

2011 DRAFTING REQUEST

Bill

Received: 10/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: jennifer

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters: fknepp

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/18/2011	jdyer 10/25/2011		_____			State Tax
	fknepp 10/24/2011			_____			
	jkreye 10/24/2011			_____			
/P1			rschluet 10/26/2011	_____	mbarman 10/26/2011		State Tax

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P2	jkreye 11/07/2011	jdyer 11/08/2011	phenry 11/09/2011	_____	sbasford 11/09/2011		State Tax
/P3	fknepp 11/30/2011	jdyer 12/01/2011	rschluet 12/01/2011	_____	lparisi 12/01/2011		State
/1	jkreye 12/16/2011	jdyer 12/19/2011	rschluet 12/19/2011	_____	lparisi 12/19/2011	ggodwin 01/19/2012	

FE Sent For:

at intro
2-1-12

<END>

2011 DRAFTING REQUEST

Bill

Received: 10/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: jennifer

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters: fknepp

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/18/2011 fknepp 10/24/2011 jkreye 10/24/2011	jdyer 10/25/2011		_____			State Tax
/P1			rschluet 10/26/2011	_____	mbarman 10/26/2011		State Tax

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P2	jkreye 11/07/2011	jdyer 11/08/2011	phenry 11/09/2011	_____	sbasford 11/09/2011		State Tax
/P3	fknepp 11/30/2011	jdyer 12/01/2011	rschluet 12/01/2011	_____	lparisi 12/01/2011		State
/1	jkreye 12/16/2011	jdyer 12/19/2011	rschluet 12/19/2011	_____	lparisi 12/19/2011		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 10/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: jennifer

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters: fknepp

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/18/2011 fknepp 10/24/2011 jkreye 10/24/2011	jdyer 10/25/2011 <i>1 12/19 jld</i>		_____			State Tax
/P1			rschluet 10/26/2011 <i>rsch</i>	_____	mbarman 10/26/2011		State Tax

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P2	jkreye 11/07/2011	jdyer 11/08/2011	phenry 11/09/2011	_____	sbasford 11/09/2011		State Tax
/P3	fknepp 11/30/2011	jdyer 12/01/2011	rschluet 12/01/2011	_____	lparisi 12/01/2011		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: **10/18/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Scott Krug (608) 266-0215**

By/Representing: **jennifer**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - crp inc, fran**

Addl. Drafters: **fknepp**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Krug@legis.wi.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/18/2011	jdyer 10/25/2011		_____			State Tax
	fknepp 10/24/2011	<i>P3 12/1 JLD</i>		_____			
	jkreye 10/24/2011			_____			
/P1			rschluet 10/26/2011	_____	mbarman 10/26/2011		State Tax

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/P2	jkreye	jdyer	phenry	_____	sbasford		
	11/07/2011	11/08/2011	11/09/2011	_____	11/09/2011		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 10/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: jennifer

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters: fknepp

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 10/18/2011 fknepp 10/24/2011 jkreye 10/24/2011	jdyer 10/25/2011	<i>ll</i> <i>ph</i> <i>jk</i> <i>jd</i>	<i>ph</i> <i>ms</i>			State Tax
/P1			rschl 10/26/2011		mbarman 10/26/2011		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 10/18/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: jennifer

May Contact:

Drafter: jkreye

Subject: Tax, Business - crp inc, fran

Addl. Drafters: fknepp

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

WHEFA bonds

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye	PI 10/25 jld					

FE Sent For:

<END>

Kreye, Joseph

3259

From: Malcore, Jennifer
Sent: Monday, October 17, 2011 3:43 PM
To: Kreye, Joseph
Subject: FW: WHEFA
Attachments: WHEFA.pdf
Here you go!! Good luck!!!

Jennifer Malcore
Office of Representative Scott Krug
72nd Assembly District
PH (608) 266 0215
Jennifer.Malcore@legis.wisconsin.gov

From: Scott Krug [mailto:scott.krug@gmail.com]
Sent: Friday, October 14, 2011 1:32 PM
To: Malcore, Jennifer
Subject: WHEFA

Here is some background info



Wisconsin Health and Educational
Facilities Authority

POLICY STATEMENT

Promote economic development and job creation by maximizing access to tax-exempt capital financing for all Wisconsin based nonprofit entities.

SUGGESTED STATUTORY CHANGES

1. Provide an exclusion from State income, corporate and franchise taxes for interest income on bonds issued by WHEFA where such exclusion is already available through another Wisconsin issuer.
2. Allow WHEFA to issue bonds on behalf of all 501(c)(3) nonprofit organizations in Wisconsin.
3. Make certain technical corrections, including: extending the final bond maturity to 50 years; deletion of the refinancing analysis required for certain health care borrowers; and elimination of current working capital limits which are more restrictive than federal tax law requirements.

BACKGROUND

For over 33 years the Wisconsin Health and Educational Facilities Authority (WHEFA) has been quietly fulfilling its mission of assisting our State's nonprofit health care and education institutions to obtain access to low cost capital to finance their building and equipment improvement and expansion needs. During this time, over \$16 billion of federally tax-exempt bonds have been issued by WHEFA, allowing several hundred Wisconsin not for profit corporations to access private and public capital markets at lower costs than are available in the conventional marketplace.

Pursuant to Section 231.10 of the Wisconsin Statutes, bonds issued by WHEFA are not considered State debt, and the State has no obligation to repay the obligations issued by WHEFA under any circumstances.

In the 2011-2012 State Budget, Governor Walker attempted to level the playing field among the various Wisconsin bond issuers by allowing WHEFA to finance projects with an exemption from State income tax where such an exemption already exists through another Wisconsin issuer. The Legislative Fiscal Bureau concluded that this proposal would not have a negative fiscal impact on the State's revenues. Removal of this budget bill provision by the Joint Finance Committee left WHEFA at a competitive disadvantage to other issuers who can offer the State tax exemption.

TALKING POINTS

- To obtain the lowest cost and best financing plan possible, it is important to have available for use by our State's nonprofit organizations' issuers who are knowledgeable about the industry sectors that they serve, who are experienced in the issuance of bonds and the available capital markets, and who offer the lowest fees and issuance costs possible.
- Lower cost capital allows more revenue to be generated for expanded or enhanced programming, for more jobs, and for a more vibrant local and State economy.
- Expanding financing options for nonprofits helps to minimize required government services in these sectors by allowing private not for profit organizations to thrive and meet these needs for Wisconsin residents.
- New building projects and renovations of existing facilities undertaken by these organizations support Wisconsin's construction industry, provide for expanded job opportunities at such facilities and result in our residents benefiting from expanded programs and services offered.
- Smaller sectors of our State's 501(c)(3) community, including cultural facilities, health and fitness facilities and recreational facilities, currently do not qualify for WHEFA financing, but do qualify under current federal tax laws. Allowing WHEFA to issue bonds on behalf of all Wisconsin 501(c)(3) organizations would enable all such organizations to benefit economically by providing them with an experienced issuer to assist them in meeting their capital needs.

Since its creation, the legislature has broadened the eligibility for WHEFA financing assistance by allowing independent colleges and universities, certain continuing care facilities, private nonprofit elementary and secondary schools, nonprofit research facilities and community rehabilitation providers to participate. In today's economic environment, it is important to permit all Wisconsin 501(c)(3) nonprofit organizations access to this low cost financing option.

- The corrections identified in #3 are technical in nature and would allow WHEFA to offer the same financing assistance that already exists through alternative issuers in our State.

For more information on WHEFA, please contact Executive Director, Larry Nines, or Associate Executive Director, Dennis Reilly, at (262) 792-0466. Questions related to the legislation can be directed to Brandon Scholz or Michelle Kussow at The Capitol Group at (608) 244-8460.

Comparison of Wisconsin Bond Issuers for Wisconsin 501(c)(3) Nonprofit Organizations

	WHEFA	PFA	Municipal
Creation	Created by Statute in 1971	Enabled by Statute in 2010; Created by Agreement among 4 members in 2010. Statute requires a minimum of 2 members, only 1 of which must be a political subdivision located in Wisconsin.	Created pursuant to various State Statutes.
State Funding/Sponsors	Not funded by State revenues; no taxing power; no sponsors.	Not funded by State revenues; no taxing power; sponsored by National Association of Counties, National League of Cities, Wisconsin Counties Association, League of Wisconsin Municipalities	No State revenues or local taxing power to support conduit bonds; no sponsors.
Total dollar amount WISCONSIN projects financed	\$16,564,411,386 through 6/30/11	\$24,000,000 to date (plus approximately \$178,000,000 outside of Wisconsin)	Varies
Total number of WISCONSIN projects financed	656 through 6/30/11	2 to date in Wisconsin (plus 6 to date outside of Wisconsin)	Numerous
State of Wisconsin Tax Exemption	No	Yes	Cities and Counties – No
Federal Tax Exemption	Yes	Yes	Local Housing or Community Development Authorities – Yes
Operated By/Staff	4 Wisconsin based employees of WHEFA: Executive Director 28 years, Associate Executive Director 15 years, Manager Operations & Finance 24 years, Administrative Assistant 9 years. Salaries are set by Wis. legislature by statute.	Operated by HB Capitol Resources Ltd. (a for profit private company in Walnut Creek, CA) through 1 Wisconsin based employee (Liz Stephens) and 6 other non-Wisconsin based employees of HB Capitol. Salaries set by HB Capitol.	No staffing or limited staffing

Comparison of Wisconsin Bond Issuers for Wisconsin 501(c)(3) Nonprofit Organizations

<i>Board</i>			<i>Varies by community</i>
	<p>7 members appointed by Governor and approved by Senate. Governor appoints Board Chair annually. Current Board: Chair Richard Canter, Wheaton Franciscan Healthcare; Vice Chair Tim Size, Rural Wisconsin Health Coop; Bruce Colburn, SEIU-Milwaukee; Kevin Flaherty, Associated Commercial Finance; Dr. Beth Gillis, ThedaCare; Richard Keintz, Edgewood College; Robert Van Meeteren, Reedsburg Area Medical Clinic. Most board members are in the health care, education or finance industry and are familiar with health and education issues. Board members receive training on WHEFA, its constituents and bond financings.</p>	<p>Number of and appointees to board at discretion of PFA, no legislative or Governor appointees. Current Board of 7 (only a majority of which must be from Wisconsin): Chair Keith Langenhahn, Marathon County Board; William Kacvinsky, Bayfield County Board; Jerome Wehrle, Lancaster Mayor; Heidi Dombrowski, Finance Director Waupaca County; John West, Adams County Supervisor; Jeannie Garner, Florida League of Cities; Shelby Scharbach, Maricopa County Arizona. Board members are not from the health care, education or finance industries.</p>	
<p><i>Power to exercise eminent domain and condemn property</i></p>	<p>No</p>	<p>Yes</p>	<p>Yes</p>
<p><i>Provides free advice on financing options to potential borrowers; submits RFP's on behalf of potential borrowers; provides free annual seminar on financing options and current trends to borrowers</i></p>	<p>Yes</p>	<p>No</p>	<p>No</p>
<p><i>Makes annual grants to support Non-Profit Organizations</i></p>	<p>Yes</p>	<p>No</p>	<p>No</p>

Comparison of Wisconsin Bond Issuers for Wisconsin 501(c)(3) Nonprofit Organizations

<p><i>Annual Fees Charged (using \$20 million outstanding principal amount as example)</i></p>	<p>0.625 basis points on outstanding principal amount (\$1,250 annually on \$20 million of bonds). All fees collected go to WHEFA for operation of its programs for the benefit of Wisconsin nonprofit borrowers.</p>	<p>3.0 basis points on outstanding principal amount (\$6,000 annually on \$20 million of bonds) All or part of fees collected goes to out-of-state private entity.</p>	<p>Varies</p>
<p><i>Application Fee and Initial Issuance Fee Charged to Organization (using \$20 million outstanding principal amount as example)</i></p>	<p>\$0-no application or issuance fees charged</p>	<p>\$5000 application fee; issuance fee of 20-25 basis points (\$40,000 on \$20 million of bonds). All or part of fees collected goes to out-of-state private entity.</p>	<p>Varies</p>
<p><i>Bond Counsel Fees</i></p>	<p>Set by WHEFA on a fixed fee basis that has remained the same for 30 years and structured to result in lower costs to smaller Wisconsin borrowers.</p>	<p>No set fees for bond counsel.</p>	<p>No set fees for bond counsel</p>
<p><i>Issuer Counsel Fees</i></p>	<p>Included as part of set bond counsel fees.</p>	<p>Separate fees charged to borrowers for issuer counsel legal fees.</p>	<p>Separate fees charged.</p>

10-20-11

Telephone Conversation w/ Larry Nines, Dennis Reilly + Jennifer Powers (NHEFA bond counsel)

Intent is to add new category of borrower + expand purpose to allow bonding to non profits such as Boys + Girls Club

Create definition of "non-profit facility" + "participating non-profit institution" does not incl. other existing borrowers

add category throughout statute

add to 231.03(b) - paragraphs mimicking (h) + (i)

- do not want to change name, as approx 90% of borrowers will still be health + ed.

