DNOTE

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–1130/~~7~~ 8
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stays

DOA:.....Bong, BB0350 – Sale or lease of state–owned real property

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

changes pp. 7+17 only

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AN ACT ...; **relating to:** sale or lease of state–owned real property, contractual operation of state facilities, and management of state–owned heating, cooling, and power plants.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, with certain exceptions, DOA may sell or lease state–owned real property if DOA determines that the sale is in the best interest of the state and the Building Commission approves the sale. Any sale may be either on the basis of public bids, with DOA reserving the right to reject any bid in the interest of the state, or negotiated prices and need not reflect fair market value. Also currently, various state agencies have authority to sell real property under their jurisdiction subject to various conditions and limitations. The proceeds of any sales are deposited, credited, or used in various ways as provided by law. DOA's authority generally does not apply to property that another agency has authority to sell. Also, DOA's authority does not operate to permit the closure or sale of any facility or institution the operation of which is required by law. DOA's authority also does not extend to property under the jurisdiction of the Board of Regents of the University of Wisconsin System and certain property under the jurisdiction of DHS at the Northern Center for the Developmentally Disabled. Except as otherwise provided by law, any sale by DOA

may be with or without the approval of the state agency that has jurisdiction over the property. The net proceeds of any sale by DOA are used to retire any outstanding public debt that was incurred to acquire, construct, or improve the property and if the property was acquired, constructed, or improved with federal financial assistance, the proceeds must be used to repay the federal government to the extent required by federal law. If the property was acquired by gift or grant or with gift or grant funds, DOA must adhere to any restriction governing use of the proceeds. DOA must use any remaining net proceeds to retire other outstanding public debt.

Currently, with certain exceptions, the Building Commission may also sell state–owned real property where this authority is not given to another state agency by law, and may transfer land under its jurisdiction among agencies. Sales may be accomplished in a manner similar to the manner that sales are conducted by DOA, except that sales of surplus land having a value of at least $20,000 are subject to the approval of JCF. However, the Building Commission does not have the authority to sell a parcel of state–owned real property once DOA notifies the commission that an offer of sale or sale with respect to the parcel is pending. If a sale is not completed and no further action is pending with respect to a parcel of property, the authority of the Building Commission to sell the property is restored. The net proceeds of any sales by the Building Commission must be used to retire any public debt that was used to acquire or construct improvements on the property being sold. The remaining net proceeds must be deposited in the budget stabilization fund. Current law also directs the Building Commission to compile biennially and transmit to JCF an inventory of state–owned surplus land.

This bill permits DOA or the Building Commission to sell or lease any state–owned real property unless prohibited by the state or federal constitution or federal law, subject to the approval of the Building Commission. Under the bill, any sale may be either on the basis of public bids, with DOA or the commission reserving the right to reject any bid in the best interest of the state, or on the basis of negotiated prices as determined through a competitive or transparent process. The bill does not apply to sales conducted to enforce an obligation to this state. The bill retains most of the existing exemptions from DOA's sales authority but eliminates the current exemption of the Board of Regents of the University of Wisconsin System and DHS (with respect to the Northern Center) to sell or lease state–owned real property independently of DOA. Under the bill, if DOA or the Building Commission notifies the Board of Regents or DHS that an offer of sale, sale, or lease is pending with the respect to a parcel of property, the Board of Regents or DHS does not have authority to sell or lease that property. The bill eliminates the current exception that exempts sales that would necessitate the closure of a facility or institution which is provided for by law. However, the bill does not repeal any statutes that require the operation of any facilities or institutions. Under the bill, if DOA or the Building Commission sells all the real property that is currently used to operate a facility or institution, the facility or institution would need to continue in operation. Under the bill, except with respect to exempt property, if any agency has authority to sell or lease real property under any other law, the authority of that agency does not apply after DOA or the Building Commission notifies the agency in writing that an offer of sale or sale,

or a lease agreement, is pending with respect to the property. If the sale or lease is not completed and no further action is pending with respect to the property, the authority of the agency to sell or lease the property is restored. Under the bill, DOA and the Building Commission must first use the net proceeds of any sale or lease to retire any public debt that was used to finance the acquisition, construction, or improvement of the property that is sold. Thereafter, DOA and the Building Commission must use the net proceeds of any sale or lease to pay the costs of federal tax law compliance applicable to the debt. The bill directs DOA and the Building Commission to use the remaining net proceeds of any sale or lease, subject to current requirements, to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold and thereafter to pay the costs of federal tax law compliance applicable to the debt, and thereafter, retire other similar revenue obligations. Thereafter, DOA and the Building Commission are directed to use any remaining net proceeds to retire other outstanding public debt. If other outstanding public debt is redeemed, the bill specifies factors to consider in deciding which debt to redeem. The bill provides that if any property that is proposed to be sold by DOA or the Building Commission is co–owned by a nonstate entity, DOA or the commission must afford to the co–owner the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by DOA or the commission.

The bill also provides that if DOA sells or leases a state–owned heating, cooling, or power plant, DOA may contract for the operation of any function that is performed by the state on the property. Currently, DOA or any state agency to which DOA delegates authority may enter into a contractual services agreement if the services can be performed more economically or efficiently by contract than by the state directly. The bill provides that this requirement does not apply to contracts with purchasers or lessees entered into by DOA under the bill. The bill provides that if DOA or the Building Commission sells or leases any real property, or if DOA contracts with a purchaser or lessee for the operation of any real property, that was under the jurisdiction of another state agency prior to the sale, lease, or contract, the agency must convey all systems, fixtures, or additional property interests specified by DOA or the Building Commission to the purchaser or lessee of the property on the terms specified by DOA or the Building Commission. The bill also provides that if DOA or the Building Commission sells or leases, or if DOA contracts with a purchaser or lessee, for the operation of a state–owned heating, cooling, or power plant that is under the jurisdiction of a state agency, the agency must convey all real and personal property associated with the plant to the purchaser or lessee on terms specified by the Building Commission or DOA. In addition, the bill provides that if DOA sells, leases, or contracts with a purchaser or lessee for the operation of any facility that is operated by a state agency before the effective date of the sale, lease, or contract, DOA may decrease the authorized full–time equivalent positions for the agency and may lapse or transfer appropriated moneys from any appropriation made to the agency, other than a sum sufficient appropriation, an appropriation of program revenues to the Board of Regents of the University of Wisconsin System, or an

appropriation of segregated or federal revenues, to account for discontinuance of the operation of the facility by the agency.

