

2013 DRAFTING REQUEST

Bill

Received: 10/11/2012 Received By: fknepp
Wanted: As time permits Companion to LRB:
For: Administration-Budget 6-9546 By/Representing: Lawrence
May Contact: Drafter: fknepp
Subject: Econ. Development - misc. Addl. Drafters:
Extra Copies: RAC

Submit via email: YES
Requester's email:
Carbon copy (CC) to: fern.knepp@legis.wisconsin.gov
michael.gallagher@legis.wisconsin.gov

Pre Topic:

DOA:.....Lawrence, BB0073 -

Topic:

Authorize WHEFA bonding

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>
/P1	fknepp 10/16/2012	scalvin 10/19/2012	10/22/2012	_____	srose 10/22/2012		

FE Sent For:

<END>

Knepp, Fern

From: Gallagher, Michael
Sent: Thursday, October 11, 2012 9:05 AM
To: Knepp, Fern
Subject: FW: Statutory Language Drafting Request

Fern, I'll go ahead and enter this now so that it's in before 10a.m.. But, I'll enter it for you because I think you did a draft on this from last session, right?

From: Champagne, Rick
Sent: Thursday, October 11, 2012 6:52 AM
To: Gallagher, Michael; Knepp, Fern
Cc: Hanaman, Cathlene
Subject: FW: Statutory Language Drafting Request

Mike/Fern:

This would be a WHEFA draft—ch. 231. Yours?

From: Hanaman, Cathlene
Sent: Wednesday, October 10, 2012 4:53 PM
To: Champagne, Rick
Subject: FW: Statutory Language Drafting Request

You?

From: jeffrey.lawrence@wisconsin.gov [mailto:jeffrey.lawrence@wisconsin.gov]
Sent: Tuesday, October 02, 2012 11:36 AM
To: Hanaman, Cathlene
Cc: Gauger, Michelle C - DOA; Lawrence, Jeffrey R - DOA; Thornton, Scott - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

DOA Tracking Code: BB0073

Topic: Bond Issuance On Behalf of All 501(c)(3) Nonprofit Organizations

SBO Team: HSI

SBO Analyst: Lawrence, Jeff - DOA
Phone: (608) 267-9546
E-mail: jeffrey.lawrence@wisconsin.gov

Agency Acronym: WHEFA

Agency Number: 440

Priority: High

Intent:

The authority requests that Chapter 231 of the Wisconsin Statutes be amended to authorize the authority to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, and to refinance the outstanding debt of a nonprofit institution. This amendment is anticipated to have no state fiscal impact.

Attachments: False

Please send completed drafts to statlanguage@wisapps.wi.gov



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0326/P1
FFK./:....

RMC

In 10-16-12

Sac

DOA:.....Lawrence, BB0073 - Authorize WHEFA bonding

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

headers

COMMERCE AND ECONOMIC DEVELOPMENT

subheaders

- ECONOMIC DEVELOPMENT

do not gen

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

Analysis by the Legislative Reference Bureau

Under current law, 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. This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, and to refinance outstanding debt of a nonprofit institution. Under this bill, a nonprofit institution is a nonprofit entity that is not a health, education, or research institution.

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

- 2 SECTION 1. 231.01 (4) (a) of the statutes is amended to read:
- 3 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating
- 4 health institution, participating educational institution, participating nonprofit
- 5 institution, or participating research institution, as approved by the authority, as are

1 reasonable and necessary to accomplish the project, exclusive of any private or
2 federal, state, or local financial assistance received by the participating health
3 institution, participating educational institution, participating nonprofit
4 institution, or participating research institution for the 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, 239.

5 **SECTION 2.** 231.01 (4) (b) 1. of the statutes is amended to read:

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

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, 239.

14 **SECTION 3.** 231.01 (4) (b) 2. of the statutes is amended to read:

15 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
16 health institution, participating educational institution, participating nonprofit
17 institution, or participating research institution in the course of the development of
18 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, 239.

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

20 231.01 (4) (c) All rents and other net revenues from the operation of the real
21 property, improvements, or personal property on the project site by a participating
22 health institution, participating educational institution, participating nonprofit

1 institution, or participating research institution on and after the date on which the
2 contract between a participating health institution, participating educational
3 institution, participating nonprofit institution, or participating research institution
4 and the authority was entered into, but prior to the occupancy date, shall reduce the
5 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 (1)(b); 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, 239.

6 **SECTION 5.** 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.

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10 **SECTION 6.** 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 7.** 231.01 (6m) of the statutes is created to read:

14 231.01 (6m) "Participating nonprofit institution" means a nonprofit entity, or
15 an affiliate of a nonprofit 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.

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 ^x
SECTION 8. 231.01 (7) (a) 1. of the statutes is amended to read:

5 231.01 (7) (a) 1. A specific health facility, educational facility, nonprofit facility,
6 or research facility work or improvement to be refinanced, acquired, constructed,
7 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority
8 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, 239.

9 ^x
SECTION 9. 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 research facility,
11 nonprofit facility, health facility, laboratory, laundry, nurses' or interns' residence or
12 other multi-unit housing facility for staff, employees, patients or relatives of
13 patients admitted for treatment or care in a health facility, physician's facility,
14 administration building, ^(nonprofit facility) research facility, maintenance, storage, or utility 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, 239.