Technical corrections/clarifications

① make 231.03(b)(b) mimic (d) + (i)

② Amend

231.01(4)(b)5. →

working capital in the amount permitted under CFR 1.148-6(d)(3)

10-21-11 - Telephone Call w/ Jennifer Powers

- ~~also do~~ do not exclude child care providers from definition of nonprofit institution + eliminate language

Jennifer's phone # -
414-277-5141

related to participating child care providers and child care centers



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-32597
FFK & JK:.....

Out by 10-31-11

PI
Jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 10-24-11

D-N

✓

Gen

1 AN ACT ...; relating to: authorizing the Wisconsin Health and Educational
2 Facilities Authority to issue bonds to finance projects related to nonprofit
3 facilities. ✓

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health, educational, or research institutions; to refinance outstanding debt of health, educational, or research institutions; and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health, educational, research institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health, educational, or research facility or related structure.

of

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, or to refinance outstanding debt of a nonprofit institution. A nonprofit institution is defined in the bill as a nonprofit entity that is not a health, education, or research institution. A nonprofit facility is defined in the bill as a facility that is owned or operated by a nonprofit entity. Project activities of which WHEFA may issue bonds include construction, acquisition, remodeling, furnishing, and equipping of nonprofit facilities, related structures, and structures or items that are useful for the operation of nonprofit facilities.

for

check
for a nonprofit institution

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire

information technology hardware or software. Under this bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation. ✓

This bill also makes the following changes to WHEFA's bonding authority: ✓
for bonds issued by WHEFA

1. Extends the maximum bond maturity date from 30 years from the date of issue to 50 years from the date of issue. ✓

2. Eliminates the requirement that certain refinancing projects for health institutions be certified by the Department of Health Services. ✓

3. Changes the working capital limits that ~~be~~ *must be* included in the cost of a project to be consistent with federal law. ✓

4. Eliminates references to WHEFA's authority to issue bonds to participating child care providers, which expired on May 1, 2000. ✓

*

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill. ✓

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

Ins 2-2A

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

Ins 2-1B

1 SECTION 1. 231.01 (3c) of the statutes is repealed. ✓

2 SECTION 2. 231.01 (3m) of the statutes is repealed. ✓

3 SECTION 3. 231.01 (4) (a) of the statutes is amended to read:

4 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating

5 health institution, participating educational institution, participating research

6 institution, or participating ~~child care provider~~ nonprofit institution, as approved ✓

7 by the authority, as are reasonable and necessary to accomplish the project, exclusive

8 of any private or federal, state, or local financial assistance received by the

9 participating health institution, participating educational institution, participating

10 research institution, or participating ~~child care provider~~ nonprofit institution ✓ for the

11 payment of the project cost.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

1 **SECTION 4.** 231.01 (4) (b) 1. of the statutes is amended to read:

2 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health
3 institution, participating educational institution, participating research institution,
4 or participating ~~child care provider~~ nonprofit institution of all necessary
5 developmental, planning, and feasibility studies, surveys, plans, and specifications,
6 architectural, engineering, legal, or other special services, the cost of acquisition of
7 land and any buildings and improvements on the land, site preparation, and
8 development including demolition or removal of existing structures, construction,
9 reconstruction, and equipment, including machinery, fixed equipment, and personal
10 property.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 28; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

11 **SECTION 5.** 231.01 (4) (b) 2. of the statutes is amended to read:

12 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
13 health institution, participating educational institution, participating research
14 institution, or participating ~~child care provider~~ nonprofit institution in the course
15 of the development of the project to the occupancy date.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

16 **SECTION 6.** 231.01 (4) (b) 5. of the statutes is amended to read:

17 231.01 (4) (b) 5. Working capital not exceeding ~~3% of the estimated total project~~
18 ~~cost or 3% of the actual total final cost, whichever is larger~~ the amount permitted
19 under 26 CFR 1.148-6 (d) (3).

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

20 **SECTION 7.** 231.01 (4) (c) of the statutes is amended to read:

21 231.01 (4) (c) All rents and other net revenues from the operation of the real
22 property, improvements, or personal property on the project site by a participating
23 health institution, participating educational institution, participating research

SEC. #

~~231.01 (5r)~~; RP ✓

1 institution, or participating ~~child care provider~~ nonprofit institution ✓ on and after the
2 date on which the contract between a participating health institution, participating
3 educational institution, participating research institution, or participating ~~child~~
4 ~~care provider~~ nonprofit institution ✓ and the authority was entered into, but prior to
5 the occupancy date, shall reduce the sum of all costs in this subsection.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991
a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

6 SECTION 8. 231.01 (5n) of the statutes is created to read:

7 231.01 (5n) "Nonprofit entity" ✓ means an entity that is described in section 501
8 (c) (3) of the Internal Revenue Code ✓ and that is exempt from federal income tax under
9 section 501 (a) of the Internal Revenue Code.

10 SECTION 9. 231.01 (5p) ✓ of the statutes is created to read:

11 231.01 (5p) "Nonprofit facility" ✓ means a facility that is owned or operated by
12 a nonprofit entity ○

13 SECTION 10. 231.01 (6) (m) (6m) of the statutes is created to read:

14 231.01 (6) (m) (6m) (B) "Participating nonprofit institution" ✓ means a nonprofit entity,
15 or an affiliate of that entity, that undertakes the financing and construction or
16 acquisition of a project or undertakes the refunding or refinancing of obligations or
17 of a mortgage or of advances as provided in this chapter, ✓ and is not any of the
18 following:

- 19 1. An entity authorized by state law to provide or operate an educational facility
20 or an affiliate of an entity authorized by state law to provide or operate an
21 educational facility. ✓
- 22 2. ✓ An entity authorized by state law to provide or operate a health facility or
23 an affiliate of an entity authorized by state law to provide or operate a health facility.

move

1 3. An entity authorized by state law to provide or operate a research facility or
2 an affiliate of an entity authorized by state law to provide or operate a research
3 facility.✓

4 **SECTION 11.** 231.01 (7) (a) 1. of the statutes is amended to read: X

5 231.01 (7) (a) 1. A specific health facility, educational facility, research facility,
6 or ~~child care center~~ nonprofit facility✓ work or improvement to be refinanced,
7 acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or
8 equipped by the authority with funds provided in whole or in part under this chapter.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

9 **SECTION 12.** 231.01 (7) (a) 2. of the statutes is amended to read:

10 231.01 (7) (a) 2. One or more structures suitable for use as a ~~child care center~~,
11 research facility, nonprofit facility✓, health facility, laboratory, laundry, nurses' or
12 interns' residence or other multi-unit housing facility for staff, employees, patients
13 or relatives of patients admitted for treatment or care in a health facility, physician's
14 facility, administration building, research facility, maintenance, storage, or utility
15 facility.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

16 **SECTION 13.** 231.01 (7) (a) 4. of the statutes is amended to read:

17 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
18 educational facility, research facility, or ~~child care center~~ nonprofit facility✓, including
19 facilities or supporting service structures essential or convenient for the orderly
20 conduct of the health facility, educational facility, research facility, or ~~child care~~
21 ~~center~~ nonprofit facility✓.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

22 **SECTION 14.** 231.01 (7) (c) of the statutes, as affected by 2011 Wisconsin Act 32,

23 is amended to read:

1 231.01 (7) (c) "Project" may include more than one project, and it may include
2 any combination of projects undertaken jointly by any participating health
3 institution, participating educational institution, participating research institution,
4 or participating ~~child care provider~~ nonprofit institution with one or more other
5 participating health institutions, participating educational institutions,
6 participating research institutions, or participating ~~child care providers~~ nonprofit
7 institutions.

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1981 c. 298; 1981 c. 314 s. 144; 1983 a. 27, 189; 1985 a. 29; 1987 a. 27; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9126 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

8 **SECTION 15.** 231.02 (6) (b) of the statutes is amended to read:

9 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
10 of interest or violation of this section or of any other law for a trustee, director, officer,
11 or employee of a participating health institution, participating educational
12 institution, participating research institution, or participating ~~child care provider~~
13 nonprofit institution or for a person having the required favorable reputation for
14 skill, knowledge, and experience in state and municipal finance or for a person
15 having the required favorable reputation for skill, knowledge, and experience in the
16 field of health facility, educational facility, research facility, or ~~child care center~~
17 nonprofit facility architecture to serve as a member of the authority; if in each case
18 to which par. (a) is applicable, the trustee, director, officer, or employee of the
19 participating health institution, participating educational institution, participating
20 research institution, or participating ~~child care provider~~ nonprofit institution
21 abstains from discussion, deliberation, action, and vote by the authority in specific
22 respect to any undertaking pursuant to this chapter in which his or her participating
23 health institution, participating educational institution, participating research
24 institution, or participating ~~child care provider~~ nonprofit institution has an interest,

1 or the person having the required favorable reputation for skill, knowledge, and
 2 experience in state and municipal finance abstains from discussion, deliberation,
 3 action, and vote by the authority in specific respect to any sale, purchase, or
 4 ownership of bonds of the authority in which any business of which such person is
 5 a participant, owner, officer, or employee has a past, current, or future interest, or
 6 such person having the required favorable reputation for skill, knowledge, and
 7 experience in the field of health facility, educational facility, research facility, or ~~child~~
 8 ~~care center~~ nonprofit facility architecture abstains from discussion, deliberation,
 9 action, and vote by the authority in specific respect to construction or acquisition of
 10 any project of the authority in which any business of which such person is a
 11 participant, owner, officer, or employee has a past, current, or future interest.

History: 1973 c. 304; 1975 c. 224; 1977 c. 29; 1979 c. 221; 1981 a. 192; 1987 a. 27, 403; 1991 a. 39, 316; 1993 a. 124; 2009 a. 2.

12 **SECTION 16.** 231.03 (5) of the statutes is amended to read:

13 231.03 (5) Determine the location and character of any project to be financed
 14 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
 15 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
 16 such purpose, enter into contracts for the management and operation of a project or
 17 other health facilities, educational facilities, research facilities, or ~~child care centers~~
 18 nonprofit facilities owned by the authority, and designate a participating health
 19 institution, participating educational institution, participating research institution,
 20 or participating ~~child care provider~~ nonprofit institution as its agent to determine the
 21 location and character of a project undertaken by the participating health
 22 institution, participating educational institution, participating research institution,
 23 or participating ~~child care provider~~ nonprofit institution under this chapter and as
 24 the agent of the authority, to construct, reconstruct, remodel, maintain, manage,

1 enlarge, alter, add to, repair, operate, lease as lessee or lessor and regulate the same,
2 and as the agent of the authority, to enter into contracts for any such purpose,
3 including contracts for the management and operation of such project or other health
4 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
5 facilities ✓ owned by the authority.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

6 **SECTION 17.** 231.03 (6) (b) of the statutes, as affected by 2011 Wisconsin Act 32,
7 is amended to read:

8 231.03 (6) (b) Refinance outstanding debt of any participating health
9 institution ✓ if the department of health services certifies that refinancing will result
10 in a reduction in the participating health institution's rates below the rates which
11 would have otherwise prevailed, except that the authority may not refinance any
12 office or clinic of a person licensed under ch. 446, 447, 448, 449 or 455, or the
13 substantially equivalent laws or rules of another state, and except that this
14 certification is not required for the refinancing for a participating health institution
15 that operates a facility as defined under s. 49.45 (6m) (a) 3, or for a participating
16 health institution that is located in another state. ✓

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

17 **SECTION 18.** 231.03 (6) (g) of the statutes is amended to read:

18 231.03 (6) (g) Finance a purchase, or make a loan, under sub. (20). Bonds
19 issued under this paragraph shall be payable from, or secured by interests in, tobacco
20 settlement revenues and such other property pledged under the bond resolution and,
21 notwithstanding s. 231.08 (3), are not required to mature in ~~30~~ 50 ✓ years or less from
22 the date of issue.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

23 **SECTION 19.** 231.03 (6) (j) of the statutes is created to read:

1 231.03 (6) (j) Finance any project undertaken for a[✓] nonprofit facility by a
2 participating nonprofit institution.[✓]

3 **SECTION 20.** 231.03 (6) (k) of the statutes is created to read:

4 231.03 (6) (k) Refinance outstanding debt of any participating nonprofit
5 institution.[✓]

6 **SECTION 21.** 231.03 (7) of the statutes is amended to read:

7 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
8 fees, and charges for the use of and for the services furnished or to be furnished by
9 a project or other health facilities, educational facilities, research facilities, or ~~child~~
10 ~~care centers~~ nonprofit facilities[✓] owned by the authority or any portion thereof,
11 contract with any person in respect thereto and coordinate its policies and
12 procedures, and cooperate with recognized health facility, educational facility,
13 research facility, or ~~child care center~~[✓] nonprofit facility rate setting mechanisms.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989
a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

