



2011 ASSEMBLY BILL 508

February 1, 2012 - Introduced by Representatives KRUG, BERNIER, ENDSLEY, KERKMAN, PETRYK, STEINEKE and STRACHOTA, cosponsored by Senators OLSEN and HOLPERIN. Referred to Joint Committee on Finance.

1 **AN ACT** *to repeal* 231.01 (3c), 231.01 (3m) and 231.01 (5r); *to amend* 66.0621 (1)
2 (b), 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (b) 5., 231.01 (4)
3 (c), 231.01 (7) (a) 1., 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6)
4 (b), 231.03 (5), 231.03 (6) (b), 231.03 (6) (g), 231.03 (7), 231.03 (8), 231.03 (11),
5 231.03 (13), 231.03 (14), 231.03 (15), 231.03 (16), 231.03 (17), 231.03 (18),
6 231.03 (19), 231.04, 231.05 (1), 231.06, 231.07 (1) (b), 231.07 (2) (a), 231.08 (3),
7 231.08 (5), 231.10 (1), 231.12, 231.13 (1) (intro.), 231.13 (2), 231.16 (1), 231.16
8 (3), 231.20 and 231.23; and *to create* 231.01 (5) (a) 7., 231.01 (5n), 231.01 (5p),
9 231.01 (6m), 231.03 (6) (j) and 231.03 (6) (k) of the statutes; **relating to:**
10 authorizing the Wisconsin Health and Educational Facilities Authority to issue
11 bonds to finance projects related to nonprofit facilities.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health, educational, or research institutions; to refinance outstanding debt of health, educational, or research institutions; and to finance a purchase of the state's right to receive any of

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the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health, educational, or research institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health, educational, or research facility or related structure.

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a nonprofit institution for a nonprofit facility, or to refinance outstanding debt of a nonprofit institution. A nonprofit institution is defined in the bill as a nonprofit entity that is not a health, education, or research institution. A nonprofit facility is defined in the bill as a facility that is owned or operated by a nonprofit entity. Project activities for which WHEFA may issue bonds for a nonprofit institution include construction, acquisition, remodeling, furnishing, and equipping of nonprofit facilities, related structures, and structures or items that are useful for the operation of nonprofit facilities.

This bill also makes the following changes to WHEFA's bonding authority:

1. Extends the maximum bond maturity date for bonds issued by WHEFA from 30 years from the date of issue to 50 years from the date of issue.

2. Eliminates the requirement the certain refinancing projects for health institutions be certified by the Department of Health Services.

3. Changes the working capital limits that must be included in the cost of a project to be consistent with federal law.

4. Eliminates references to WHEFA's authority to issue bonds to participating child care providers which expired on May 1, 2000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 66.0621 (1) (b) of the statutes is amended to read:

2 66.0621 (1) (b) "Public utility" means any revenue producing facility or
3 enterprise owned by a municipality and operated for a public purpose as defined in
4 s. 67.04 (1) (b) including garbage incinerators, toll bridges, swimming pools, tennis
5 courts, parks, playgrounds, golf links, bathing beaches, bathhouses, street lighting,
6 city halls, village halls, town halls, courthouses, jails, schools, cooperative
7 educational service agencies, hospitals, homes for the aged or indigent, child care
8 centers, as defined in s. 231.01 (3e), regional projects, waste collection and disposal

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1 operations, sewerage systems, local professional baseball park facilities, local
2 professional football stadium facilities, local cultural arts facilities, and any other
3 necessary public works projects undertaken by a municipality.

4 **SECTION 2.** 231.01 (3c) of the statutes is repealed.

5 **SECTION 3.** 231.01 (3m) of the statutes is repealed.

6 **SECTION 4.** 231.01 (4) (a) of the statutes is amended to read:

7 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating
8 health institution, participating educational institution, participating research
9 institution, or participating ~~child care provider~~ nonprofit institution, as approved by
10 the authority, as are reasonable and necessary to accomplish the project, exclusive
11 of any private or federal, state, or local financial assistance received by the
12 participating health institution, participating educational institution, participating
13 research institution, or participating ~~child care provider~~ nonprofit institution for the
14 payment of the project cost.

