



## TOMMY G. THOMPSON

Governor  
State of Wisconsin

May 18, 2000

TO THE HONORABLE MEMBERS OF THE ASSEMBLY:

I am vetoing Assembly Bill 690 in its entirety. This bill allows the State Historical ~~Trust Program~~ ~~to establish a Heritage Trust Program~~, establishes definitions regarding the program and sets limits on grants made to the Wisconsin Trust for Historic Preservation and grants for preservation. The bill provides \$20 million in bonding revenue over ten years to the Society for this purpose and \$33,800 GPR in FY01 to administer the Heritage Trust Program. I have long supported the objective of preserving historic properties in Wisconsin, and I am proud of my track record on this issue. However, the state's bond counsel has raised serious questions regarding the constitutionality of the bill.

When I vetoed an identical provision from being included in Assembly Bill 133, the biennial budget bill, my veto message cited the fact that the proposal had not been included in the state's strategic plan for capital financing as the primary reason for the veto. Assembly Bill 690 also did not undergo a systematic review of how the bonding authority authorized in the bill would fit into the state's comprehensive bonding plan. As a result, the state's general obligation bond counsel did not have an opportunity to comment on the bill prior to its passage.

The state's bond counsel has two concerns with the bill as drafted. First, the state's bond counsel cannot offer the unqualified opinion that the bill is constitutional. An unqualified opinion is required for the state to sell its bonds. Second, federal tax law sets strict limits on the investment of revenue from tax exempt bonds. As a result, the state may be required to issue taxable bonds, which would require the state to make significantly higher interest payments.

I believe that alternative options to using bond revenue to fund historic preservation can be developed that will balance the legitimate preservation needs of the state, local governments and nonprofit organizations with the need for the state to maintain sound constitutional and financial practices.

Attached is the state's bond counsel's opinion on the constitutionality of the bill.

Respectfully submitted,

  
TOMMY G. THOMPSON  
Governor

## FOLEY &amp; LARDNER

**MEMORANDUM**CLIENT-MATTER NUMBER  
015436-0101

TO: Frank R. Hoadley  
Capital Finance Office  
State of Wisconsin

FROM: Reed Groethe  
Foley & Lardner

DATE: May 16, 2000

RE: Constitutional Analysis of 1999 Assembly Bill 690

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1999 Assembly Bill 690 provides that the State may issue general obligations, first, to finance grants to be awarded to state agencies, local governmental units, and nonprofit organizations and applied to rehabilitation of historical properties, and, second, to fund an endowment of the Wisconsin Trust for Historical Preservation. At your request, we have considered whether a bond opinion could be issued for bonds authorized by 1999 Assembly Bill 690. We conclude it could not.

Standard for Bond Opinion

Securities industry rules provide that good delivery of municipal securities requires an accompanying legal opinion, Muni. Secs. Rulemaking Board rule G-12(e)(xi), and it is customary for the issuer to provide an unqualified opinion of nationally recognized bond counsel. The applicable professional standard provides that bond counsel should not render an unqualified opinion unless it has concluded that it would be unreasonable for a court to hold to the contrary. National Association of Bond Lawyers, *Model Bond Opinion Project* at 7 (1997). We are analyzing 1999 Assembly Bill 690 in light of this high standard.

Constitutional Issues

Borrowing Purposes. Article VIII, Section 7 of the Wisconsin Constitution limits the purposes for which the State may issue its general obligation bonds.

- They may be issued to repel invasion, suppress insurrection, or defend the State in time of war.

- They may be issued to make funds available for veterans' housing loans.
- They may be issued to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, railways, buildings, equipment, or facilities for public purposes.

The first two purposes obviously do not apply to this situation. The third purpose arguably does but on closer inspection proves to be problematic because there will be no governmental use or ownership of the property to which some of the grants will be applied.

It is important to understand that 1999 Assembly Bill 690 authorizes grants, not the acquisition of property. Only some of the grants will result in governmental use or ownership, since the bill expressly permits grants to nongovernmental entities.

It would be reasonable for a court to interpret the constitutional borrowing purposes in light of their history. The Attorney General has noted, "The legislative history behind the enactment of the constitutional amendment allowing state debt shows that it was the intent to restrict debt financing to capital expenditures or in other words, to have the state assume the capital funding operations of the building commission." 62 Wis. Att'y Gen'l 43 (1973).