14 **SECTION 22.** 231.03 (8) of the statutes is amended to read:

15 231.03 (8) Adopt rules for the use of a project or other health facility,
16 educational facility, research facility, or ~~child care center~~[✓] nonprofit facility or any
17 portion of the project or facility owned, financed, or refinanced in whole or in part by
18 the authority, including any property used as security for a loan secured through,
19 from, or with the assistance of the authority. The authority may designate a
20 participating health institution, participating educational institution, participating
21 research institution, or participating ~~child care provider~~[✓] nonprofit institution as its
22 agent to establish rules for the use of a project or other health facilities, educational
23 facilities, research facilities, or ~~child care centers~~[✓] nonprofit facilities undertaken for
24 that participating health institution, participating educational institution,

1 participating research institution, or participating ~~child care provider~~ [✓] nonprofit
 2 institution. The rules shall ensure that a project, health facility, educational facility,
 3 research facility, ~~child care center~~ nonprofit facility, [✓] or property may not be used
 4 primarily for sectarian instruction or study or as a place for devotional activities or
 5 religious worship.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

6 **SECTION 23.** 231.03 (11) of the statutes is amended to read:

7 231.03 (11) Establish or contract with others to carry out on its behalf a health
 8 facility, educational facility, research facility, nonprofit facility, [✓] or child care center
 9 project cost estimating service, and make this service available on all projects to
 10 provide expert cost estimates and guidance to the participating health institution,
 11 participating educational institution, participating research institution,
 12 participating nonprofit institution, ^{or} participating ~~child care provider~~ ^{strike} and to the ^{male}
 13 authority. To implement this service and, through it, to contribute to cost
 14 containment, the authority may require such reasonable reports and documents
 15 from health facility, educational facility, research facility, or ~~child care center~~
 16 nonprofit facility projects as are required for this service and for the development of
 17 cost reports and guidelines. The authority shall appoint a technical committee on
 18 health facility, educational facility, research facility, or ~~child care center~~ nonprofit
 19 facility [✓] project costs and cost containment.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

20 **SECTION 24.** 231.03 (13) of the statutes is amended to read:

21 231.03 (13) Make loans to any participating health institution, participating
 22 educational institution, participating research institution, or, [✓] ~~before May 1, 2000,~~
 23 participating ~~child care provider~~ nonprofit institution [✓] for the cost of a project in

1 accordance with an agreement between the authority and the participating health
 2 institution, participating educational institution, participating research institution,
 3 or participating ~~child care provider~~ nonprofit institution. The authority may secure
 4 the loan by a mortgage or other security arrangement on the health facility,
 5 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
 6 by the participating health institution, participating educational institution,
 7 participating research institution, or participating ~~child care provider~~ nonprofit
 8 institution to the authority. The loan may not exceed the total cost of the project as
 9 determined by the participating health institution, participating educational
 10 institution, participating research institution, or participating ~~child care provider~~
 11 nonprofit institution and approved by the authority.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

12 **SECTION 25.** 231.03 (14) of the statutes is amended to read:

13 231.03 (14) Make loans to a health facility, educational facility, research
 14 facility, or, ~~before May 1, 2000, child care center~~ nonprofit facility for which bonds
 15 may be issued under sub. (6) (b) ~~or~~ ^{no striking} (d), (i), or (k) ~~or under s. 231.03 (6) (f), 1999 stats,~~
 16 to refinance the health facility's, educational facility's, research facility's, or ~~child~~
 17 ~~care center's~~ nonprofit facility's outstanding debt. The authority may secure the loan
 18 or bond by a mortgage or other security arrangement on the health facility,
 19 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
 20 by the participating health institution, participating educational institution,
 21 participating research institution, or participating ~~child care provider~~ nonprofit
 22 institution to the authority.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

23 **SECTION 26.** 231.03 (15) of the statutes is amended to read:

1 231.03 (15) Mortgage all or any portion of a project and other health facilities,
2 educational facilities, research facilities, or ~~child care centers~~ nonprofit facilities and
3 the site thereof, whether owned or thereafter acquired, for the benefit of the holders
4 of bonds issued to finance the project, health facilities, educational facilities,
5 research facilities, or ~~child care centers~~ nonprofit facilities or any portion thereof or
6 issued to refund or refinance outstanding indebtedness of participating health
7 institutions, participating educational institutions, participating research
8 institutions, or ~~child care providers~~ participating nonprofit institutions as permitted
9 by this chapter.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

10 **SECTION 27.** 231.03 (16) of the statutes is amended to read:

11 231.03 (16) Lease to a participating health institution, participating
12 educational institution, participating research institution, or participating ~~child~~
13 ~~care provider~~ nonprofit institution the project being financed or other health
14 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
15 facilities conveyed to the authority in connection with such financing, upon such
16 terms and conditions as the authority deems proper, and charge and collect rents
17 therefor, and terminate any such lease upon the failure of the lessee to comply with
18 any of the obligations thereof; and include in any such lease, if desired, provisions
19 that the lessee thereof shall have options to renew the term of the lease for such
20 periods and at such rent as the authority determines or to purchase all or any part
21 of the health facilities, educational facilities, research facilities, or ~~child care centers~~
22 nonprofit facilities or that, upon payment of all of the indebtedness incurred by the
23 authority for the financing of such project or health facilities, educational facilities,
24 research facilities, or ~~child care centers~~ nonprofit facilities or for refunding

1 outstanding indebtedness of a participating health institution, participating
 2 educational institution, participating research institution, or [✓]participating child
 3 ~~care provider nonprofit facilities~~ institution, the authority may convey all or any part of the
 4 project or such other health facilities, educational facilities, research facilities, or
 5 ~~child care centers nonprofit facilities~~ [✓] to the lessees thereof with or without
 6 consideration.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

7 **SECTION 28.** 231.03 (17) of the statutes is amended to read:

8 231.03 (17) Charge to and apportion among participating health institutions,
 9 participating educational institutions, participating research institutions, and
 10 participating ~~child care providers~~ [✓] nonprofit institutions its administrative costs and
 11 expenses incurred in the exercise of the powers and duties conferred by this chapter.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

12 **SECTION 29.** 231.03 (18) of the statutes is amended to read:

13 231.03 (18) Make studies of needed health facilities, educational facilities,
 14 research facilities, and ~~child care centers~~ [✓] nonprofit facilities that could not sustain
 15 a loan were it made under this chapter and recommend remedial action to the
 16 legislature; and do the same with regard to any laws or rules that prevent health
 17 facilities, educational facilities, research facilities, and ~~child care centers~~ [✓] nonprofit
 18 facilities from benefiting from this chapter.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

19 **SECTION 30.** 231.03 (19) of the statutes is amended to read:

20 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
 21 United States or of this state or any private company, any insurance or guaranty
 22 concerning the payment or repayment of, interest or principal, or both, or any part
 23 thereof, on any loan, lease, or obligation or any instrument evidencing or securing

SECTION 30

1 the same, made or entered into under the provisions of this chapter; and
2 notwithstanding any other provisions of this chapter, to enter into any agreement,
3 contract, or other instrument with respect to that insurance or guaranty, to accept
4 payment in the manner and form provided therein in the event of default by a
5 participating health institution, participating educational institution, participating
6 research institution, or participating ~~child-care provider~~ [✓] nonprofit institution, and
7 to assign the insurance or guaranty as security for the authority's bonds.

History: 1973 c. 304; 1975 c. 189; 1977 c. 29; 1977 c. 196 s. 131; 1979 c. 221; 1981 c. 20, 298; 1983 a. 27; 1985 a. 29 ss. 2112 to 2115, 3202 (24); 1987 a. 27, 69; 1989 a. 303; 1993 a. 124; 1995 a. 27 s. 9126 (19); 1995 a. 332; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32.

8 **SECTION 31.** 231.04 of the statutes is amended to read:

9 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
10 chapter shall be payable solely from funds provided under the authority of this
11 chapter, and no liability may be incurred by the authority beyond the extent to which
12 moneys have been provided under this chapter except that, for the purposes of
13 meeting the necessary expenses of initial organization and operation of the authority
14 for the period commencing on June 19, 1974 and continuing until such date as the
15 authority derives moneys from funds provided to it under the authority of this
16 chapter, the authority may borrow such moneys as it requires to supplement the
17 funds provided under s. 20.440. Such moneys borrowed by the authority shall
18 subsequently be charged to and apportioned among participating health
19 institutions, participating educational institutions, participating research
20 institutions, and participating ~~child-care providers~~ [✓] nonprofit institutions in an
21 equitable manner, and repaid with appropriate interest over a reasonable period of
22 time.

History: 1973 c. 304; 1987 a. 27; 1993 a. 124; 2009 a. 2.

23 **SECTION 32.** 231.05 (1) of the statutes is amended to read:

1 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
 2 assistance and alternative methods of financing to nonprofit health[✓] institutions to
 3 aid them in providing needed health services consistent with the state's health plan,
 4 ~~to nonprofit educational institutions to aid them in providing~~ needed educational
 5 services, ~~to nonprofit research institutions to aid them in providing~~ needed research
 6 facilities, and ~~to nonprofit child care providers to aid them in providing~~ needed child
 7 care other needed services[✓] and facilities in this state.

8 History: 1973 c. 304; 1979 c. 221; 1981 c. 20, 298; 1983[✓] a. 27; 1987 a. 27; 1993 a. 124; 2009 a. 2.

8 **SECTION 33.** 231.06 of the statutes[✓] is amended to read:

as affected by 2011 Wisconsin Act 32,

9 **231.06 Property acquisition.** The authority may acquire, directly or by and
 10 through a participating health institution, participating educational institution,
 11 participating research institution, or participating[✓] ~~child care provider~~ nonprofit
 12 institution as its agent, by purchase or by gift or devise, such lands, structures,
 13 property, rights, rights-of-way, franchises, easements, and other interests in lands,
 14 including lands lying under water and riparian rights, as it deems necessary or
 15 convenient for the construction or operation of a project, upon such terms and at such
 16 prices as it considers reasonable and can be agreed upon between it and the owner
 17 thereof, and take title thereto in the name of the authority or in the name of a health
 18 facility, educational facility, research facility, or ~~child care center~~[✓] nonprofit facility
 19 as its agent.

20 History: 1973 c. 304; 1977 c. 29; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 32.

20 **SECTION 34.** 231.07 (1) (b) of the statutes is amended to read:

21 231.07 (1) (b) Convey to the participating health institution, participating
 22 educational institution, participating research institution, or participating ~~child~~
 23 ~~care provider~~ nonprofit institution[✓] the authority's interest in the project and in any
 24 other health facility, educational facility, research facility, or ~~child care center~~[✓]

1 nonprofit facility[✓] leased, mortgaged, or subject to a deed of trust or any other form
2 of security arrangement to secure the bond.

3 History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2009 a. 2.

3 **SECTION 35.** 231.07 (2) (a) of the statutes is amended to read:

4 231.07 (2) (a) The principal of and interest on any bond issued by the authority
5 to finance a project or to refinance or refund outstanding indebtedness of one or more
6 participating health institutions, participating educational institutions,
7 participating research institutions, or participating ~~child care providers~~[✓] nonprofit
8 institutions, including any refunding bonds issued to refund and refinance the bond,
9 have been fully paid and the bonds retired or if the adequate provision has been made
10 to pay fully and retire the bond; and

11 History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2009 a. 2.

11 **SECTION 36.** 231.08 (3) of the statutes is amended to read:

12 231.08 (3) The bonds may be issued as serial bonds or as term bonds, or the
13 authority may issue bonds of both types. The bonds shall be authorized by a bond
14 resolution of the authority and shall bear such dates, mature at such times not
15 exceeding ~~30~~[✓] 50 years from their respective dates of issue, bear interest at such rates,
16 be payable at such times, be in such denominations, be in such form, either coupon
17 or fully registered, carry such registration and conversion privileges, be executed in
18 such manner, be payable in lawful money of the United States at such places, and
19 be subject to such terms of redemption as the bond resolution provides. The bonds
20 or notes shall be executed by the manual or facsimile signatures of such officers of
21 the authority as the authority designates. Coupon bonds shall have attached thereto
22 interest coupons bearing the facsimile signature of the treasurer of the authority or
23 such other officer as the authority designates. The bonds or notes may be sold at
24 public or private sale for such price and in such manner and from time to time as the

1 authority determines. Pending preparation of the definitive bonds, the authority
2 may issue interim receipts or certificates which shall be exchanged for the definitive
3 bonds.

4 **History:** 1973 c. 304; 1977 c. 317; 1987 a. 27; 1993 a. 124; ~~1999 a. 120~~; 2009 a. 2; 2011 a. 32.