15 **SECTION 5.** 231.01 (4) (b) 1. of the statutes is amended to read:

16 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health
17 institution, participating educational institution, participating research institution,
18 or participating ~~child care provider~~ nonprofit institution of all necessary
19 developmental, planning, and feasibility studies, surveys, plans, and specifications,
20 architectural, engineering, legal, or other special services, the cost of acquisition of
21 land and any buildings and improvements on the land, site preparation, and
22 development including demolition or removal of existing structures, construction,
23 reconstruction, and equipment, including machinery, fixed equipment, and personal
24 property.

25 **SECTION 6.** 231.01 (4) (b) 2. of the statutes is amended to read:

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1 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
2 health institution, participating educational institution, participating research
3 institution, or participating ~~child care provider~~ nonprofit institution in the course of
4 the development of the project to the occupancy date.

5 **SECTION 7.** 231.01 (4) (b) 5. of the statutes is amended to read:

6 231.01 (4) (b) 5. Working capital not exceeding ~~3% of the estimated total project~~
7 ~~cost or 3% of the actual total final cost, whichever is larger~~ the amounts permitted
8 under 26 CFR 1.148-6 (d) (3).

9 **SECTION 8.** 231.01 (4) (c) of the statutes is amended to read:

10 231.01 (4) (c) All rents and other net revenues from the operation of the real
11 property, improvements, or personal property on the project site by a participating
12 health institution, participating educational institution, participating research
13 institution, or participating ~~child care provider~~ nonprofit institution on and after the
14 date on which the contract between a participating health institution, participating
15 educational institution, participating research institution, or participating ~~child~~
16 ~~care provider~~ nonprofit institution and the authority was entered into, but prior to
17 the occupancy date, shall reduce the sum of all costs in this subsection.

18 **SECTION 9.** 231.01 (5) (a) 7. of the statutes is created to read:

19 231.01 (5) (a) 7. Any hospital, ambulatory surgical center, skilled nursing
20 facility, community-based residential facility, assisted living facility, home health
21 agency, hospice, rehabilitation facility, medical office or clinic, or other similar
22 facility that is located outside of this state.

23 **SECTION 10.** 231.01 (5n) of the statutes is created to read:

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1 231.01 **(5n)** “Nonprofit entity” means an entity that is described in section 501
2 (c) (3) of the Internal Revenue Code and that is exempt from federal income tax under
3 section 501 (a) of the Internal Revenue Code.

4 **SECTION 11.** 231.01 (5p) of the statutes is created to read:

5 231.01 **(5p)** “Nonprofit facility” means a facility that is owned or operated by
6 a nonprofit entity.

7 **SECTION 12.** 231.01 (5r) of the statutes, as affected by 2011 Wisconsin Act 32,
8 is repealed.

9 **SECTION 13.** 231.01 (6m) of the statutes is created to read:

10 231.01 **(6m)** “Participating nonprofit institution” means a nonprofit entity, or
11 an affiliate of that entity, that undertakes the financing and construction or
12 acquisition of a project or undertakes the refunding or refinancing of obligations or
13 of a mortgage or of advances as provided in this chapter, and is not any of the
14 following:

15 1. An entity authorized by state law to provide or operate an educational facility
16 or an affiliate of an entity authorized by state law to provide or operate an
17 educational facility.

18 2. An entity authorized by state law to provide or operate a health facility or
19 an affiliate of an entity authorized by state law to provide or operate a health facility.

20 3. An entity authorized by state law to provide or operate a research facility or
21 an affiliate of an entity authorized by state law to provide or operate a research
22 facility.

23 **SECTION 14.** 231.01 (7) (a) 1. of the statutes is amended to read:

24 231.01 **(7)** (a) 1. A specific health facility, educational facility, research facility,
25 or ~~child care center~~ nonprofit facility work or improvement to be refinanced,

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1 acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or
2 equipped by the authority with funds provided in whole or in part under this chapter.