15 **SECTION 10.** 231.01 (7) (a) 4. of the statutes is amended to read:

16 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
17 educational facility, nonprofit facility, or research facility, including facilities or
18 supporting service structures essential or convenient for the orderly conduct of the
19 health facility, educational facility, nonprofit facility, or research 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, 239.

20 **SECTION 11.** 231.01 (7) (c) of the statutes is amended to read:

21 231.01 (7) (c) "Project" may include more than one project, and it may include
22 any combination of projects undertaken jointly by any participating health

1 institution, participating educational institution, participating nonprofit
2 institution, or participating research institution with one or more other
3 participating health institutions, participating educational institutions,
4 participating nonprofit institutions, or participating research 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, 239.

5 **SECTION 12.** 231.02 (6) (b) of the statutes is amended to read:

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

1 person is a participant, owner, officer, or employee has a past, current, or future
2 interest, or such person having the required favorable reputation for skill,
3 knowledge, and experience in the field of health facility, educational facility,
4 nonprofit facility, or research facility architecture abstains from discussion,
5 deliberation, action, and vote by the authority in specific respect to construction or
6 acquisition of any project of the authority in which any business of which such person
7 is a participant, owner, officer, or employee has a past, current, or future interest.

8 History: 1973 c. 304; 1975 c. 224; 1977 c. 29; 1978 c. 221; 1983 a. 192; 1987 a. 27, 403; 1991 a. 39, 316; 1993 a. 124; 2009 a. 2; 2011 a. 239.

8 **SECTION 13. 231.03 (5) of the statutes is amended to read:**

9 **231.03 (5)** Determine the location and character of any project to be financed
10 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
11 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
12 such purpose, enter into contracts for the management and operation of a project or
13 other health facilities, educational facilities, nonprofit facilities, or research facilities
14 owned by the authority, and designate a participating health institution,
15 participating educational institution, participating nonprofit institution, or
16 participating research institution as its agent to determine the location and
17 character of a project undertaken by the participating health institution,
18 participating educational institution, participating nonprofit institution, or
19 participating research institution under this chapter and as the agent of the
20 authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add
21 to, repair, operate, lease as lessee or lessor and regulate the same, and as the agent
22 of the authority, to enter into contracts for any such purpose, including contracts for

1 the management and operation of such project or other health facilities, educational
2 facilities, nonprofit facilities, or research 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. 3~~2~~; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

3 **SECTION 14.** 231.03 (6) (j) of the statutes is created to read:

4 231.03 (6) (j) Finance any project undertaken for a nonprofit facility by a
5 participating nonprofit institution.

6 **SECTION 15.** 231.03 (6) (k) of the statutes is created to read:

7 231.03 (6) (k) Refinance outstanding debt of any participating nonprofit
8 institution.

9 **SECTION 16.** 231.03 (7) of the statutes is amended to read:

10 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
11 fees, and charges for the use of and for the services furnished or to be furnished by
12 a project or other health facilities, educational facilities, nonprofit facilities, or
13 research facilities owned by the authority or any portion thereof, contract with any
14 person in respect thereto and coordinate its policies and procedures, and cooperate
15 with recognized health facility, educational facility, nonprofit facility, or research
16 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. 3~~2~~; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

17 **SECTION 17.** 231.03 (8) of the statutes is amended to read:

18 231.03 (8) Adopt rules for the use of a project or other health facility,
19 educational facility, nonprofit facility, or research facility or any portion of the project
20 or facility owned, financed, or refinanced in whole or in part by the authority,
21 including any property used as security for a loan secured through, from, or with the
22 assistance of the authority. The authority may designate a participating health
23 institution, participating educational institution, participating nonprofit

1 institution, or participating research institution as its agent to establish rules for the
2 use of a project or other health facilities, educational facilities, nonprofit facilities,
3 or research facilities undertaken for that participating health institution,
4 participating educational institution, participating nonprofit institution, or
5 participating research institution. The rules shall ensure that a project, health
6 facility, educational facility, research facility, nonprofit facility, or property may not
7 be used primarily for sectarian instruction or study or as a place for devotional
8 activities or 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. 334; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

9 **SECTION 18.** 231.03 (11) of the statutes is amended to read:

10 231.03 (11) Establish or contract with others to carry out on its behalf a health
11 facility, educational facility, nonprofit facility, or research facility project cost
12 estimating service, and make this service available on all projects to provide expert
13 cost estimates and guidance to the participating health institution, participating
14 educational institution, participating nonprofit institution, or participating
15 research institution and to the authority. To implement this service and, through it,
16 to contribute to cost containment, the authority may require such reasonable reports
17 and documents from health facility, educational facility, nonprofit facility, or
18 research facility projects as are required for this service and for the development of
19 cost reports and guidelines. The authority shall appoint a technical committee on
20 health facility, educational facility, nonprofit facility, or research facility project costs
21 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. 334; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