Finally, the bill modifies the authority of the Building Commission to sell or lease state–owned buildings, structures, and land to parallel the authority of DOA under the bill so that the authority includes property under the jurisdiction of the Board of Regents of the University of Wisconsin System and is not generally limited by sales authority given to state agencies, and so that distribution of sales proceeds is accomplished in the same manner as proceeds of DOA's sales are distributed. The bill deletes the current limitation that certain sales of surplus land are subject to approval of JCF. The bill directs each state agency, no later than January 1, 2014, and biennially thereafter, to submit to DOA an inventory of all real property under its jurisdiction together with the estimated fair market value of each property. Each agency must specifically identify any underutilized assets in the inventory. Under the bill, no later than July 1 following receipt of the inventories, DOA must obtain appraisals of all properties in the inventory that are identified by DOA for potential sale and submit to the Building Commission an inventory containing a location, description, and fair market value of each property identified for potential sale.

Currently, DOA has charge of, operates, and maintains the state capitol power plant and any power plants serving the state office buildings. Under the bill, DOA has charge of, operates, and maintains any heating, cooling, and power plants not operated by another agency or by a purchaser, lessee, or contractor.

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

SECTION 1. 13.48 (2) (b) 3. of the statutes is amended to read:

13.48 **(2)** (b) 3. ~~The~~ Except as provided in sub. (14) (am), the building commission may lease space in buildings described under subd. 2. to other governmental bodies or to nonprofit associations organized for public purposes and shall charge those bodies or associations an annual rental which shall be not less than the cost of operating, maintaining and amortizing the construction cost of the leased space.

SECTION 2. 13.48 (14) (title) of the statutes is amended to read:

13.48 **(14)** (title) SALE OR LEASE OF ~~LANDS~~ PROPERTY.

SECTION 3. 13.48 (14) (a) of the statutes is amended to read:

13.48 **(14)** (a) In this subsection, "agency" has the meaning given ~~for "state agency" in s. 20.001 (1), except that the term does not include the Board of Regents of the University of Wisconsin System~~ in s. 16.52 (7).

SECTION 4. 13.48 (14) (am) of the statutes is amended to read:

13.48 **(14)** (am) Except as provided in this paragraph ~~and subject to par. (d)~~, the building commission shall have the authority to sell or lease all or any part of ~~a~~ state–owned ~~building or structure or state–owned land, including farmland, where such authority is not otherwise provided to an agency by law~~ real property unless the sale or lease is prohibited under the state or federal constitution or federal law or the sale is conducted as a part of a procedure to enforce an obligation to this state, and may transfer ~~land~~ real property under its jurisdiction among agencies. The commission may sell or lease property under this paragraph with or without the approval of the agency having jurisdiction over the property and regardless of whether the property is included in an inventory submitted under par. (d). The building commission does not have the authority to sell or lease any state–owned real property under this paragraph after the department of administration notifies the commission in writing that an offer of sale or sale or lease agreement with respect to a property is pending under s. 16.848 (1). If the sale or lease is not completed and no further action is pending with respect to the property, the authority of the building commission under this paragraph is restored. Except with respect to property identified in s. 16.848 (2), if any agency has authority to sell or lease real property under any other law, the authority of that agency does not apply after the commission notifies the agency in writing that an offer of sale or sale, or a lease agreement, is pending with respect to the property under this paragraph. If the sale or lease is not completed and no further action is pending with respect to the property, the authority

of the agency to sell or lease the property is restored. If the commission sells or leases any state–owned real property under this subsection, the commission may attach such conditions to the sale or lease as it finds to be necessary or appropriate to carry out the sale or lease in the best interest of the state. This paragraph does not apply to real property that is exempted from sale or lease by the department of administration under s. 16.848.

SECTION 5. 13.48 (14) (b) of the statutes is amended to read:

13.48 **(14)** (b) ~~Subject to par. (d), the~~ The building commission shall sell ~~or lease~~ on the basis of either public bids, with the building commission reserving the right to reject any or all bids in the best interest of the state, or on the basis of negotiated prices as determined through a competitive or transparent process. Buildings, structures and land mentioned in this subsection shall be subject to general property taxes levied by those taxing bodies within whose area they lie if used for commercial purposes, and shall be subject to special assessments for public improvements in the same manner and to the same extent as privately owned ~~buildings, structures and land~~ real property, subject to approval of the building commission when required under s. 66.0703 (6).

SECTION 6. 13.48 (14) (bg) of the statutes is created to read:

13.48 **(14)** (bg) If any property that is proposed to be sold by the commission under par. (am) is co–owned by a nonstate entity, the commission shall afford to that entity the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by the commission.

SECTION 7. 13.48 (14) (br) of the statutes is created to read:

13.48 **(14)** (br) If the building commission sells or leases any real property under par. (am) that was under the jurisdiction of an agency prior to the sale or lease,

the agency shall convey all systems, fixtures, or additional property interests specified by the commission to the purchaser or lessee of the property on terms specified by the commission. If the commission sells or leases a state–owned heating, cooling, or power plant that is under the jurisdiction of an agency, the agency shall convey all real and personal property associated with the plant to the purchaser or lessee on terms specified by the commission.

SECTION 8. 13.48 (14) (c) of the statutes is renumbered 13.48 (14) (c) (intro.) and amended to read:

13.48 **(14)** (c) (intro.) ~~If~~ Except as provided in par. (e), if there is any outstanding public debt used to finance the acquisition ~~of a building, structure or land or the,~~ construction, or improvement of ~~a building or structure~~ any property that is sold or leased under par. ~~(b)~~ (am), the building commission shall deposit a sufficient amount of the net proceeds from the sale or lease of the ~~building, structure or land~~ property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of that debt.

~~Except as provided in s. 51.06 (6), if~~ If there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under par. (am), the building commission shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the debt. If the property was acquired, constructed, or improved with federal financial assistance, the commission shall pay to the federal government any of the proceeds required by federal law. If the property was acquired by gift or grant or with gift or grant funds, the commission shall adhere to any restriction governing use of the proceeds. Except as required under par. (e) and ss. 20.395 (9) (qd) and 51.06 (6), if there is no such debt

outstanding, ~~or,~~ there are no moneys payable to the federal government, and there is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to ~~repay that principal and pay that interest and premium~~ be deposited, paid, or used for another purpose under this subsection, the building commission shall ~~deposit~~ use the net proceeds or remaining net proceeds ~~in the budget stabilization fund.~~ to pay principal and interest costs on other outstanding public debt. For the purpose of paying principal and interest costs on other outstanding public debt under this paragraph, the commission may cause outstanding bonds to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem bonds at their optional redemption date, or purchase bonds in the open market. To the extent practical, the commission shall consider all of the following in determining which public debt to redeem:

SECTION 9. 13.48 (14) (c) 1. to 4. of the statutes are created to read:

13.48 **(14)** (c) 1. To the extent that debt service on the property being sold or leased was paid from a segregated fund, other outstanding public debt related to that segregated fund should be redeemed.

2. The extent to which general obligation debt that was issued to acquire, build, or improve the property being sold or leased is subject to current optional redemption, would require establishment of an escrow, or could be assigned for accounting purposes to another statutory bond purpose.