SECTION 37. 231.08 (5) of the statutes is amended to read:

5 **231.08 (5)** In addition to the other authorizations under this section, bonds of
6 the authority may be secured by a pooling of leases whereby the authority may assign
7 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
8 educational facilities, research facilities, or ~~child care centers~~ nonprofit facilities
9 with 2 or more health institutions, educational institutions, research institutions, or
10 ~~child care providers~~ nonprofit facilities, as lessees respectively, upon such terms as
11 may be provided for in bond resolutions of the authority.

12 **History:** 1973 c. 304; 1977 c. 317; 1987 a. 27; 1993 a. 124; ~~1999 a. 120~~; 2009 a. 2; 2011 a. 32.

SECTION 38. 231.10 (1) of the statutes is amended to read:

13 **231.10 (1)** The state is not liable on notes or bonds of the authority and the notes
14 and bonds are not a debt of the state. All notes and bonds of the authority shall
15 contain on the face thereof a statement to this effect. The issuance of bonds under
16 this chapter shall not, directly or indirectly or contingently, obligate the state or any
17 political subdivision thereof to levy any form of taxation therefor or to make any
18 appropriation for their payment. Nothing in this section prevents the authority from
19 pledging its full faith and credit or the full faith and credit of a health institution,
20 educational institution, research institution, or ~~child care provider~~ nonprofit
21 institution to the payment of bonds authorized under this chapter.

22 **History:** 1973 c. 304; 1977 c. 29; 1987 a. 27; 1993 a. 124; ~~1999 a. 120~~; 2009 a. 2.

SECTION 39. 231.12 of the statutes is amended to read:

23 **231.12 Studies and recommendations.** It is the intent and purpose of this
24 chapter that the exercise by the authority of the powers granted to it shall be in all

1 respects for the benefit of the people of this state to assist them to provide needed
2 health facilities, educational facilities, research facilities, and ~~child care centers~~
3 nonprofit facilities of the number, size, type, distribution, and operation that will
4 assure admission and health care, education, research opportunities, or ~~child care~~
5 ~~of high quality~~ other necessary services to all who need it. The authority shall
6 identify and study all projects which are determined by health planning agencies to
7 be needed, but which could not sustain a loan were such to be made to it under this
8 chapter. The authority shall formulate and recommend to the legislature such
9 amendments to this and other laws, and such other specific measures as grants, loan
10 guarantees, interest subsidies, or other actions the state may provide which would
11 render the construction and operation of needed health facilities, educational
12 facilities, research facilities, and ~~child care centers~~ nonprofit facilities feasible and
13 in the public interest. The authority also shall identify and study any laws or rules
14 which it finds handicaps or bars a needed health facility, educational facility,
15 research facility, or ~~child care center~~ nonprofit facility from participating in the
16 benefits of this chapter, and recommend to the legislature such actions as will
17 remedy such situation.

18 History: 1973 c. 304; 1987 a. 27; 1993 a. 124; 2009 a. 2.

SECTION 40. 231.13 (1) (intro.) of the statutes is amended to read:

19 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
20 revenues relating to the financing of, each project. The authority shall contract with
21 a participating health institution, participating educational institution,
22 participating research institution, or participating ~~child care provider~~ nonprofit
23 institution for each issuance of bonds. The contract shall provide that the rents or

1 other revenues payable by the health facility, educational facility, research facility,
2 or ~~child care center~~ nonprofit facility ✓ shall be sufficient at all times to:

3 **History:** 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 1995 a. 27; 2009 a. 2.

3 **SECTION 41.** 231.13 (2) of the statutes is amended to read:

4 231.13 (2) The authority shall pledge the revenues derived and to be derived
5 from a project and other related health facilities, educational facilities, research
6 facilities, or ~~child care centers~~ nonprofit facilities ✓ for the purposes specified in sub.
7 (1), and additional bonds may be issued which may rank on a parity with other bonds
8 relating to the project to the extent and on the terms and conditions provided in the
9 bond resolution. Such pledge shall be valid and binding from the time when the
10 pledge is made, the revenues so pledged by the authority shall immediately be
11 subject to the lien of such pledge without any physical delivery thereof or further act
12 and the lien of any such pledge shall be valid and binding as against all parties
13 having claims of any kind in tort, contract, or otherwise against the authority,
14 irrespective of whether such parties have notice thereof. Neither the bond resolution
15 nor any financing statement, continuation statement, or other instrument by which
16 a pledge is created or by which the authority's interest in revenues is assigned need
17 be filed or recorded in any public records in order to perfect the lien thereof as against
18 3rd parties, except that a copy thereof shall be filed in the records of the authority
19 and with the department of financial institutions.

20 **History:** 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 1995 a. 27; 2009 a. 2.

20 **SECTION 42.** 231.16 (1) of the statutes is amended to read:

21 231.16 (1) The authority may issue bonds to refund any outstanding bond of
22 the authority or indebtedness that a participating health institution, participating
23 educational institution, participating research institution, or participating ~~child~~
24 ~~care provider~~ ✓ nonprofit institution may have incurred for the construction or

1 acquisition of a project prior to or after April 30, 1980, including the payment of any
2 redemption premium on the outstanding bond or indebtedness and any interest
3 accrued or to accrue to the earliest or any subsequent date of redemption, purchase,
4 or maturity, or to pay all or any part of the cost of constructing and acquiring
5 additions, improvements, extensions, or enlargements of a project or any portion of
6 a project. Except for bonds to refund bonds issued under s. 231.03 (6) (g), no bonds
7 may be issued under this section unless the authority has first entered into a new
8 or amended agreement with a participating health institution, participating
9 educational institution, participating research institution, or participating child
10 ~~care provider~~ nonprofit institution ✓ to provide sufficient revenues to pay the costs and
11 other items described in s. 231.13.

12 **History:** 1973 c. 304; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2001 a. 16, 105; 2009 a. 2.

12 **SECTION 43.** 231.16 (3) of the statutes is amended to read:

13 231.16 (3) All bonds issued under this section shall be subject to this chapter
14 in the same manner and to the same extent as other bonds issued pursuant to this
15 chapter, except that the limitations with respect to dates ~~under s. 231.03 (6) (e) and~~
16 ~~(f), 1999 stats., and~~ under s. 231.03 (14) do not apply to bonds issued under this
17 section, and the requirement under s. 231.08 (3) that the bonds mature in 30 ✓ 50 years
18 or less from their date of issue does not apply to bonds issued under this section to
19 refund bonds issued under s. 231.03 (6) (g).

20 **History:** 1973 c. 304; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2001 a. 16, 105; 2009 a. 2.

20 **SECTION 44.** 231.20 of the statutes, as affected by 2011 Wisconsin Act 32, is
21 amended to read:

22 **231.20 Waiver of construction and bidding requirements.** In exercising
23 its powers under s. 101.12, the department of safety and professional services or any
24 city, village, town, or county may, within its discretion for proper cause shown, waive

1 any particular requirements relating to public buildings, structures, grounds,
 2 works, and improvements imposed by law upon projects under this chapter; the
 3 requirements of s. 101.13 may not be waived, however. If, however, the prospective
 4 lessee so requests in writing, the authority shall, through the participating health
 5 institution, participating educational institution, participating research institution,
 6 or participating ~~child care provider~~ nonprofit institution ✓ as its agent, call for
 7 construction bids in such manner as is determined by the authority with the approval
 8 of the lessee.

History: 1973 c. 304; 1983 a. 27; 1987 a. 27; 1993 a. 124; 1995 a. 27 ss. 6298, 9116 (5); 2009 a. 2; 2011 a. 32.

9 **SECTION 45.** 231.23 of the statutes is amended to read:

10 **231.23 Nonprofit institutions.** It is intended that all nonprofit health
 11 ~~institutions, educational institutions, research institutions, and child care providers~~
 12 entities ✓ in this state be enabled to benefit from and participate in this chapter. To
 13 this end, all nonprofit ~~health institutions, educational institutions, research~~
 14 ~~institutions, and child care providers~~ entities ✓ operating, or authorized to be
 15 operated, under any law of this state may undertake projects and utilize the capital
 16 financing sources and methods of repayment provided by this chapter, the provisions
 17 of any other laws to the contrary notwithstanding.

18 History: 1973 c. 304; 1987 a. 27; 1993 a. 124; 2009 a. 2.

(END)

Ins
21-17

D-note
↓

INS 2-1A

Section #. 66.0621 (1) (b) of the statutes is amended to read:

66.0621 (1) (b) "Public utility" means any revenue producing facility or enterprise owned by a municipality and operated for a public purpose as defined in s. 67.04 (1) (b) including garbage incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf links, bathing beaches, bathhouses, street lighting, city halls, village halls, town halls, courthouses, jails, schools, cooperative educational service agencies, hospitals, homes for the aged or indigent, child care centers, ~~as defined in s. 231.01 (3)~~ regional projects, waste collection and disposal operations, sewerage systems, local professional baseball park facilities, local professional football stadium facilities, local cultural arts facilities, and any other necessary public works projects undertaken by a municipality.

strike

no scoring

History: 1973 c. 172; 1979 c. 268; 1981 c. 282; 1983 a. 24; 1983 a. 207 ss. 9 to 21, 93 (1), (3); 1987 a. 197; 1991 a. 316; 1993 a. 263; 1995 a. 56, 216, 225, 378; 1997 a. 35; 1999 a. 65; 1999 a. 150 ss. 175, 177; Stats. 1999 s. 66.0621; 1999 a. 167 ss. 33 to 36; 1999 a. 186 s. 45; 2001 a. 30, 105; 2005 a. 148.

End Ins 2-1A



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0687/P1

JK:jld:rs

DOA:.....Skwarczek, BB0142 - Tax exemption for interest earned from bonds issued by WHEFA

FOR 2011-13 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under this bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

Insert 2-1B

1 SECTION 1. 71.05 (1) (c) 11. of the statutes is created to read:

2 71.05 (1) (c) 11. The Wisconsin Health and Educational Facilities Authority
3 under s. 231.03 (6), if the bonds or notes are issued to a person who is eligible to
4 receive bonds or notes from another issuer for the same purpose for which the person
5 is issued bonds or notes under s. 231.03 (6) and the interest income received from the
6 other bonds or notes is exempt from taxation under this subchapter.

7 SECTION 2. 71.26 (1m) (L) of the statutes is created to read:

8 71.26 (1m) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
9 to a person who is eligible to receive bonds or notes from another issuer for the same
10 purpose for which the person is issued bonds or notes under s. 231.03 (6) and the
11 interest income received from the other bonds or notes is exempt from taxation under
12 this subchapter.

13 SECTION 3. 71.45 (1t) (L) of the statutes is created to read:

14 71.45 (1t) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
15 to a person who is eligible to receive bonds or notes from another issuer for the same
16 purpose for which the person is issued bonds or notes under s. 231.03 (6) and the
17 interest income received from the other bonds or notes is exempt from taxation under
18 this subchapter.

19 Fix → SECTION 9341. Initial applicability; Revenue.

20 (1) INTEREST INCOME EXEMPTION. The treatment of sections 71.05 (1) (c) 11., 71.26
21 (1m) (L), and 71.45 (1t) (L) of the statutes first applies to taxable years beginning on
22 January 1, 2011.

23

VENDS

End Ins 2-1 B 18
Ins 21-17

3259/P/du
VK: jld

Representative Krug :

With regard to the exemption for the interest income from certain bonds issued by WHEFA,

it is my understanding that that proposal ^{was} pulled from the budget because DOR determined that it had no effect. Therefore, you may want to contact DOR and have them review ^{that} that part of the draft.

Joe Krege

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3259/P1dn
JK:jld:rs

October 26, 2011

Representative Krug:

With regard to the exemption for the interest income from certain bonds issued by WHEFA, it is my understanding that that proposal was pulled from the budget because DOR determined that it had no effect. Therefore, you may want to contact DOR and have them review that part of the draft.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

From: Malcore, Jennifer
Sent: Thursday, November 03, 2011 3:39 PM
To: Kreye, Joseph
Subject: WHEFA

Hello Joseph,

I am sending back the draft to you along with some paperwork given to us to add to this legislation. The Representative would like you to look at this and call either Michelle Kussow at the Capitol Group at 608 244 6429 or 608 244 8460 for clarification or she will get you in touch with someone to explain. We give you permission.

ext 304

Let me know if you have any questions.