It would also be reasonable for a court to consider generally accepted principles of finance and accounting, which associate the issuance of long-term bonds as liabilities with the accompanying concept of acquisition of a corresponding fixed asset. Under those principles, grants are not regarded as capital expenditures because there is no corresponding fixed asset.

Finally, it would be reasonable for a court to generalize that, as a matter of fairness and fiscal prudence, taxpayers should not be burdened with a repayment obligation for a period of years unless the corresponding public benefit will also be realized for a period of years.

There are some situations where bond proceeds have been applied to property that is not governmentally owned. Each is distinguishable from these grants.

First, bonds have been issued to finance grants for the improvement of privately owned property to prevent water pollution, 74 Wis. Att'y Gen'l 25 (1985), and remediation of leaking underground storage tanks, 81 Wis. Att'y Gen'l 114 (1994). In each case, the bonds financed grants to improve water. The constitutional borrowing purpose expressly contemplates the improvement of water, and under the public trust doctrine, water belongs to the State. See Wis. Const. An. IX, § 1; State ex rel. La Follette v. Reuters, 33 Wis. 2d 384 (1967).

Second, bonds have been issued for veterans' housing loans. The bond issuance proceeds from a separate, specific constitutional bond authorization. Without the specific authorization, bonds, issued for that purpose would not be valid. That is, they do not fall

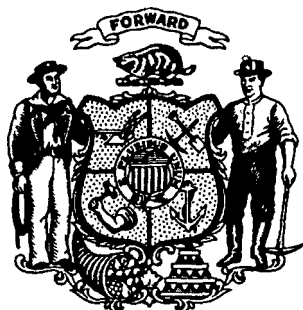
within the general constitutional borrowing purpose. By contrast, the Wisconsin Supreme Court has held ~~that~~ bonds may not be validly issued to ~~finance~~ loans to developers of privately owned housing. *State ex rel. Dept. of Development v. Building Commission*, 139 Wis. 2d 1 (1987).

Third, bonds have been issued to ~~finance~~ grants to nongovernmental entities for railway ~~improvement~~. The general constitutional borrowing purpose was amended to permit issuance for the purpose of railways, and the ~~legislative history~~ indicates an expectation ~~that~~ some railways would be privately owned. In addition, the ~~Department~~ of Transportation has agreed to administer railway grants so that the ~~State obtains~~ a long-term ~~contractual~~ right to the continued ~~operation~~ of the railway.

On the other hand, other proposed borrowings have been determined to be invalid when there was no governmental use or ownership of the bond-financed ~~property~~. For example, ~~the~~ Attorney General has concluded that bonds may not be issued for disaster relief grants, 64 Wis. Att'y Gen' 139 (1975), or for a grant to the Great Lakes Protection Fund, 78 Wis. Att'y Gen' 1 100 (1989).

Internal Improvements. We also caution that 1999 Assembly Bill 690 may not provide a sufficient basis for bond counsel to be confident how a court would evaluate whether these grants violate the prohibition against internal improvements. Wis. Const. art. VIII, § 10. The Wisconsin Supreme Court uses a two-part analysis: Does the improvement serve a dominant governmental function, and is private capital inadequate to ~~satisfy~~ the need? *State ex rel. Warren v. Nusbaum*, 59 Wis. 2d 391 (1973); *Libertarian Party v. State*, 199 Wis. 2d 790 (1996). 1999 Assembly Bill 690 does ~~state that the~~ grants serve ~~the~~ governmental purpose of preserving historical property, and any private benefit (for example, to nongovernmental owners of historical property) should be regarded as incidental to that purpose. It is also likely that a court would take judicial notice that historical preservation is, in most cases, not economic and thus requires subsidization; however, it would be ~~appropriate for~~ the legislature to make explicit findings to inform the court of the inadequacy of private capital to accomplish the ~~governmental~~ purpose .

# State of Wisconsin



1999 Assembly Bill 690

Date of enactment:  
Date of publication\*:

## 1999 WISCONSIN ACT

**AN** ACT to amend 20.866 (1) (u); **to repeal and recreate** 20.866 (1) (u); and **to create** 20.245 (3) (e), 20.866 (2) (zfm) and 44.49 of the statutes; **relating to:** authorizing the state historical society to award grants for the preservation of historic property, granting bonding authority and making appropriations.

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

**SECTION 1.** 20.245 (3) (e) of the statutes is created to read:

**20.245 (3) (e) Principal repayment, interest and rebates.** A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred in financing the grants under s. 44.49, and to make the payments determined by the building commission under s. 13.488 (1) (m) that are attributable to the proceeds of obligations incurred in financing the grants under s. 44.49.