3. The fiscal benefit of redeeming outstanding debt with higher interest costs.

4. The costs of maintaining federal tax law compliance in the selection of general obligation debt to be redeemed.

SECTION 10. 13.48 (14) (cm) of the statutes is created to read:

13.48 **(14)** (cm) If there are any outstanding revenue obligations, issued pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or improvement of any property that is sold or leased under par. (am), the commission shall deposit a sufficient amount of the net proceeds from the sale or lease of the property in the respective redemption fund provided under s. 18.561 (5) or 18.562 (3) to repay the principal and pay the interest on the revenue obligations, and any premium due upon refunding any of the revenue obligations. If there are any outstanding revenue obligations, issued pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or improvement of any property that is sold or leased under par. (am), the commission shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the revenue obligations. For the purpose of paying principal and interest costs on other outstanding revenue obligations, the commission may cause outstanding revenue obligations to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem obligations at their optional redemption date, or purchase bonds on the open market. Except as required under par. (e) and ss. 20.395 (9) (qd) and 51.06 (6), if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this paragraph, the department shall used the net proceeds or the remaining net proceeds to pay principal and interest costs on other similar revenue obligations.

SECTION 11. 13.48 (14) (d) 1. of the statutes is repealed.

SECTION 12. 13.48 (14) (d) 2. of the statutes is renumbered 13.48 (14) (d) and amended to read:

13.48 **(14)** (d) Biennially, beginning on January 1, ~~1984, each agency having surplus land~~ 2014, each agency shall submit to the department of administration an inventory of all real property under its jurisdiction together with the estimated fair market value of each property. The agency shall specifically identify any under utilized assets in the inventory. No later than July 1 following receipt of the inventories, the department of administration shall obtain appraisals of all properties in the inventories that are identified by the department for potential sale and shall submit to the building commission ~~and the joint committee on finance~~ an inventory containing the location, description and fair market value of each parcel of ~~surplus land~~ property identified for potential sale.

SECTION 13. 13.48 (14) (d) 3. of the statutes is repealed.

SECTION 14. 13.48 (14) (d) 4. of the statutes is repealed.

SECTION 15. 13.48 (20) of the statutes is amended to read:

13.48 **(20)** RESIDENCE HALLS. ~~The~~ Except as provided in sub. (14) (am), the building commission may approve the sale or lease of state–owned residence halls by the board of regents of the University of Wisconsin System to another state agency or a nonstate nonprofit agency for purposes provided in s. 36.11 (1) (e).

SECTION 16. 13.48 (22) of the statutes is amended to read:

13.48 **(22)** SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may lease or resell lands acquired in the capitol planning area for public or private redevelopment and may set such conditions of sale or lease as it deems necessary to ensure development compatible with the needs of the community and the state. This subsection does not apply to lands that are authorized to be sold or leased under s. 16.848 while an offer of sale, sale, or lease agreement is pending or while the lands are leased.

SECTION 17. 13.48 (23) of the statutes is amended to read:

13.48 **(23)** LEASE OF SPACE FOR COMMERCIAL USE. ~~The~~ Except as provided in sub. (14) (am), the building commission may lease space in state office buildings for commercial use, including without limitation because of enumeration, retail, service and office uses. In doing so the building commission shall consider the cost and fair market value of the space as well as the desirability of the proposed use. Such leases may be negotiated or awarded by competitive bid procedures. All such leases of space in state office buildings shall provide for payments in lieu of property taxes.

SECTION 18. 13.482 (2) (a) of the statutes is amended to read:

13.482 **(2)** (a) For the purpose of providing housing for state departments and agencies, including housing for state offices and the completion of the state office building, and to enable the construction, financing and ultimate acquisition thereof by the state, the building commission may acquire any necessary lands, and, subject to s. 13.48 (14) (am), lease and re–lease any lands owned by the state and available for the purpose to the Wisconsin State Public Building Corporation or other nonstock corporation organized under ch. 181 that is a nonprofit corporation, as defined in s. 181.0103 (17). The lease and re–lease shall be for a term or terms not exceeding 50 years each and shall be made on the condition that such corporation shall construct and provide on such leased lands such building projects, including buildings, improvements, facilities or equipment or other capital items, as the building commission requires, and shall re–lease the same to the building commission upon satisfactory terms as to the rental, maintenance and ultimate acquisition by the state as is in its best interests in the judgment of the building commission. After such leases and re–leases are executed and until the projects are acquired by the state, they shall be operated by the building commission through the department of

administration, which shall have charge of such property as provided in ss. 16.85 and 16.8511. The building commission shall operate the projects in such manner as to provide revenues therefrom sufficient to pay the costs of operation and maintenance of the project and to provide for the payments due the Wisconsin State Public Building Corporation or other nonstock, nonprofit corporation but if the building commission finds and declares that the housing available in any such project is in excess of the current housing needs or requirements of the state departments and agencies occupying or availing themselves of the space in or capacity of such project, the building commission need not operate such project in a manner to provide revenues therefrom sufficient to pay the costs of operation and maintenance of the project and to provide for the rental payments due the Wisconsin State Public Building Corporation or other nonstock, nonprofit corporation.

SECTION 19. 13.488 (1) (a) of the statutes is amended to read:

13.488 **(1)** (a) Without limitation by reason of any other statutes except s. 13.48 (14) (am), the power to sell and to convey title in fee simple to a nonprofit–sharing corporation any land and any existing buildings thereon owned by the state for such consideration and upon such terms and conditions as in the judgment of the building commission are in the public interest.

SECTION 20. 13.488 (1) (b) of the statutes is amended to read:

13.488 **(1)** (b) ~~The~~ Except as provided in s. 13.48 (14) (am), the power to lease to a nonprofit–sharing corporation for terms not exceeding 50 years each any land and existing buildings thereon owned by the state upon such terms, conditions and rentals as in the judgment of the building commission are in the public interest.

SECTION 21. 16.310 (5) of the statutes is amended to read:

16.310 **(5)** NONAPPLICATION. This section does not apply to property that is authorized to be sold ~~under~~ or leased or property that is operated under contract as provided in s. 16.848 while an offer of sale, sale, or lease agreement is pending or while the property is leased or under contractual operation.

SECTION 22. 16.84 (1) of the statutes is amended to read:

16.84 **(1)** Have charge of, operate, maintain and keep in repair the state capitol building, the executive residence, ~~the light, heat and power plant,~~ any heating, cooling, and power plants serving state properties that are not operated by an agency, as defined in s. 16.52 (7), or by a purchaser, lessee, or contractor under s. 13.48 (14) or 16.848 (1), the state office buildings and their power plants, the grounds connected therewith, and such other state properties as are designated by law. All costs of such operation and maintenance shall be paid from the appropriations under s. 20.505 (5) (ka) and (kb), except for debt service costs paid under s. 20.866 (1) (u). The department shall transfer moneys from the appropriation under s. 20.505 (5) (ka) to the appropriation account under s. 20.505 (5) (kc) sufficient to make principal and interest payments on state facilities and payments to the United States under s. 13.488 (1) (m).