Jennifer Malcore
Office of Representative Scott Krug
72nd Assembly District
PH (608) 266 0215
Jennifer.Malcore@legis.wisconsin.gov

JMS

Quarles & Brady

Jennifer Lovers
414-277-5141

board member for
WHEFA



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3259/P1
FFK&JK:jld:rs

11/2/11

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION



1 AN ACT *to repeal* 231.01 (3c), 231.01 (3m) and 231.01 (5r); *to amend* 66.0621 (1)
2 (b), 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (b) 5., 231.01 (4)
3 (c), 231.01 (7) (a) 1., 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6)
4 (b), 231.03 (5), 231.03 (6) (b), 231.03 (6) (g), 231.03 (7), 231.03 (8), 231.03 (11),
5 231.03 (13), 231.03 (14), 231.03 (15), 231.03 (16), 231.03 (17), 231.03 (18),
6 231.03 (19), 231.04, 231.05 (1), 231.06, 231.07 (1) (b), 231.07 (2) (a), 231.08 (3),
7 231.08 (5), 231.10 (1), 231.12, 231.13 (1) (intro.), 231.13 (2), 231.16 (1), 231.16
8 (3), 231.20 and 231.23; and *to create* 71.05 (1) (c) 11., 71.26 (1m) (L), 71.45 (1t)
9 (L), 231.01 (5n), 231.01 (5p), 231.01 (6m), 231.03 (6) (j) and 231.03 (6) (k) of the
10 statutes; **relating to:** authorizing the Wisconsin Health and Educational
11 Facilities Authority to issue bonds to finance projects related to nonprofit
12 facilities.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health, educational, or

research institutions; to refinance outstanding debt of health, educational, or research institutions; and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health, educational, or research institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health, educational, or research facility or related structure.

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, or to refinance outstanding debt of a nonprofit institution. A nonprofit institution is defined in the bill as a nonprofit entity that is not a health, education, or research institution. A nonprofit facility is defined in the bill as a facility that is owned or operated by a nonprofit entity. Project activities for which WHEFA may issue bonds for a nonprofit institution include construction, acquisition, remodeling, furnishing, and equipping of nonprofit facilities, related structures, and structures or items that are useful for the operation of nonprofit facilities.

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under this bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation.

This bill also makes the following changes to WHEFA's bonding authority:

1. Extends the maximum bond maturity date for bonds issued by WHEFA from 30 years from the date of issue to 50 years from the date of issue.
2. Eliminates the requirement the certain refinancing projects for health institutions be certified by the Department of Health Services.
3. Changes the working capital limits that must be included in the cost of a project to be consistent with federal law.
4. Eliminates references to WHEFA's authority to issue bonds to participating child care providers which expired on May 1, 2000.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

Under s. 66.1201(14)(a),
- 3 - s. 66.1333(5)(a) 4.c.1
of s. 66.1335(5m)
LRB-3259/P1
FFK&JK:jld:rs
SECTION 1

1 66.0621 (1) (b) "Public utility" means any revenue producing facility or
2 enterprise owned by a municipality and operated for a public purpose as defined in
3 s. 67.04 (1) (b) including garbage incinerators, toll bridges, swimming pools, tennis
4 courts, parks, playgrounds, golf links, bathing beaches, bathhouses, street lighting,
5 city halls, village halls, town halls, courthouses, jails, schools, cooperative
6 educational service agencies, hospitals, homes for the aged or indigent, child care
7 centers, as defined in s. 231.01 (3e), regional projects, waste collection and disposal
8 operations, sewerage systems, local professional baseball park facilities, local
9 professional football stadium facilities, local cultural arts facilities, and any other
10 necessary public works projects undertaken by a municipality.

Individual
Exemption

SECTION 2. 71.05 (1) (c) 11. of the statutes is created to read:

for the benefit of

11 71.05 (1) (c) 11. The Wisconsin Health and Educational Facilities Authority
12 under s. 231.03 (6), if the bonds or notes are issued to a person who is eligible to
13 receive ^{the proceeds of} bonds or notes from another ^{entity} issuer for the same purpose for which the ~~person~~
14 ~~is issued~~ bonds or notes ^{are issued} under s. 231.03 (6) and the interest income received from the
15 other bonds or notes ~~is~~ exempt from taxation under this subchapter.

Corporate
exemption

SECTION 3. 71.26 (1m) (L) of the statutes is created to read:

17 71.26 (1m) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
18 ^{for the benefit of} to a person who is eligible to receive ^{the proceeds of} bonds or notes from another ^{entity} issuer for the same
19 purpose for which the ~~person is issued~~ bonds or notes ^{are issued} under s. 231.03 (6) and the
20 interest income received from the other bonds or notes ~~is~~ exempt from taxation under
21 this subchapter. ^{if so issued would be}

Insurance
Co.
exemption

SECTION 4. 71.45 (1t) (L) of the statutes is created to read:

23 71.45 (1t) (L) Those issued under s. 231.03 (6), if the bonds or notes are issued
24 to a person who is eligible to receive ^{the proceeds of} bonds or notes from another ^{entity} issuer for the same
25 ^{for the benefit of}

X

SECTION 4

1 purpose for which the ~~person is issued~~ bonds or notes ^{are issued} under s. 231.03 (6) and the
 2 interest income received from the other bonds or notes ^{is} exempt from taxation under
 3 this subchapter. _{if so issued would be}

4 **SECTION 5.** 231.01 (3c) of the statutes is repealed.

5 **SECTION 6.** 231.01 (3m) of the statutes is repealed.

6 **SECTION 7.** 231.01 (4) (a) of the statutes is amended to read:

7 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating
 8 health institution, participating educational institution, participating research
 9 institution, or participating ~~child care provider~~ nonprofit institution, as approved by
 10 the authority, as are reasonable and necessary to accomplish the project, exclusive
 11 of any private or federal, state, or local financial assistance received by the
 12 participating health institution, participating educational institution, participating
 13 research institution, or participating ~~child care provider~~ nonprofit institution for the
 14 payment of the project cost.

15 **SECTION 8.** 231.01 (4) (b) 1. of the statutes is amended to read:

16 ✓ 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health
 17 institution, participating educational institution, participating research institution,
 18 or participating ~~child care provider~~ nonprofit institution of all necessary
 19 developmental, planning, and feasibility studies, surveys, plans, and specifications,
 20 architectural, engineering, legal, or other special services, the cost of acquisition of
 21 land and any buildings and improvements on the land, site preparation, and
 22 development including demolition or removal of existing structures, construction,
 23 reconstruction, and equipment, including machinery, fixed equipment, and personal
 24 property.

25 ✓ **SECTION 9.** 231.01 (4) (b) 2. of the statutes is amended to read:

X

1 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
2 health institution, participating educational institution, participating research
3 institution, or participating ~~child care provider~~ nonprofit institution in the course of
4 the development of the project to the occupancy date.

5 **SECTION 10.** 231.01 (4) (b) 5. of the statutes is amended to read:

6 231.01 (4) (b) 5. Working capital not exceeding ~~3% of the estimated total project~~
7 ~~cost or 3% of the actual total final cost, whichever is larger~~ the amount^(S) permitted
8 under 26 CFR 1.148-6 (d) (3).

9 **SECTION 11.** 231.01 (4) (c) of the statutes is amended to read:

10 231.01 (4) (c) All rents and other net revenues from the operation of the real
11 property, improvements, or personal property on the project site by a participating
12 health institution, participating educational institution, participating research
13 institution, or participating ~~child care provider~~ nonprofit institution on and after the
14 date on which the contract between a participating health institution, participating
15 educational institution, participating research institution, or participating ~~child~~
16 ~~care provider~~ nonprofit institution and the authority was entered into, but prior to
17 the occupancy date, shall reduce the sum of all costs in this subsection.

18 **SECTION 12.** 231.01 (5n) of the statutes is created to read:

19 231.01 (5n) "Nonprofit entity" means an entity that is described in section 501
20 (c) (3) of the Internal Revenue Code and that is exempt from federal income tax under
21 section 501 (a) of the Internal Revenue Code.

22 **SECTION 13.** 231.01 (5p) of the statutes is created to read:

23 231.01 (5p) "Nonprofit facility" means a facility that is owned or operated by
24 a nonprofit entity.

25 **SECTION 14.** 231.01 (5r) of the statutes is repealed.

1 **SECTION 15.** 231.01 (6m) of the statutes is created to read:

2 231.01 (6m) "Participating nonprofit institution" means a nonprofit entity, or
3 an affiliate of that entity, that undertakes the financing and construction or
4 acquisition of a project or undertakes the refunding or refinancing of obligations or
5 of a mortgage or of advances as provided in this chapter, and is not any of the
6 following:

7 1. An entity authorized by state law to provide or operate an educational facility
8 or an affiliate of an entity authorized by state law to provide or operate an
9 educational facility.

10 2. An entity authorized by state law to provide or operate a health facility or
11 an affiliate of an entity authorized by state law to provide or operate a health facility.

12 3. An entity authorized by state law to provide or operate a research facility or
13 an affiliate of an entity authorized by state law to provide or operate a research
14 facility.

15 **SECTION 16.** 231.01 (7) (a) 1. of the statutes is amended to read:

16 231.01 (7) (a) 1. A specific health facility, educational facility, research facility,
17 or ~~child care center~~ nonprofit facility work or improvement to be refinanced,
18 acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or
19 equipped by the authority with funds provided in whole or in part under this chapter.

20 **SECTION 17.** 231.01 (7) (a) 2. of the statutes is amended to read:

21 231.01 (7) (a) 2. One or more structures suitable for use as a ~~child care center~~,
22 research facility, nonprofit facility, health facility, laboratory, laundry, nurses' or
23 interns' residence or other multi-unit housing facility for staff, employees, patients
24 or relatives of patients admitted for treatment or care in a health facility, physician's

1 facility, administration building, research facility, maintenance, storage, or utility
2 facility.

3 **SECTION 18.** 231.01 (7) (a) 4. of the statutes is amended to read:

4 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
5 educational facility, research facility, or ~~child-care center nonprofit facility~~, including
6 facilities or supporting service structures essential or convenient for the orderly
7 conduct of the health facility, educational facility, research facility, or ~~child-care~~
8 ~~center nonprofit facility~~.

9 **SECTION 19.** 231.01 (7) (c) of the statutes, as affected by 2011 Wisconsin Act 32,
10 is amended to read:

11 231.01 (7) (c) "Project" may include more than one project, and it may include
12 any combination of projects undertaken jointly by any participating health
13 institution, participating educational institution, participating research institution,
14 or participating ~~child-care provider nonprofit institution~~ with one or more other
15 participating health institutions, participating educational institutions,
16 participating research institutions, or participating ~~child-care providers nonprofit~~
17 ~~institutions~~.

18 **SECTION 20.** 231.02 (6) (b) of the statutes is amended to read:

19 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
20 of interest or violation of this section or of any other law for a trustee, director, officer,
21 or employee of a participating health institution, participating educational
22 institution, participating research institution, or participating ~~child-care provider~~
23 ~~nonprofit institution~~ or for a person having the required favorable reputation for
24 skill, knowledge, and experience in state and municipal finance or for a person
25 having the required favorable reputation for skill, knowledge, and experience in the

1 field of health facility, educational facility, research facility, or ~~child care center~~
2 nonprofit facility architecture to serve as a member of the authority; if in each case
3 to which par. (a) is applicable, the trustee, director, officer, or employee of the
4 participating health institution, participating educational institution, participating
5 research institution, or participating ~~child care provider~~ nonprofit institution
6 abstains from discussion, deliberation, action, and vote by the authority in specific
7 respect to any undertaking pursuant to this chapter in which his or her participating
8 health institution, participating educational institution, participating research
9 institution, or participating ~~child care provider~~ nonprofit institution has an interest,
10 or the person having the required favorable reputation for skill, knowledge, and
11 experience in state and municipal finance abstains from discussion, deliberation,
12 action, and vote by the authority in specific respect to any sale, purchase, or
13 ownership of bonds of the authority in which any business of which such person is
14 a participant, owner, officer, or employee has a past, current, or future interest, or
15 such person having the required favorable reputation for skill, knowledge, and
16 experience in the field of health facility, educational facility, research facility, or ~~child~~
17 ~~care center~~ nonprofit facility architecture abstains from discussion, deliberation,
18 action, and vote by the authority in specific respect to construction or acquisition of
19 any project of the authority in which any business of which such person is a
20 participant, owner, officer, or employee has a past, current, or future interest.

21 **SECTION 21.** 231.03 (5) of the statutes is amended to read:

22 231.03 (5) Determine the location and character of any project to be financed
23 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
24 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
25 such purpose, enter into contracts for the management and operation of a project or

1 other health facilities, educational facilities, research facilities, or ~~child care centers~~
2 nonprofit facilities owned by the authority, and designate a participating health
3 institution, participating educational institution, participating research institution,
4 or participating ~~child care provider~~ nonprofit institution as its agent to determine the
5 location and character of a project undertaken by the participating health
6 institution, participating educational institution, participating research institution,
7 or participating ~~child care provider~~ nonprofit institution under this chapter and as
8 the agent of the authority, to construct, reconstruct, remodel, maintain, manage,
9 enlarge, alter, add to, repair, operate, lease as lessee or lessor and regulate the same,
10 and as the agent of the authority, to enter into contracts for any such purpose,
11 including contracts for the management and operation of such project or other health
12 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
13 facilities owned by the authority.