22 **SECTION 19.** 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 nonprofit institution, or participating
3 research institution for the cost of a project in accordance with an agreement
4 between the authority and the participating health institution, participating
5 educational institution, participating nonprofit institution, or participating
6 research institution. The authority may secure the loan by a mortgage or other
7 security arrangement on the health facility, educational facility, nonprofit facility, or
8 research facility granted by the participating health institution, participating
9 educational institution, participating nonprofit institution, or participating
10 research institution to the authority. The loan may not exceed the total cost of the
11 project as determined by the participating health institution, participating
12 educational institution, participating nonprofit institution, or participating
13 research 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. 32; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

14 **SECTION 20.** 231.03 (14) of the statutes is amended to read:

15 231.03 (14) Make loans to a health facility, educational facility, nonprofit
16 facility, or research facility for which bonds may be issued under sub. (6) (b), (d), ~~or~~
17 (i), or (k), to refinance the health facility's, educational facility's, nonprofit facility's,
18 or research facility's outstanding debt. The authority may secure the loan or bond
19 by a mortgage or other security arrangement on the health facility, educational
20 facility, nonprofit facility, or research facility granted by the participating health
21 institution, participating educational institution, participating nonprofit
22 institution, or participating research 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. 32; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

23 **SECTION 21.** 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, nonprofit facilities, or research facilities and the site thereof,
3 whether owned or thereafter acquired, for the benefit of the holders of bonds issued
4 to finance the project, health facilities, educational facilities, nonprofit facilities, or
5 research facilities or any portion thereof or issued to refund or refinance outstanding
6 indebtedness of participating health institutions, participating educational
7 institutions, participating nonprofit institutions, or participating research
8 institutions as permitted 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, 239.

9 **SECTION 22.** 231.03 (16) of the statutes is amended to read:

10 231.03 (16) Lease to a participating health institution, participating
11 educational institution, participating nonprofit institution, or participating
12 research institution the project being financed or other health facilities, educational
13 facilities, nonprofit facilities, or research facilities conveyed to the authority in
14 connection with such financing, upon such terms and conditions as the authority
15 deems proper, and charge and collect rents therefor, and terminate any such lease
16 upon the failure of the lessee to comply with any of the obligations thereof; and
17 include in any such lease, if desired, provisions that the lessee thereof shall have
18 options to renew the term of the lease for such periods and at such rent as the
19 authority determines or to purchase all or any part of the health facilities,
20 educational facilities, nonprofit facilities, or research facilities or that, upon
21 payment of all of the indebtedness incurred by the authority for the financing of such
22 project or health facilities, educational facilities, nonprofit facilities, or research
23 facilities or for refunding outstanding indebtedness of a participating health
24 institution, participating educational institution, participating nonprofit

1 institution, or participating research institution, the authority may convey all or any
2 part of the project or such other health facilities, educational facilities, nonprofit
3 facilities, or research facilities to the lessees thereof with or without 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. 372; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

4 **SECTION 23.** 231.03 (17) of the statutes is amended to read:

5 231.03 (17) Charge to and apportion among participating health institutions,
6 participating educational institutions, participating nonprofit institutions, and
7 participating research institutions its administrative costs and expenses incurred in
8 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. 372; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

9 **SECTION 24.** 231.03 (18) of the statutes is amended to read:

10 231.03 (18) Make studies of needed health facilities, educational facilities,
11 nonprofit facilities, and research facilities that could not sustain a loan were it made
12 under this chapter and recommend remedial action to the legislature; and do the
13 same with regard to any laws or rules that prevent health facilities, educational
14 facilities, nonprofit facilities, and research facilities from benefiting from this
15 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. 372; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

16 **SECTION 25.** 231.03 (19) of the statutes is amended to read:

17 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
18 United States or of this state or any private company, any insurance or guaranty
19 concerning the payment or repayment of, interest or principal, or both, or any part
20 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
21 the same, made or entered into under the provisions of this chapter; and
22 notwithstanding any other provisions of this chapter, to enter into any agreement,
23 contract, or other instrument with respect to that insurance or guaranty, to accept

1 payment in the manner and form provided therein in the event of default by a
2 participating health institution, participating educational institution, participating
3 nonprofit institution, or participating research institution, and to assign the
4 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. 32; 1999 a. 120; 2001 a. 16, 38, 105, 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 239.

5 **SECTION 26.** 231.04 of the statutes is amended to read:

6 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
7 chapter shall be payable solely from funds provided under the authority of this
8 chapter, and no liability may be incurred by the authority beyond the extent to which
9 moneys have been provided under this chapter except that, for the purposes of
10 meeting the necessary expenses of initial organization and operation of the authority
11 for the period commencing on June 19, 1974 and continuing until such date as the
12 authority derives moneys from funds provided to it under the authority of this
13 chapter, the authority may borrow such moneys as it requires to supplement the
14 funds provided under s. 20.440. Such moneys borrowed by the authority shall
15 subsequently be charged to and apportioned among participating health
16 institutions, participating educational institutions, participating nonprofit
17 institutions, and participating research institutions in an equitable manner, and
18 repaid with appropriate interest over a reasonable period of time.

History: 1973 c. 304; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239.

19 **SECTION 27.** 231.05 (1) of the statutes is amended to read:

20 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
21 assistance and alternative methods of financing to nonprofit health institutions
22 entities to aid them in providing needed health services consistent with the state's
23 health plan, ~~to nonprofit educational institutions to aid them in providing needed~~

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

3 History: 1973 c. 304; 1979 c. 221; 1981 c. 20, 298; 1987 a. 27; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239.

