



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 853**

March 28, 2000 - Offered by Representatives UNDERHEIM, MILLER and RILEY.

1 **AN ACT** *to renumber* 66.04 (1) and 66.066 (5); *to amend* 13.94 (4) (a) 1., 16.70
2 (14), 19.42 (13) (a), 25.50 (1) (d), 32.02 (11), 32.05 (intro.), 32.05 (1) (a), 32.07 (2),
3 40.02 (28), 40.02 (36), 66.04 (2) (a) (intro.), 66.066 (1) (a), 66.067, 66.30 (1) (a),
4 71.26 (1) (bm), 71.26 (1m) (g), 71.36 (1m), 71.45 (1t) (g), 111.02 (7), 111.70 (1) (j)
5 and 230.03 (3); *to repeal and recreate* 40.02 (28); and *to create* 24.61 (2) (a)
6 9., 25.17 (3) (b) 12., 66.04 (1a), 66.04 (2) (a) 3t., 66.066 (5) (c), 70.11 (40), 71.05
7 (1) (c) 6., 77.54 (9a) (h), 219.09 (1) (f) and subchapter V of chapter 229 [precedes
8 229.840] of the statutes; **relating to:** authorizing the creation of a local cultural
9 arts district; granting a property tax exemption for the district's property;
10 granting a sales tax and use tax exemption for tangible personal property and
11 services purchased by the district; giving a local cultural arts district the
12 authority to issue bonds and granting income tax exemptions for interest

1 income on bonds issued by the district; and authorizing certain local cultural
2 arts districts to acquire property by condemnation.

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

3 **SECTION 1.** 13.94 (4) (a) 1. of the statutes, as affected by 1999 Wisconsin Act 9,
4 is amended to read:

5 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
6 credentialing board, commission, independent agency, council or office in the
7 executive branch of state government; all bodies created by the legislature in the
8 legislative or judicial branch of state government; any public body corporate and
9 politic created by the legislature including specifically a professional baseball park
10 district, a local cultural arts district and a family care district under s. 46.2895; every
11 Wisconsin works agency under subch. III of ch. 49; every provider of medical
12 assistance under subch. IV of ch. 49; technical college district boards; development
13 zones designated under s. 560.71; every county department under s. 51.42 or 51.437;
14 every nonprofit corporation or cooperative to which moneys are specifically
15 appropriated by state law; and every corporation, institution, association or other
16 organization which receives more than 50% of its annual budget from appropriations
17 made by state law, including subgrantee or subcontractor recipients of such funds.

18 **SECTION 2.** 16.70 (14) of the statutes is amended to read:

19 16.70 (14) “State” does not include a district created under subch. II ~~or~~, III or
20 V of ch. 229.

21 **SECTION 3.** 19.42 (13) (a) of the statutes is amended to read:

22 19.42 (13) (a) All positions to which individuals are regularly appointed by the
23 governor, except the position of trustee of any private higher educational institution

1 receiving state appropriations and the position of member of the district board of a
2 local professional baseball park district created under subch. III of ch. 229 and the
3 position of member of the district board of a local cultural arts district created under
4 subch. V of ch. 229.

5 **SECTION 4.** 24.61 (2) (a) 9. of the statutes is created to read:

6 24.61 (2) (a) 9. Bonds issued by a local cultural arts district under subch. V of
7 ch. 229.

8 **SECTION 5.** 25.17 (3) (b) 12. of the statutes is created to read:

9 25.17 (3) (b) 12. Bonds issued by a local cultural arts district under subch. V
10 of ch. 229.

11 **SECTION 6.** 25.50 (1) (d) of the statutes, as affected by 1999 Wisconsin Act 9, is
12 amended to read:

13 25.50 (1) (d) "Local government" means any county, town, village, city, power
14 district, sewerage district, drainage district, town sanitary district, public inland
15 lake protection and rehabilitation district, local professional baseball park district
16 created under subch. III of ch. 229, family care district under s. 46.2895, local
17 cultural arts district created under subch. V of ch. 229, public library system, school
18 district or technical college district in this state, any commission, committee, board
19 or officer of any governmental subdivision of this state, any court of this state, other
20 than the court of appeals or the supreme court, or any authority created under s.
21 231.02, 233.02 or 234.02.

22 **SECTION 7.** 32.02 (11) of the statutes is amended to read:

23 32.02 (11) Any housing authority created under ss. 66.40 to 66.404;,
24 redevelopment authority created under s. 66.431; community development
25 authority created under s. 66.4325; local cultural arts district created under subch.

1 V of ch. 229, subject to s. 229.844 (4) (c); or local exposition district created under
2 subch. II of ch. 229.

3 **SECTION 8.** 32.05 (intro.) of the statutes is amended to read:

4 **32.05 Condemnation for sewers and transportation facilities.** (intro.)