14 SECTION 22. 231.03 (6) (b) of the statutes, as affected by 2011 Wisconsin Act 32,
15 is amended to read:

16 231.03 (6) (b) Refinance outstanding debt of any participating health
17 institution ~~if the department of health services certifies that refinancing will result~~
18 ~~in a reduction in the participating health institution's rates below the rates which~~
19 ~~would have otherwise prevailed, except that the authority may not refinance any~~
20 ~~office or clinic of a person licensed under ch. 446, 447, 448, 449 or 455, or the~~
21 ~~substantially equivalent laws or rules of another state, and except that this~~
22 ~~certification is not required for the refinancing for a participating health institution~~
23 ~~that operates a facility as defined under s. 49.45 (6m) (a) 3, or for a participating~~
24 ~~health institution that is located in another state.~~

25 SECTION 23. 231.03 (6) (g) of the statutes is amended to read:

1 231.03 (6) (g) Finance a purchase, or make a loan, under sub. (20). Bonds
2 issued under this paragraph shall be payable from, or secured by interests in, tobacco
3 settlement revenues and such other property pledged under the bond resolution and,
4 notwithstanding s. 231.08 (3), are not required to mature in ~~30~~ 50 years or less from
5 the date of issue.

6 **SECTION 24.** 231.03 (6) (j) of the statutes is created to read:

7 231.03 (6) (j) Finance any project undertaken for a nonprofit facility by a
8 participating nonprofit institution.

9 **SECTION 25.** 231.03 (6) (k) of the statutes is created to read:

10 231.03 (6) (k) Refinance outstanding debt of any participating nonprofit
11 institution.

12 **SECTION 26.** 231.03 (7) of the statutes is amended to read:

13 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
14 fees, and charges for the use of and for the services furnished or to be furnished by
15 a project or other health facilities, educational facilities, research facilities, or ~~child~~
16 ~~care centers~~ nonprofit facilities owned by the authority or any portion thereof,
17 contract with any person in respect thereto and coordinate its policies and
18 procedures, and cooperate with recognized health facility, educational facility,
19 research facility, or ~~child care center~~ nonprofit facility rate setting mechanisms.

20 **SECTION 27.** 231.03 (8) of the statutes is amended to read:

21 231.03 (8) Adopt rules for the use of a project or other health facility,
22 educational facility, research facility, or ~~child care center~~ nonprofit facility or any
23 portion of the project or facility owned, financed, or refinanced in whole or in part by
24 the authority, including any property used as security for a loan secured through,
25 from, or with the assistance of the authority. The authority may designate a

1 participating health institution, participating educational institution, participating
2 research institution, or participating ~~child care provider~~ nonprofit institution as its
3 agent to establish rules for the use of a project or other health facilities, educational
4 facilities, research facilities, or ~~child care centers~~ nonprofit facilities undertaken for
5 that participating health institution, participating educational institution,
6 participating research institution, or participating ~~child care provider~~ nonprofit
7 institution. The rules shall ensure that a project, health facility, educational facility,
8 research facility, ~~child care center~~ nonprofit facility, or property may not be used
9 primarily for sectarian instruction or study or as a place for devotional activities or
10 religious worship.

11 SECTION 28. 231.03 (11) of the statutes is amended to read:

12 231.03 (11) Establish or contract with others to carry out on its behalf a health
13 facility, educational facility, research facility, nonprofit facility, or child care center
14 project cost estimating service, and make this service available on all projects to
15 provide expert cost estimates and guidance to the participating health institution,
16 participating educational institution, participating research institution, or
17 participating ~~child care provider~~ nonprofit institution and to the authority. To
18 implement this service and, through it, to contribute to cost containment, the
19 authority may require such reasonable reports and documents from health facility,
20 educational facility, research facility, or ~~child care center~~ nonprofit facility projects
21 as are required for this service and for the development of cost reports and
22 guidelines. The authority shall appoint a technical committee on health facility,
23 educational facility, research facility, or ~~child care center~~ nonprofit facility project
24 costs and cost containment.

25 SECTION 29. 231.03 (13) of the statutes is amended to read:

1 231.03 (13) Make loans to any participating health institution, participating
2 educational institution, participating research institution, or, ~~before May 1, 2000,~~
3 participating ~~child care provider~~ nonprofit institution for the cost of a project in
4 accordance with an agreement between the authority and the participating health
5 institution, participating educational institution, participating research institution,
6 or participating ~~child care provider~~ nonprofit institution. The authority may secure
7 the loan by a mortgage or other security arrangement on the health facility,
8 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
9 by the participating health institution, participating educational institution,
10 participating research institution, or participating ~~child care provider~~ nonprofit
11 institution to the authority. The loan may not exceed the total cost of the project as
12 determined by the participating health institution, participating educational
13 institution, participating research institution, or participating ~~child care provider~~
14 nonprofit institution and approved by the authority.

15 SECTION 30. 231.03 (14) of the statutes is amended to read:

16 231.03 (14) Make loans to a health facility, educational facility, research
17 facility, or, ~~before May 1, 2000, child care center~~ nonprofit facility for which bonds
18 may be issued under sub. (6) (b) ~~or, (d) or under s. 231.03 (6) (f), 1999 stats., (i) or (k),~~
19 to refinance the health facility's, educational facility's, research facility's, or ~~child~~
20 ~~care center's~~ nonprofit facility's outstanding debt. The authority may secure the loan
21 or bond by a mortgage or other security arrangement on the health facility,
22 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
23 by the participating health institution, participating educational institution,
24 participating research institution, or participating ~~child care provider~~ nonprofit
25 institution to the authority.

1 **SECTION 31.** 231.03 (15) of the statutes is amended to read:

2 231.03 (15) Mortgage all or any portion of a project and other health facilities,
3 educational facilities, research facilities, or ~~child care centers~~ nonprofit facilities and
4 the site thereof, whether owned or thereafter acquired, for the benefit of the holders
5 of bonds issued to finance the project, health facilities, educational facilities,
6 research facilities, or ~~child care centers~~ nonprofit facilities or any portion thereof or
7 issued to refund or refinance outstanding indebtedness of participating health
8 institutions, participating educational institutions, participating research
9 institutions, or ~~child care providers~~ participating nonprofit institutions as permitted
10 by this chapter.

11 **SECTION 32.** 231.03 (16) of the statutes is amended to read:

12 231.03 (16) Lease to a participating health institution, participating
13 educational institution, participating research institution, or participating ~~child~~
14 ~~care provider~~ nonprofit institution the project being financed or other health
15 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
16 facilities conveyed to the authority in connection with such financing, upon such
17 terms and conditions as the authority deems proper, and charge and collect rents
18 therefor, and terminate any such lease upon the failure of the lessee to comply with
19 any of the obligations thereof; and include in any such lease, if desired, provisions
20 that the lessee thereof shall have options to renew the term of the lease for such
21 periods and at such rent as the authority determines or to purchase all or any part
22 of the health facilities, educational facilities, research facilities, or ~~child care centers~~
23 nonprofit facilities or that, upon payment of all of the indebtedness incurred by the
24 authority for the financing of such project or health facilities, educational facilities,
25 research facilities, or ~~child care centers~~ nonprofit facilities or for refunding

1 outstanding indebtedness of a participating health institution, participating
2 educational institution, participating research institution, or participating ~~child~~
3 ~~care provider~~ nonprofit institution, the authority may convey all or any part of the
4 project or such other health facilities, educational facilities, research facilities, or
5 ~~child care centers~~ nonprofit facilities to the lessees thereof with or without
6 consideration.

7 SECTION 33. 231.03 (17) of the statutes is amended to read:

8 231.03 (17) Charge to and apportion among participating health institutions,
9 participating educational institutions, participating research institutions, and
10 participating ~~child care providers~~ nonprofit institutions its administrative costs and
11 expenses incurred in the exercise of the powers and duties conferred by this chapter.

12 SECTION 34. 231.03 (18) of the statutes is amended to read:

13 231.03 (18) Make studies of needed health facilities, educational facilities,
14 research facilities, and ~~child care centers~~ nonprofit facilities that could not sustain
15 a loan were it made under this chapter and recommend remedial action to the
16 legislature; and do the same with regard to any laws or rules that prevent health
17 facilities, educational facilities, research facilities, and ~~child care centers~~ nonprofit
18 facilities from benefiting from this chapter.

19 SECTION 35. 231.03 (19) of the statutes is amended to read:

20 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
21 United States or of this state or any private company, any insurance or guaranty
22 concerning the payment or repayment of, interest or principal, or both, or any part
23 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
24 the same, made or entered into under the provisions of this chapter; and
25 notwithstanding any other provisions of this chapter, to enter into any agreement,

1 contract, or other instrument with respect to that insurance or guaranty, to accept
2 payment in the manner and form provided therein in the event of default by a
3 participating health institution, participating educational institution, participating
4 research institution, or participating ~~child care provider~~ nonprofit institution, and
5 to assign the insurance or guaranty as security for the authority's bonds.

6 **SECTION 36.** 231.04 of the statutes is amended to read:

7 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
8 chapter shall be payable solely from funds provided under the authority of this
9 chapter, and no liability may be incurred by the authority beyond the extent to which
10 moneys have been provided under this chapter except that, for the purposes of
11 meeting the necessary expenses of initial organization and operation of the authority
12 for the period commencing on June 19, 1974 and continuing until such date as the
13 authority derives moneys from funds provided to it under the authority of this
14 chapter, the authority may borrow such moneys as it requires to supplement the
15 funds provided under s. 20.440. Such moneys borrowed by the authority shall
16 subsequently be charged to and apportioned among participating health
17 institutions, participating educational institutions, participating research
18 institutions, and participating ~~child care providers~~ nonprofit institutions in an
19 equitable manner, and repaid with appropriate interest over a reasonable period of
20 time.

21 **SECTION 37.** 231.05 (1) of the statutes is amended to read:

22 **231.05 (1)** By means of this chapter, it is the intent of the legislature to provide
23 assistance and alternative methods of financing to nonprofit ~~health~~ institutions to
24 aid them in providing needed health services consistent with the state's health plan,
25 ~~to nonprofit educational institutions to aid them in providing~~ needed educational

1 services, ~~to nonprofit research institutions to aid them in providing~~ needed research
2 facilities, and ~~to nonprofit child care providers to aid them in providing needed child~~
3 ~~care~~ other needed services and facilities in this state.

4 **SECTION 38.** 231.06 of the statutes, as affected by 2011 Wisconsin Act 32, is
5 amended to read:

6 **231.06 Property acquisition.** The authority may acquire, directly or by and
7 through a participating health institution, participating educational institution,
8 participating research institution, or participating ~~child care provider~~ nonprofit
9 institution as its agent, by purchase or by gift or devise, such lands, structures,
10 property, rights, rights-of-way, franchises, easements, and other interests in lands,
11 including lands lying under water and riparian rights, as it deems necessary or
12 convenient for the construction or operation of a project, upon such terms and at such
13 prices as it considers reasonable and can be agreed upon between it and the owner
14 thereof, and take title thereto in the name of the authority or in the name of a health
15 facility, educational facility, research facility, or ~~child care center~~ nonprofit facility
16 as its agent.

17 **SECTION 39.** 231.07 (1) (b) of the statutes is amended to read:

18 231.07 (1) (b) Convey to the participating health institution, participating
19 educational institution, participating research institution, or participating ~~child~~
20 ~~care provider~~ nonprofit institution the authority's interest in the project and in any
21 other health facility, educational facility, research facility, or ~~child care center~~
22 nonprofit facility leased, mortgaged, or subject to a deed of trust or any other form
23 of security arrangement to secure the bond.

24 **SECTION 40.** 231.07 (2) (a) of the statutes is amended to read:

1 231.07 (2) (a) The principal of and interest on any bond issued by the authority
2 to finance a project or to refinance or refund outstanding indebtedness of one or more
3 participating health institutions, participating educational institutions,
4 participating research institutions, or participating ~~child care providers~~ nonprofit
5 institutions, including any refunding bonds issued to refund and refinance the bond,
6 have been fully paid and the bonds retired or if the adequate provision has been made
7 to pay fully and retire the bond; and

8 **SECTION 41.** 231.08 (3) of the statutes is amended to read:

9 231.08 (3) The bonds may be issued as serial bonds or as term bonds, or the
10 authority may issue bonds of both types. The bonds shall be authorized by a bond
11 resolution of the authority and shall bear such dates, mature at such times not
12 exceeding ~~30~~ 50 years from their respective dates of issue, bear interest at such rates,
13 be payable at such times, be in such denominations, be in such form, either coupon
14 or fully registered, carry such registration and conversion privileges, be executed in
15 such manner, be payable in lawful money of the United States at such places, and
16 be subject to such terms of redemption as the bond resolution provides. The bonds
17 or notes shall be executed by the manual or facsimile signatures of such officers of
18 the authority as the authority designates. Coupon bonds shall have attached thereto
19 interest coupons bearing the facsimile signature of the treasurer of the authority or
20 such other officer as the authority designates. The bonds or notes may be sold at
21 public or private sale for such price and in such manner and from time to time as the
22 authority determines. Pending preparation of the definitive bonds, the authority
23 may issue interim receipts or certificates which shall be exchanged for the definitive
24 bonds.