3 **SECTION 15.** 231.01 (7) (a) 2. of the statutes is amended to read:

4 231.01 (7) (a) 2. One or more structures suitable for use as a ~~child care center,~~
5 research facility, nonprofit facility, health facility, laboratory, laundry, nurses' or
6 interns' residence or other multi-unit housing facility for staff, employees, patients
7 or relatives of patients admitted for treatment or care in a health facility, physician's
8 facility, administration building, research facility, maintenance, storage, or utility
9 facility.

10 **SECTION 16.** 231.01 (7) (a) 4. of the statutes is amended to read:

11 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
12 educational facility, research facility, or ~~child care center~~ nonprofit facility, including
13 facilities or supporting service structures essential or convenient for the orderly
14 conduct of the health facility, educational facility, research facility, or ~~child care~~
15 ~~center~~ nonprofit facility.

16 **SECTION 17.** 231.01 (7) (c) of the statutes, as affected by 2011 Wisconsin Act 32,
17 is amended to read:

18 231.01 (7) (c) "Project" may include more than one project, and it may include
19 any combination of projects undertaken jointly by any participating health
20 institution, participating educational institution, participating research institution,
21 or participating ~~child care provider~~ nonprofit institution with one or more other
22 participating health institutions, participating educational institutions,
23 participating research institutions, or participating ~~child care providers~~ nonprofit
24 institutions.

25 **SECTION 18.** 231.02 (6) (b) of the statutes is amended to read:

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1 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
2 of interest or violation of this section or of any other law for a trustee, director, officer,
3 or employee of a participating health institution, participating educational
4 institution, participating research institution, or participating ~~child care provider~~
5 nonprofit institution or for a person having the required favorable reputation for
6 skill, knowledge, and experience in state and municipal finance or for a person
7 having the required favorable reputation for skill, knowledge, and experience in the
8 field of health facility, educational facility, research facility, or ~~child care center~~
9 nonprofit facility architecture to serve as a member of the authority; if in each case
10 to which par. (a) is applicable, the trustee, director, officer, or employee of the
11 participating health institution, participating educational institution, participating
12 research institution, or participating ~~child care provider~~ nonprofit institution
13 abstains from discussion, deliberation, action, and vote by the authority in specific
14 respect to any undertaking pursuant to this chapter in which his or her participating
15 health institution, participating educational institution, participating research
16 institution, or participating ~~child care provider~~ nonprofit institution has an interest,
17 or the person having the required favorable reputation for skill, knowledge, and
18 experience in state and municipal finance abstains from discussion, deliberation,
19 action, and vote by the authority in specific respect to any sale, purchase, or
20 ownership of bonds of the authority in which any business of which such person is
21 a participant, owner, officer, or employee has a past, current, or future interest, or
22 such person having the required favorable reputation for skill, knowledge, and
23 experience in the field of health facility, educational facility, research facility, or ~~child~~
24 ~~care center~~ nonprofit facility architecture abstains from discussion, deliberation,
25 action, and vote by the authority in specific respect to construction or acquisition of

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1 any project of the authority in which any business of which such person is a
2 participant, owner, officer, or employee has a past, current, or future interest.

3 **SECTION 19.** 231.03 (5) of the statutes is amended to read:

4 231.03 (5) Determine the location and character of any project to be financed
5 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
6 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
7 such purpose, enter into contracts for the management and operation of a project or
8 other health facilities, educational facilities, research facilities, or ~~child care centers~~
9 nonprofit facilities owned by the authority, and designate a participating health
10 institution, participating educational institution, participating research institution,
11 or participating ~~child care provider~~ nonprofit institution as its agent to determine the
12 location and character of a project undertaken by the participating health
13 institution, participating educational institution, participating research institution,
14 or participating ~~child care provider~~ nonprofit institution under this chapter and as
15 the agent of the authority, to construct, reconstruct, remodel, maintain, manage,
16 enlarge, alter, add to, repair, operate, lease as lessee or lessor and regulate the same,
17 and as the agent of the authority, to enter into contracts for any such purpose,
18 including contracts for the management and operation of such project or other health
19 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
20 facilities owned by the authority.