**SECTION 2.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9, section 628, is amended to read:

**20.866 (1) (u) Principal repayment and interest.** A sum sufficient from moneys appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1) (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), (3) (4) (e) and (5) (e), 20.250 (1) (e), 20.255 (1) (d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (fh), (ih), (kd) and (km) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag), (aq), (ar), (at), (au), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (aq) and (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d),

20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855 (8) (a) and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the payment of principal and interest on public debt contracted under subchs. I and IV of ch. 18.

**SECTION 3.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9, section 628b, and 1999 Wisconsin Act . . . (this act), is repealed and recreated to read:

**20.866 (1) (u) Principal repayment and interest.** A sum sufficient from moneys appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1) (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), (3) (e), (4) (e) and (5) (e), 20.250 (1) (e), 20.255 (1) (d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (fh), (ih), (kd) and (km) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag), (aq), (ar), (at), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (aq) and (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855 (8) (a) and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the payment of principal and interest on public debt contracted under subchs. I and IV of ch. 18.

**SECTION 4.** 20.866 (2) (zfm) of the statutes is created to read:

\* Section 991.11, **WISCONSIN STATUTES** 1997-98: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

**20.866 (2) (zfm) Historical society; heritage trust program.** From the capital improvement fund, a sum sufficient for the historical society to award grants under s. 44.49. The state may contract public debt in an amount not to exceed \$20,000,000 for this purpose. The total amount of debt authorized under this paragraph may not exceed the following amounts on the following dates:

1. Prior to July 1, 2001, \$2,000,000.
2. July 1, 2001, to June 30, 2002, \$4,000,000.
3. July 1, 2002, to June 30, 2003, \$6,000,000.
4. July 1, 2003, to June 30, 2004, \$8,000,000.
5. July 1, 2004, to June 30, 2005, \$10,000,000.
6. July 1, 2005, to June 30, 2006, \$12,000,000.
7. July 1, 2006, to June 30, 2007, \$14,000,000.
8. July 1, 2007, to June 30, 2008, \$16,000,000.
9. July 1, 2008, to June 30, 2009, \$18,000,000.
10. July 1, 2009, to June 30, 2010, \$20,000,000.

SECTION 5. 44.49 of the statutes is created to read:

**44.49 Heritage trust program.** (1) **PURPOSE.** The legislature determines that the provision of assistance by the state under this section and the awarding of grants to the Wisconsin Trust for Historic Preservation under this section serve a statewide public purpose by assisting in the protection, restoration and rehabilitation of property located in this state that is significant in the history, pre-history, architecture, archaeology or culture of this state, its rural and urban communities or the nation.

(2) **DEFINITIONS.** In this section:

(a) "Local governmental unit" has the meaning given in s. 16.97 (7).

(b) "Trust" means the Wisconsin Trust for Historic Preservation.

(3) **GRANTSTOGOVERNMENTALUNITSANDNONPROFIT ORGANIZATIONS.** (a) From the appropriation under s. 20.866 (2) (zfm), the state historical society shall award grants to state agencies, local governmental units and nonprofit organizations for historic preservation. A grant recipient shall provide matching funds equal to 25% of the amount of the grant, except that the state historical society may require a recipient to provide matching funds equal to a higher percentage.

(b) The state historical society shall ensure that all grant recipients under par. (a) comply with the standards for rehabilitation in 36 CFR 67.7.

(c) The state historical society may award up to \$1,000,000 in grants under par. (a) in the 2000-01 fiscal year and up to \$1,500,000 in grants under par. (a) in each of the 9 succeeding fiscal years, except that if the state historical society awards less than the maximum amount allowed in any fiscal year the maximum amount allowed in the succeeding fiscal year is increased by an amount equal to the difference between the amount awarded in the current fiscal year and the maximum amount allowed in the current fiscal year.

(4) **GRANTS TO THE TRUST.** (a) Subject to par. (b), the state historical society annually shall award a grant to the

trust from the appropriation under s. 20.866 (2) (zfm). In the 2000-01 fiscal year, the amount of the grant shall be \$1,000,000. In each of the 9 succeeding fiscal years, the amount of the grant shall be \$500,000.

(b) The state historical society may award a grant under par. (a) only if the following conditions are satisfied:

1. The bylaws of the trust state that the purpose of the trust is to develop and support statewide initiatives promoting historic preservation and that, if the trust dissolves, the trust shall in good faith take all reasonable measures to ensure that all moneys paid to the trust under this subsection revert to the state.

