

1969 Senate Bill 437

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**CHAPTER 197, LAWS OF 1969**

AN ACT to create 66.501 of the statutes, relating to municipal financing of hospitals.

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

66.501 of the statutes is created to read:

66.501 HOSPITAL FACILITIES LEASE FROM NONPROFIT CORPORATION. (1) POWERS AND DUTIES OF GOVERNING BODY. For the purpose of providing adequate hospital facilities in the state of Wisconsin to serve cities and villages and inhabitants thereof and the hospital service area, and all lands, buildings, improvements, facilities or equipment or other

capital items necessary or desirable in connection therewith and the ultimate acquisition thereof by the city or village, for the acquisition of lands for future hospital development, and to refinance indebtedness previously or hereafter created by a nonprofit corporation for the purpose of acquiring lands or providing hospital buildings or additions or improvements thereto, or for any one or more of said purposes, the governing body of any city or village shall have the following powers:

(a) Without limitation by any other statute, to sell and convey title to a nonprofit corporation any land and any existing buildings thereon owned by the city or village for such consideration and upon such terms and conditions as in the judgment of the governing body of the city or village are in the public interest.

(b) To lease to a nonprofit corporation for terms not exceeding 40 years each any land and existing buildings thereon owned by the city or village upon such terms, conditions and rentals as in the judgment of the governing body of the city or village are in the public interest.

(c) To lease or sublease from such corporation, for terms not exceeding 40 years, and to make available for public use, any lands or any such land and existing buildings conveyed or leased to such corporation under pars. (a) and (b), and any new buildings erected upon such land or upon any other land owned by such corporation, upon such terms, conditions and rentals, subject to available appropriations, and ultimate acquisition, as in the judgment of the governing body of the city or village are in the public interest. With respect to any property conveyed to such corporation under par. (a), the lease from such corporation may be subject or subordinated to one or more mortgages of such property granted by such corporation.

(d) To apply all net revenues derived from the operation of any lands or buildings to the payment of rentals due and to become due under any lease or sublease made under par. (c).

(e) To pledge and assign all or any part of the revenues derived from the operation of any lands or such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings made under par. (c).

(f) To covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of such new buildings in an amount which together with other moneys of the city or village available for such purpose will produce net revenue sufficient to pay the rentals due and to become due under such lease or sublease.

(g) To apply all or any part of the revenues derived from the operation of any lands or existing buildings to the payment of rentals due and to become due under any lease or sublease made under par. (c).

(h) To pledge and assign all or any part of the revenues derived from the operation of any lands or existing buildings to the payment of rentals due and to become due under any lease or sublease made under par. (c).

(i) To covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of any lands or 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.

(j) To operate the hospital, until it is ultimately acquired in such a manner as to provide revenues therefrom sufficient to pay the costs of operation and maintenance of the hospital and to provide for the payments due the nonprofit corporation.

(2) MUNICIPAL LIABILITY. The city or village shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (1) (c) and may be sued therefor on contract.

(3) NO DEBT INCLUSION. Nothing under this section shall be deemed to incur any municipal debt. No obligation under this section shall be included in arriving at constitutional debt limitations.

(4) POWERS AND DUTIES OF NONPROFIT CORPORATION. In addition to all other powers granted nonprofit corporations, the nonprofit corporation shall have the following additional powers and duties when leasing hospital facilities to a city or village:

(a) To acquire by purchase, gift or lease real property and buildings thereon from a city or village or other person, to construct hospital facilities thereon and to lease the same to a city or village for terms not exceeding 40 years, and to transfer such land and buildings to the city or village upon termination of such lease.

(b) To borrow money and pledge income and rentals as security.

(5) BIDS FOR CONSTRUCTION. The nonprofit corporation shall let all contracts exceeding \$1,000 for the construction, maintenance or repair of hospital facilities to the lowest responsible bidder after advertising for bids by the publication of a class 2 notice under ch. 985. The provisions of ss. 66.29 and 66.293 shall apply to such bids and contracts.

(6) DEFINITIONS. Unless context otherwise requires, the terms "buildings", "new buildings" and "existing buildings" as used in this section include all buildings, structures, improvements, facilities, equipment or other capital items which the governing body of the city or village determines to be necessary or desirable for the purpose of providing hospital facilities. The term "nonprofit corporation" means a nonstock, nonprofit corporation organized under chapter 181.

Approved October 30, 1969.

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