21 **SECTION 20.** 231.03 (6) (b) of the statutes, as affected by 2011 Wisconsin Act 32,
22 is amended to read:

23 231.03 (6) (b) Refinance outstanding debt of any participating health
24 institution ~~if the department of health services certifies that refinancing will result~~
25 ~~in a reduction in the participating health institution's rates below the rates which~~

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1 ~~would have otherwise prevailed, except that the authority may not refinance any~~
2 ~~office or clinic of a person licensed under ch. 446, 447, 448, 449 or 455, or the~~
3 ~~substantially equivalent laws or rules of another state, and except that this~~
4 ~~certification is not required for the refinancing for a participating health institution~~
5 ~~that operates a facility as defined under s. 49.45 (6m) (a) 3, or for a participating~~
6 ~~health institution that is located in another state.~~

7 **SECTION 21.** 231.03 (6) (g) of the statutes is amended to read:

8 231.03 **(6)** (g) Finance a purchase, or make a loan, under sub. (20). Bonds
9 issued under this paragraph shall be payable from, or secured by interests in, tobacco
10 settlement revenues and such other property pledged under the bond resolution and,
11 notwithstanding s. 231.08 (3), are not required to mature in ~~30~~ 50 years or less from
12 the date of issue.

13 **SECTION 22.** 231.03 (6) (j) of the statutes is created to read:

14 231.03 **(6)** (j) Finance any project undertaken for a nonprofit facility by a
15 participating nonprofit institution.

16 **SECTION 23.** 231.03 (6) (k) of the statutes is created to read:

17 231.03 **(6)** (k) Refinance outstanding debt of any participating nonprofit
18 institution.

19 **SECTION 24.** 231.03 (7) of the statutes is amended to read:

20 231.03 **(7)** Fix and revise from time to time and charge and collect rates, rents,
21 fees, and charges for the use of and for the services furnished or to be furnished by
22 a project or other health facilities, educational facilities, research facilities, or ~~child~~
23 ~~care centers~~ nonprofit facilities owned by the authority or any portion thereof,
24 contract with any person in respect thereto and coordinate its policies and

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1 procedures, and cooperate with recognized health facility, educational facility,
2 research facility, or ~~child care center~~ nonprofit facility rate setting mechanisms.

3 **SECTION 25.** 231.03 (8) of the statutes is amended to read:

4 231.03 (8) Adopt rules for the use of a project or other health facility,
5 educational facility, research facility, or ~~child care center~~ nonprofit facility or any
6 portion of the project or facility owned, financed, or refinanced in whole or in part by
7 the authority, including any property used as security for a loan secured through,
8 from, or with the assistance of the authority. The authority may designate a
9 participating health institution, participating educational institution, participating
10 research institution, or participating ~~child care provider~~ nonprofit institution as its
11 agent to establish rules for the use of a project or other health facilities, educational
12 facilities, research facilities, or ~~child care centers~~ nonprofit facilities undertaken for
13 that participating health institution, participating educational institution,
14 participating research institution, or participating ~~child care provider~~ nonprofit
15 institution. The rules shall ensure that a project, health facility, educational facility,
16 research facility, ~~child care center~~ nonprofit facility, or property may not be used
17 primarily for sectarian instruction or study or as a place for devotional activities or
18 religious worship.

19 **SECTION 26.** 231.03 (11) of the statutes is amended to read:

20 231.03 (11) Establish or contract with others to carry out on its behalf a health
21 facility, educational facility, research facility, nonprofit facility, or child care center
22 project cost estimating service, and make this service available on all projects to
23 provide expert cost estimates and guidance to the participating health institution,
24 participating educational institution, participating research institution, or
25 participating ~~child care provider~~ nonprofit institution and to the authority. To

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1 implement this service and, through it, to contribute to cost containment, the
2 authority may require such reasonable reports and documents from health facility,
3 educational facility, research facility, or ~~child care center~~ nonprofit facility projects
4 as are required for this service and for the development of cost reports and
5 guidelines. The authority shall appoint a technical committee on health facility,
6 educational facility, research facility, or ~~child care center~~ nonprofit facility project
7 costs and cost containment.