3 **SECTION 28.** 231.06 of the statutes is amended to read:

4 **231.06 Property acquisition.** The authority may acquire, directly or by and
5 through a participating health institution, participating educational institution,
6 participating nonprofit institution, or participating research institution as its agent,
7 by purchase or by gift or devise, such lands, structures, property, rights,
8 rights-of-way, franchises, easements, and other interests in lands, including lands
9 lying under water and riparian rights, as it deems necessary or convenient for the
10 construction or operation of a project, upon such terms and at such prices as it
11 considers reasonable and can be agreed upon between it and the owner thereof, and
12 take title thereto in the name of the authority or in the name of a health facility,
13 educational facility, nonprofit facility, or research facility as its agent.

14 History: 1973 c. 304; 1977 c. 29; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 32, 239.

14 **SECTION 29.** 231.07 (1) (b) of the statutes is amended to read:

15 231.07 (1) (b) Convey to the participating health institution, participating
16 educational institution, participating nonprofit institution, or participating
17 research institution the authority's interest in the project and in any other health
18 facility, educational facility, nonprofit facility, or research facility leased, mortgaged,
19 or subject to a deed of trust or any other form of security arrangement to secure the
20 bond.

21 History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239.

21 **SECTION 30.** 231.07 (2) (a) of the statutes is amended to read:

22 231.07 (2) (a) The principal of and interest on any bond issued by the authority
23 to finance a project or to refinance or refund outstanding indebtedness of one or more
24 participating health institutions, participating educational institutions,

1 participating nonprofit institutions, or participating research institutions, including
2 any refunding bonds issued to refund and refinance the bond, have been fully paid
3 and the bonds retired or if the adequate provision has been made to pay fully and
4 retire the bond; and

5 History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239.

5 **SECTION 31.** 231.08 (5) of the statutes is amended to read:

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

14 History: 1973 c. 304; 1977 c. 317; 1987 a. 27; 1993 a. 124; 1999 a. 120; 2009 a. 2; 2011 a. 32, 239.

14 **SECTION 32.** 231.10 (1) of the statutes is amended to read:

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

1 institution, or participating research institution to the payment of bonds authorized
2 under this chapter.

3 History: 1973 c. 304; 1977 c. 29; 1987 a. 27; 1993 a. 124; ~~2009~~ 2009 a. 2; 2011 a. 239.

3 **SECTION 33.** 231.12 of the statutes is amended to read:

4 **231.12 Studies and recommendations.** It is the intent and purpose of this
5 chapter that the exercise by the authority of the powers granted to it shall be in all
6 respects for the benefit of the people of this state to assist them to provide needed
7 health facilities, educational facilities, nonprofit facilities, and research facilities of
8 the number, size, type, distribution, and operation that will assure admission and
9 health care, education, ~~or~~ research opportunities, or other necessary services of high
10 quality to all who need it. The authority shall identify and study all projects which
11 are determined by health planning agencies to be needed, but which could not
12 sustain a loan were such to be made to it under this chapter. The authority shall
13 formulate and recommend to the legislature such amendments to this and other
14 laws, and such other specific measures as grants, loan guarantees, interest
15 subsidies, or other actions the state may provide which would render the
16 construction and operation of needed health facilities, educational facilities,
17 nonprofit facilities, and research facilities feasible and in the public interest. The
18 authority also shall identify and study any laws or rules which it finds handicaps or
19 bars a needed health facility, educational facility, nonprofit facility, or research
20 facility from participating in the benefits of this chapter, and recommend to the
21 legislature such actions as will remedy such situation.

22 History: 1973 c. 304; 1987 a. 27; 1993 a. 124; ~~2009~~ 2009 a. 2; 2011 a. 239.

22 **SECTION 34.** 231.13 (1) (intro.) of the statutes is amended to read:

23 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
24 revenues relating to the financing of, each project. The authority shall contract with

1 a participating health institution, participating educational institution,
2 participating nonprofit institution, or participating research institution for each
3 issuance of bonds. The contract shall provide that the rents or other revenues
4 payable by the health facility, educational facility, nonprofit facility, or research
5 facility shall be sufficient at all times to:

History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 1995 a. 27; 2009 a. 2; 2011 a. 239.

6 **SECTION 35.** 231.13 (2) of the statutes is amended to read:

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

History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 1995 a. 27; 2009 a. 2; 2011 a. 239.

23 **SECTION 36.** 231.16 (1) of the statutes is amended to read:

1 231.16 (1) The authority may issue bonds to refund any outstanding bond of
2 the authority or indebtedness that a participating health institution, participating
3 educational institution, participating nonprofit institution, or participating
4 research institution may have incurred for the construction or acquisition of a project
5 prior to or after April 30, 1980, including the payment of any redemption premium
6 on the outstanding bond or indebtedness and any interest accrued or to accrue to the
7 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all
8 or any part of the cost of constructing and acquiring additions, improvements,
9 extensions, or enlargements of a project or any portion of a project. Except for bonds
10 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this
11 section unless the authority has first entered into a new or amended agreement with
12 a participating health institution, participating educational institution,
13 participating nonprofit institution, or participating research institution to provide
14 sufficient revenues to pay the costs and other items described in s. 231.13.

