

TITLE XX.

Independent Authorities.

CHAPTER 231

HEALTH FACILITIES AUTHORITY

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231.01 Definitions. In this chapter:

(1) "Authority" means the Wisconsin health facilities authority.

(2) "Health facility" means any nonprofit institution, place, building or agency required to be licensed under either ch. 140 or s. 146.30, and also means any such facility exempted from such licensure when the secretary of health and social services attests that the exempted facility meets the statutory definition of a facility subject to licensure. "Health facility" also means any other nonprofit health service institution, place, building or agency not now subject to licensure under state law which the secretary attests is subject to certification by the U.S. department of health, education and welfare under the social security act, as now or hereafter amended, or which the secretary attests is subject to standard-setting by a recognized public or voluntary accrediting or standard-setting agency. "Health facility" also means any nonprofit institution, place, building or agency engaged solely in providing one or more supporting services to a health facility. "Health facility" does not include any institution, place or building used or to be used primarily for sectarian instruction or

study or as a place for devotional activities or religious worship.

(3) "Participating health institution" means a not-for-profit corporation or association authorized by the laws of this state to provide or operate a health facility and which, pursuant to this chapter, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(4) "Project" means a specific health facility work or improvement to be refinanced, acquired, constructed, enlarged, remodeled, renovated, improved, furnished or equipped, or any combination thereof, by the authority for lease to a participating health institution. "Project" also means one or more structures suitable for use as a health facility, laboratory, laundry, nurses' or interns' residence or other multiunit housing facility for staff, employes, patients or relatives of patients admitted for treatment or care in a health facility, physician's facility, administration building, research facility, maintenance, storage or utility facility and other structures or facilities related to any of the foregoing or required or useful for the operation of a health

facility, including parking and other facilities or other supporting service structures essential or convenient for the orderly conduct of such health facility. "Project" includes site preparation, landscaping, machinery, equipment and furnishings and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but does not include such items as fuel, supplies or other items, the costs of which are customarily deemed to result in a current operating cost. "Project" may include any combination of one or more of the foregoing undertaken jointly by any participating health institution with one or more other participating health institutions.

(5) "Cost", as applied to a project financed under this chapter, means the sum total of all costs incurred by a participating health institution, as approved by the authority, as are reasonable and necessary for carrying out all works and undertakings necessary or incident to accomplish the project, exclusive of any private or federal, state or local financial assistance received by the participating health institution for the payment of such project cost. "Cost" includes, without limitation because of enumeration, the cost incurred by or on behalf of the participating health institution of all necessary developmental, planning and feasibility studies, surveys, plans and specifications, architectural, engineering, legal or other special services, the cost of acquisition of land and any buildings and improvements thereon, site preparation and development including demolition or removal of existing structures, construction, reconstruction and equipment, including machinery, fixed equipment and personal property, the reasonable cost of financing incurred by a participating health institution in the course of the development of the project to the occupancy date, carrying charges during construction to the occupancy date, interest on bonds issued to finance the project to a date 6 months subsequent to the estimated date of completion, working capital not exceeding 3% of the estimated total project cost or 3% of the actual total final cost, whichever is larger, the fees and charges imposed by the authority or by others, necessary expenses incurred in connection with the initial occupancy of the project and the cost of such other items as the authority determines to be reasonable and necessary; less all rents and other net revenues from the operation of the real property, improvements or personal property on the project site or any part thereof by a participating health institution on and after the date on which the contract between a participating health institution and the authority was entered into and prior to the occupancy date.

(6) "Bonds" means bonds of the authority issued under this chapter, including refunding bonds.

(7) "Bond resolution" means the resolution authorizing the issuance of, or providing terms and conditions related to, bonds issued under this chapter and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(8) "Property" means any real, personal or mixed property, or any interest therein, including, without limitation because of enumeration, any real estate, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights of way and structures, or any interest therein.

(9) "Revenues" means, with respect to any project, the rents, fees, charges and other income or profit derived therefrom.

(10) "State comprehensive health planning agency" or "agency" means the state comprehensive health planning agency designated under the federal partnership for health act, P.L. 89-749, as amended, or any successor to that agency.

History: 1973 c. 304.