8 **SECTION 27.** 231.03 (13) of the statutes is amended to read:

9 231.03 (13) Make loans to any participating health institution, participating
10 educational institution, participating research institution, or, ~~before May 1, 2000,~~
11 participating ~~child care provider~~ nonprofit institution for the cost of a project in
12 accordance with an agreement between the authority and the participating health
13 institution, participating educational institution, participating research institution,
14 or participating ~~child care provider~~ nonprofit institution. The authority may secure
15 the loan by a mortgage or other security arrangement on the health facility,
16 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
17 by the participating health institution, participating educational institution,
18 participating research institution, or participating ~~child care provider~~ nonprofit
19 institution to the authority. The loan may not exceed the total cost of the project as
20 determined by the participating health institution, participating educational
21 institution, participating research institution, or participating ~~child care provider~~
22 nonprofit institution and approved by the authority.

23 **SECTION 28.** 231.03 (14) of the statutes is amended to read:

24 231.03 (14) Make loans to a health facility, educational facility, research
25 facility, or, ~~before May 1, 2000,~~ ~~child care center~~ nonprofit facility for which bonds

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1 may be issued under sub. (6) (b) ~~or, (d) or under s. 231.03 (6) (f), 1999 stats., (i), or (k),~~
2 to refinance the health facility's, educational facility's, research facility's, or ~~child~~
3 ~~care center's~~ nonprofit facility's outstanding debt. The authority may secure the loan
4 or bond by a mortgage or other security arrangement on the health facility,
5 educational facility, research facility, or ~~child care center~~ nonprofit facility granted
6 by the participating health institution, participating educational institution,
7 participating research institution, or participating ~~child care provider~~ nonprofit
8 institution to the authority.

9 **SECTION 29.** 231.03 (15) of the statutes is amended to read:

10 231.03 (15) Mortgage all or any portion of a project and other health facilities,
11 educational facilities, research facilities, or ~~child care centers~~ nonprofit facilities and
12 the site thereof, whether owned or thereafter acquired, for the benefit of the holders
13 of bonds issued to finance the project, health facilities, educational facilities,
14 research facilities, or ~~child care centers~~ nonprofit facilities or any portion thereof or
15 issued to refund or refinance outstanding indebtedness of participating health
16 institutions, participating educational institutions, participating research
17 institutions, or ~~child care providers~~ participating nonprofit institutions as permitted
18 by this chapter.

19 **SECTION 30.** 231.03 (16) of the statutes is amended to read:

20 231.03 (16) Lease to a participating health institution, participating
21 educational institution, participating research institution, or participating ~~child~~
22 ~~care provider~~ nonprofit institution the project being financed or other health
23 facilities, educational facilities, research facilities, or ~~child care centers~~ nonprofit
24 facilities conveyed to the authority in connection with such financing, upon such
25 terms and conditions as the authority deems proper, and charge and collect rents

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1 therefor, and terminate any such lease upon the failure of the lessee to comply with
2 any of the obligations thereof; and include in any such lease, if desired, provisions
3 that the lessee thereof shall have options to renew the term of the lease for such
4 periods and at such rent as the authority determines or to purchase all or any part
5 of the health facilities, educational facilities, research facilities, or ~~child care centers~~
6 nonprofit facilities or that, upon payment of all of the indebtedness incurred by the
7 authority for the financing of such project or health facilities, educational facilities,
8 research facilities, or ~~child care centers~~ nonprofit facilities or for refunding
9 outstanding indebtedness of a participating health institution, participating
10 educational institution, participating research institution, or participating ~~child~~
11 ~~care provider~~ nonprofit institution, the authority may convey all or any part of the
12 project or such other health facilities, educational facilities, research facilities, or
13 ~~child care centers~~ nonprofit facilities to the lessees thereof with or without
14 consideration.

15 **SECTION 31.** 231.03 (17) of the statutes is amended to read:

16 231.03 (17) Charge to and apportion among participating health institutions,
17 participating educational institutions, participating research institutions, and
18 participating ~~child care providers~~ nonprofit institutions its administrative costs and
19 expenses incurred in the exercise of the powers and duties conferred by this chapter.

20 **SECTION 32.** 231.03 (18) of the statutes is amended to read:

21 231.03 (18) Make studies of needed health facilities, educational facilities,
22 research facilities, and ~~child care centers~~ nonprofit facilities that could not sustain
23 a loan were it made under this chapter and recommend remedial action to the
24 legislature; and do the same with regard to any laws or rules that prevent health

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1 facilities, educational facilities, research facilities, and ~~child care centers~~ nonprofit
2 facilities from benefiting from this chapter.