25 **SECTION 42.** 231.08 (5) of the statutes is amended to read:

1 231.08 (5) In addition to the other authorizations under this section, bonds of
2 the authority may be secured by a pooling of leases whereby the authority may assign
3 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
4 educational facilities, research facilities, or ~~child care centers~~ nonprofit facilities
5 with 2 or more ^{participating} health institutions, ^{participating} educational institutions, ^{participating} research institutions, or
6 ~~child care providers~~ ^{participating} nonprofit facilities, as lessees respectively, upon such terms as
7 may be provided for in bond resolutions of the authority.

8 **SECTION 43.** 231.10 (1) of the statutes is amended to read:

9 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
10 and bonds are not a debt of the state. All notes and bonds of the authority shall
11 contain on the face thereof a statement to this effect. The issuance of bonds under
12 this chapter shall not, directly or indirectly or contingently, obligate the state or any
13 political subdivision thereof to levy any form of taxation therefor or to make any
14 appropriation for their payment. Nothing in this section prevents the authority from
15 pledging its full faith and credit or the full faith and credit of a health institution,
16 educational institution, research institution, or ~~child care provider~~ nonprofit
17 institution to the payment of bonds authorized under this chapter.

18 **SECTION 44.** 231.12 of the statutes is amended to read:

19 **231.12 Studies and recommendations.** It is the intent and purpose of this
20 chapter that the exercise by the authority of the powers granted to it shall be in all
21 respects for the benefit of the people of this state to assist them to provide needed
22 health facilities, educational facilities, research facilities, and ~~child care centers~~
23 nonprofit facilities of the number, size, type, distribution, and operation that will
24 assure admission and health care, education, research opportunities, or ~~child care~~
25 of high quality other necessary services to all who need it. The authority shall

1 identify and study all projects which are determined by health planning agencies to
2 be needed, but which could not sustain a loan were such to be made to it under this
3 chapter. The authority shall formulate and recommend to the legislature such
4 amendments to this and other laws, and such other specific measures as grants, loan
5 guarantees, interest subsidies, or other actions the state may provide which would
6 render the construction and operation of needed health facilities, educational
7 facilities, research facilities, and ~~child care centers~~ nonprofit facilities feasible and
8 in the public interest. The authority also shall identify and study any laws or rules
9 which it finds handicaps or bars a needed health facility, educational facility,
10 research facility, or ~~child care center~~ nonprofit facility from participating in the
11 benefits of this chapter, and recommend to the legislature such actions as will
12 remedy such situation.

13 **SECTION 45.** 231.13 (1) (intro.) of the statutes is amended to read:

14 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
15 revenues relating to the financing of, each project. The authority shall contract with
16 a participating health institution, participating educational institution,
17 participating research institution, or participating ~~child care provider~~ nonprofit
18 institution for each issuance of bonds. The contract shall provide that the rents or
19 other revenues payable by the health facility, educational facility, research facility,
20 or ~~child care center~~ nonprofit facility shall be sufficient at all times to:

21 **SECTION 46.** 231.13 (2) of the statutes is amended to read:

22 231.13 (2) The authority shall pledge the revenues derived and to be derived
23 from a project and other related health facilities, educational facilities, research
24 facilities, or ~~child care centers~~ nonprofit facilities for the purposes specified in sub.
25 (1), and additional bonds may be issued which may rank on a parity with other bonds

1 relating to the project to the extent and on the terms and conditions provided in the
2 bond resolution. Such pledge shall be valid and binding from the time when the
3 pledge is made, the revenues so pledged by the authority shall immediately be
4 subject to the lien of such pledge without any physical delivery thereof or further act
5 and the lien of any such pledge shall be valid and binding as against all parties
6 having claims of any kind in tort, contract, or otherwise against the authority,
7 irrespective of whether such parties have notice thereof. Neither the bond resolution
8 nor any financing statement, continuation statement, or other instrument by which
9 a pledge is created or by which the authority's interest in revenues is assigned need
10 be filed or recorded in any public records in order to perfect the lien thereof as against
11 3rd parties, except that a copy thereof shall be filed in the records of the authority
12 and with the department of financial institutions.

13 **SECTION 47.** 231.16 (1) of the statutes is amended to read:

14 231.16 (1) The authority may issue bonds to refund any outstanding bond of
15 the authority or indebtedness that a participating health institution, participating
16 educational institution, participating research institution, or participating ~~child~~
17 ~~care provider~~ nonprofit institution may have incurred for the construction or
18 acquisition of a project prior to or after April 30, 1980, including the payment of any
19 redemption premium on the outstanding bond or indebtedness and any interest
20 accrued or to accrue to the earliest or any subsequent date of redemption, purchase,
21 or maturity, or to pay all or any part of the cost of constructing and acquiring
22 additions, improvements, extensions, or enlargements of a project or any portion of
23 a project. Except for bonds to refund bonds issued under s. 231.03 (6) (g), no bonds
24 may be issued under this section unless the authority has first entered into a new
25 or amended agreement with a participating health institution, participating

1 educational institution, participating research institution, or participating ~~child~~
2 ~~care provider~~ nonprofit institution to provide sufficient revenues to pay the costs and
3 other items described in s. 231.13.

4 **SECTION 48.** 231.16 (3) of the statutes is amended to read:

5 231.16 (3) All bonds issued under this section shall be subject to this chapter
6 in the same manner and to the same extent as other bonds issued pursuant to this
7 chapter, except that the limitations with respect to dates ~~under s. 231.03 (6) (e) and~~
8 ~~(f), 1999 stats., and~~ under s. 231.03 (14) do not apply to bonds issued under this
9 section, and the requirement under s. 231.08 (3) that the bonds mature in ~~30~~ 50 years
10 or less from their date of issue does not apply to bonds issued under this section to
11 refund bonds issued under s. 231.03 (6) (g).

12 **SECTION 49.** 231.20 of the statutes, as affected by 2011 Wisconsin Act 32, is
13 amended to read:

14 **231.20 Waiver of construction and bidding requirements.** In exercising
15 its powers under s. 101.12, the department of safety and professional services or any
16 city, village, town, or county may, within its discretion for proper cause shown, waive
17 any particular requirements relating to public buildings, structures, grounds,
18 works, and improvements imposed by law upon projects under this chapter; the
19 requirements of s. 101.13 may not be waived, however. If, however, the prospective
20 lessee so requests in writing, the authority shall, through the participating health
21 institution, participating educational institution, participating research institution,
22 or participating ~~child care provider~~ nonprofit institution as its agent, call for
23 construction bids in such manner as is determined by the authority with the approval
24 of the lessee.

25 **SECTION 50.** 231.23 of the statutes is amended to read:

(d) If a separate income or franchise tax return is made for a short period under par. (b) on account of a change in the taxable year, the net income for such short period shall be placed on an annual basis using the method applicable for federal income taxes under section 443 (b) (1) of the internal revenue code.

(3) EXTENSIONS.

(a) In the case of a corporation required to file a return, the department of revenue shall allow an automatic extension of 7 months or until the original due date of the corporation's corresponding federal return, whichever is later. Any extension of time granted by law or by the internal revenue service for the filing of corresponding federal returns shall extend the time for filing under this subchapter to 30 days after the federal due date if the corporation reports the extension in the manner specified by the department on the return. Except for payments of estimated taxes, income or franchise taxes payable upon the filing of the tax return shall not become delinquent during such extension period, but shall, except as provided in par. (b), be subject to interest at the rate of 12% per year during such period.

(b) For taxable years beginning after December 31, 2008, for persons who qualify for a federal extension of time to file under 26 USC 7508A due to a presidentially declared disaster or terroristic or military action, income or franchise taxes payable upon the filing of the tax return are not subject to interest as otherwise provided under par. (a).

Cross-reference: See also ss. Tax 2.88 and 2.96, Wis. adm. code.

(4) PAYMENT OF TAX.

(b) Corporation franchise and income taxes not paid on or before the 15th day of the 3rd month following the close of the taxable year shall be deemed delinquent.

(c) The department of revenue shall accept in advance income or franchise taxes and surtaxes from taxpayers desirous of making such payments before the same shall become due and payable. Advance payment of taxes under this provision shall not relieve the taxpayer from additional taxes which may result from subsequent legislation or from additional taxable income disclosed or discovered subsequent to such payment.

(d) No person is required to pay a balance due of less than \$1.

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1993 a. 199; 1995 a. 428; 1997 a. 27; 2007 a. 20; 2009 a. 28.

Cross-reference: See also s. Tax 2.03, Wis. adm. code.

71.45 Income computation.

(1) EXEMPT AND EXCLUDABLE INCOME. There shall be exempt from taxation under this subchapter income as follows:

(a) Income of insurers exempt from federal income taxation pursuant to section 501 (c) (15) of the internal revenue code, town mutuals organized under or subject to ch. 612, foreign insurers, and domestic insurers engaged exclusively in life insurance business, domestic insurers insuring against financial loss by reason of nonpayment of principal, interest and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust or

*Insurers
Co's*



other instrument constituting a lien or charge on real estate and corporations organized under ch. 185, but not including income of cooperative health care associations organized under s. 185.981, or of a service insurance corporation organized under ch. 613, that is derived from a health maintenance organization as defined in s. 609.01 (2) or a limited service health organization as defined in s. 609.01 (3), or operating under subch. I of ch. 616 which are bona fide cooperatives operated without pecuniary profit to any shareholder or member, or operated on a cooperative plan pursuant to which they determine and distribute their proceeds in substantial compliance with s. 185.45. This paragraph does not apply to income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in this state.

(b) For taxable years beginning after December 31, 2006, the amount of any incentive payment received by an individual under s. 23.33 (5r) in the taxable year to which the claim relates.

(c) An amount equal to the increase in the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year, multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000 in the taxable year or \$2,000 for a business with gross receipts greater than \$5,000,000 in the taxable year. For purposes of this paragraph, the increase in the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year is determined by subtracting from the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year, as determined by computing the average employee count from the taxpayer's quarterly unemployment insurance reports or other information as required by the department for the taxable year, the number of full-time equivalent employees employed by the taxpayer in this state during the immediately preceding taxable year, as determined by computing the average employee count from the taxpayer's quarterly unemployment insurance reports or other information as required by the department for the immediately preceding taxable year. No person may claim a deduction under this paragraph if the person may claim a credit under this subchapter based on the person relocating the person's business from another state to this state and in an amount equal to the person's tax liability. The department shall promulgate rules to administer this paragraph.

(11) EXEMPTION FROM THE INCOME TAX. The interest and income from the following obligations are exempt from the tax imposed under s. 71.43 (1):

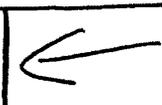
(b) Those issued under s. 66.1201.

(c) Those issued under s. 66.1333.

(d) Those issued under s. 66.1335.

(e) Those issued under s. 234.65 to fund an economic development loan to finance construction, renovation or development of property that would be exempt under s. 70.11 (36).

local bonds



(em) Those issued under s. 234.08 or 234.61, on or after January 1, 2004, if the obligations are issued to fund multifamily affordable housing projects or elderly housing projects.

(f) Those issued under subch. II of ch. 229.

(g) Those issued under s. 66.0621 by a local professional baseball park district, a local professional football stadium district, or a local cultural arts district.

(h) Those issued under s. 114.70 or 114.74.

(i) Those issued under s. 231.03 (6), on or after October 27, 2007, if the proceeds from the obligations that are issued are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information technology hardware or software.

Health Technology

(j) Those issued under s. 59.58 (7) (f).

NOTE: Par. (j) is repealed eff. 9-28-11 by 2011 Wis. Act 32.

(k) Those issued under s. 66.0304, if any of the following applies:

1. The bonds or notes are used to fund multifamily affordable housing projects or elderly housing projects in this state, and the Wisconsin Housing and Economic Development Authority has the authority to issue its bonds or notes for the project being funded.
2. The bonds or notes are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information technology hardware or software, in this state, and the Wisconsin Health and Educational Facilities Authority has the authority to issue its bonds or notes for the project being funded.
3. The bonds or notes are issued to fund a redevelopment project in this state or a housing project in this state, and the authority exists for bonds or notes to be issued by an entity described under s. 66.1201, 66.1333, or 66.1335.

PFA bonds

(m) Those issued by the Wisconsin Housing and Economic Development Authority to provide loans to a public affairs network under s. 234.75 (4).

(2) DETERMINATION OF NET INCOME.