SECTION 23. 16.848 (title) of the statutes is amended to read:

16.848 (title) **Sale, lease, or contractual operation of ~~certain~~ state property or facilities.**

SECTION 24. 16.848 (1) of the statutes is amended to read:

16.848 **(1)** Except as provided in sub. (2), the department may offer for sale or lease any state–owned real property, if the department determines that the sale or lease is in the best interest of the state, unless prohibited under the state or federal constitution or federal law or the sale is conducted as a part of a procedure to enforce

an obligation to this state. Any sale may be either on the basis of public bids, with the department reserving the right to reject any bid in the best interest of the state, or on the basis of negotiated prices as determined through a competitive or transparent process. If the department receives an offer to purchase property offered under this subsection, the department may submit a report to the building commission recommending acceptance of the offer. The report shall contain a description of the property and the reasons for the recommendation. The department may recommend the sale of ~~a parcel of~~ property with or without the approval of the agency, as defined in s. 16.52 (7), having jurisdiction ~~of~~ over the property and regardless of whether the property is included in an inventory submitted under s. 13.48 (14) (d). If the building commission approves the proposed sale, the department may sell the property. Except with respect to property identified in sub. (2), if any agency, as defined in s. 16.52 (7), has authority to sell or lease real property under any other law, the authority of that agency does not apply after the department notifies the agency in writing that an offer of sale or sale, or a lease agreement, is pending with respect to the property under this subsection. If the sale or lease is not completed and no further action is pending with respect to the property, the authority of the agency to sell or lease the property is restored. If the department sells or leases any state–owned real property under this subsection, the department may attach such conditions to the sale or lease as it finds to be necessary or appropriate to carry out the sale or lease in the best interest of the state. If the department sells or leases a state–owned heating, cooling, or power plant under this subsection, the department may contract with the purchaser or lessee for the operation of the plant.

SECTION 25. 16.848 (1e) of the statutes is created to read:

16.848 **(1e)** If the department sells, leases, or contracts with a purchaser or lessee for the operation of any real property under sub. (1) that was under the jurisdiction of an agency, as defined in s. 16.52 (7), prior to the sale, lease, or contract, the agency shall convey all systems, fixtures, or additional property interests specified by the department to the purchaser or lessee of the property on terms specified by the department. If the department sells, leases, or contracts with a purchaser or lessee for the operation of a state–owned heating, cooling, or power plant that is under the jurisdiction of an agency, as defined in s. 16.52 (7), the agency shall convey all real and personal property associated with the plant to the purchaser or lessee on terms specified by the department.

SECTION 26. 16.848 (1m) of the statutes is created to read:

16.848 **(1m)** If any property that is proposed to be sold by the department under sub. (1) is co–owned by a nonstate entity, the department shall afford to that entity the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by the department.

SECTION 27. 16.848 (1s) of the statutes is created to read:

16.848 **(1s)** (a) If the department sells, leases, or contracts with a purchaser or lessee for the operation of any facility under sub. (1) that is operated by an agency, as defined in s. 16.52 (7), on the day prior to the effective date of the sale, lease, or contract, the secretary shall, notwithstanding s. 16.50 (1), require submission of expenditure estimates for approval under s. 16.50 (2) for each agency that proposes to expend moneys from any appropriation for the operation of the facility during the fiscal biennium in which the facility is sold or leased or operated under contract.

(b) Notwithstanding s. 16.50 (2), the secretary shall disapprove any such estimate for the period during which the facility is not operated by the agency. The

secretary may then require the use of the amounts of any disapproved expenditure estimates for the purpose of purchase of contractual services from the facility or payment of the costs of purchasing services that were provided by the facility from an alternative source. If the department sells, leases, or contracts for the operation of a facility under this subsection, the secretary may identify any full–time equivalent positions authorized for the agency that was operating the facility the duties of which primarily relate to the management or operation of the facility, and may decrease the authorized full–time equivalent positions for the agency by the number of positions so identified effective on the effective date of the sale, lease, or contract.

(c) Notwithstanding s. 20.001 (3) (a) to (c), the secretary may lapse or transfer to the general fund from the unencumbered balance of appropriations to any agency, other than sum sufficient appropriations or appropriations of program revenues to the Board of Regents of the University of Wisconsin System or appropriations of segregated or federal revenues, any amount appropriated to an agency that is determined by the secretary to be allocated for the management or operation of the facility that was sold or leased or operated under contract effective on the effective date of the sale, lease, or contract.

(d) The secretary shall report any action taken under this subsection to the cochairpersons of the joint committee on finance.

SECTION 28. 16.848 (2) (a) of the statutes is repealed.

SECTION 29. 16.848 (2) (b) of the statutes is repealed.

SECTION 30. 16.848 (2) (gw) of the statutes is repealed.

SECTION 31. 16.848 (4) (a) of the statutes is amended to read:

16.848 **(4)** (a) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall deposit a sufficient amount of the net proceeds from the sale or lease of the property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of the debt. ~~Except as provided in s. 51.06 (6),~~ If there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the debt. If the property was acquired, constructed, or improved with federal financial assistance, the department shall pay to the federal government any of the net proceeds required by federal law. If the property was acquired by gift or grant or acquired with gift or grant funds, the department shall adhere to any restriction governing use of the proceeds. Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding, there are no moneys payable to the federal government, and there is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this ~~paragraph~~ subsection, the department shall use the net proceeds or remaining net proceeds to pay principal and interest costs on other outstanding public debt.

SECTION 32. 16.848 (4) (b) 1. of the statutes is repealed and recreated to read:

16.848 **(4)** (b) 1. To the extent that debt service on the property being sold or leased was paid from a segregated fund, other outstanding public debt related to that segregated fund should be redeemed.

SECTION 33. 16.848 (4) (b) 2. of the statutes is repealed.

SECTION 34. 16.848 (4) (b) 3. of the statutes is amended to read:

16.848 **(4)** (b) 3. The extent to which general obligation debt that was issued to acquire, build, or improve the property being sold or leased is subject to current optional redemption, would require establishment of an escrow, or could be assigned for accounting purposes to another statutory bond purpose.

SECTION 35. 16.848 (4) (b) 5. of the statutes is amended to read:

16.848 **(4)** (b) 5. The costs of maintaining federal tax law compliance in the selection of general obligation debt to be redeemed.

SECTION 36. 16.848 (4) (c) of the statutes is created to read:

16.848 **(4)** (c) If there are any outstanding revenue obligations, issued pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall deposit a sufficient amount of the net proceeds from the sale or lease of the property in the respective redemption fund provided under s. 18.561 (5) or 18.562 (3) to repay the principal and pay the interest on the revenue obligations, and any premium due upon refunding any of the revenue obligations. If there are any outstanding revenue obligations, issued pursuant to subch. II of ch. 18, used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the revenue obligations. For the purpose of paying principal and interest costs on other outstanding revenue obligations, the secretary may cause outstanding revenue obligations to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem

obligations at their optional redemption date, or purchase bonds on the open market. Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this paragraph, the department shall use the net proceeds or remaining net proceeds to pay principal and interest costs on other similar revenue obligations.