231.02 Creation and organization. (1)

There is created a body politic and corporate to be known as the "Wisconsin Health Facilities Authority". The authority is constituted a public instrumentality and the exercise by the authority of the powers conferred by this chapter shall be deemed and held to be the performance of an essential public function. The authority shall consist of 7 members nominated by the governor, and with the advice and consent of the senate appointed for staggered 7-year terms. Members shall be residents of the state, and not more than 4 shall be members of the same political party. The members of the authority first appointed shall serve for terms expiring on June 30 in 1974, 1975, 1976, 1977, 1978, 1979 and 1980, respectively. As soon as possible after the appointment of the initial members, the authority shall organize for the transaction of business. Annually, the governor shall appoint one member as chairman and the authority shall elect one member as vice chairman.

(2) The authority shall appoint an executive director and associate executive director who shall not be members of the authority and who shall serve at the pleasure of the authority. They shall receive such compensation as the authority fixes. The executive director or associate executive director or other person designated by resolution of the authority shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers

filed with the authority, the minute book or journal of the authority and its official seal. The executive director or associate executive director or other person may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

(3) Four members of the authority shall constitute a quorum. The affirmative vote of a majority of all the members of the authority shall be necessary for any action taken by the authority. A vacancy in the membership of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Each meeting of the authority shall be open to the public. Notice of meetings, or waivers thereof, shall be as provided in the bylaws of the authority. Resolutions of the authority need not be published or posted. The authority may delegate by resolution to one or more of its members or its executive director such powers and duties as it deems proper.

(4) Before the issuance of any bonds under this chapter, each member of the authority shall execute a surety bond in the sum of \$50,000 and the executive director and associate executive director shall each execute a surety bond in the sum of \$100,000 or, in lieu thereof, the chairman of the authority shall execute a blanket bond covering each member, the executive director, the associate executive director and the employees and other officers of the authority. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of the principal, shall be executed by a surety company authorized to transact business in this state as surety, shall be approved by the attorney general and shall be filed in the office of the secretary of state. The cost of each such bond shall be paid by the authority.

(5) The members of the authority shall receive no compensation for the performance of their duties as members, but each such member shall be reimbursed for his actual and necessary expenses while engaged in the performance of his duties.

(6) (a) Any member, officer, agent or employe of the authority who, directly or indirectly, has any financial interest in any bond issue or in any loan or any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the authority, may be fined not less than \$50 nor more than \$1,000, or imprisoned not more than 30 days or both.

(b) Notwithstanding any other provision of law, it is not a conflict of interest or violation of

this section or of any other law for a trustee, director, officer or employe of a participating health institution or for a person having the required favorable reputation for skill, knowledge and experience in state and municipal finance or for a person having the required favorable reputation for skill, knowledge and experience in the field of health facility architecture to serve as a member of the authority; if in each case to which par. (a) is applicable, the trustee, director, officer or employe of the participating health institution abstains from discussion, deliberation, action and vote by the authority in specific respect to any undertaking pursuant to this chapter in which his participating health institution has an interest, or the person having the required favorable reputation for skill, knowledge and experience in state and municipal finance abstains from discussion, deliberation, action and vote by the authority in specific respect to any sale, purchase or ownership of bonds of the authority in which any business of which such person is a participant, owner, officer or employe has a past, current or future interest, or such person having the required favorable reputation for skill, knowledge and experience in the field of health facility architecture abstains from discussion, deliberation, action and vote by the authority in specific respect to construction or acquisition of any project of the authority in which any business of which such person is a participant, owner, officer or employe has a past, current or future interest.

History: 1973 c 304.

231.03 Powers. The authority may:

(1) Adopt bylaws and rules for the regulation of its affairs and the conduct of its business.

(2) Adopt an official seal and alter it at pleasure.

(3) Maintain an office.

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

(5) Determine the location and character of any project to be financed under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any such purpose, enter into contracts for the management and operation of a project or other health facilities owned by the authority, and designate a participating health institution as its agent to determine the location and character of a project undertaken by the participating health institution under this chapter and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease as lessee or lessor and regulate the same, and as the agent of the authority, to enter

into contracts for any such purpose, including contracts for the management and operation of such project or other health facilities owned by the authority.

(6) Issue bonds of the authority for any of its corporate purposes and in such amounts as it deems necessary and fund or refund the same, all as provided in this chapter, provided, however, that all the bonds issued under this chapter shall not exceed \$50,000,000 in total amount.