5 In this section, “mass transit facility” includes, without limitation because of
6 enumeration, exclusive or preferential bus lanes if those lanes are limited to
7 abandoned railroad rights-of-way or existing expressways constructed before
8 May 17, 1978, highway control devices, bus passenger loading areas and terminal
9 facilities, including shelters, and fringe and corridor parking facilities to serve bus
10 and other public mass transportation passengers, together with the acquisition,
11 construction, reconstruction and maintenance of lands and facilities for the
12 development, improvement and use of public mass transportation systems for the
13 transportation of passengers. This section does not apply to town highways created
14 or altered under ch. 80 except as to jury trials on appeals under ss. 80.24 and 80.25,
15 nor to proceedings in 1st class cities under subch. II. In any city, condemnation for
16 housing under ss. 66.40 to 66.404, ~~or~~ for urban renewal under s. 66.431, or for
17 cultural arts facilities under subch. V of ch. 229, may proceed under this section or
18 under s. 32.06 at the option of the condemning authority. Condemnation by a local
19 exposition district under subch. II of ch. 229 for any exposition center or exposition
20 center facility may proceed under this section or under s. 32.06 at the option of the
21 local exposition district. All other condemnation of property for public alleys, streets,
22 highways, airports, mass transit facilities, or other transportation facilities, gas or
23 leachate extraction systems to remedy environmental pollution from a solid waste
24 disposal facility, storm sewers and sanitary sewers, watercourses or water
25 transmission and distribution facilities shall proceed as follows:

1 **SECTION 9.** 32.05 (1) (a) of the statutes is amended to read:

2 32.05 (1) (a) Except as provided under par. (b), the county board of supervisors
3 or the county highway committee when so authorized by the county board of
4 supervisors, city council, village board, town board, sewerage commission governing
5 metropolitan sewerage district created by ss. 66.22 or 66.88 to 66.918, secretary of
6 transportation, a commission created by contract under s. 66.30, a joint local water
7 authority created by contract under s. ~~66.0375~~ 66.0735, housing authority under ss.
8 66.40 to 66.404, local exposition district created under subch. II of ch. 229, local
9 cultural arts district created under subch. V of ch. 229, redevelopment authority
10 under s. 66.431 or community development authority under s. 66.4325 shall make
11 an order providing for the laying out, relocation and improvement of the public
12 highway, street, alley, storm and sanitary sewers, watercourses, water transmission
13 and distribution facilities, mass transit facilities, airport, or other transportation
14 facilities, gas or leachate extraction systems to remedy environmental pollution from
15 a solid waste disposal facility, housing project, redevelopment project, cultural arts
16 facilities, exposition center or exposition center facilities which shall be known as the
17 relocation order. This order shall include a map or plat showing the old and new
18 locations and the lands and interests required. A copy of the order shall, within 20
19 days after its issue, be filed with the county clerk of the county wherein the lands are
20 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
21 accordance with s. 84.095.

22 **SECTION 10.** 32.07 (2) of the statutes is amended to read:

23 32.07 (2) The petitioner shall determine necessity if application is by the state
24 or any commission, department, board or other branch of state government or by a
25 city, village, town, county, school district, board, commission, public officer,

1 commission created by contract under s. 66.30, joint local water authority under s.
2 66.0735, redevelopment authority created under s. 66.431, local exposition district
3 created under subch. II of ch. 229, local cultural arts district created under subch.
4 V of ch. 229, housing authority created under ss. 66.40 to 66.404 or for the
5 right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other
6 electric line, for the right-of-way for a gas pipeline, main or service or for easements
7 for the construction of any elevated structure or subway for railroad purposes.

8 **SECTION 11.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act 9,
9 section 931b, is amended to read:

10 40.02 (28) “Employer” means the state, including each state agency, any
11 county, city, village, town, school district, other governmental unit or
12 instrumentality of 2 or more units of government now existing or hereafter created
13 within the state and, any federated public library system established under s. 43.19
14 whose territory lies within a single county with a population of 500,000 or more, a
15 local exposition district created under subch. II of ch. 229 and a family care district
16 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3) and
17 subch. X. “Employer” does not include a local cultural arts district created under
18 subch. V of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI
19 purposes.

20 **SECTION 12.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act 9,
21 section 931c, and 1999 Wisconsin Act ... (this act), is repealed and recreated to read:

22 40.02 (28) “Employer” means the state, including each state agency, any
23 county, city, village, town, school district, other governmental unit or
24 instrumentality of 2 or more units of government now existing or hereafter created
25 within the state, any federated public library system established under s. 43.19

1 whose territory lies within a single county with a population of 500,000 or more, a
2 local exposition district created under subch. II of ch. 229 and a family care district
3 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3).
4 “Employer” does not include a local cultural arts district created under subch. V of
5 ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes.

6 **SECTION 13.** 40.02 (36) of the statutes, as affected by 1999 Wisconsin Act 9, is
7 amended to read:

8 40.02 (36) “Governing body” means the legislature or the head of each state
9 agency with respect to employes of that agency for the state, the common council in
10 cities, the village board in villages, the town board in towns, the county board in
11 counties, the school board in school districts, or the board, commission or other
12 governing body having the final authority for any other unit of government, for any
13 agency or instrumentality of 2 or more units of government, for any federated public
14 library system established under s. 43.19 whose territory lies within a single county
15 with a population of 500,000 or more, for a local exposition district created under
16 subch. II of ch. 229 or for a family care district created under s. 46.2895, but does not
17 include a local cultural arts district created under subch. V of ch. 229.