History: 1973 c. 304; 1979 c. 221; 1987 a. 27; 1995 a. 124; 2001 a. 16, 105; 2009 a. 2; 2011 a. 239.

15 **SECTION 37.** 231.20 of the statutes is amended to read:

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

1 institution, or participating research institution as its agent, call for construction
2 bids in such manner as is determined by the authority with the approval of the lessee.

3 History: 1973 c. 304; 1983 a. 27; 1987 a. 27; 1993 ^Xa. 124; 1995 a. 27 ss. 6298, 9116 (5); 2009 a. 2; 2011 a. 32, 239.

3 **SECTION 38.** 231.23 of the statutes is amended to read:

4 **231.23 Nonprofit institutions.** It is intended that all nonprofit health
5 ~~institutions, educational institutions, and research institutions~~ entities in this state
6 be enabled to benefit from and participate in this chapter. To this end, all nonprofit
7 ~~health institutions, educational institutions, and research institutions~~ entities
8 operating, or authorized to be operated, under any law of this state may undertake
9 projects and utilize the capital financing sources and methods of repayment provided
10 by this chapter, the provisions of any other laws to the contrary notwithstanding.

11 History: 1973 c. 304; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239.

(END)



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0326/P1

FFK:sac:jm

DOA:.....Lawrence, BB0073 – Authorize WHEFA bonding

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, 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. This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, and to refinance outstanding debt of a nonprofit institution. Under this bill, a nonprofit institution is a nonprofit entity that is not a health, education, or research institution.

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

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

3 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating
4 health institution, participating educational institution, participating nonprofit

1 institution, or participating research institution, as approved by the authority, as are
2 reasonable and necessary to accomplish the project, exclusive of any private or
3 federal, state, or local financial assistance received by the participating health
4 institution, participating educational institution, participating nonprofit
5 institution, or participating research institution for the payment of the project cost.

6 **SECTION 2.** 231.01 (4) (b) 1. of the statutes is amended to read:

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

15 **SECTION 3.** 231.01 (4) (b) 2. of the statutes is amended to read:

16 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
17 health institution, participating educational institution, participating nonprofit
18 institution, or participating research institution in the course of the development of
19 the project to the occupancy date.

20 **SECTION 4.** 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 nonprofit
24 institution, or participating research institution on and after the date on which the
25 contract between a participating health institution, participating educational

1 institution, participating nonprofit institution, or participating research institution
2 and the authority was entered into, but prior to the occupancy date, shall reduce the
3 sum of all costs in this subsection.

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

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

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

9 231.01 (5p) “Nonprofit facility” means a facility that is owned or operated by
10 a nonprofit entity.

11 **SECTION 7.** 231.01 (6m) of the statutes is created to read:

12 231.01 (6m) “Participating nonprofit institution” means a nonprofit entity, or
13 an affiliate of a nonprofit entity, that undertakes the financing and construction or
14 acquisition of a project or undertakes the refunding or refinancing of obligations or
15 of a mortgage or of advances as provided in this chapter and is not any of the
16 following:

17 1. An entity authorized by state law to provide or operate an educational facility
18 or an affiliate of an entity authorized by state law to provide or operate an
19 educational facility.

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

22 3. An entity authorized by state law to provide or operate a research facility or
23 an affiliate of an entity authorized by state law to provide or operate a research
24 facility.

25 **SECTION 8.** 231.01 (7) (a) 1. of the statutes is amended to read:

1 231.01 (7) (a) 1. A specific health facility, educational facility, nonprofit facility,
2 or research facility work or improvement to be refinanced, acquired, constructed,
3 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority
4 with funds provided in whole or in part under this chapter.

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

6 231.01 (7) (a) 2. One or more structures suitable for use as a research facility,
7 nonprofit facility, health facility, laboratory, laundry, nurses' or interns' residence or
8 other multi-unit housing facility for staff, employees, patients or relatives of
9 patients admitted for treatment or care in a health facility, physician's facility,
10 administration building, nonprofit facility, research facility, maintenance, storage,
11 or utility facility.

12 **SECTION 10.** 231.01 (7) (a) 4. of the statutes is amended to read:

13 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
14 educational facility, nonprofit facility, or research facility, including facilities or
15 supporting service structures essential or convenient for the orderly conduct of the
16 health facility, educational facility, nonprofit facility, or research facility.

17 **SECTION 11.** 231.01 (7) (c) of the statutes is amended to read:

18 231.01 (7) (c) "Project" may include more than one project, and it may include
19 any combination of projects undertaken jointly by any participating health
20 institution, participating educational institution, participating nonprofit
21 institution, or participating research institution with one or more other
22 participating health institutions, participating educational institutions,
23 participating nonprofit institutions, or participating research institutions.

