



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2011 Assembly Bill 508**

**Assembly  
Amendment 1**

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*Contact:* Anna Henning, Staff Attorney (266-0292)

Under *current law*, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance projects and refinance outstanding debt of certain health, educational, and research institutions. **2011 Assembly Bill 508** expands that authority to authorize WHEFA bonds for financing projects and refinancing outstanding debt of *any* participating nonprofit institution, defined to mean a nonprofit entity that does not already qualify as a health, educational, or research institution under current law. In addition, the bill makes the following changes relating to WHEFA's bonding authority:

- It extends the maximum maturity date for WHEFA bonds to 50 years, rather than 30 years under current law.
- In the definition of costs for which WHEFA may provide financing, it increases the limitation on working capital from the larger of 3% of the project cost or actual costs to the amount permitted under federal law (generally 5% of working capital).
- With regard to WHEFA's authority to refinance outstanding debt of a participating health institution, it removes a requirement that the Department of Health Services must certify that the refinancing will result in a reduction in the health institution's rates below the rates which would have otherwise prevailed.
- It removes references to "child care providers" and "child care facilities" to reflect a May 1, 2000 sunset of WHEFA's authority to issue bonds to such entities.

**Assembly Amendment 1** to 2011 Assembly Bill 508 removes the provisions of the bill that authorize WHEFA to issue bonds for certain activities relating to any nonprofit institution. Thus, the amendment restores current law regarding the types of institutions for which WHEFA may issue bonds. The amendment retains the other provisions of the bill.

**Legislative History**

Assembly Amendment 1 to 2011 Assembly Bill 508 was offered by the Assembly Committee on Jobs, Economy, and Small Business on February 29, 2012. On the same day, the committee voted to recommend adoption of Assembly Amendment 1 on a vote of Ayes, 10; Noes, 0, and it voted to recommend passage of 2011 Assembly Bill 508, as amended, on a vote of Ayes, 7; Noes, 3.

AH:jal