3 **SECTION 33.** 231.03 (19) of the statutes is amended to read:

4 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
5 United States or of this state or any private company, any insurance or guaranty
6 concerning the payment or repayment of, interest or principal, or both, or any part
7 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
8 the same, made or entered into under the provisions of this chapter; and
9 notwithstanding any other provisions of this chapter, to enter into any agreement,
10 contract, or other instrument with respect to that insurance or guaranty, to accept
11 payment in the manner and form provided therein in the event of default by a
12 participating health institution, participating educational institution, participating
13 research institution, or participating ~~child care provider~~ nonprofit institution, and
14 to assign the insurance or guaranty as security for the authority's bonds.

15 **SECTION 34.** 231.04 of the statutes is amended to read:

16 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
17 chapter shall be payable solely from funds provided under the authority of this
18 chapter, and no liability may be incurred by the authority beyond the extent to which
19 moneys have been provided under this chapter except that, for the purposes of
20 meeting the necessary expenses of initial organization and operation of the authority
21 for the period commencing on June 19, 1974 and continuing until such date as the
22 authority derives moneys from funds provided to it under the authority of this
23 chapter, the authority may borrow such moneys as it requires to supplement the
24 funds provided under s. 20.440. Such moneys borrowed by the authority shall
25 subsequently be charged to and apportioned among participating health

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1 institutions, participating educational institutions, participating research
2 institutions, and participating ~~child care providers~~ nonprofit institutions in an
3 equitable manner, and repaid with appropriate interest over a reasonable period of
4 time.

5 **SECTION 35.** 231.05 (1) of the statutes is amended to read:

6 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
7 assistance and alternative methods of financing to nonprofit ~~health~~ institutions to
8 aid them in providing needed health services consistent with the state's health plan,
9 ~~to nonprofit educational institutions to aid them in providing needed educational~~
10 ~~services, to nonprofit research institutions to aid them in providing needed research~~
11 ~~facilities, and to nonprofit child care providers to aid them in providing needed child~~
12 ~~care~~ other needed services and facilities in this state.

13 **SECTION 36.** 231.06 of the statutes, as affected by 2011 Wisconsin Act 32, is
14 amended to read:

15 **231.06 Property acquisition.** The authority may acquire, directly or by and
16 through a participating health institution, participating educational institution,
17 participating research institution, or participating ~~child care provider~~ nonprofit
18 institution as its agent, by purchase or by gift or devise, such lands, structures,
19 property, rights, rights-of-way, franchises, easements, and other interests in lands,
20 including lands lying under water and riparian rights, as it deems necessary or
21 convenient for the construction or operation of a project, upon such terms and at such
22 prices as it considers reasonable and can be agreed upon between it and the owner
23 thereof, and take title thereto in the name of the authority or in the name of a health
24 facility, educational facility, research facility, or ~~child care center~~ nonprofit facility
25 as its agent.

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1 **SECTION 37.** 231.07 (1) (b) of the statutes is amended to read:

2 231.07 (1) (b) Convey to the participating health institution, participating
3 educational institution, participating research institution, or participating ~~child~~
4 ~~care provider~~ nonprofit institution the authority's interest in the project and in any
5 other health facility, educational facility, research facility, or ~~child-care center~~
6 nonprofit facility leased, mortgaged, or subject to a deed of trust or any other form
7 of security arrangement to secure the bond.