(7) Fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or other health facilities owned by the authority or any portion thereof, contract with any person in respect thereto and coordinate its policies and procedures and cooperate with recognized health facility rate setting mechanisms.

(8) Establish rules for the use of a project or other health facilities owned by the authority or any portion thereof, and designate a participating health institution as its agent to establish rules for the use of a project or other health facilities owned by the authority undertaken for that participating health institution.

(9) Employ outside the classified service or contract for consulting engineers, architects, attorneys, accountants, construction and financial experts and such other employes and agents as it finds necessary and fix their compensation.

(10) Appoint such technical or professional advisory committees as it finds necessary, define their duties and provide reimbursement of their expenses.

(11) Establish or contract with others to carry out on its behalf a health facility project cost estimating service, and make this service available on all projects to provide expert cost estimates and guidance to the participating health institution and to the authority. To implement this service and, through it, to contribute to cost containment, the authority may require such reasonable reports and documents from health facility projects as are required for this service and for the development of cost reports and guidelines. The authority shall appoint a technical committee on health facility project costs and cost containment.

(12) Receive and accept from any source loans, contributions or grants for or in aid of the construction of a project or any portion thereof in either money, property, labor or other things of value and, when required, use such funds, property or labor only for the purposes for which it was loaned, contributed or granted.

(13) Make loans to any participating health institution for the cost of a project in accordance with an agreement between the authority and the participating health institution. No such loan

may exceed the total cost of the project as determined by the participating health institution and approved by the authority.

(14) Make loans to a participating health facility to refund outstanding obligations or advances issued, made or given by the participating health institution for the cost of a project, including the power to issue bonds and make loans to a participating health institution to refinance indebtedness incurred by the participating health institution in projects undertaken and completed or for other health facilities acquired prior to or after June 19, 1974 when the authority finds that such refinancing is in the public interest, alleviates a financial hardship of such participating health institution and results in a lessened cost of patient care and a saving to 3rd parties, including government, and to others who must pay for care.

(15) Mortgage all or any portion of a project and other health facilities and the site thereof, whether owned or thereafter acquired, for the benefit of the holders of bonds issued to finance the project or health facilities or any portion thereof or issued to refund or refinance outstanding indebtedness of participating health institutions as permitted by this chapter.

(16) Lease to a participating health institution the project being financed or other health facilities conveyed to the authority in connection with such financing, upon such terms and conditions as the authority deems proper, and charge and collect rents therefor and terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and include in any such lease, if desired, provisions that the lessee thereof shall have options to renew the term of the lease for such periods and at such rent as the authority determines or to purchase all or any part of the health facilities or that, upon payment of all of the indebtedness incurred by the authority for the financing of such project or health facilities or for refunding outstanding indebtedness of a participating health institution, the authority may convey all or any part of the project or such other health facilities to the lessees thereof with or without consideration.

(17) Charge to and apportion among participating health institutions its administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter.

(18) Make studies of needed health facilities that could not sustain a loan were it made under this chapter and recommend remedial action to the legislature; and do the same with regard to any laws or rules that prevent health facilities from benefiting from this chapter.

History: 1973 c 304

231.04 Expenses. All expenses of the authority incurred in carrying out this chapter shall be payable solely from funds provided under the authority of this chapter, and no liability may be incurred by the authority beyond the extent to which moneys have been provided under this chapter except that, for the purposes of meeting the necessary expenses of initial organization and operation of the authority for the period commencing on June 19, 1974 and continuing until such date as the authority derives moneys from funds provided to it under the authority of this chapter, the authority may borrow such moneys as it requires to supplement the funds provided under s. 20.440. Such moneys borrowed by the authority shall subsequently be charged to and apportioned among participating health facilities in an equitable manner, and repaid with appropriate interest over a reasonable period of time.

History: 1973 c. 304

231.05 Project applications. (1) By means of this chapter, it is the intent of the legislature to provide assistance and alternative methods of financing to nonprofit health institutions to aid them in providing needed health services consistent with the state's health plan.

(2) To support this intent, the authority shall not make any loan or issue any bonds to finance a project unless the project is determined to be needed by the state comprehensive health planning agency.

(3) The authority shall, at the same time as it notifies the applicant of its action, notify the agency of such action, including data in support of its decision.

(4) Subject to the approval of the authority, an applicant may recommend to the authority an underwriter for the bonds or notes related to its project.

History: 1973 c. 304.