SECTION 37. 20.373 (1) (g) of the statutes is amended to read:

20.373 **(1)** (g) *Administration, operation, repair, and rehabilitation.* From the general fund, all moneys received from the sale of surplus land under 2005 Wisconsin Act 25, section 9105 (14q) except as provided in s. 13.48 (14) (am) or 16.848 (1), to be used for administration of the authority and the operation, repair, and rehabilitation of the Fox River lock system.

SECTION 38. 25.17 (8) of the statutes is amended to read:

25.17 **(8)** Accept, when necessary to protect a mortgage loan, a quitclaim deed or warranty deed to the mortgaged property in full satisfaction of the mortgage debt, and, subject to prior action under s. 13.48 (1) (am) or 16.848 (1), manage, operate, lease, exchange, sell and convey, by land contract, quitclaim deed or warranty deed, and grant easement rights in, any real property acquired by the board.

SECTION 39. 25.60 of the statutes is amended to read:

25.60 Budget stabilization fund. There is created a separate nonlapsible trust fund designated as the budget stabilization fund, consisting of moneys transferred to the fund from the general fund under ss. ~~13.48 (14) (e),~~ 16.518 (3)~~,~~ and 16.72 (4) (b).

SECTION 40. 36.09 (1) (L) of the statutes is amended to read:

36.09 **(1)** (L) The board shall possess all powers necessary or convenient for the operation of the system except as limited in this chapter and ss. 13,48 (14) (am) and 16.848 (1).

SECTION 41. 36.11 (1) (b) of the statutes is amended to read:

36.11 **(1)** (b) Except as provided in this paragraph and ss. 13.48 (14) (am) and 16.848 (1), the board may purchase, have custody of, hold, control, possess, lease, grant easements and enjoy any lands, buildings, books, records and all other property of any nature which may be necessary and required for the purposes, objects and uses of the system authorized by law. Any lease by the board is subject to the powers of the University of Wisconsin Hospitals and Clinics Authority under s. 233.03 (13) and the rights of the authority under any lease agreement, as defined in s. 233.01 (6). The board shall not permit a facility that would be privately owned or operated to be constructed on state–owned land without obtaining prior approval of the building commission under s. 13.48 (12). ~~The~~ Subject to prior action under s. 13.48 (14) (am) or 16. 848 (1), the board may sell or dispose of such property as provided by law, or any part thereof when in its judgment it is for the best interests of the system and the state. All purchases ~~and sales~~ of real property shall be subject to the approval of the building commission. The provision of all leases of real property to be occupied by the board shall be the responsibility of the department of administration under s. 16.84 (5).

SECTION 42. 36.11 (1) (e) of the statutes is amended to read:

36.11 **(1)** (e) ~~The~~ Subject to prior action under s. 13.48 (14) (am) or 16.848 (1), the board, with the approval of the building commission, may sell or lease state–owned residence halls to another state agency or nonstate nonprofit agency for purposes of alternate use.

SECTION 43. 36.11 (28) of the statutes is amended to read:

36.11 **(28)** LEASE AGREEMENT WITH THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY. Subject to 1995 Wisconsin Act 27, section 9159 (2) (k), and subject to any prior lease entered into under s. 13.48 (14) (am) or 16.848 (1), the board shall negotiate and enter into a lease agreement with the University of Wisconsin Hospitals and Clinics Authority that meets the requirements under s. 233.04 (7) and shall comply with s. 233.04 (7g).

SECTION 44. 36.33 (title) and (1) of the statutes are amended to read:

36.33 (title) **Sale or lease and relocation of agricultural lands.** **(1)** LEGISLATIVE INTENT. The legislature finds and determines that, because of the problems resulting from the development of the city of Madison around certain agricultural lands of the University of Wisconsin–Madison, the desirability of consolidating lands used for agricultural instruction, research and extension purposes, the desirability of disposing of agricultural lands no longer needed by the university and the need for land of better quality and of greater quantity for the purpose of improving and expanding agricultural research, it is in the public interest for the board to sell or lease, in whole or in part, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the agricultural lands and improvements thereon owned by the board and located in sections 19, 20 and 30, township 7 north, range 9 east, Dane County; sections 25 and 27, township 7 north, range 8 east, Dane County; sections 34 and 35, township 38 north, range 11 east, Oneida County; and section 22, township 22 north, range 8 east, Portage County; and to purchase other agricultural lands outside of the Madison urban area and to construct thereon the necessary buildings and improvements. The foregoing policy determination is made

without reference to or intention of limiting the powers which the board may otherwise have.

SECTION 45. 36.33 (2) (title) and (a) (intro.) of the statutes are amended to read:

36.33 **(2)** (title) METHOD OF SALE OR LEASE; ASSESSMENTS. (a) (intro.) ~~The~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the board, in selling or leasing any part of the agricultural lands and improvements thereon, mentioned in sub. (1), shall sell or lease on the basis of either of the following:

SECTION 46. 36.33 (3) of the statutes is amended to read:

36.33 **(3)** BUILDING COMMISSION APPROVAL. The sale, lease and purchase of agricultural lands mentioned in sub. (1) is subject to prior action under s. 13.48 (14) (am) or 16.848 (1) and shall be subject to the approval of the building commission.

SECTION 47. 41.23 of the statutes is amended to read:

41.23 Sale of excess or surplus property. The department may acquire excess or surplus property from the department of administration under ss. 16.72 (4) (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may sell the property acquired under this section to any person at a price determined by the department of tourism. All proceeds received by the department of tourism from the sale of property under this section shall be credited to the appropriation account under s. 20.380 (1) (h).

SECTION 48. 41.41 (7) (b) of the statutes is amended to read:

41.41 **(7)** (b) ~~Lease~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), lease land that is part of the Kickapoo valley reserve to any person for purposes consistent with the management of the reserve under sub. (3), or for agricultural purposes, and lease other land that is acquired by the board for any lawful purpose.

SECTION 49. 44.015 (1) of the statutes is amended to read:

44.015 **(1)** Acquire any interest in real or personal property by gift, bequest or otherwise in any amount and, subject to prior action under s. 13.48 (14) (am) or 16.848 (1), may operate, manage, sell, or rent ~~or convey~~ real estate acquired by gift, bequest, foreclosure or other means, upon such terms and conditions as the board of curators deems for its interests but may not sell, mortgage, transfer or dispose of in any manner or remove from its buildings, except for temporary purposes, any article therein without authority of law.