(a) Insurers subject to taxation under this chapter shall pay a tax according to or measured by net income. Such tax is payable under s. 71.44 (1). Except as provided in sub. (5), "net income" of an insurer subject to taxation under this chapter means federal taxable income as determined in accordance with the provisions of the internal revenue code adjusted as follows:

1. By adding to federal taxable income the amount of any loss carry-forward or carry-back, including any capital loss carry-forward or carry-back, deducted in the calculation of federal taxable income.
2. By adding to federal taxable income, if not already included therein, the amount of any federal tax refund or portion thereof previously applied to reduce the amount of tax payable under this chapter.
3. For insurers subject to taxation under s. 71.43 (1), by adding to federal taxable income the amount of any interest income, except interest under sub. (1t), that is not included in federal taxable income except the amount of any interest income

March 6, 2009, such estimated tax payments, in addition to the payment due less than 45 days after March 6, 2009, shall be deemed timely paid if paid by the next subsequent installment due date.

- (11) CONFORMITY WITH FEDERAL CONSOLIDATED RETURN REGULATIONS. The department may promulgate any rules necessary to create uniformity between the treatment of transactions entered into by members of a federal consolidated group under federal regulations, including any income, expense, gain, or loss limitations applicable to such transactions, and treatment of transactions entered into by members of a combined group under this section, including any income, expense, gain, or loss limitations applicable to such transactions.

History: 2009 a. 2, 28, 276; 2011 a. 32.

Cross-reference: See also ss. Tax 2.60 and 2.67, Wis. adm. code.

"Slicing a Shadow": The Debate over Combined Reporting and Its Effect on Wisconsin's Business Climate. Flinchbaugh. 92 MLR 829 (2009).

71.26

Corporations

71.26 Income computation.

(1) EXEMPT AND EXCLUDABLE INCOME. There shall be exempt from taxation under this subchapter income as follows:

See next page

- (a) *Certain corporations.* Income of corporations organized under ch. 185, except income of a cooperative health care association organized under s. 185.981, or of a service insurance corporation organized under ch. 613, that is derived from a health maintenance organization as defined in s. 609.01 (2) or a limited service health organization as defined in s. 609.01 (3), or operating under subch. I of ch. 616 which are bona fide cooperatives operated without pecuniary profit to any shareholder or member, or operated on a cooperative plan pursuant to which they determine and distribute their proceeds in substantial compliance with s. 185.45, and the income, except the unrelated business taxable income as defined in section 512 of the internal revenue code and except income that is derived from a health maintenance organization as defined in s. 609.01 (2) or a limited service health organization as defined in s. 609.01 (3), of all religious, scientific, educational, benevolent or other corporations or associations of individuals not organized or conducted for pecuniary profit. This paragraph does not apply to the income of savings banks, mutual loan corporations or savings and loan associations. This paragraph does not apply to income that is realized from the sale of or purchase and subsequent sale or redemption of lottery prizes if the winning tickets were originally bought in this state. This paragraph applies to the income of credit unions except to the income of any credit union that is derived from public deposits for any taxable year in which the credit union is approved as a public depository under ch. 34 and acts as a depository of state or local funds under s. 186.113 (20). For purposes of this paragraph, the income of a credit union that is derived from public deposits is the product of the credit union's gross annual income for the taxable year multiplied by a fraction, the numerator of which is the average monthly balance of public deposits in the credit union during the taxable year, and the denominator of which is

(1m) EXEMPTION FROM THE INCOME TAX. The interest and income from the following obligations are exempt from the tax imposed under s. 71.23 (1):

- (b) Those issued under s. 66.1201.
- (c) Those issued under s. 66.1333.
- (d) Those issued under s. 66.1335.
- (e) Those issued under s. 234.65 to fund an economic development loan to finance construction, renovation or development of property that would be exempt under s. 70.11 (36).
- (em) Those issued under s. 234.08 or 234.61, on or after January 1, 2004, if the obligations are issued to fund multifamily affordable housing projects or elderly housing projects.
- (f) Those issued under subch. II of ch. 229.
- (g) Those issued under s. 66.0621 by a local professional baseball park district, a local professional football stadium district, or a local cultural arts district.
- (h) Those issued under s. 114.70 or 114.74.
- (i) Those issued under s. 231.03 (6), on or after October 27, 2007, if the proceeds from the obligations that are issued are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information technology hardware or software.
- (j) Those issued under s. 59.58 (7) (f).

> locally issued

existing
with
Technology
bonds

NOTE: Par. (j) is repealed eff. 9-28-11 by 2011 Wis. Act 32.

- (k) Those issued under s. 66.0304, if any of the following applies:
 1. The bonds or notes are used to fund multifamily affordable housing projects or elderly housing projects in this state, and the Wisconsin Housing and Economic Development Authority has the authority to issue its bonds or notes for the project being funded.
 2. The bonds or notes are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information technology hardware or software, in this state, and the Wisconsin Health and Educational Facilities Authority has the authority to issue its bonds or notes for the project being funded.
 3. The bonds or notes are issued to fund a redevelopment project in this state or a housing project in this state, and the authority exists for bonds or notes to be issued by an entity described under s. 66.1201, 66.1333, or 66.1335.

PFA
bonds

- (m) Those issued by the Wisconsin Housing and Economic Development Authority to provide loans to a public affairs network under s. 234.75 (4).

(2) NET INCOME.

- (a) *Corporations in general.* The "net income" of a corporation means the gross income as computed under the Internal Revenue Code as modified under sub. (3) and modified as follows:
 1. Minus the amount of recapture under s. 71.28 (1d).
 2. Plus the amount of credit computed under s. 71.28 (1), (3), (4), (4m), and (5).

such ratio, this factor may, with the approval of the department of revenue, be omitted in obtaining the final average ratio which is to be applied to the remaining net income. This subsection does not apply to taxable years beginning after December 31, 2007.

- (11) DEPARTMENT MAY APPORTION BY RULE.** If the income of any such nonresident individual or nonresident estate or trust properly assignable to the state of Wisconsin cannot be ascertained with reasonable certainty by the methods under this section, then the same shall be apportioned and allocated under such rules as the department of revenue may prescribe.

History: 1987 a. 312; 1987 a. 411 ss. 34 to 40, 61; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39, 189, 269; 1993 a. 112, 204, 491; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2003 a. 37; 2005 a. 25; 2007 a. 20; 2009 a. 2, 28.

Cross-reference: See also s. Tax 2.39, Wis. adm. code.

Individuals

71.05 Income computation.

- (1) EXEMPT AND EXCLUDABLE INCOME.** There shall be exempt from taxation under this subchapter the following:

- (a) Retirement systems.** All payments received from the U.S. civil service retirement system, the U.S. military employee retirement system, the employee's retirement system of the city of Milwaukee, Milwaukee County employees' retirement system, sheriff's annuity and benefit fund of Milwaukee County, police officer's annuity and benefit fund of Milwaukee, fire fighter's annuity and benefit fund of Milwaukee, or the public employee trust fund as successor to the Milwaukee public school teachers' annuity and retirement fund and to the Wisconsin state teachers retirement system, which are paid on the account of any person who was a member of the paying or predecessor system or fund as of December 31, 1963, or was retired from any of the systems or funds as of December 31, 1963, but such exemption shall not exclude from gross income tax sheltered annuity benefits.

Cross-reference: See also s. Tax 2.94, Wis. adm. code.

- (ae) Pension, individual retirement income.** Except for a payment that is exempt under par. (a), (am), or (an), or that is exempt as a railroad retirement benefit, for taxable years beginning after December 31, 2008, up to \$5,000 of payments or distributions received each year by an individual from a qualified retirement plan under the Internal Revenue Code or from an individual retirement account established under 26 USC 408, if all of the following conditions apply:

1. The individual is at least 65 years of age before the close of the taxable year to which the exemption claim relates.
2. If the individual is single or files as head of household, his or her federal adjusted gross income in the year to which the exemption claim relates is less than \$15,000.
3. If the individual is married and is a joint filer, the couple's federal adjusted gross income in the year to which the exemption claim relates is less than \$30,000.
4. If the individual is married and files a separate return, the sum of both spouses' federal adjusted gross income in the year to which the exemption claim relates is less than \$30,000.

See next page

- (am) *Military retirement systems.* All retirement payments received from the U.S. military employee retirement system, to the extent that such payments are not exempt under par. (a) or (ae).
- (an) *Uniformed services retirement benefits.* All retirement payments received from the U.S. government that relate to service with the coast guard, the commissioned corps of the national oceanic and atmospheric administration, or the commissioned corps of the public health service, to the extent that such payments are not exempt under par. (a), (ae), or (am).
- (b) *State legislature allowance for expenses.* All amounts received in accordance with s. 13.123 (1) (a) which are spent for the purposes specified in s. 13.123 (1) (a) if the person does not claim a deduction for travel expenses away from home on legislative days. In this chapter, the place of residence of a member of the state legislature within the legislative district which the member represents shall be considered the member's home.

(c) Certain interest income. Interest received on bonds or notes issued by any of the following:

1. The Wisconsin Housing and Economic Development Authority under s. 234.65, if the bonds are used to fund an economic development loan to finance construction, renovation, or development of property that would be exempt under s. 70.11 (36).
- 1m. The Wisconsin Housing and Economic Development Authority under s. 234.08 or 234.61, on or after January 1, 2004, if the bonds or notes are issued to fund multifamily affordable housing projects or elderly housing projects.
3. A local exposition district created under subch. II of ch. 229.
4. A local professional baseball park district created under subch. III of ch. 229.
5. A local professional football stadium district created under subch. IV of ch. 229.
6. A local cultural arts district created under subch. V of ch. 229.
7. The Wisconsin Aerospace Authority.
8. The Wisconsin Health and Educational Facilities Authority under s. 231.03 (6), on or after October 27, 2007, if the proceeds from the bonds or notes that are issued are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information technology hardware or software.
9. The southeastern regional transit authority under s. 59.58 (7) (f).

NOTE: Subd. 9. is repealed eff. 9-28-11 by 2011 Wis. Act 32.

10. A commission created under s. 66.0304, if any of the following applies:

- a. The bonds or notes are used to fund multifamily affordable housing projects or elderly housing projects in this state, and the Wisconsin Housing and Economic Development Authority has the authority to issue its bonds or notes for the project being funded.
- b. The bonds or notes are used by a health facility, as defined in s. 231.01 (5), to fund the acquisition of information

No specific exemption listed for bonds issued under

66.1201
66.1333
66.1335

Need to go to those sections to find the tax exemption

Why?

PFA

technology hardware or software, in this state, and the Wisconsin Health and Educational Facilities Authority has the authority to issue its bonds or notes for the project being funded.

PFA

c. The bonds or notes are issued to fund a redevelopment project in this state or a housing project in this state, and the authority exists for bonds or notes to be issued by an entity described under s. 66.1201, 66.1333, or 66.1335.

12. The Wisconsin Housing and Economic Development Authority, if the bonds or notes are issued to provide loans to a public affairs network under s. 234.75 (4).

~~(1) Income from the sales of certain insurance policies.~~ Income received by the original policyholder or original certificate holder who has a catastrophic or life-threatening illness or condition from the sale of a life insurance policy or certificate, or the sale of the death benefit under a life insurance policy or certificate, under a life settlement contract, as defined in s. 632.69 (1) (k). In this paragraph, "catastrophic or life-threatening illness or condition" includes AIDS, as defined in s. 49.686 (1) (a), and HIV infection, as defined in s. 49.686 (1) (d).

(2) NONRESIDENT RECIPROcity. All payments received by natural persons domiciled outside Wisconsin who derive income from the performance of personal services in Wisconsin shall be excluded from Wisconsin gross income to the extent that it is subjected to an income tax imposed by the state of domicile; provided that the law of the state of domicile allows a similar exclusion of income from personal services earned in such state by natural persons domiciled in Wisconsin, or a credit against the tax imposed by such state on such income equal to the Wisconsin tax on such income.

Cross-reference: See also s. Tax 2.02, Wis. adm. code.

(3) MENOMINEE INDIAN TRIBE; DISTRIBUTION OF ASSETS. No distribution of assets from the United States to the members of the Menominee Indian tribe as defined in s. 49.385 or their lawful distributees, or to any corporation, or organization, created by the tribe or at its direction pursuant to section 8, P.L. 83-399, as amended, and no issuance of stocks, bonds, certificates of indebtedness, voting trust certificates or other securities by any such corporation or organization, or voting trust, to such members of the tribe or their lawful distributees shall be subject to income taxes under this chapter; provided, that so much of any cash distribution made under said P.L. 83-399 as consists of a share of any interest earned on funds deposited in the treasury of the United States pursuant to the supplemental appropriation act, 1952, (65 Stat. 736, 754) shall not by virtue of this subsection be exempt from the individual income tax of this state in the hands of the recipients for the year in which paid. For the purpose of ascertaining the gain or loss resulting from the sale or other disposition of such assets and stocks, bonds, certificates of indebtedness and other securities under this chapter, the fair market value of such property, on termination date as defined in s. 70.057 (1), 1967 stats., shall be the basis for determining the amount of such gain or loss.

(5) FRACTIONAL YEAR. When an income tax return is required to be filed for a fractional part of a year under s. 71.03 (3), the