18 **SECTION 14.** 66.04 (1) of the statutes is renumbered 66.04 (1e).

19 **SECTION 15.** 66.04 (1a) of the statutes is created to read:

20 66.04 (1a) DEFINITION. In this section, “governing board” has the meaning given
21 under s. 34.01 (1) but does not include a local cultural arts district board created
22 under subch. V of ch. 229.

23 **SECTION 16.** 66.04 (2) (a) (intro.) of the statutes is amended to read:

1 66.04 (2) (a) (intro.) Any county, city, village, town, school district, drainage
2 district, technical college district or other governing board as defined by s. 34.01 (1)
3 may invest any of its funds not immediately needed in any of the following:

4 **SECTION 17.** 66.04 (2) (a) 3t. of the statutes is created to read:

5 66.04 (2) (a) 3t. Bonds issued by a local cultural arts district under subch. V of
6 ch. 229.

7 **SECTION 18.** 66.066 (1) (a) of the statutes is amended to read:

8 66.066 (1) (a) “Municipality” means any city, village, town, county, commission
9 created by contract under s. 66.30, public inland lake protection and rehabilitation
10 district established under s. 33.23, 33.235 or 33.24, metropolitan sewerage district
11 created under ss. 66.20 to 66.26 or 66.88 to 66.918, town sanitary district under
12 subch. IX of ch. 60, a local professional baseball park district created under subch.
13 III of ch. 229, a local cultural arts district created under subch. V of ch. 229 or a
14 municipal water district or power district under ch. 198 and any other public or
15 quasi-public corporation, officer, board or other public body empowered to borrow
16 money and issue obligations to repay the same out of revenues. “Municipality” does
17 not include the state or a local exposition district created under subch. II of ch. 229.

18 **SECTION 19.** 66.066 (5) of the statutes is renumbered 66.066 (5) (a).

19 **SECTION 20.** 66.066 (5) (c) of the statutes is created to read:

20 66.066 (5) (c) Revenue bonds issued by a local cultural arts district created
21 under subch. V of ch. 229 are subject to the provisions in ss. 229.849 to 229.853.

22 **SECTION 21.** 66.067 of the statutes is amended to read:

23 **66.067 Public works projects.** For financing purposes, garbage
24 incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf
25 links, bathing beaches, bathhouses, street lighting, city halls, village halls, town

1 halls, courthouses, jails, schools, cooperative educational service agencies, hospitals,
2 homes for the aged or indigent, child care centers, as defined in s. 231.01 (3c),
3 regional projects, waste collection and disposal operations, systems of sewerage,
4 local professional baseball park facilities, local cultural arts facilities and any and
5 all other necessary public works projects undertaken by any municipality are public
6 utilities within the meaning of s. 66.066.

7 **SECTION 22.** 66.30 (1) (a) of the statutes, as affected by 1999 Wisconsin Act 9,
8 is amended to read:

9 66.30 (1) (a) In this section “municipality” means the state or any department
10 or agency thereof, or any city, village, town, county, school district, public library
11 system, public inland lake protection and rehabilitation district, sanitary district,
12 farm drainage district, metropolitan sewerage district, sewer utility district, solid
13 waste management system created under s. 59.70 (2), local exposition district
14 created under subch. II of ch. 229, local professional baseball park district created
15 under subch. III of ch. 229, local cultural arts district created under subch. V of ch.
16 229, family care district under s. 46.2895, water utility district, mosquito control
17 district, municipal electric company, county or city transit commission, commission
18 created by contract under this section, taxation district or regional planning
19 commission.

20 **SECTION 23.** 70.11 (40) of the statutes is created to read:

21 70.11 (40) LOCAL CULTURAL ARTS DISTRICT. Property of a local cultural arts
22 district under subch. V of ch. 229, except any of the following:

23 (a) Property that is not a part of the physical structure of a cultural arts facility,
24 as defined under s. 229.841 (5), if that property is used for a retail business or a
25 restaurant, unless the retail business or restaurant is operated by the local cultural

1 arts district or by a corporation, organization or association described in section 501
2 (c) 3 of the Internal Revenue Code that is exempt from taxation under section 501
3 (a) of the Internal Revenue Code.

4 (b) A parking lot or parking structure that is not used to support the operation
5 of a cultural arts facility, as defined under s. 229.841 (5).

6 **SECTION 24.** 71.05 (1) (c) 6. of the statutes is created to read:

7 71.05 (1) (c) 6. A local cultural arts district created under subch. V of ch. 229.

8 **SECTION 25.** 71.26 (1) (bm) of the statutes is amended to read:

9 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district
10 created under subch. II of ch. 229 ~~or~~, a local professional baseball park district
11 created under subch. III of ch. 229 or a local cultural arts district created under
12 subch. V of ch. 229.