231.06 Property acquisition. The authority may acquire, directly or by and through a participating health institution as its agent, by purchase solely from funds provided under the authority of this chapter, or by gift or devise, such lands, structures, property, rights, rights-of-way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within this state as it deems necessary or convenient for the construction or operation of a project, upon such terms and at such prices as it considers reasonable and can be agreed upon between it and the owner thereof, and take title thereto in the name of the authority or in the name of a participating health facility as its agent.

History: 1973 c. 304

231.07 Property conveyance. When the principal of and interest on bonds issued by the authority to finance the cost of a project or to refinance outstanding indebtedness of one or more participating health institutions, including any refunding bonds issued to refund and refinance such bonds, have been fully paid and retired or when adequate provision has been made to fully pay and retire the same, and all other conditions of the resolution, lease, trust indenture and mortgage or deed of trust, if any, authorizing and securing the same have been satisfied and the lien of such mortgage or deed of trust has been released in accordance with the provisions thereof, the authority shall promptly do all things and execute such deeds and conveyances as are necessary and required to convey its right, title and interest in such project so financed, and any other health facilities mortgaged to secure the bonds, to the participating health institutions.

History: 1973 c. 304

231.08 Issuance of bonds. (1) The authority may from time to time issue bonds for any corporate purpose. All such bonds or other obligations of the authority issued under this chapter are declared to be negotiable for all purposes, notwithstanding their payment from a limited source and without regard to any other law.

(2) The bonds of each issue shall be payable solely out of revenues of the authority specified in the resolution under which they were issued or in a related trust agreement, trust indenture, indenture of mortgage or deed of trust.

(3) The bonds may be issued as serial bonds or as term bonds, or the authority may issue bonds of both types. The bonds shall be authorized by a bond resolution of the authority and shall bear such dates, mature at such times not exceeding 30 years from their respective dates of issue, bear interest at such rates, be payable at such times, be in such denominations, be in such form, either coupon or fully registered, carry such registration and conversion privileges, be executed in such manner, be payable in lawful money of the United States at such places, and be subject to such terms of redemption as the bond resolution provides. The bonds or notes shall be executed by the manual or facsimile signatures of such officers of the authority as the authority designates. Coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer of the authority or such other officer as the authority designates. The bonds or notes may be sold at public or private sale for such price and in such manner and from time to time as the authority determines. Pending preparation of

the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for the definitive bonds.

(4) Any bond resolution may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to:

(a) Pledging or assigning the revenues of the project with respect to which the bonds are to be issued or other specified revenues of the authority;

(b) The rentals, fees and other amounts to be charged, and the sums to be raised in each year thereby, and the use, investment and disposition of such sums;

(c) The setting aside of reserves or sinking funds, and the regulation, investment and disposition thereof;

(d) Limitations on the use of the project;

(e) Limitations on the purpose to which or the investments in which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied;

(f) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds;

(g) The refunding of outstanding bonds;

(h) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(i) Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations, and providing the rights and remedies of such holders in the event of a default; and

(j) Any other matters relating to the bonds which the authority deems desirable.

(5) In addition to the other authorizations under this section, bonds of the authority may be secured by a pooling of leases whereby the authority may assign its rights, as lessor, and pledge rents under 2 or more leases of health facilities with 2 or more health institutions, as lessees respectively, upon such terms as may be provided for in bond resolutions of the authority.

(6) Neither the members of the authority nor any person executing the bonds are liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance thereof.

History: 1973 c. 304

231.09 Bond security. The authority may secure any bonds issued under this chapter by a

trust agreement, trust indenture, indenture of mortgage or deed of trust by and between the authority and one or more corporate trustees, which may be any trust company or bank in this state having the powers of a trust company. The bond resolution providing for the issuance of bonds so secured shall pledge the revenues to be received by the authority from the project or other related health facilities, may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including particularly such provisions as are specifically authorized by this chapter to be included in any bond resolution of the authority, and may restrict the individual right of action by bondholders. In addition, any bond resolution may contain such other provisions as the authority deems reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the bond resolution may be treated as a part of the cost of the operation of a project.

History: 1973 c. 304

231.10 Bonds not public debt. (1) Bonds issued under this chapter shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof other than the authority, or a pledge of the faith and credit of the state or of any such political subdivision other than the authority, but shall be payable solely from the funds provided therefor in this chapter. The issuance of bonds under this chapter shall not, directly or indirectly or contingently, obligate the state or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Nothing in this section prevents the authority from pledging its full faith and credit or the full faith and credit of a health institution to the payment of bonds authorized under this chapter.