SECTION 50. 45.03 (5) (c) 1. a. of the statutes is amended to read:

45.03 **(5)** (c) 1. a. Without limitation by reason of any other provisions of the statutes except ~~s.~~ ss. 13.48 (14) (am) and 16.848 (1), unless otherwise required by law, the power to sell and to convey title in fee simple to a nonprofit corporation any land and any existing buildings owned by the state that are under the jurisdiction of the department for the consideration and upon the terms and conditions as in the judgment of the board are in the public interest.

SECTION 51. 46.03 (30) (a) of the statutes is amended to read:

46.03 **(30)** (a) To provide for an orderly reduction of state institutional primary psychiatric services the department may approve the institutes entering into contracts with county departments under s. 51.42 for providing primary psychiatric care. If excess capacity exists at state operated mental health institutes, the department shall, subject to ~~s.~~ ss. 13.48 (14) (am) and 16.848 (1), explore the possible sale or lease of such excess facilities to a county department under s. 51.42.

SECTION 52. 46.035 (2) (a) of the statutes is amended to read:

46.035 **(2)** (a) Without limitation by reason of any other provisions of the statutes except ~~s.~~ ss. 13.48 (14) (am) and 16.848 (1), the power to sell and to convey

title in fee simple to a nonprofit corporation any land and any existing buildings thereon owned by, or owned by the state and held for, the department or of any of the institutions under the jurisdiction of the department for such consideration and upon such terms and conditions as in the judgment of the secretary are in the public interest.

SECTION 53. 46.06 (4) of the statutes is amended to read:

46.06 **(4)** SALES. The department may, with the approval of the building commission, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), sell and convey such lands under the jurisdiction of the department as the secretary deems to be in excess of the present or future requirements of the department for either the operation of its facilities or programs, for the maintenance of buffer zones adjacent to its facilities or for other public purposes. The proceeds of such sales are subject to s. 13.48 (14) (c).

SECTION 54. 51.06 (6) of the statutes is amended to read:

51.06 **(6)** SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE DEVELOPMENTALLY DISABLED. The department may maintain the Northern Center for the Developmentally Disabled for the purpose specified in sub. (1), but may sell assets or real property, of the Northern Center for the Developmentally Disabled, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1). If there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold under this subsection, the department shall deposit a sufficient amount of the net proceeds from the sale of the property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of the debt. If the property was purchased with federal financial assistance, the department shall pay

to the federal government any of the net proceeds required by federal law. If there is no such debt outstanding and there are no moneys payable to the federal government, or if the net proceeds exceed the amount required to be deposited or paid under this subsection, the department shall credit the net proceeds or remaining net proceeds to the appropriation account under s. 20.435 (2) (gk).

SECTION 55. 84.01 (30) (g) 3. of the statutes is amended to read:

84.01 **(30)** (g) 3. Notwithstanding any other statute except ss. 13.48 (14) (am) and 16.848 (1), the department may sell, at the appraised value, the real estate upon which a park–and–ride facility is or may be located, if the department determines that the sale is in the best interests of the public and the department determines that the real estate will be used in a manner consistent with the state's transportation interests.

SECTION 56. 84.09 (1) of the statutes is amended to read:

84.09 **(1)** The department may acquire by gift, devise, purchase or condemnation any lands for establishing, laying out, widening, enlarging, extending, constructing, reconstructing, improving and maintaining highways and other transportation related facilities, or interests in lands in and about and along and leading to any or all of the same; and after establishment, layout and completion of such improvements, the department may, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), convey such lands thus acquired and not necessary for such improvements, with reservations concerning the future use and occupation of such lands so as to protect such public works and improvements and their environs and to preserve the view, appearance, light, air and usefulness of such public works. Whenever the department deems it necessary to acquire any such lands or interests therein for any transportation related purpose, it shall so order and in such order or

on a map or plat show the old and new locations and the lands and interests required, and shall file a copy of the order and map with the county clerk and county highway committee of each county in which such lands or interests are required or, in lieu of filing a copy of the order and map, may file or record a plat in accordance with s. 84.095. For the purposes of this section the department may acquire private or public lands or interests in such lands. When so provided in the department's order, such land shall be acquired in fee simple. Unless it elects to proceed under sub. (3), the department shall endeavor to obtain easements or title in fee simple by conveyance of the lands or interests required at a price, including any damages, deemed reasonable by the department. The instrument of conveyance shall name the state as grantee and shall be recorded in the office of the register of deeds. The purchase or acquisition of lands or interests therein under this section is excepted and exempt from s. 20.914 (1). The department may purchase or accept donations of remnants of tracts or parcels of land existing at the time or after it has acquired portions of such tracts or parcels by purchase or condemnation for transportation purposes where in the judgment of the department such action would assist in making whole the landowner, a part of whose lands have been taken for transportation purposes and would serve to minimize the overall costs of such taking by the public. ~~This subsection does not apply to lands that are sold under s. 16.848.~~

SECTION 57. 84.09 (5) (a) of the statutes is amended to read:

84.09 **(5)** (a) Subject to pars. (b) and (c) and any prior action under s. 13.48 (14) (am) or 16.848 (1), and subject to the approval of the governor, the department may sell at public or private sale property of whatever nature owned by the state and under the jurisdiction of the department when the department determines that the property is no longer necessary for the state's use for transportation purposes and,

if real property, the real property is not the subject of a petition under s. 16.310 (2). The department shall present to the governor a full and complete report of the property to be sold, the reason for the sale, and the minimum price for which the same should be sold, together with an application for the governor's approval of the sale. The governor shall thereupon make such investigation as he or she may deem necessary and approve or disapprove the application. Upon such approval and receipt of the full purchase price, the department shall by appropriate deed or other instrument transfer the property to the purchaser. The approval of the governor is not required for public or private sale of property having an appraised value at the time of sale of not more than $15,000, for the transfer of surplus state real property to the department of administration under s. 16.310, or for the transfer of surplus state personal property to the department of tourism under sub. (5s). The funds derived from sales under this subsection shall be deposited in the transportation fund, and the expense incurred by the department in connection with the sale shall be paid from such fund.

SECTION 58. 84.09 (5) (c) 1. (intro.) of the statutes is amended to read:

84.09 **(5)** (c) 1. (intro.) ~~Prior~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), prior to conducting a public sale on a generally marketable surplus land parcel under par. (b), the department shall contact the county, municipality, and the local school district where the land parcel is located and the department of natural resources to solicit interest in acquiring the parcel for public use. Upon notification from the department, the county, municipality, local school district, and department of natural resources must respond to the department, stating their interest in the land for public use, within 60 days. Failure to respond within 60 days constitutes noninterest in the land parcel.