13 **SECTION 26.** 71.26 (1m) (g) of the statutes is amended to read:

14 71.26 (1m) (g) Those issued under s. 66.066 by a local professional baseball
15 park district or a local cultural arts district.

16 **SECTION 27.** 71.36 (1m) of the statutes is amended to read:

17 71.36 (1m) A tax-option corporation may deduct from its net income all
18 amounts included in the Wisconsin adjusted gross income of its shareholders, the
19 capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to
20 nonresident shareholders under ss. 71.04 (1) and (4) to (9) and 71.362. For purposes
21 of this subsection, interest on federal obligations, obligations issued under s. 66.066
22 by a local professional baseball park district or a local cultural arts district,
23 obligations issued under ss. 66.40, 66.431 and 66.4325, obligations issued under s.
24 234.65 to fund an economic development loan to finance construction, renovation or
25 development of property that would be exempt under s. 70.11 (36) and obligations

1 issued under subch. II of ch. 229 is not included in shareholders' income. The
2 proportionate share of the net loss of a tax-option corporation shall be attributed and
3 made available to shareholders on a Wisconsin basis but subject to the limitation and
4 carry-over rules as prescribed by section 1366 (d) of the internal revenue code. Net
5 operating losses of the corporation to the extent attributed or made available to a
6 shareholder may not be used by the corporation for further tax benefit. For purposes
7 of computing the Wisconsin adjusted gross income of shareholders, tax-option items
8 shall be reported by the shareholders and those tax-option items, including capital
9 gains and losses, shall retain the character they would have if attributed to the
10 corporation, including their character as business income. In computing the tax
11 liability of a shareholder, no credit against gross tax that would be available to the
12 tax-option corporation if it were a nontax-option corporation may be claimed.

13 **SECTION 28.** 71.45 (1t) (g) of the statutes is amended to read:

14 71.45 (1t) (g) Those issued under s. 66.066 by a local professional baseball park
15 district or a local cultural arts district.

16 **SECTION 29.** 77.54 (9a) (h) of the statutes is created to read:

17 77.54 (9a) (h) A local cultural arts district under subch. V of ch. 229.

18 **SECTION 30.** 111.02 (7) of the statutes is amended to read:

19 111.02 (7) The term "employer" means a person who engages the services of an
20 employe, and includes any person acting on behalf of an employer within the scope
21 of his or her authority, express or implied, but shall not include the state or any
22 political subdivision thereof, or any labor organization or anyone acting in behalf of
23 such organization other than when it is acting as an employer in fact. For purposes
24 of this subsection, a person who engages the services of an employe includes the

1 University of Wisconsin Hospitals and Clinics Authority and a local cultural arts
2 district created under subch. V of ch. 229.

3 **SECTION 31.** 111.70 (1) (j) of the statutes, as affected by 1999 Wisconsin Act 9,
4 is amended to read:

5 111.70 (1) (j) “Municipal employer” means any city, county, village, town,
6 metropolitan sewerage district, school district, family care district or any other
7 political subdivision of the state that engages the services of an employe and includes
8 any person acting on behalf of a municipal employer within the scope of the person’s
9 authority, express or implied, but specifically does not include a local cultural arts
10 district created under subch. V of ch. 229.

11 **SECTION 32.** 219.09 (1) (f) of the statutes is created to read:

12 219.09 (1) (f) Bonds issued by a local cultural arts district under subch. V of ch.
13 229.

14 **SECTION 33.** Subchapter V of chapter 229 [precedes 229.840] of the statutes is
15 created to read:

16 **CHAPTER 229**

17 **SUBCHAPTER V**

18 **LOCAL CULTURAL**

19 **ARTS DISTRICTS**

20 **229.840 Legislative declaration.** (1) The legislature determines that this
21 subchapter serves a statewide public purpose by assisting the development of
22 cultural arts facilities in the state, which provide educational and recreational
23 opportunities for Wisconsin residents, by enhancing the appreciation of the arts
24 among the states’ residents, by encouraging economic development and tourism, by

1 reducing unemployment and by bringing needed capital into the state for the benefit
2 and welfare of people throughout the state.

3 (2) The legislature determines that cultural arts districts in populous cities
4 serve a public purpose in those cities by providing educational and recreational
5 opportunities for residents of those cities, by enhancing the appreciation of the arts
6 among the residents of those cities, by encouraging economic development and
7 tourism, by reducing unemployment and by bringing needed capital into those cities
8 for the benefit and welfare of people in those cities.

9 **229.841 Definitions.** In this subchapter:

10 (1) “Bond” means any bond, note or other obligation issued under s. 66.066 by
11 a district.

12 (2) “Bond resolution” means a resolution of the district board authorizing the
13 issuance of, or providing terms and conditions related to, bonds and includes, where
14 appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of
15 trust providing terms and conditions for bonds.

16 (3) “County executive” means the county executive or, if the county does not
17 have a county executive, the chairperson of the county board of supervisors, of the
18 county in which the sponsoring city is located. If a sponsoring city is located in more
19 than one county, the city shall be considered to be located solely in the county in
20 which the greatest percentage of its territory is located at the time a district is
21 created.