24 **SECTION 12.** 231.02 (6) (b) of the statutes is amended to read:

1 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
2 of interest or violation of this section or of any other law for a trustee, director, officer,
3 or employee of a participating health institution, participating educational
4 institution, participating nonprofit institution, or participating research institution
5 or for a person having the required favorable reputation for skill, knowledge, and
6 experience in state and municipal finance or for a person having the required
7 favorable reputation for skill, knowledge, and experience in the field of health
8 facility, educational facility, nonprofit facility, or research facility architecture to
9 serve as a member of the authority; if in each case to which par. (a) is applicable, the
10 trustee, director, officer, or employee of the participating health institution,
11 participating educational institution, participating nonprofit institution, or
12 participating research institution abstains from discussion, deliberation, action, and
13 vote by the authority in specific respect to any undertaking pursuant to this chapter
14 in which his or her participating health institution, participating educational
15 institution, participating nonprofit institution, or participating research institution
16 has an interest, or the person having the required favorable reputation for skill,
17 knowledge, and experience in state and municipal finance abstains from discussion,
18 deliberation, action, and vote by the authority in specific respect to any sale,
19 purchase, or ownership of bonds of the authority in which any business of which such
20 person is a participant, owner, officer, or employee has a past, current, or future
21 interest, or such person having the required favorable reputation for skill,
22 knowledge, and experience in the field of health facility, educational facility,
23 nonprofit facility, or research facility architecture abstains from discussion,
24 deliberation, action, and vote by the authority in specific respect to construction or

1 acquisition of any project of the authority in which any business of which such person
2 is a participant, owner, officer, or employee has a past, current, or future interest.

3 **SECTION 13.** 231.03 (5) of the statutes is amended to read:

4 231.03 (5) Determine the location and character of any project to be financed
5 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
6 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
7 such purpose, enter into contracts for the management and operation of a project or
8 other health facilities, educational facilities, nonprofit facilities, or research facilities
9 owned by the authority, and designate a participating health institution,
10 participating educational institution, participating nonprofit institution, or
11 participating research institution as its agent to determine the location and
12 character of a project undertaken by the participating health institution,
13 participating educational institution, participating nonprofit institution, or
14 participating research institution under this chapter and as the agent of the
15 authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add
16 to, repair, operate, lease as lessee or lessor and regulate the same, and as the agent
17 of the authority, to enter into contracts for any such purpose, including contracts for
18 the management and operation of such project or other health facilities, educational
19 facilities, nonprofit facilities, or research facilities owned by the authority.

20 **SECTION 14.** 231.03 (6) (j) of the statutes is created to read:

21 231.03 (6) (j) Finance any project undertaken for a nonprofit facility by a
22 participating nonprofit institution.

23 **SECTION 15.** 231.03 (6) (k) of the statutes is created to read:

24 231.03 (6) (k) Refinance outstanding debt of any participating nonprofit
25 institution.

1 **SECTION 16.** 231.03 (7) of the statutes is amended to read:

2 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
3 fees, and charges for the use of and for the services furnished or to be furnished by
4 a project or other health facilities, educational facilities, nonprofit facilities, or
5 research facilities owned by the authority or any portion thereof, contract with any
6 person in respect thereto and coordinate its policies and procedures, and cooperate
7 with recognized health facility, educational facility, nonprofit facility, or research
8 facility rate setting mechanisms.

9 **SECTION 17.** 231.03 (8) of the statutes is amended to read:

10 231.03 (8) Adopt rules for the use of a project or other health facility,
11 educational facility, nonprofit facility, or research facility or any portion of the project
12 or facility owned, financed, or refinanced in whole or in part by the authority,
13 including any property used as security for a loan secured through, from, or with the
14 assistance of the authority. The authority may designate a participating health
15 institution, participating educational institution, participating nonprofit
16 institution, or participating research institution as its agent to establish rules for the
17 use of a project or other health facilities, educational facilities, nonprofit facilities,
18 or research facilities undertaken for that participating health institution,
19 participating educational institution, participating nonprofit institution, or
20 participating research institution. The rules shall ensure that a project, health
21 facility, educational facility, research facility, nonprofit facility, or property may not
22 be used primarily for sectarian instruction or study or as a place for devotional
23 activities or religious worship.

24 **SECTION 18.** 231.03 (11) of the statutes is amended to read:

1 231.03 (11) Establish or contract with others to carry out on its behalf a health
2 facility, educational facility, nonprofit facility, or research facility project cost
3 estimating service, and make this service available on all projects to provide expert
4 cost estimates and guidance to the participating health institution, participating
5 educational institution, participating nonprofit institution, or participating
6 research institution and to the authority. To implement this service and, through it,
7 to contribute to cost containment, the authority may require such reasonable reports
8 and documents from health facility, educational facility, nonprofit facility, or
9 research facility projects as are required for this service and for the development of
10 cost reports and guidelines. The authority shall appoint a technical committee on
11 health facility, educational facility, nonprofit facility, or research facility project costs
12 and cost containment.

13 **SECTION 19.** 231.03 (13) of the statutes is amended to read:

14 231.03 (13) Make loans to any participating health institution, participating
15 educational institution, participating nonprofit institution, or participating
16 research institution for the cost of a project in accordance with an agreement
17 between the authority and the participating health institution, participating
18 educational institution, participating nonprofit institution, or participating
19 research institution. The authority may secure the loan by a mortgage or other
20 security arrangement on the health facility, educational facility, nonprofit facility, or
21 research facility granted by the participating health institution, participating
22 educational institution, participating nonprofit institution, or participating
23 research institution to the authority. The loan may not exceed the total cost of the
24 project as determined by the participating health institution, participating

1 educational institution, participating nonprofit institution, or participating
2 research institution and approved by the authority.

