



## 2013 SENATE BILL 540

February 3, 2014 - Introduced by Senators OLSEN and LEHMAN, cosponsored by Representatives STRACHOTA, LOUDENBECK, KNODL and SCHRAA. Referred to Committee on Education.

1     **AN ACT** *to renumber and amend* 121.07 (6) (a) 1. and 2.; *to amend* 119.04 (1)  
2             and 121.07 (6) (a) (intro.); and *to create* 120.137 and 121.07 (6) (a) 2m. of the  
3             statutes; **relating to:** authorizing a school board to create a capital  
4             improvement trust fund.

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### *Analysis by the Legislative Reference Bureau*

This bill authorizes a school board that has approved a long-term capital improvement plan that is for a minimum of 10 years to establish a trust fund for the purpose of financing the capital improvements included in the long-term plan. The bill prohibits a school board from spending any money deposited in the trust fund for a period of five years from the date the trust fund is created. After the initial five-year period, a school board may spend money in the trust fund only for the purposes described in the school board's long-term plan. Additionally, a school board is expressly prohibited from transferring money in the trust fund to any other school district fund. Finally, the bill specifies that, for purposes of calculating equalization aid, money deposited in a long-term capital improvement trust fund is counted as a shared cost at the time the money is deposited in the trust fund and is not a shared cost at the time the money is expended from the trust fund.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 119.04 (1) of the statutes, as affected by 2013 Wisconsin Act 20, is  
2 amended to read:

3           119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),  
4 66.0603 (1m) to (3), 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343,  
5 115.345, 115.363, 115.365 (3), 115.38 (2), 115.415, 115.445, 118.001 to 118.04,  
6 118.045, 118.06, 118.07, 118.075, 118.076, 118.10, 118.12, 118.125 to 118.14, 118.145  
7 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19, 118.20,  
8 118.223, 118.225, 118.24 (1), (2) (c) to (f), (6), (8), and (10), 118.245, 118.255, 118.258,  
9 118.291, 118.292, 118.293, 118.30 to 118.43, 118.46, 118.51, 118.52, 118.53, 118.55,  
10 118.56, 120.12 (2m), (4m), (5), and (15) to (27), 120.125, 120.13 (1), (2) (b) to (g), (3),  
11 (14), (17) to (19), (26), (34), (35), (37), (37m), and (38), 120.137, 120.14, 120.21 (3), and  
12 120.25 are applicable to a 1st class city school district and board.

13           **SECTION 2.** 120.137 of the statutes is created to read:

14           **120.137 Long-term capital improvement trust fund. (1)** In this section,  
15 a “long-term capital improvement plan” is a capital improvement plan for at least  
16 a 10-year period.

17           **(2)** A school board that has approved a long-term capital improvement plan  
18 may create a long-term capital improvement trust fund for the purpose of financing  
19 the costs of the capital improvements included in the school board’s approved  
20 long-term capital improvement plan.

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1           **(3)** (a) A school board may not expend money deposited in a long-term capital  
2 improvement trust fund created under sub. (2) for a period of 5 years beginning on  
3 the date the trust fund is created.

4           (b) After the 5-year period described in par. (a), a school board may make  
5 expenditures from a long-term capital improvement trust fund solely for the  
6 purposes described in the school board's approved long-term capital improvement  
7 plan and may not transfer money from a long-term capital improvement trust fund  
8 to any other school district fund.

9           **SECTION 3.** 121.07 (6) (a) (intro.) of the statutes is amended to read:

10           121.07 **(6)** (a) (intro.) "Shared cost" is the sum of the net cost of the general fund  
11 and the net cost of the debt service fund, except that "shared cost" excludes any costs,  
12 including attorney fees, incurred by a school district as a result of its participation  
13 in a lawsuit commenced against the state, beginning with such costs incurred in the  
14 fiscal year in which the lawsuit is commenced, excludes any expenditures from a  
15 capital improvement fund created under s. 120.135 or a capital improvement trust  
16 fund created under s. 120.137, and excludes the costs of transporting those transfer  
17 pupils for whom the school district operating under ch. 119 does not receive  
18 intradistrict transfer aid under s. 121.85 (6) as a result of s. 121.85 (6) (am). In this  
19 paragraph, ~~"net:~~

20           1m. "Net cost of the debt service fund" includes all of the following amounts:

21           **SECTION 4.** 121.07 (6) (a) 1. and 2. of the statutes are renumbered 121.07 (6)  
22 (a) 1m. a. and b., and 121.07 (6) (a) 1m. a., as renumbered, is amended to read:

23           121.07 **(6)** (a) 1m. a. If a school board makes an expenditure from a capital  
24 expansion fund created under s. 120.10 (10m), an amount determined by dividing the  
25 expenditure by the number of years in which the school district levied a tax for the

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**SECTION 4**

1 capital project. This ~~subdivision~~ subd. 1m. a. applies for the number of years equal  
2 to the number of years in which the school district levied a tax for the capital project.

3 **SECTION 5.** 121.07 (6) (a) 2m. of the statutes is created to read:

4 121.07 (6) (a) 2m. "Net cost of the general fund" includes money deposited in  
5 a long-term capital improvement trust fund created under s. 120.137.

6 (END)