22 (4) “Cultural arts activity” means any performance, program, concert, exhibit,
23 show, broadcast or other activity with any artistic or cultural significance, or any
24 related or incidental activity.

1 (5) “Cultural arts facilities” means district property, tangible or intangible,
2 owned in whole or in part, operated or leased by a district that is principally for a
3 cultural arts activity including auditoriums, music halls, exhibit halls, theaters,
4 practice facilities, dressing rooms, parking lots, garages, restaurants, concession
5 facilities, entertainment facilities, transportation facilities and other functionally
6 related or auxiliary facilities or structures.

7 (6) “District” means a district created under this subchapter.

8 (7) “District board” means the governing board of a district.

9 (8) “Mayor” means the mayor of a sponsoring city.

10 (9) “Populous city” means any city with a population of more than 150,000.

11 (10) “Sponsoring city” means a populous city that creates a district under this
12 subchapter.

13 **229.842 Creation and organization.** (1) A sponsoring city may create a
14 special purpose district that is a local governmental unit, that is a body corporate and
15 politic, that is separate and distinct from, and independent of, the state and the
16 sponsoring city, that has the powers under s. 229.844 and the name of which includes
17 “Cultural Arts District”, if all of the following occur:

18 (a) The mayor issues a written proclamation declaring the need for establishing
19 a district.

20 (b) The sponsoring city’s common council adopts a resolution that approves the
21 mayor’s proclamation, and delivers a copy of the resolution to the governor. The
22 resolution under this paragraph may contain a procedure that the mayor must follow
23 in appointing persons to the board under sub. (2) (c).

1 (c) If the sponsoring city is not a 1st class city, the resolution under par. (b)
2 specifies the area of the district's jurisdiction, as described in s. 229.843 (1), within
3 which the district board may exercise its power of eminent domain.

4 (2) A district is governed by its district board. If the sponsoring city is a 1st class
5 city, sub. (4) applies but pars. (a) to (d) and sub. (3) do not apply and the 1st class city's
6 common council shall determine the membership, structure, qualifications and
7 selection procedures for the district board. If the sponsoring city is not a 1st class city,
8 the district board shall consist of the following members, subject to sub. (4):

9 (a) The following persons, or their designees, shall be ex-officio members of the
10 board, except that a designee serves at the pleasure of his or her appointing
11 authority:

- 12 1. The governor.
- 13 2. The mayor.
- 14 3. The county executive.

15 (b) Three persons appointed by the governor, one of whom shall be selected from
16 a list of 3 to 5 names that is submitted by the Board of Regents of the University of
17 Wisconsin System. Of the remaining 2 appointees under this paragraph, at least one
18 of the appointees shall have a demonstrated interest in cultural arts activities and
19 one of the appointees may be an elective state official. A person appointed under this
20 paragraph may take his or her seat immediately upon appointment and
21 qualification.

22 (c) Subject to sub. (1) (b), 6 persons appointed by the mayor, one of whom shall
23 be selected from a list of 3 to 5 names that is submitted by the school board of the
24 school district in which the greatest percentage of the sponsoring city's territory is
25 located. Of the remaining 5 appointees under this paragraph, at least 2 of the

1 appointees shall have a demonstrated interest in cultural arts activities and not
2 more than 3 of the appointees may be elective city officials. A person appointed under
3 this paragraph may take his or her seat immediately upon appointment and
4 qualification, subject to any procedures specified by the common council under sub.
5 (1) (b).

6 (d) One person appointed by the county executive, who may not be a county
7 official. A person appointed under this paragraph may take his or her seat
8 immediately upon appointment and qualification.

9 **(3)** (a) The persons appointed under sub. (2) (b) to (d) shall serve staggered
10 terms of 4 years expiring on July 1, except that:

11 1. The initial term of the director appointed by the county executive shall expire
12 on July 1 of the 3rd year beginning after the year of creation of a district.

13 2. The initial term of one director appointed by the governor and 2 directors
14 appointed by the mayor shall expire on July 1 of the 4th year beginning after the year
15 of creation of a district.

16 3. The initial term of one director appointed by the governor and 2 directors
17 appointed by the mayor shall expire on July 1 of the 5th year beginning after the year
18 of creation of a district.

19 4. The initial term of one director appointed by the governor and 2 directors
20 appointed by the mayor shall expire on July 1 of the 6th year beginning after the year
21 of creation of a district.

22 (b) The governor and mayor shall each designate with their initial
23 appointments the terms to which directors have been appointed.

24 (c) Persons appointed under sub. (2) (b) to (d) must have resided within 25 miles
25 of the sponsoring city's city hall for at least one year before their appointment.

1 Persons appointed under sub. (2) (b) to (d) may be removed from the district board
2 before the expiration of their terms by the appointing authority but only for cause,
3 as defined in s. 17.16 (2). Vacancies shall be filled by the appointing authority who
4 appointed the person whose office is vacant. A person appointed to fill a vacancy
5 under sub. (2) (b) to (d) shall serve for the remainder of the unexpired term to which
6 he or she is appointed. The appointing authorities shall confer with one another
7 regarding their appointments with a view toward achieving diversity on the district
8 board.