3 **SECTION 20.** 231.03 (14) of the statutes is amended to read:

4 231.03 (14) Make loans to a health facility, educational facility, nonprofit
5 facility, or research facility for which bonds may be issued under sub. (6) (b), (d), or
6 (i), or (k), to refinance the health facility's, educational facility's, nonprofit facility's,
7 or research facility's outstanding debt. The authority may secure the loan or bond
8 by a mortgage or other security arrangement on the health facility, educational
9 facility, nonprofit facility, or research facility granted by the participating health
10 institution, participating educational institution, participating nonprofit
11 institution, or participating research institution to the authority.

12 **SECTION 21.** 231.03 (15) of the statutes is amended to read:

13 231.03 (15) Mortgage all or any portion of a project and other health facilities,
14 educational facilities, nonprofit facilities, or research facilities and the site thereof,
15 whether owned or thereafter acquired, for the benefit of the holders of bonds issued
16 to finance the project, health facilities, educational facilities, nonprofit facilities, or
17 research facilities or any portion thereof or issued to refund or refinance outstanding
18 indebtedness of participating health institutions, participating educational
19 institutions, participating nonprofit institutions, or participating research
20 institutions as permitted by this chapter.

21 **SECTION 22.** 231.03 (16) of the statutes is amended to read:

22 231.03 (16) Lease to a participating health institution, participating
23 educational institution, participating nonprofit institution, or participating
24 research institution the project being financed or other health facilities, educational
25 facilities, nonprofit facilities, or research facilities conveyed to the authority in

1 connection with such financing, upon such terms and conditions as the authority
2 deems proper, and charge and collect rents therefor, and terminate any such lease
3 upon the failure of the lessee to comply with any of the obligations thereof; and
4 include in any such lease, if desired, provisions that the lessee thereof shall have
5 options to renew the term of the lease for such periods and at such rent as the
6 authority determines or to purchase all or any part of the health facilities,
7 educational facilities, nonprofit facilities, or research facilities or that, upon
8 payment of all of the indebtedness incurred by the authority for the financing of such
9 project or health facilities, educational facilities, nonprofit facilities, or research
10 facilities or for refunding outstanding indebtedness of a participating health
11 institution, participating educational institution, participating nonprofit
12 institution, or participating research institution, the authority may convey all or any
13 part of the project or such other health facilities, educational facilities, nonprofit
14 facilities, or research facilities to the lessees thereof with or without consideration.

15 **SECTION 23.** 231.03 (17) of the statutes is amended to read:

16 231.03 (17) Charge to and apportion among participating health institutions,
17 participating educational institutions, participating nonprofit institutions, and
18 participating research institutions its administrative costs and expenses incurred in
19 the exercise of the powers and duties conferred by this chapter.

20 **SECTION 24.** 231.03 (18) of the statutes is amended to read:

21 231.03 (18) Make studies of needed health facilities, educational facilities,
22 nonprofit facilities, and research facilities that could not sustain a loan were it made
23 under this chapter and recommend remedial action to the legislature; and do the
24 same with regard to any laws or rules that prevent health facilities, educational

1 facilities, nonprofit facilities, and research facilities from benefiting from this
2 chapter.

3 **SECTION 25.** 231.03 (19) of the statutes is amended to read:

4 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
5 United States or of this state or any private company, any insurance or guaranty
6 concerning the payment or repayment of, interest or principal, or both, or any part
7 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
8 the same, made or entered into under the provisions of this chapter; and
9 notwithstanding any other provisions of this chapter, to enter into any agreement,
10 contract, or other instrument with respect to that insurance or guaranty, to accept
11 payment in the manner and form provided therein in the event of default by a
12 participating health institution, participating educational institution, participating
13 nonprofit institution, or participating research institution, and to assign the
14 insurance or guaranty as security for the authority's bonds.

15 **SECTION 26.** 231.04 of the statutes is amended to read:

16 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
17 chapter shall be payable solely from funds provided under the authority of this
18 chapter, and no liability may be incurred by the authority beyond the extent to which
19 moneys have been provided under this chapter except that, for the purposes of
20 meeting the necessary expenses of initial organization and operation of the authority
21 for the period commencing on June 19, 1974 and continuing until such date as the
22 authority derives moneys from funds provided to it under the authority of this
23 chapter, the authority may borrow such moneys as it requires to supplement the
24 funds provided under s. 20.440. Such moneys borrowed by the authority shall
25 subsequently be charged to and apportioned among participating health

1 institutions, participating educational institutions, participating nonprofit
2 institutions, and participating research institutions in an equitable manner, and
3 repaid with appropriate interest over a reasonable period of time.

