

1 **AN ACT** *to amend* 38.15 (1), 38.15 (2), 67.05 (6m) (a) and 67.12 (12) (e) 5. of the
2 statutes; **relating to:** financing of capital expenditures by technical colleges.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council's Special Committee on Strategic Job Creation.

Under current law, if a technical college district board intends to make a capital expenditure in excess of \$1,500,000, excluding moneys received from gifts, grants, or federal funds, the expenditure must be approved by referendum. The level was raised in 2009 Wisconsin Act 28, the biennial budget act, from \$1,000,000 to \$1,500,000.

This bill draft increases the level of capital expenditures by technical colleges that require approval by referendum from \$1,500,000 to \$2,000,000.

3 **SECTION 1.** 38.15 (1) of the statutes is amended to read:

4 38.15 (1) Subject to sub. (3), if the district board intends to make a capital expenditure
5 in excess of ~~\$1,500,000~~ 2,000,000, excluding moneys received from gifts, grants or federal
6 funds, for the acquisition of sites, purchase or construction of buildings, the lease/purchase
7 of buildings if costs exceed ~~\$1,500,000~~ 2,000,000 for the lifetime of the lease, building
8 additions or enlargements or the purchase of fixed equipment relating to any such activity, it
9 shall adopt a resolution stating its intention to do so and identifying the anticipated source of
10 revenue for each project and shall submit the resolution to the electors of the district for
11 approval. The referendum shall be noticed, called and conducted as provided in s. 67.05 (3)
12 insofar as applicable. For the purposes of this section, all projects located on a single campus

1 site within one district which are bid concurrently or which are approved by the board under
2 s. 38.04 (10) within a 2-year period shall be considered as one capital expenditure project.

NOTE: This SECTION raises the limit for capital expenditures by a technical college that require a referendum from \$1,500,000 to \$2,000,000.

3 **SECTION 2.** 38.15 (2) of the statutes is amended to read:

4 38.15 (2) No more than \$1,000,000 in reserve funds, consisting of property tax revenues
5 and investment earnings on those revenues, may be utilized by the district board to finance
6 capital expenditures in excess of \$1,500,000 \$2,000,000 for the purposes under sub. (1).

NOTE: This SECTION increases the \$1,500,000 limit to \$2,000,000 to reflect the amended language in SECTION 1.

COMMENT: Current law restricts the amount of the project that can be funded with reserve funds. This amount remained unchanged at its current level of \$1,000,000 when the expenditure level was raised from \$1,000,000 to \$1,500,000 in 2009 Wisconsin Act 28. The committee may wish to consider the appropriateness of raising the amount of reserve funds that can be used to fund capital expenditures.

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

8 67.05 (6m) (a) An initial resolution adopted by a technical college district board for an
9 issue of bonds in an amount of money not exceeding \$1,500,000 \$2,000,000 for building
10 remodeling or improvement need not be submitted to the electors of the district for approval
11 unless within 30 days after the initial resolution is adopted there is filed with the technical
12 college district secretary a petition conforming to the requirements of s. 8.40 requesting a
13 referendum thereon. Such a petition shall be signed by electors from each county lying wholly
14 or partially within the district. The number of electors from each county shall equal at least
15 1.5% of the population of the county as determined under s. 16.96 (2) (c). If a county lies in
16 more than one district, the technical college system board shall apportion the county's
17 population as determined under s. 16.96 (2) (c) to the districts involved and the petition shall

1 be signed by electors equal to the appropriate percentage of the apportioned population. Any
2 initial resolution adopted under sub. (1) in an amount of money not exceeding \$1,500,000
3 \$2,000,000 at the discretion of the district board, may be submitted to the electors without
4 waiting for the filing of a petition. All initial resolutions adopted under sub. (1) in an amount
5 of money in excess of ~~\$1,500,000~~ \$2,000,000 or more for building remodeling or
6 improvement shall be submitted to the electors of the district for approval. If a referendum
7 is duly petitioned or required under this subsection, bonds may not be issued until the electors
8 of the district have approved the issue.

NOTE: Under current law, if a technical college district board wishes to issues bonds to finance remodeling or improvement of capital assets in an amount exceeding \$1,500,000, the question must be submitted to electors in the form of a referendum. Bond issues below this amount may be submitted for referendum if requested by a petition of electors or at the discretion of the technical college district board.

This SECTION would raise the \$1,500,000 level to \$2,000,000. The ability of electors or the technical college district board to invoke a referendum for lower amounts would be unchanged by this SECTION.

9 **SECTION 4.** 67.12 (12) (e) 5. of the statutes is amended to read:

10 67.12 (12) (e) 5. Within 10 days of the adoption by a technical college district board
11 of a resolution under subd. 1. to issue a promissory note for a purpose under s. 38.16 (2), the
12 secretary of the district board shall publish a notice of such adoption as a class 1 notice, under
13 ch. 985. The notice need not set forth the full contents of the resolution, but shall state the
14 amount proposed to be borrowed, the method of borrowing, the purpose thereof, that the
15 resolution was adopted under this subsection and the place where and the hours during which
16 the resolution is available for public inspection. If the amount proposed to be borrowed is for
17 building remodeling or improvement and does not exceed ~~\$1,500,000~~ \$2,000,000 or is for
18 movable equipment, the district board need not submit the resolution to the electors for

1 approval unless, within 30 days after the publication or posting, a petition conforming to the
2 requirements of s. 8.40 is filed with the secretary of the district board requesting a referendum
3 at a special election to be called for that purpose. Such petition shall be signed by electors from
4 each county lying wholly or partially within the district. The number of electors from each
5 county shall equal at least 1.5% of the population of the county as determined under s. 16.96
6 (2) (c). If a county lies in more than one district, the technical college system board shall
7 apportion the county's population as determined under s. 16.96 (2) (c) to the districts involved
8 and the petition shall be signed by electors equal to the appropriate percentage of the
9 apportioned population. In lieu of a special election, the district board may specify that the
10 referendum shall be held at the next succeeding spring primary or election or September
11 primary or general election. Any resolution to borrow amounts of money in excess of
12 ~~\$1,500,000~~ \$2,000,000 for building remodeling or improvement shall be submitted to the
13 electors of the district for approval. If a referendum is held or required under this subdivision,
14 no promissory note may be issued until the issuance is approved by a majority of the district
15 electors voting at such referendum. The referendum shall be noticed, called and conducted
16 under s. 67.05 (6a) insofar as applicable, except that the notice of special election and ballot
17 need not embody a copy of the resolution and the question which shall appear on the ballot
18 shall be "Shall (name of district) be authorized to borrow the sum of \$.... for (state purpose)
19 by issuing its general obligation promissory note (or notes) under section 67.12 (12) of the
20 Wisconsin Statutes?"

NOTE: Under current law, if a technical college district board wishes to issues promissory notes to finance capital projects in an amount exceeding \$1,500,000, the question must be submitted to electors in the form of a referendum. Promissory note issues below this amount may be submitted for referendum if requested by a petition of electors.

This SECTION would raise the \$1,500,000 level to \$2,000,000. The ability of electors to invoke a referendum for lower amounts would be unchanged by this SECTION.

SECTION 5. Initial applicability.

(1) CAPITAL EXPENDITURES. This act first applies to district board resolutions adopted on the effective date of this subsection.

(END)