8 **SECTION 38.** 231.07 (2) (a) of the statutes is amended to read:

9 231.07 (2) (a) The principal of and interest on any bond issued by the authority
10 to finance a project or to refinance or refund outstanding indebtedness of one or more
11 participating health institutions, participating educational institutions,
12 participating research institutions, or participating ~~child-care providers~~ nonprofit
13 institutions, including any refunding bonds issued to refund and refinance the bond,
14 have been fully paid and the bonds retired or if the adequate provision has been made
15 to pay fully and retire the bond; and

16 **SECTION 39.** 231.08 (3) of the statutes is amended to read:

17 231.08 (3) The bonds may be issued as serial bonds or as term bonds, or the
18 authority may issue bonds of both types. The bonds shall be authorized by a bond
19 resolution of the authority and shall bear such dates, mature at such times not
20 exceeding ~~30~~ 50 years from their respective dates of issue, bear interest at such rates,
21 be payable at such times, be in such denominations, be in such form, either coupon
22 or fully registered, carry such registration and conversion privileges, be executed in
23 such manner, be payable in lawful money of the United States at such places, and
24 be subject to such terms of redemption as the bond resolution provides. The bonds
25 or notes shall be executed by the manual or facsimile signatures of such officers of

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1 the authority as the authority designates. Coupon bonds shall have attached thereto
2 interest coupons bearing the facsimile signature of the treasurer of the authority or
3 such other officer as the authority designates. The bonds or notes may be sold at
4 public or private sale for such price and in such manner and from time to time as the
5 authority determines. Pending preparation of the definitive bonds, the authority
6 may issue interim receipts or certificates which shall be exchanged for the definitive
7 bonds.

8 **SECTION 40.** 231.08 (5) of the statutes is amended to read:

9 231.08 (5) In addition to the other authorizations under this section, bonds of
10 the authority may be secured by a pooling of leases whereby the authority may assign
11 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
12 educational facilities, research facilities, or ~~child-care centers~~ nonprofit facilities
13 with 2 or more participating health institutions, participating educational
14 institutions, participating research institutions, or ~~child-care providers~~
15 participating nonprofit institutions, as lessees respectively, upon such terms as may
16 be provided for in bond resolutions of the authority.

17 **SECTION 41.** 231.10 (1) of the statutes is amended to read:

18 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
19 and bonds are not a debt of the state. All notes and bonds of the authority shall
20 contain on the face thereof a statement to this effect. The issuance of bonds under
21 this chapter shall not, directly or indirectly or contingently, obligate the state or any
22 political subdivision thereof to levy any form of taxation therefor or to make any
23 appropriation for their payment. Nothing in this section prevents the authority from
24 pledging its full faith and credit or the full faith and credit of a health institution,

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1 educational institution, research institution, or ~~child care provider~~ nonprofit
2 institution to the payment of bonds authorized under this chapter.

3 **SECTION 42.** 231.12 of the statutes is amended to read:

4 **231.12 Studies and recommendations.** It is the intent and purpose of this
5 chapter that the exercise by the authority of the powers granted to it shall be in all
6 respects for the benefit of the people of this state to assist them to provide needed
7 health facilities, educational facilities, research facilities, and ~~child care centers~~
8 nonprofit facilities of the number, size, type, distribution, and operation that will
9 assure admission and health care, education, research opportunities, or ~~child care~~
10 ~~of high quality~~ other necessary services to all who need it. The authority shall
11 identify and study all projects which are determined by health planning agencies to
12 be needed, but which could not sustain a loan were such to be made to it under this
13 chapter. The authority shall formulate and recommend to the legislature such
14 amendments to this and other laws, and such other specific measures as grants, loan
15 guarantees, interest subsidies, or other actions the state may provide which would
16 render the construction and operation of needed health facilities, educational
17 facilities, research facilities, and ~~child care centers~~ nonprofit facilities feasible and
18 in the public interest. The authority also shall identify and study any laws or rules
19 which it finds handicaps or bars a needed health facility, educational facility,
20 research facility, or ~~child care center~~ nonprofit facility from participating in the
21 benefits of this chapter, and recommend to the legislature such actions as will
22 remedy such situation.