4 **SECTION 27.** 231.05 (1) of the statutes is amended to read:

5 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
6 assistance and alternative methods of financing to nonprofit ~~health institutions~~
7 entities to aid them in providing needed health services consistent with the state's
8 health plan, ~~to nonprofit educational institutions to aid them in providing needed~~
9 ~~educational services, and to nonprofit research institutions to aid them in providing~~
10 ~~needed research facilities, and other needed services and facilities in this state.~~

11 **SECTION 28.** 231.06 of the statutes is amended to read:

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

22 **SECTION 29.** 231.07 (1) (b) of the statutes is amended to read:

23 231.07 (1) (b) Convey to the participating health institution, participating
24 educational institution, participating nonprofit institution, or participating
25 research institution the authority's interest in the project and in any other health

1 facility, educational facility, nonprofit facility, or research facility leased, mortgaged,
2 or subject to a deed of trust or any other form of security arrangement to secure the
3 bond.

4 **SECTION 30.** 231.07 (2) (a) of the statutes is amended to read:

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

12 **SECTION 31.** 231.08 (5) of the statutes is amended to read:

13 231.08 (5) In addition to the other authorizations under this section, bonds of
14 the authority may be secured by a pooling of leases whereby the authority may assign
15 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
16 educational facilities, nonprofit facilities, or research facilities with 2 or more
17 participating health institutions, participating educational institutions,
18 participating nonprofit institutions, or participating research institutions, as lessees
19 respectively, upon such terms as may be provided for in bond resolutions of the
20 authority.

21 **SECTION 32.** 231.10 (1) of the statutes is amended to read:

22 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
23 and bonds are not a debt of the state. All notes and bonds of the authority shall
24 contain on the face thereof a statement to this effect. The issuance of bonds under
25 this chapter shall not, directly or indirectly or contingently, obligate the state or any

1 political subdivision thereof to levy any form of taxation therefor or to make any
2 appropriation for their payment. Nothing in this section prevents the authority from
3 pledging its full faith and credit or the full faith and credit of a participating health
4 institution, participating educational institution, participating nonprofit
5 institution, or participating research institution to the payment of bonds authorized
6 under this chapter.

7 SECTION 33. 231.12 of the statutes is amended to read:

8 **231.12 Studies and recommendations.** It is the intent and purpose of this
9 chapter that the exercise by the authority of the powers granted to it shall be in all
10 respects for the benefit of the people of this state to assist them to provide needed
11 health facilities, educational facilities, nonprofit facilities, and research facilities of
12 the number, size, type, distribution, and operation that will assure admission and
13 health care, education, or research opportunities, or other necessary services of high
14 quality to all who need it. The authority shall identify and study all projects which
15 are determined by health planning agencies to be needed, but which could not
16 sustain a loan were such to be made to it under this chapter. The authority shall
17 formulate and recommend to the legislature such amendments to this and other
18 laws, and such other specific measures as grants, loan guarantees, interest
19 subsidies, or other actions the state may provide which would render the
20 construction and operation of needed health facilities, educational facilities,
21 nonprofit facilities, and research facilities feasible and in the public interest. The
22 authority also shall identify and study any laws or rules which it finds handicaps or
23 bars a needed health facility, educational facility, nonprofit facility, or research
24 facility from participating in the benefits of this chapter, and recommend to the
25 legislature such actions as will remedy such situation.

1 **SECTION 34.** 231.13 (1) (intro.) of the statutes is amended to read:

2 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
3 revenues relating to the financing of, each project. The authority shall contract with
4 a participating health institution, participating educational institution,
5 participating nonprofit institution, or participating research institution for each
6 issuance of bonds. The contract shall provide that the rents or other revenues
7 payable by the health facility, educational facility, nonprofit facility, or research
8 facility shall be sufficient at all times to:

9 **SECTION 35.** 231.13 (2) of the statutes is amended to read:

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

1 **SECTION 36.** 231.16 (1) of the statutes is amended to read:

2 231.16 (1) The authority may issue bonds to refund any outstanding bond of
3 the authority or indebtedness that a participating health institution, participating
4 educational institution, participating nonprofit institution, or participating
5 research institution may have incurred for the construction or acquisition of a project
6 prior to or after April 30, 1980, including the payment of any redemption premium
7 on the outstanding bond or indebtedness and any interest accrued or to accrue to the
8 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all
9 or any part of the cost of constructing and acquiring additions, improvements,
10 extensions, or enlargements of a project or any portion of a project. Except for bonds
11 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this
12 section unless the authority has first entered into a new or amended agreement with
13 a participating health institution, participating educational institution,
14 participating nonprofit institution, or participating research institution to provide
15 sufficient revenues to pay the costs and other items described in s. 231.13.

16 **SECTION 37.** 231.20 of the statutes is amended to read:

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

1 institution, or participating research institution as its agent, call for construction
2 bids in such manner as is determined by the authority with the approval of the lessee.

3 **SECTION 38.** 231.23 of the statutes is amended to read:

4 **231.23 Nonprofit institutions.** It is intended that all nonprofit health
5 ~~institutions, educational institutions, and research institutions~~ entities in this state
6 be enabled to benefit from and participate in this chapter. To this end, all nonprofit
7 ~~health institutions, educational institutions, and research institutions~~ entities
8 operating, or authorized to be operated, under any law of this state may undertake
9 projects and utilize the capital financing sources and methods of repayment provided
10 by this chapter, the provisions of any other laws to the contrary notwithstanding.

11

(END)