SECTION 59. 84.09 (5) (c) 2. (intro.) of the statutes is amended to read:

84.09 **(5)** (c) 2. (intro.) Except as provided in subd. 2m. and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), if a county, a municipality, a local school district, or the department of natural resources expresses interest in acquiring the land for public use, the department shall offer the county, municipality, local school district, or department of natural resources the property at its appraised value if all of the following are true:

SECTION 60. 84.09 (5) (c) 2m. (intro.) of the statutes is amended to read:

84.09 **(5)** (c) 2m. (intro.) If a county, municipality, or a local school district expresses interest in acquiring the land for public use related to transportation or infrastructure, the department may, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), offer the county, municipality, or the local school district the property, for less than the appraised value of the property, if all of the following are true:

SECTION 61. 84.09 (5m) of the statutes is amended to read:

84.09 **(5m)** Subject to the approval of the governor in the manner, scope, and form provided by sub. (5) (a), and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may convey lands or interests therein acquired pursuant to this section and improvements installed thereon to municipalities within whose limits such lands or interests therein are located. The conveyance of said lands or interests therein and improvements shall restrict the use of the premises by the municipality to the uses for which they were acquired, except that said lands or interests therein declared by the department to be excess may be so conveyed without restrictions as to use. This subsection shall apply only to the sale of property acquired by the department for a project that is completed before May 25,

2006. The department may sell property that is acquired by the department for a project that is completed after May 25, 2006, to a municipality under sub. (5) (c), as applicable.

SECTION 62. 84.09 (6) of the statutes is amended to read:

84.09 **(6)** ~~Lands~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), lands held by any other state department or independent agency may, with the approval of the governor, be conveyed to the department in the manner prescribed by statute and, if none is prescribed, then by a conveyance authorized by appropriate order or resolution of the head of the department or independent agency concerned.

SECTION 63. 84.09 (9) of the statutes is repealed.

SECTION 64. 84.40 (2) (a) of the statutes is amended to read:

84.40 **(2)** (a) ~~May~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), may sell and convey to a nonprofit–sharing corporation any public right–of–way available for highway purposes and any existing highways or other improvements thereon owned by the state or under the jurisdiction of the department for such consideration and upon such terms and conditions as the department deems in the public interest.

SECTION 65. 85.09 (2) (a) of the statutes is amended to read:

85.09 **(2)** (a) The department of transportation shall have the first right to acquire, for present or future transportational or recreational purposes, any property used in operating a railroad or railway, including land and rails, ties, switches, trestles, bridges, and the like located on that property, that has been abandoned. The department of transportation may, in connection with abandoned rail property, assign this right to a state agency, the board of regents of the University of Wisconsin System, any county or municipality, or any transit commission.

Acquisition by the department of transportation may be by gift, purchase, or condemnation in accordance with the procedure under s. 32.05. In addition to its property management authority under s. 85.15, the department of transportation may, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), lease and collect rents and fees for any use of rail property pending discharge of the department's duty to convey property that is not necessary for a public purpose. No person owning abandoned rail property, including any person to whom ownership reverts upon abandonment, may convey or dispose of any abandoned rail property without first obtaining a written release from the department of transportation indicating that the first right of acquisition under this subsection will not be exercised or assigned. No railroad or railway may convey any rail property prior to abandonment if the rail property is part of a rail line shown on the railroad's system map as in the process of abandonment, expected to be abandoned, or under study for possible abandonment unless the conveyance or disposal is for the purpose of providing continued rail service under another company or agency. Any conveyance made without obtaining such release is void. The first right of acquisition of the department of transportation under this subsection does not apply to any rail property declared by the department to be abandoned before January 1, 1977. The department of transportation may acquire any abandoned rail property under this section regardless of the date of its abandonment.

SECTION 66. 85.09 (4) of the statutes is amended to read:

85.09 **(4)** ACQUISITION AND CONVEYANCE. Upon its own initiative, the department may determine at any time whether the rail property is abandoned, and whether it is in the best interest of the state to acquire the rail property. Within 90 days after being requested by any state agency, any railroad or any county or municipality in

which the rail property is located, the department shall, subject to sub. (5) (b), make a determination of the abandonment status and, if found to be abandoned, shall determine whether it is in the best interest of the public to acquire the rail property. If it is determined to acquire the rail property or any part or interest therein, the department shall, within 180 days of the determination of its abandoned status, or the interstate commerce commission's final order permitting the abandonment, or the termination of any efforts to negotiate an agreement for continual operation of rail service on the line, whichever occurs last, determine the fair market value of the rail property and acquire the rail property at a price deemed reasonable by the department or make a relocation order under s. 32.05. In making its determination, the department shall consider long–range potential for use of the rail property for restoration of railroad service and for other transportation related purposes. The department shall solicit the opinions of appropriate state agencies, affected counties and municipalities and other interested persons. The department shall give due consideration to an expressed desire by a state agency or an affected county or municipality to acquire, in whole or in part, the rail property under consideration. Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1) and subject to sub. (6), all or part of any interest in abandoned rail property acquired by the department under this section or under s. 66.941 (7), 1975 stats., may be subsequently conveyed to another state agency or a county or municipality for transportational purposes, recreational purposes, scenic purposes or for the purpose of constructing a correctional institution, or to a railroad for continued railroad transportation operations when the railroad has operated on the rail property for 5 years and the department may make such conveyances for such purposes. Any determination of the department under this section that rail property is not abandoned shall not

preclude the undertaking of a subsequent investigation and determination concerning the same rail property or any portion thereof. If at any time subsequent to the acquisition of rail property under this section the department determines that the rail property is not suitable for transportational purposes, recreational purposes, scenic purposes or for the purpose of constructing a correctional institution, or that the rail property or any interest therein may be conveyed to any other person on terms which are not inconsistent with the potential use of the rail property for transportational purposes, recreational purposes, scenic purposes or for the purpose of constructing a correctional institution or which yield a benefit, including financial benefits, to the state which outweighs the benefit derived from the rail property if used for transportational purposes, recreational purposes, scenic purposes or for the purpose of constructing a correctional institution, the department may convey the rail property or such interest therein, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1) and subject to sub. (6). The department shall give notice of its intention to make the conveyance, and state and local units of government shall have the first 6 months in which to exercise their opportunity to acquire the rail property or interest therein. The railroad from which the rail property was acquired shall have the next 6 months in which to exercise its opportunity to reacquire the rail property or interest therein.

SECTION 67. 85.09 (4i) of the statutes is amended to read:

85.09 **(4i)** DISPOSAL OF RAIL PROPERTY. The department, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), shall sell at public or private sale rail property acquired under sub. (4) when the department determines that the rail property is not necessary for a public purpose and, if real property, the real property is not the subject of a petition under s. 16.310 (2). Upon receipt of the full purchase

price, the department shall, by appropriate ~~deed or other~~ instrument, transfer the rail property to the purchaser. The funds derived from sales under this subsection shall be deposited in the transportation fund, and the expense incurred by the department in connection with the sale shall be paid from the appropriation under s. 20.395 (2) (bq). ~~This subsection does not apply to real property that is sold under s. 16.848.~~

SECTION 68. 85.15 (1) of the statutes is amended to read:

85.15 **(1)** ~~The~~ Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may improve, use, maintain or lease any property acquired for highway, airport or any other transportation purpose until the property is actually needed for any such purpose and may permit use of the property for purposes and upon such terms and conditions as the department deems in the public interest.