(2) Nothing in this chapter authorizes the authority to create a debt of the state, and all bonds issued by the authority under this chapter are payable and shall state that they are payable solely from the funds pledged for their payment in accordance with the resolution authorizing their issuance or in any trust indenture or mortgage or deed of trust executed as security therefor. The state shall not in any event be liable for the payment of the principal or of interest on any bonds of the authority or for the performance of any pledge, mortgage, obligation or agreement which may be undertaken by the authority. No breach of any such pledge, mortgage, obligation or agreement may impose any pecuniary liability upon the state or any

charge upon its general credit or against its taxing power.

History: 1973 c. 304.

231.11 State pledge. The state pledges to and agrees with the holders of any obligations issued under this chapter, and with those parties who may enter into contracts with the authority under this chapter, that the state will not limit or alter the rights vested in the authority by this chapter until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the authority, but nothing shall preclude such a limitation or alteration if adequate provision is made by law for the protection of the holders of such obligations of the authority or those entering into such contracts with the authority. The authority, as agent for the state, may include this pledge and undertaking for the state in such obligations or contracts.

History: 1973 c. 304.

231.12 Studies and recommendations. It is the intent and purpose of this chapter that the exercise by the authority of the powers granted to it shall be in all respects for the benefit of the people of this state to assist them to provide needed health facilities of the number, size, type, distribution and operation that will assure admission and care of high quality to all who need it. To this end, the authority shall identify and study all projects which are determined by health planning agencies to be needed, but which could not sustain a loan were such to be made to it under this chapter. The authority shall, following such study, formulate and recommend to the legislature such amendments to this and other laws, and such other specific measures as grants, loan guarantees, interest subsidies or other actions the state may provide which would render the construction and operation of such needed health facility feasible and in the public interest. The authority also shall identify and study any laws or rules which it finds handicaps or bars a needed health facility from participating in the benefits of this chapter, and recommend to the legislature such actions as will remedy such situation.

History: 1973 c. 304.

231.13 Project leases. (1) The authority shall fix, revise, charge and collect rents for the use of each project and contract with any person in respect thereof. Each lease entered into by the authority with a participating health institution shall provide that the rents payable by the health facility shall be sufficient at all times to:

(a) Pay its share of the administrative costs and expenses of the authority;

(b) Pay the principal of, the premium, if any, and the interest on outstanding bonds of the authority issued in respect of such project as they become due and payable; and

(c) Create and maintain reserves which may but need not be required or provided for in the bond resolution relating to such bonds of the authority.

(2) The authority shall pledge the revenues derived and to be derived from a project and other related health facilities for the purposes specified in sub. (1), and additional bonds may be issued which may rank on a parity with other bonds relating to the project to the extent and on the terms and conditions provided in the bond resolution. Such pledge shall be valid and binding from the time when the pledge is made, the revenues so pledged by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the bond resolution nor any financing statement, continuation statement or other instrument by which a pledge is created or by which the authority's interest in revenues is assigned need be filed or recorded in any public records in order to perfect the lien thereof as against 3rd parties, except that a copy thereof shall be filed in the records of the authority and with the secretary of state.

History: 1973 c. 304.

231.14 Trust funds. All moneys received under the authority of this chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this chapter. Any officer with whom, or any bank or trust company with which, such moneys are deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes of this chapter, subject to such regulations as this chapter and the bond resolution authorizing the bonds of any issue provide.

History: 1973 c. 304.

231.15 Rights of bondholders. Any holder of bonds issued under this chapter or a trustee under a trust agreement, trust indenture, indenture of mortgage or deed of trust entered into under this chapter, except to the extent that their rights are restricted by any bond resolution, may, by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond resolution. Such rights include the right to compel the performance of all duties of the authority required

by this chapter or the bond resolution; to enjoin unlawful activities; and in the event of default with respect to the payment of any principal of, premium, if any, and interest on any bond or in the performance of any covenant or agreement on the part of the authority in the bond resolution, to apply to a court to appoint a receiver to administer and operate the projects, the revenues of which are pledged to the payment of principal of, premium, if any, and interest on such bonds, with full power to pay, and to provide for payment of, principal of, premium, if any, and interest on such bonds, and with such powers, subject to the direction of the court, as are permitted by law and are accorded receivers, excluding any power to pledge additional revenues of the authority to the payment of such principal, premium and interest.

