



2023 ASSEMBLY BILL 724

December 6, 2023 - Introduced by Representatives ROZAR, ARMSTRONG, BEHNKE and NOVAK, cosponsored by Senators JAMES and FEYEN. Referred to Committee on State Affairs.

1 **AN ACT** *to amend* 231.02 (2), 231.03 (13) and 231.08 (8); and *to create* 231.03
2 (6) (L) of the statutes; **relating to:** financing the operating costs and certain
3 out-of-state projects of nonprofit institutions and compensation of employees
4 of the Wisconsin Health and Educational Facilities Authority.

Analysis by the Legislative Reference Bureau

This bill makes the following changes to laws governing the Wisconsin Health and Educational Facilities Authority, which is a public body corporate and politic created outside of official state government:

1. Under current law, WHEFA may issue bonds to finance certain projects of health, educational, research, and other nonprofit institutions. The bill authorizes WHEFA to issue bonds for the purpose of financing working capital of such institutions to cover operating costs.

2. Current law authorizes WHEFA to help finance the costs of projects located outside of Wisconsin provided that the project includes a substantial component located within the state. The bill instead authorizes the financing of a project outside the state if the owner or operator of the project, or an affiliate of the owner or operator, has a presence within the state.

3. Under current law, WHEFA appoints an executive director to administer the authority. The executive director's compensation may not exceed the maximum of the salary range established for state government positions assigned to executive salary group six. This bill increases that maximum assignment to executive salary group eight.

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4. Similarly, current law provides that all other WHEFA employees may not receive compensation that exceeds the maximum of the salary range established for state government positions assigned to executive salary group three. This bill increases that maximum assignment to executive salary group five.

For further information see the state 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.** 231.02 (2) of the statutes is amended to read:

2 231.02 (2) The authority shall appoint an executive director and associate
3 executive director who shall not be members of the authority and who shall serve at
4 the pleasure of the authority. They shall receive such compensation as the authority
5 fixes, except that the compensation of the executive director shall not exceed the
6 maximum of the salary range established under s. 20.923 (1) for positions assigned
7 to executive salary group ~~6~~ 8 and the compensation of each other employee of the
8 authority shall not exceed the maximum of the salary range established under s.
9 20.923 (1) for positions assigned to executive salary group ~~3~~ 5. The executive
10 director or associate executive director or other person designated by resolution of
11 the authority shall keep a record of the proceedings of the authority and shall be
12 custodian of all books, documents, and papers filed with the authority, the minute
13 book or journal of the authority, and its official seal. The executive director or
14 associate executive director or other person may cause copies to be made of all
15 minutes and other records and documents of the authority and may give certificates
16 under the official seal of the authority to the effect that such copies are true copies,
17 and all persons dealing with the authority may rely upon such certificates.

18 **SECTION 2.** 231.03 (6) (L) of the statutes is created to read:

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1 231.03 (6) (L) In an amount not to exceed that approved by the authority,
2 finance working capital of any participating health institution, participating
3 educational institution, participating nonprofit institution, or participating
4 research institution for the purpose of covering operating expenses. Bonds issued
5 for purposes of this paragraph are not exempt from taxation under s. 71.05 (1) (c) 14.,
6 71.26 (1m) (o), or 71.45 (1t) (n).

7 **SECTION 3.** 231.03 (13) of the statutes is amended to read:

8 231.03 (13) Make loans to any participating health institution, participating
9 educational institution, participating nonprofit institution, or participating
10 research institution for the cost of a project or to finance working capital under sub.
11 (6) (L) in accordance with an agreement between the authority and the participating
12 health institution, participating educational institution, participating nonprofit
13 institution, or participating research institution. The authority may secure the loan
14 by a mortgage or other security arrangement on the health facility, educational
15 facility, nonprofit facility, or research facility granted by the participating health
16 institution, participating educational institution, participating nonprofit
17 institution, or participating research institution to the authority. The loan may not
18 exceed, as applicable, the total cost of the project as determined by the participating
19 health institution, participating educational institution, participating nonprofit
20 institution, or participating research institution and approved by the authority or
21 the amount of working capital approved by the authority under sub. (6) (L).

22 **SECTION 4.** 231.08 (8) of the statutes is amended to read:

23 231.08 (8) The proceeds of a bond issued under this section may be used for a
24 project in this state or any other state, except that if the proceeds of a bond are used
25 for a project located in another state, ~~that project shall include a substantial~~

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SECTION 4

1 ~~component located in this state, as determined by the executive director~~ the owner
2 or operator of that project, or its affiliate, shall have a presence in this state.

3 (END)