23 **SECTION 43.** 231.13 (1) (intro.) of the statutes is amended to read:

24 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
25 revenues relating to the financing of, each project. The authority shall contract with

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1 a participating health institution, participating educational institution,
2 participating research institution, or participating ~~child care provider~~ nonprofit
3 institution for each issuance of bonds. The contract shall provide that the rents or
4 other revenues payable by the health facility, educational facility, research facility,
5 or ~~child care center~~ nonprofit facility shall be sufficient at all times to:

6 **SECTION 44.** 231.13 (2) of the statutes is amended to read:

7 231.13 (2) The authority shall pledge the revenues derived and to be derived
8 from a project and other related health facilities, educational facilities, research
9 facilities, or ~~child care centers~~ nonprofit facilities for the purposes specified in sub.
10 (1), and additional bonds may be issued which may rank on a parity with other bonds
11 relating to the project to the extent and on the terms and conditions provided in the
12 bond resolution. Such pledge shall be valid and binding from the time when the
13 pledge is made, the revenues so pledged by the authority shall immediately be
14 subject to the lien of such pledge without any physical delivery thereof or further act
15 and the lien of any such pledge shall be valid and binding as against all parties
16 having claims of any kind in tort, contract, or otherwise against the authority,
17 irrespective of whether such parties have notice thereof. Neither the bond resolution
18 nor any financing statement, continuation statement, or other instrument by which
19 a pledge is created or by which the authority's interest in revenues is assigned need
20 be filed or recorded in any public records in order to perfect the lien thereof as against
21 3rd parties, except that a copy thereof shall be filed in the records of the authority
22 and with the department of financial institutions.

23 **SECTION 45.** 231.16 (1) of the statutes is amended to read:

24 231.16 (1) The authority may issue bonds to refund any outstanding bond of
25 the authority or indebtedness that a participating health institution, participating

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1 educational institution, participating research institution, or participating child
2 care provider nonprofit institution may have incurred for the construction or
3 acquisition of a project prior to or after April 30, 1980, including the payment of any
4 redemption premium on the outstanding bond or indebtedness and any interest
5 accrued or to accrue to the earliest or any subsequent date of redemption, purchase,
6 or maturity, or to pay all or any part of the cost of constructing and acquiring
7 additions, improvements, extensions, or enlargements of a project or any portion of
8 a project. Except for bonds to refund bonds issued under s. 231.03 (6) (g), no bonds
9 may be issued under this section unless the authority has first entered into a new
10 or amended agreement with a participating health institution, participating
11 educational institution, participating research institution, or participating child
12 care provider nonprofit institution to provide sufficient revenues to pay the costs and
13 other items described in s. 231.13.

14 **SECTION 46.** 231.16 (3) of the statutes is amended to read:

15 231.16 (3) All bonds issued under this section shall be subject to this chapter
16 in the same manner and to the same extent as other bonds issued pursuant to this
17 chapter, except that the limitations with respect to dates ~~under s. 231.03 (6) (e) and~~
18 ~~(f), 1999 stats.,~~ and under s. 231.03 (14) do not apply to bonds issued under this
19 section, and the requirement under s. 231.08 (3) that the bonds mature in ~~30~~ 50 years
20 or less from their date of issue does not apply to bonds issued under this section to
21 refund bonds issued under s. 231.03 (6) (g).

22 **SECTION 47.** 231.20 of the statutes, as affected by 2011 Wisconsin Act 32, is
23 amended to read:

24 **231.20 Waiver of construction and bidding requirements.** In exercising
25 its powers under s. 101.12, the department of safety and professional services or any

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1 city, village, town, or county may, within its discretion for proper cause shown, waive
2 any particular requirements relating to public buildings, structures, grounds,
3 works, and improvements imposed by law upon projects under this chapter; the
4 requirements of s. 101.13 may not be waived, however. If, however, the prospective
5 lessee so requests in writing, the authority shall, through the participating health
6 institution, participating educational institution, participating research institution,
7 or participating ~~child care provider~~ nonprofit institution as its agent, call for
8 construction bids in such manner as is determined by the authority with the approval
9 of the lessee.

10 **SECTION 48.** 231.23 of the statutes is amended to read:

11 **231.23 Nonprofit institutions.** It is intended that all nonprofit health
12 institutions, ~~educational institutions, research institutions, and child care providers~~
13 entities in this state be enabled to benefit from and participate in this chapter. To
14 this end, all nonprofit health ~~institutions, educational institutions, research~~
15 ~~institutions, and child care providers~~ entities operating, or authorized to be
16 operated, under any law of this state may undertake projects and utilize the capital
17 financing sources and methods of repayment provided by this chapter, the provisions
18 of any other laws to the contrary notwithstanding.

19 (END)