History: 1973 c. 304

231.16 Refunding bonds. (1) The authority may provide for the issuance of bonds of the authority for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project or any portion thereof, but no such bonds may be issued unless the authority has first entered into a new or amended lease with a participating health institution which provides for the payment of rentals adequate to satisfy the requirements of s. 231.13.

(2) The authority may apply the proceeds of any such bonds issued for the purpose of refunding outstanding bonds to the purchase or retirement at maturity or redemption of such outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application, place the proceeds in escrow to be applied to such purchase or retirement at maturity or redemption on such date as the authority determines.

(3) All bonds issued under this section shall be subject to this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter.

History: 1973 c. 304

231.17 Investment of funds. The authority may invest any funds in bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations

the principal and interest of which are guaranteed by, the United States; in those certificates of deposit or time deposits constituting direct obligations of any bank which are insured by the federal deposit insurance corporation; or in short-term discount obligations of the federal national mortgage association. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. Only such funds may be so invested as, in the judgment of the authority, will not be required for expenditure within a period of 50 days from the date of the investment thereof.

History: 1973 c. 304

231.18 Investment authorization. The notes and bonds of the authority are securities in which all public officers and bodies of this state and all political subdivisions and public officers thereof, all banks, trust companies, savings banks and institutions, savings and loan associations, investment companies, insurance companies and associations, and all personal representatives, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control.

History: 1973 c. 304

231.19 Annual reports. The authority shall keep an accurate account of all its activities and of all its receipts and expenditures, and shall annually in the month of January make a report thereof to the governor and the legislature. The reports shall be in a form approved by the state auditor. The state auditor may investigate the affairs of the authority, may examine the properties and records of the authority and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the authority.

History: 1973 c. 304

231.20 Waiver of construction and bidding requirements. In exercising its powers under s. 101.12, the department of industry, labor and human relations may, within its discretion for proper cause shown, waive any particular requirements relating to public buildings, structures, grounds, works and improvements imposed by law upon projects under this chapter; the requirements of s. 101.13 may not be waived, however. If, however, the prospective lessee so requests in writing, the authority shall, through the participating health institution as its agent, call for construction bids in such manner as is determined by the authority with the approval of the lessee.

History: 1973 c. 304

231.21 Employes under social security.

The authority may take such action as it deems appropriate to enable its employes to come within the provisions and obtain the benefits of the federal social security act.

History: 1973 c. 304.

231.22 Effect of chapter. This chapter shall be deemed to provide a complete, additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of bonds.

History: 1973 c. 304.

231.23 Nonprofit institutions. It is intended that all nonprofit health institutions in this state be enabled to benefit from and participate in this chapter. To this end, all nonprofit health institutions operating, or authorized to be operated, under any law of this state may undertake projects and utilize the capital financing sources and methods of repayment provided by this chapter, the provisions of any other laws to the contrary notwithstanding.

History: 1973 c. 304.

231.24 Liberal construction. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

History: 1973 c. 304.

231.25 Tax exemption. The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation

and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent is required to pay any taxes or assessments, including mortgage recording taxes, upon or in respect of a project or any property acquired or used by the authority or its agent under this chapter and the income therefrom shall at all times be free from taxation of every kind by the state and by political subdivisions of the state.

History: 1973 c. 304.

231.26 Residential facility for the severely physically disabled.

(1) If, during the 1973-75 biennium, proper application is made in accordance with this chapter for a project meeting the requirements of this section, the authority shall undertake a project to provide a residential facility for severely physically disabled persons utilizing any capital finance sources, methods of repayment and operation specified in this chapter.

(2) The proposed residential facility shall provide a stable, viable environment for severely physically disabled individuals in that, while attendants will be on call at all times and personal care assistance will be provided, the residents will be given the opportunity to fulfill useful and productive life styles.

(3) The facility's design features shall accommodate the specific needs of the residents and provide opportunities for:

- (a) Continuing education;
- (b) Counseling services;
- (c) Out-patient visits, as necessary;
- (d) Job opportunities;
- (e) Assisted living services performed by resident staff; and
- (f) Low-cost transportation.

History: 1973 c. 304.