SECTION 69. 108.161 (7) of the statutes is amended to read:

108.161 **(7)** If any moneys appropriated hereunder are used to buy and hold suitable land, with a view to the future construction of an employment security building thereon, and if such land is later sold or transferred to other use, the proceeds of such sale (or the value of such land when transferred) shall be credited to the account created by sub. (1) except as otherwise provided in s. 13.48 (14) and 16.848.

SECTION 70. 108.161 (9) of the statutes is amended to read:

108.161 **(9)** Any land and building or office quarters acquired under this section shall continue to be used for employment security purposes. Realty or quarters may not be sold or transferred to other use if prior action is taken under s. 13.48 (14) (am) or 16.848 (1) and may not be sold or transferred without the governor's approval. The proceeds from the sale, or the value of realty or quarters upon transfer, shall be

credited to the account established in sub. (1) or credited to the fund established in s. 108.20, or both in accordance with federal requirements. Equivalent substitute rent–free quarters may be provided, as federally approved. Amounts credited under this subsection shall be used solely to finance employment security quarters according to federal requirements.

SECTION 71. 114.33 (6) (a) of the statutes is amended to read:

114.33 **(6)** (a) For the purposes of carrying out this section and ss. 114.35 and 114.37, the secretary may acquire by gift, devise, purchase or condemnation any lands for establishing, protecting, laying out, enlarging, extending, constructing, reconstructing, improving and maintaining airports, or interests in lands in and about airports. After completion of the improvements, subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the secretary may convey as provided in this subsection lands that were acquired under this subsection, but were not necessary for the airport improvements. The conveyances may be made with reservations concerning the future use and occupation of those lands so as to protect the airports and improvements and their environs and to preserve the view, appearance, light, air and usefulness of the airports.

SECTION 72. 114.33 (10) of the statutes is amended to read:

114.33 **(10)** Subject to the approval of the governor under this subsection and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the secretary may sell at public or private sale property of whatever nature owned by the state and under the jurisdiction of the secretary when the secretary determines that the property is no longer necessary for the state's use for airport purposes and, if real property, the real property is not the subject of a petition under s. 16.310. The secretary shall present to the governor a full and complete report of the property to

be sold, the reason for the sale, and the minimum price for which the property should be sold, together with an application for the governor's approval of the sale. The governor shall investigate the proposed sale as he or she deems necessary and approve or disapprove the application. Upon approval and receipt of the full purchase price, the secretary shall by appropriate deed or other instrument transfer the property to the purchaser. The funds derived from the sale shall be deposited in the appropriate airport fund, and the expense incurred by the secretary in connection with the sale shall be paid from that fund. ~~This subsection does not apply to real property that is sold under s. 16.848.~~

SECTION 73. 301.235 (2) (a) 1. of the statutes is amended to read:

301.235 **(2)** (a) 1. Without limitation by reason of any other statute except ~~s.~~ ss. 13.48 (14) (am) and 16.848 (1), the power to sell and to convey title in fee simple to a nonprofit corporation any land and any existing buildings thereon owned by, or owned by the state and held for, the department or any of the institutions under the jurisdiction of the department for such consideration and upon such terms and conditions as in the judgment of the secretary are in the public interest.

SECTION 74. 301.24 (4) of the statutes is amended to read:

301.24 **(4)** SALES. Except where a sale occurs under s. 13.48 (14) (am) or 16.848 (1), the department, with the approval of the building commission, may sell and convey such lands under the jurisdiction of the department as the secretary deems to be in excess of the present or future requirements of the department for either the operation of its facilities or programs, for the maintenance of buffer zones adjacent to its facilities or for other public purposes. The proceeds of the sales shall be credited to the state building trust fund.

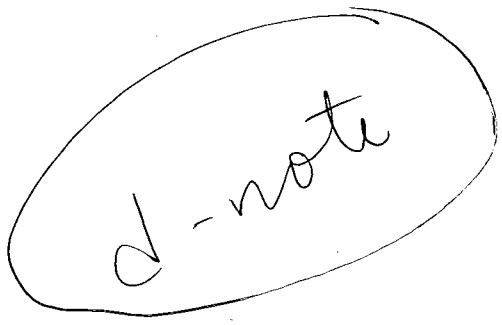
SECTION 75. 301.24 (4m) of the statutes is amended to read:

301.24 **(4m)** CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to any other requirements under this section, except where a sale occurs under s. 13.48 (14) (am) or 16.848 (1), the department may sell or otherwise transfer or dispose of the property acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the sale, transfer or disposition is approved by the joint committee on finance. The department shall submit a plan for any such proposed ~~sale,~~ transfer or disposition to the committee.

SECTION 76. 302.04 of the statutes is amended to read:

302.04 Duties of warden and superintendents. Except as provided in ~~s.~~ ss. 13.48 (14) (am) and 16.848 (1), the warden or the superintendent of each state prison shall have charge and custody of the prison and all lands, belongings, furniture, implements, stock and provisions and every other species of property within the same or pertaining thereto. The warden or superintendent shall enforce the rules of the department for the administration of the prison and for the government of its officers and the discipline of its inmates.

(END)



DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1130/~~7~~dn
JTK:eev:ph

February ~~13, 2013~~
Date

Sasha Bong:

This draft reconciles LRB-1023/P3, LRB-1130/6 and LRB-1433/1. LRB-1023, LRB-1130, and LRB-1433 should all continue to appear in the compiled bill.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB–1130/8dn
JTK:eev:ph

February 14, 2013

Sasha Bong:

This draft reconciles LRB–1023/P3, LRB–1130/6 and LRB–1433/1. LRB–1023, LRB–1130, and LRB–1433 should all continue to appear in the compiled bill.

Jeffery T. Kuesel
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Phone: (608) 266–6778

Kuesel, Jeffery

From: Kraus, Jennifer - DOA <jennifer.kraus@wisconsin.gov>
Sent: Thursday, February 14, 2013 8:33 AM
To: Kuesel, Jeffery
Cc: Bong, Sasha E - DOA
Subject: FW: Typos in bill

He was looking at an older version – the typos are now on:

p.9 line 19
p.19 line 16

Thanks - Jenny

From: Schoenherr, Chris - DOA
Sent: Wednesday, February 13, 2013 5:01 PM
To: Kraus, Jennifer - DOA
Subject: Typos in bill

Might be too late but page 9 line 9 should be use not used.

Page 20 line 21 first cite should be 13.48(14)(am) rather than 13.48 (1)(am)

Christopher P. Schoenherr
Sent from Samsung Mobile