service on the bonds and the length
2 of time until the debt is retired. This paragraph is limited in its scope by sub. (7).

3 **SECTION 8.** 67.05 (6) of the statutes is amended to read:

4 67.05 (6) REFERENDUM IN OTHER CASES. Whenever an initial resolution has been
5 adopted by the governing body of any municipality other than a county, a town, a city,
6 a village, a technical college district, a metropolitan sewerage district created under
7 ss. 200.01 to 200.15 or 200.21 to 200.65, a town sanitary district, a public inland lake
8 protection and rehabilitation district or a board of park commissioners, the clerk of
9 such municipality shall immediately record the resolution and call a special meeting
10 for the purpose of submitting it to the electors of the municipality for ratification or
11 rejection. The calling and conduct of the meeting shall be governed by those statutes,
12 so far as applicable, which govern the calling and conduct of special meetings in
13 general. The notice of the meeting, which shall be publicly read before the balloting
14 shall commence, and the ballot used, shall embody a copy of the resolution; the form
15 of the ballot shall correspond with the form prescribed by the elections board under
16 ss. 5.64 (2) and 7.08 (1) (a); and the question submitted shall be whether the
17 resolution shall be approved. The question submitted shall also specify the total
18 estimated cost of debt service on the bonds and the length of time until the debt is
19 retired.

20 **SECTION 9.** 67.05 (6a) (a) 2. a. of the statutes is amended to read:

21 67.05 (6a) (a) 2. a. Direct the school district clerk to call a special election for
22 the purpose of submitting the resolution to the electors for approval or rejection, or
23 direct that the resolution be submitted at the next regularly scheduled primary or
24 election to be held not earlier than 45 days after the adoption of the resolution. The
25 question submitted shall specify the total estimated cost of debt service on the

ASSEMBLY BILL 325**SECTION 9**

1 issuance of the bonds and the length of time until the debt is retired. The resolution
2 shall not be effective unless adopted by a majority of the school district electors voting
3 at the referendum.

4 **SECTION 10.** 67.05 (6a) (am) 1. of the statutes is amended to read:

5 67.05 **(6a)** (am) 1. If the public hearing under par. (a) 2. b. is for informational
6 purposes only and, within 30 days after the public hearing, a petition is filed with the
7 school district clerk for a referendum on the resolution signed by at least 7,500
8 electors of the school district or at least 20% of the school district electors, as
9 determined under s. 115.01 (13), whichever is less, the resolution shall not be
10 effective unless adopted by a majority of the school district electors voting at the
11 referendum. The question submitted shall be whether the initial resolution shall or
12 shall not be approved and shall specify the total estimated cost of debt service on the
13 bonds and the length of time until the debt is retired.

14 **SECTION 11.** 67.12 (12) (e) 2. of the statutes is amended to read:

15 67.12 **(12)** (e) 2. Unless the purpose and amount of the borrowing have been
16 approved by the electors under s. 67.05 (6a) or deemed approved by the electors under
17 s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the
18 purpose is to pay unfunded prior service liability contributions under the Wisconsin
19 retirement system if all of the proceeds of the note will be used for that purpose, the
20 borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),
21 (h) or (i), or subd. 2g. or par. (f) or (h) applies, the school district clerk shall, within
22 10 days after a school board adopts a resolution under subd. 1. to issue a promissory
23 note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch.
24 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice
25 need not set forth the full contents of the resolution, but shall state the maximum

ASSEMBLY BILL 325

1 amount proposed to be borrowed, the purpose thereof, that the resolution was
2 adopted under this subsection, and the place where, and the hours during which, the
3 resolution may be inspected. If, within 30 days after publication or posting, a petition
4 conforming to the requirements of s. 8.40 is filed with the school district clerk for a
5 referendum on the resolution signed by at least 7,500 electors of the district or at
6 least 20% of the number of district electors voting for governor at the last general
7 election, as determined under s. 115.01 (13), whichever is the lesser, then the
8 resolution shall not be effective unless adopted by a majority of the district electors
9 voting at the referendum. The referendum shall be called in the manner provided
10 under s. 67.05 (6a), except that the question which appears on the ballot shall be
11 “Shall (name of district) borrow the sum of \$... for (state purpose) by issuing its
12 general obligation promissory note (or notes) under section 67.12 (12) of the
13 Wisconsin Statutes, necessitating an estimated \$... in total debt service costs over
14 the-year term of the loan?”.

15 **SECTION 12.** 67.12 (12) (e) 5. of the statutes is amended to read:

16 67.12 (12) (e) 5. Within 10 days of the adoption by a technical college district
17 board of a resolution under subd. 1. to issue a promissory note for a purpose under
18 s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption
19 as a class 1 notice, under ch. 985. The notice need not set forth the full contents of
20 the resolution, but shall state the amount proposed to be borrowed, the method of
21 borrowing, the purpose thereof, that the resolution was adopted under this
22 subsection and the place where and the hours during which the resolution is
23 available for public inspection. If the amount proposed to be borrowed is for building
24 remodeling or improvement and does not exceed \$1,000,000 or is for movable
25 equipment, the district board need not submit the resolution to the electors for

ASSEMBLY BILL 325**SECTION 12**

1 approval unless, within 30 days after the publication or posting, a petition
2 conforming to the requirements of s. 8.40 is filed with the secretary of the district
3 board requesting a referendum at a special election to be called for that purpose.
4 Such petition shall be signed by electors from each county lying wholly or partially
5 within the district. The number of electors from each county shall equal at least 1.5%
6 of the population of the county as determined under s. 16.96 (2) (c). If a county lies
7 in more than one district, the technical college system board shall apportion the
8 county's population as determined under s. 16.96 (2) (c) to the districts involved and
9 the petition shall be signed by electors equal to the appropriate percentage of the
10 apportioned population. In lieu of a special election, the district board may specify
11 that the referendum shall be held at the next succeeding spring primary or election
12 or September primary or general election. Any resolution to borrow amounts of
13 money in excess of \$1,000,000 for building remodeling or improvement shall be
14 submitted to the electors of the district for approval. If a referendum is held or
15 required under this subdivision, no promissory note may be issued until the issuance
16 is approved by a majority of the district electors voting at such referendum. The
17 referendum shall be noticed, called and conducted under s. 67.05 (6a) insofar as
18 applicable, except that the notice of special election and ballot need not embody a
19 copy of the resolution and the question which shall appear on the ballot shall be
20 "Shall (name of district) be authorized to borrow the sum of \$.... for (state purpose)
21 by issuing its general obligation promissory note (or notes) under section 67.12 (12)
22 of the Wisconsin Statutes, necessitating an estimated \$.... in total debt service costs
23 over the-year term of the loan?".

24 **SECTION 13. Initial applicability.**