9 (4) If the sponsoring city's common council determines that another city or a
10 village or town having territory located within 25 miles of the sponsoring city's city
11 hall provides substantial support to the district, the council may increase the size of
12 the district board to include as a member the mayor, village president or town board
13 chair of that city, village or town, or the designee of such a mayor, village president
14 or town board chair. If the sponsoring city's common council subsequently
15 determines that the other city or the village or town no longer provides substantial
16 support to the district, the council may decrease the size of the district board to
17 exclude that member.

18 (5) The district board shall elect from its membership a chairperson, a vice
19 chairperson, a secretary and a treasurer. A majority of the current membership of
20 the district board constitutes a quorum to do business. The district may take action
21 based on the affirmative vote of a majority of those members of the district board who
22 are present at a meeting of the district board.

23 (6) The members of the district board shall be reimbursed by the district for
24 their actual and necessary expenses incurred in the performance of their duties.

1 (7) Upon the appointment and qualification of at least 7 of the members of a
2 district board, the district board may exercise the powers and duties of a district
3 board under this subchapter.

4 (8) At its first meeting, the district board shall name the district, and the name
5 shall include “Cultural Arts District”.

6 **229.843 Jurisdiction.** (1) Except as provided under s. 229.844 (4) (c), a
7 district’s jurisdiction shall be the boundaries of the sponsoring city.

8 (2) A district’s jurisdiction and powers remain in effect even if the sponsoring
9 city, after the creation of the district, is no longer a populous city.

10 **229.844 Powers of a district.** A district has all of the powers necessary or
11 convenient to carry out the purposes and provisions of this subchapter. In addition
12 to all other powers granted by this subchapter, a district may do all of the following:

13 (1) Adopt bylaws to govern the district’s activities, subject to this subchapter.

14 (2) Sue and be sued in its own name, plead and be impleaded.

15 (3) Maintain an office.

16 (4) In connection with cultural arts facilities or in support of any cultural arts
17 activity:

18 (a) Acquire, construct, equip, maintain, improve, operate and manage the
19 cultural arts facilities as a revenue-generating enterprise or otherwise, or engage
20 other persons to do these things.

21 (b) Acquire; lease, as lessor or lessee; use; or transfer property within or outside
22 of the district’s jurisdiction.

23 (c) 1. If the district’s sponsoring city is not a 1st class city, acquire property by
24 condemnation, subject to the limits specified in the resolution under s. 229.842 (1)
25 (c) or the ordinance or resolution under s. 229.846 (6).

1 2. If the district’s sponsoring city is a 1st class city, request the 1st class city’s
2 redevelopment authority, created under s. 66.431 (3) (a) 3., to condemn property on
3 behalf of the district.

4 (d) Enter into contracts, subject to such standards as may be established by the
5 district board. The district board may award any such contract for any combination
6 or division of work it designates and may consider any factors in awarding a contract,
7 including price, time for completion of work and qualifications and past performance
8 of a contractor.

9 (e) Grant concessions.

10 **(5)** Employ personnel, and fix and regulate their compensation; and provide,
11 either directly or subject to an agreement under s. 66.30 as a participant in a benefit
12 plan of another governmental entity, other than a benefit plan provided under ch. 40,
13 any employe benefits, including an employe pension plan.

14 **(6)** Purchase insurance, establish and administer a plan of self-insurance or,
15 subject to an agreement with another governmental entity under s. 66.30,
16 participate in a governmental plan of insurance or self-insurance, other than a plan
17 provided under ch. 40.

18 **(7)** Mortgage, pledge or otherwise encumber the district’s revenue, property or
19 funds.

20 **(8)** (a) Issue revenue bonds under s. 66.066, subject to ss. 229.849 to 229.853,
21 and enter into agreements related to the issuance of bonds by the district or, for
22 purposes related to the district, by a community development authority created
23 under s. 66.4325, including liquidity and credit facilities, remarketing agreements,
24 insurance policies, guaranty agreements, letter of credit or reimbursement

1 agreements, indexing agreements, interest exchange agreements and currency
2 exchange agreements.

3 (b) Contract short term obligations, and pledge the full faith and credit of the
4 district for repayment of those obligations.

5 (c) No director, employe of the district nor any other person executing any
6 agreements with respect to any bonds or other obligations under this subsection is
7 personally liable on the obligations subject to any personal liability or accountability
8 by reason of the issuance of such obligations.

9 (9) Maintain funds and invest the funds in any investment that the district
10 board considers appropriate.

11 (10) Promote, advertise and publicize its cultural arts facilities and related
12 cultural arts activities.

13 (11) Set standards governing the use of, and the conduct within, its cultural
14 arts facilities in order to promote public safety and convenience and to maintain
15 order.

16 (12) Establish and collect fees, and establish shared revenue arrangements or
17 other charges for the use of its cultural arts facilities or for services rendered by the
18 district.

