

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

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February 2, 2000

Representative Staskunas:

This is a second preliminary draft of your state fair park proposal. It includes the changes that you requested in your memorandum dated January 17, 2000. I have also added transitional provisions for the board. The draft contains a six-month delayed effective date. Please let me know if you would prefer a different effective date.

As I explained in my e-mail message of January 20, this draft does not change the status of employes of the state fair park board. The draft does not provide for transferring state fair park board employes to the private corporation. However, the corporation would have the authority to employ individuals. Individuals employed by the corporation would not be state employes and, therefore, would not be eligible for state benefits. Section 16.705 would apply and would have to be taken into consideration if the state fair park board wished to have the corporation provide services that are now provided by state employes. I am not certain that it would be possible to have the state fair park board employes who make up the state fair park police force transferred to the corporation and still have the police powers that they now have.

Please let me know if you want to add anything to the draft or to make any other changes. When you are satisfied with the draft, we will convert it to a version that may be introduced.

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Under this draft, state fair park building projects are no longer subject to review and approval by the building commission. The projects are also no longer subject to enumeration by the legislature in the authorized state building program (as is currently required for projects costing more than \$500,000), but financing and bonding for the projects remain subject to legislative review and approval. The building

commission continues to include the projects in the capital budget report so that the legislature will have the projects before it when it reviews the financing and bonding. Supervision of these projects by DOA is limited to technical review to ensure that the buildings, structures or facilities are constructed in accordance with applicable codes, so that state liability and maintenance costs will be minimized. State bonding procedures are not affected by the bill. Currently, all state bonding (whether for capital or noncapital purposes) is handled exclusively by the building commission, the DOA capital finance office and the state's bond counsel (currently, Quarles and Brady). These procedures are complex and it is not very feasible to interpose another party into this process.

As an alternative to this procedure, under proposed s. 42.09 (3), the state fair park board may permit a private person to construct a building, structure or facility in the state fair park. This would entail higher financing costs than state construction, but if the private person is able to absorb these costs and still pay the same net rental for lease of the building, structure or facility that the board would realize from a state-owned building, structure or facility, this procedure might be workable. The state generally does not use private financing for state construction because state bonding is cheaper. However, a private corporation, whether incorporated under ch. 181 or otherwise, would be required to obtain private financing for any construction work done by the corporation.

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