



WISCONSIN INSTITUTE FOR LAW & LIBERTY, INC.

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April 12, 2023

Dear Chairman Novak and members of the Assembly Committee on Local Government,

Thank you for the opportunity to submit testimony in favor of Assembly Bill 82, a proposal by Representative Gustafson and Senator Cabral-Guevara regarding referendums and requiring a statement on the estimated interest accrued on the bonds.

As Wisconsin voters consider referendums, more transparency and information is necessary. All too often, the impact of referendums on property taxes comes as a surprise to taxpayers. Assembly Bill 82 provides voters with important information prior to making a decision.

Based on past criticisms of similar bills, we recommend that AB 82 be amended to clarify what constitutes an “estimated amount of interest.” In preparation for referendums, school boards and local governments often receive analyses that take into account the state of the financial markets and how it may impact the interest rates. AB 82 could be amended to include language requiring a “good faith estimate of the total amount of interest.” This would ensure that voters are provided with the important information about the financial impact of the proposed referenda while giving local governments a safe harbor if the market shifts dramatically between the referendum approve and the issuing of the bonds.

Additionally, this information could also be required to be shared with voters in a public format prior to the referendum, which would achieve the goal of AB 82 while also addressing previous criticisms about the process by which local governments issue bonds.

Thank you,

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