19 (13) Enter into partnerships, joint ventures, common ownership or other
20 arrangements with other persons to further the district's purposes.

21 (14) Solicit and accept gifts, loans, grants of land or other property and other
22 aid, and agree to conditions with respect to such gifts, loans, grants or other aid.

23 (15) Administer the receipt of revenues, and oversee the repayment of debt
24 contracted by the district.

25 (16) Adopt and alter an official seal.

1 **(17)** Direct its agents or employes, if properly identified in writing, to enter
2 upon any real property, that the district has the authority to condemn or that the
3 redevelopment authority has the authority to condemn on behalf of the district, to
4 make surveys and examinations before locating or constructing cultural arts
5 facilities, without incurring liability by the district, its agents or employes except for
6 actual damage done. Before directing anyone to enter real property under this
7 subsection, the district shall give the owner and occupant of the property at least 5
8 days' written notice. If the owner or occupant does not consent to the entry, the
9 district may petition the circuit court for the county in which the property is located
10 for an order permitting entry upon the property. The district shall serve a copy of the
11 petition upon the owner and occupant. Before issuing an order, the court shall
12 require the district to demonstrate the necessity of the entry and shall examine the
13 reasonableness of the proposed scope, time, place and manner of the entry. The court
14 may impose appropriate limitations upon the entry in its order.

15 **(18)** Provide money or other property, by sale, loan, lease, grant, gift or other
16 form of transfer, to any other person.

17 **229.845 Minority contracting goals. (1)** In this section:

18 (a) "Minority business" has the meaning given in s. 560.036 (1) (e).

19 (b) "Women's business" means a sole proprietorship, partnership, joint venture,
20 limited liability company or corporation that is at least 51% owned, controlled and
21 actively managed by women.

22 **(2)** It shall be a goal of the district, in awarding construction work and
23 professional services contracts related to cultural arts facilities, that at least 15% of
24 the aggregate dollar value of such contracts awarded by the district shall be awarded
25 to minority businesses and at least 5% of the aggregate dollar value of such contracts

1 awarded by the district shall be awarded to women’s businesses, except that if the
2 sponsoring city is a 1st class city, it shall be a goal of the district, in awarding
3 construction work and professional services contracts related to cultural arts
4 facilities, that at least 25% of the aggregate dollar value of such contracts awarded
5 by the district shall be awarded to minority businesses and at least 5% of the
6 aggregate dollar value of such contracts awarded by the district shall be awarded to
7 women’s businesses.

8 **229.846 Powers granted to a sponsoring city.** In addition to any powers
9 that it may otherwise have, a sponsoring city may do any of the following:

10 (1) Make grants, gifts or loans of any kind of property, or provide any other form
11 of assistance, to a district upon terms that the sponsoring city considers appropriate.

12 (2) Expend public funds to subsidize a district.

13 (3) Borrow money under ss. 67.04 and 67.12 (12) for cultural arts facilities or
14 to fund grants, loans or subsidies to a district.

15 (4) Audit the financial records of a district. The sponsoring city may conduct
16 the audit itself or may contract for the audit to be performed by any other person.

17 (5) Fix and collect a sum to be paid annually, in lieu of property taxes, by the
18 district except that the sum may not exceed the amount that would be levied by the
19 city as a property tax on the property that is exempted under s. 70.11 (40).

20 (6) If the district’s sponsoring city is not a 1st class city, enact an ordinance or
21 adopt a resolution that expands or contracts the area within the district’s jurisdiction
22 in which the district board may exercise its power of eminent domain, except that a
23 sponsoring city may not remove from that area any property that was included in the
24 resolution under s. 229.842 (1) (c).

1 **229.847 Dissolution of a district.** Subject to providing for the payment of
2 its bonds or other debts that it has incurred, including interest on the bonds or other
3 debts, and the performance of its other contractual obligations, a district may be
4 dissolved by one of the following methods:

5 (1) By a law enacted by this state.

6 (2) If the sponsoring city is not a 1st class city, by the unanimous action of the
7 district board.

8 (3) If the sponsoring city is a 1st class city, by any means described in the initial
9 resolution under which the 1st class city created the district.

10 **229.848 Transfers; transfer agreements.** (1) If a district is dissolved under
11 s. 229.847, the property of the district shall be transferred either to the sponsoring
12 city or to an entity described either in section 170 (c) (1) or in both sections 170 (c)
13 (2) and 501 (c) (3) of the Internal Revenue Code. If the sponsoring city is a 1st class
14 city, the specific entity to which the district’s property shall be transferred upon
15 dissolution shall be specified in the initial resolution under which the 1st class city
16 created the district. If the sponsoring city is not a 1st class city, the district board
17 shall determine the entity to which the district’s property shall be transferred upon
18 dissolution.

19 (2) A sponsoring city and a district board may enter into a transfer agreement
20 to provide the terms and conditions upon which the sponsoring city or the district
21 board may transfer any interests in an existing or proposed cultural arts facility, or
22 any other property interests owned by either party, to the other party to the
23 agreement. A transfer may take the form of a sale, lease, or other conveyance and
24 may be with or without financial consideration.

