

No. 381, S.]

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## CHAPTER 267

AN ACT to amend 20.7601 (75) and 20.8301 (75); and to create 20.670 (75) and 46.035 of the statutes, relating to the power of the department of public welfare to enter into agreements with nonprofit corporations.

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

SECTION 1. 20.670 (75) of the statutes is created to read:

20.670 (75) CONSTRUCTION. Annually, beginning July 1, 1961, there is appropriated from the state building trust fund to the state department of public welfare a sum sufficient for the payment of rentals by the department and for permanent improvements and the acquisition of all equipment therefor, remodeling and purchase of land under s. 46.035 on projects designated by the state building commission when the projects are initiated.

SECTION 2. 20.7601 (75) of the statutes is amended to read:

20.7601 (75) Annually, beginning July 1, 1957, there is appropriated from the state building trust fund to the state college regents a sum sufficient for the payment of rentals by the regents and for permanent improvements *and the acquisition of all equipment therefor*, remodeling and purchase of land under s. 36.06 (6) on projects designated by the state building commission when the projects are initiated.

SECTION 3. 20.8301 (75) of the statutes is amended to read:

20.8301 (75) Annually, beginning July 1, 1957, there is appropriated from the state building trust fund to the university of Wisconsin regents a sum sufficient for the payment of rentals by the regents and for permanent improvements *and the acquisition of all equipment therefor*, remodeling and purchase of land under s. 36.06 (6) on projects designated by the state building commission when the projects are initiated.

SECTION 4. 46.035 of the statutes is created to read:

46.035 DEPARTMENT, ADDITIONAL POWERS TO PROVIDE STRUCTURES, FACILITIES AND PERMANENT IMPROVEMENTS. (1) As used in this section unless the context requires otherwise:

(a) The term "existing building" in relation to any conveyance, lease or sublease made under sub. (2) (a) 1, 2 and 3 means all detention, treatment, administrative, recreational, infirmary, hospital, vocational and academic buildings; all dormitories and cottages; all storage facilities, heating plants, sewage disposal plants, and such other buildings, structures, facilities and permanent improvements as in the judgment of the board are needed or useful for the purposes of the department, and all equipment therefor and all improvements and additions thereto which were erected,

constructed or installed prior to the making of such conveyance, lease or sublease.

(b) The term "new building" in relation to any conveyance, lease or sublease made under sub. (2) (a) 1, 2, and 3 means all detention, treatment, administrative, recreational, infirmary, hospital, vocational and academic buildings; all dormitories and cottages; all storage facilities, heating plants, sewage disposal plants, and such other buildings, structures, facilities and permanent improvements as in the judgment of the board are needed or useful for the purposes of the department, and all equipment therefor and all improvements and additions thereto which are erected, constructed or installed after the making of such conveyance, lease or sublease.

(c) The term "nonprofit corporation" means a nonstock, nonprofit corporation organized under ch. 181 or any law amendatory thereof or supplemental thereto.

(2) The department shall have and may exercise the powers and duties provided in this section.

(a) In order to provide new buildings and to enable the construction and financing thereof, to refinance indebtedness hereafter created by a nonprofit corporation for the purpose of providing a new building or buildings or additions or improvements thereto which are located on land owned by, or owned by the state and held for, the department or on lands of the institutions under the jurisdiction of the department or by the nonprofit corporation, or for any one or more of said purposes, but for no other purpose unless authorized by law, the department has the following powers and duties:

1. Without limitation by reason of any other provisions of the statutes, 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 board are in the public interest.

2. The power to lease to a nonprofit corporation for a term or terms not exceeding 50 years each 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 upon such terms and conditions as in the judgment of the board are in the public interest.

3. The power to lease or sublease from such nonprofit corporation, and to make available for public use, any such land and existing buildings conveyed or leased to such nonprofit corporation under subs. 1 and 2, and any new buildings erected upon such land or upon any other land owned by such nonprofit corporation, upon such terms, conditions and rentals, subject to available appropriations, as in the judgment of the board are in the public interest. With respect to any property conveyed to such nonprofit corporation under subd. 1, such lease from such nonprofit corporation may be subject or subordinated to one or more mortgages of such property granted by such nonprofit corporation.

4. The duty to submit the plans and specifications for all such new buildings and all conveyances, leases and subleases made under this section to the department of administration and the governor for written approval before they are finally adopted, executed and delivered.

5. The power to pledge and assign all or any part of the revenues derived from the operation of such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings under subd. 3.

6. The power to covenant and agree in any lease or sublease of such new buildings made under subd. 3 to impose fees, rentals or other charges

for the use and occupancy or other operation of such new buildings in an amount calculated to produce net revenues sufficient to pay the rentals due and to become due under such lease or sublease.

7. The power to apply all or any part of the revenues derived from the operation of existing buildings to the payment of rentals due and to become due under any lease or sublease made under subd. 3.

8. The power to pledge and assign all or any part of the revenues derived from the operation of existing buildings to the payment of rentals due and to become due under any lease or sublease made under subd. 3.

9. The power to covenant and agree in any lease or sublease made under subd. 3 to impose fees, rentals or other charges for the use and occupancy or other operation of existing buildings in an amount calculated to produce net revenues sufficient to pay the rentals due and to become due under such lease or sublease.

10. The power and duty, upon receipt of notice of any assignment by any such nonprofit corporation of any lease or sublease made under subd. 3, or of any of its rights under any such sublease, to recognize and give effect to such assignment, and to pay to the assignee thereof rentals or other payments then due or which may become due under any such lease or sublease which has been so assigned by such nonprofit corporation.

(b) The state shall be liable for accrued rentals and for any other default under any lease or sublease made under par. (a) 3, and may be sued therefor on contract as in other contract actions pursuant to ch. 285, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

(c) Nothing in this section empowers the board or the department to incur any state debt.

(d) All powers and duties conferred upon the board or the department pursuant to this section shall be exercised and performed by resolution of the board. All conveyances, leases and subleases made pursuant to this section, when authorized pursuant to resolution of the board, shall be made, executed and delivered in the name of the department of public welfare and shall be signed by the director and sealed with the seal of the department.

(e) All laws, conflicting with any provisions of this section, are, insofar as they conflict with this section and no further, superseded by this section.

(3) It is the intent of this chapter to authorize the state department of public welfare to enter into agreements with nonprofit corporations during the 1961-1963 biennium for the rental of new buildings with a value not to exceed \$15.5 million. The department shall not enter into new agreements with nonprofit corporations after June 30, 1963.

Approved July 17, 1961.