1 **229.849 District bonds and debt not public debt. (1)** Neither the state nor
2 the sponsoring city is liable on bonds or other debt of the district and the bonds and
3 other debt of the district are not a debt of the state or the sponsoring city. All bonds
4 and other debt of the district shall contain on the face of the bond or the debt
5 instrument a statement to this effect. The issuance of bonds or the incurrence of
6 other debt by the district shall not, directly or indirectly or contingently, obligate the
7 state or the sponsoring city to levy any form of taxation therefor or to make any
8 appropriation for the payment of the bonds or other debt.

9 **(2)** Nothing in this subchapter authorizes the district to create a debt of the
10 state or the sponsoring city, and all bonds issued by the district and all other debt
11 incurred by the district are payable, and shall state that they are payable, solely from
12 the funds pledged for their payment in accordance with the resolution authorizing
13 their issuance or incurrence or in any trust indenture or mortgage or deed of trust
14 executed as security for the bonds or other debt. Neither the state nor the sponsoring
15 city shall in any event be liable for the payment of the principal of or interest on any
16 bonds or other debt of the district or for the performance of any pledge, mortgage,
17 obligation or agreement that may be undertaken by the district. No breach of any
18 such pledge, mortgage, obligation or agreement may impose any pecuniary liability
19 upon the state or the sponsoring city or any charge upon the state's or the sponsoring
20 city's general credit or against the state's or the sponsoring city's taxing power.

21 **229.850 Special fund for payment of principal and interest costs on**
22 **certain bonds.** The district may maintain a special fund into which it deposits any
23 income or property of the district that is used for the payment of principal and
24 interest costs of bonds issued by the district or by a community development
25 authority created under s. 66.4325 for purposes related to the district.

1 **229.851 State pledge.** The state pledges to and agrees with the holders of any
2 bond issued by the district or other debt incurred by the district, and with those
3 parties who may enter into contracts with the district, that the state will not limit
4 or alter the rights vested in the district by this subchapter until such bonds or other
5 debt, together with the interest on the bonds and other debt, are fully met and
6 discharged and such contracts are fully performed on the part of the district, but
7 nothing shall preclude such a limitation or alteration if adequate provision is made
8 by law for the protection of the holders of such bonds or other debt or those entering
9 into such contracts.

10 **229.852 Pledge of revenues.** A district may pledge the revenues derived, or
11 to be derived, from any cultural arts facility for any of the following purposes:

12 (1) The payment of administrative costs and expenses of the district.

13 (2) The payment of the principal of, the premium on, if any, and the interest
14 on outstanding bonds and other debt of the district.

15 (3) The creation and maintenance of a special fund or reserves with respect to
16 bonds issued by the district.

17 **229.853 Trust funds.** All moneys received by the district under this
18 subchapter, whether as proceeds from the issuance of bonds or the incurrence of
19 other debt or as revenues, shall be considered to be trust funds to be held and applied
20 solely as provided in this subchapter. Any officer with whom, or any bank or trust
21 company with which, the moneys are deposited shall act as trustee of the moneys and
22 shall hold and apply the same for the purposes of this subchapter, subject to such
23 regulations as this subchapter and any bond resolution or debt agreement
24 authorizing the bonds or debt may provide.

1 **229.854 Sponsoring city employment regulations.** Any ordinance of a
2 sponsoring city that regulates employment relations or practices of all private
3 employers, generally, shall apply to employes of the district, unless the sponsoring
4 city’s common council excludes the application of such an ordinance to the district’s
5 employes.

6 **SECTION 34.** 230.03 (3) of the statutes is amended to read:

7 230.03 (3) “Agency” means any board, commission, committee, council or
8 department in ~~the state government~~ or a unit thereof created by the constitution or
9 statutes if such board, commission, committee, council, department, unit or the head
10 thereof, is authorized to appoint subordinate staff by the constitution or statute,
11 except a legislative or judicial board, commission, committee, council, department or
12 unit thereof or an authority created under ch. 231, 232, 233, 234 or 235. “Agency”
13 does not mean any local unit of government or body within one or more local units
14 of government that is created by law or by action of one or more local units of
15 government.

16 **SECTION 35. Initial applicability.**

17 (1) INCOME AND FRANCHISE TAX EXEMPTIONS. The treatment of sections 71.05 (1)
18 (c) 6., 71.26 (1) (bm) and (1m) (g), 71.36 (1m) and 71.45 (1t) (g) of the statutes first
19 applies to taxable years beginning on January 1, 2000.

20 (2) PROPERTY TAX EXEMPTION. The treatment of section 70.11 (40) of the statutes
21 first applies to the property tax assessments as of January 1, 2000.

22 **SECTION 36. Effective dates.** This act takes effect on the day after publication,
23 except as follows:

24 (1) SALES TAX EXEMPTION. The treatment of section 77.54 (9a) (h) of the statutes
25 takes effect on first day of the 2nd month beginning after publication.