2. The trust provides public access to any meeting held for the purpose of deliberations regarding the awarding of grants under par. (c) 1. to the same extent as is required of, and subject to the same terms and enforcement provisions that apply to, a governmental body under subch. V of ch. 19.

(c) The moneys received under par. (a) shall constitute an endowment fund. The trust shall use the earnings of the endowment fund for the following purposes:

1. To award grants to state agencies, local governmental units and nonprofit organizations for historic preservation, including historic preservation to commemorate the 200th anniversary of Wisconsin statehood. A grant recipient shall provide matching funds equal to 25% of the amount of the grant, except that the trust may require a recipient to provide matching funds equal to a higher percentage.

2. To temporarily acquire historic property for the purpose of historic preservation.

(d) The trust shall comply, and shall ensure that all grant recipients under par. (c) 1. comply, with the standards for rehabilitation in 36 CFR 67.7.

(e) The trust shall contract with an independent certified public accountant to biennially audit the endowment fund. Within 30 days after the completion of each audit, the trust shall submit a detailed report of the audit to the governor and the joint committee on finance.

(5) **SUNSET.** The state historical society may not award a grant under this section after June 30, 2010.

**SECTION 6. Appropriation changes; historical society.**

(1) In the schedule under section 20.005 (3) of the statutes for the appropriation to the state historical society under section 20.245 (3) (a) of the statutes, as affected by the acts of 1999, the dollar amount is increased by \$-0- for fiscal year 1999-00 and the dollar amount is increased by \$38,800 for fiscal year 2000-01 to increase the authorized FTE positions for the historical society by 1 .0 GRP position for the performance of services for the heritage trust program.

**SECTION 7. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) The treatment of section 20.866 (1) (u) (by **SECTION 3**) of the statutes takes effect on July 1, 2001.

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**BILL HISTORY FOR ASSEMBLY BILL 690 (LRB -4 163 )**

An Act to amend 20.866 (1) (u); to repeal and recreate 20.866(1) (u); and to create 20.245 (3) (e), 20.866 (2) (zfm) and 44.49 of the statutes; relating to: authorizing the state historical society to award grants for the preservation of historic property, granting bonding authority and making appropriations. (FE)

2000

- 02-01. A. Introduced by Representatives **Freese, Schooff, Hutchison, Black, Berceau, Huber, J. Lehman, Miller, Musser, Rhoades, Richards, Seratti, Sinicki, Nass and Hundertmark**; cosponsored by Senators **Jauch, Rude, Baumgart, Burke, Grobschmidt, Plache, Risser, Robson, Rosenzweig and Schultz**.
- 02-01. A. Read first time and referred to committee on Tourism and Recreation . . . . . 617
- 02-16. A. Fiscal estimate received.
- 02-21. A. Fiscal estimate received.
- 02-22. A. Public hearing held.
- 02-22. A. Executive action taken.
- 02-29. A. Report passage recommended by committee on Tourism and Recreation, Ayes 10, Noes 1 . . . 687
- 02-29. A. Referred to joint committee on Finance . . . . . 687
- 03-28. A. Executive action taken.
- 03-28. A. Assembly amendment 1 offered by joint committee on Finance (**LRB a2062**) . . . . . 841
- 03-28. A. Report Assembly amendment 1 adoption recommended by joint committee on Finance, Ayes 15, Noes 0 . . . . . 843
- 03-28. A. Report passage as amended recommended by joint committee on Finance, Ayes 13, Noes 3 . . . 843
- 03-28. A. Referred to committee on Rules . . . . . 843
- 03-28. A. Placed on calendar 3-29-2000 by committee on Rules.
- 03-29. A. Read a second time . . . . . 870
- 03-29. A. Assembly amendment 1 adopted . . . . . 870
- 03-29. A. Ordered to a third reading . . . . . 870
- 03-29. A. Rules suspended . . . . . 870
- 03-29. A. Read a third time and **passed**, Ayes 89, Noes 9 . . . . . 870
- 03-29. A. Ordered immediately messaged . . . . . 870
- 03-29. s. Received from Assembly . . . . . 553
- 03-29. S. Read first time and referred to committee on Economic Development, Housing and Government Operations.
- 03-29. s. Withdrawn from committee on Economic Development, Housing and Government Operations and referred to committee on Senate Organization . . . . . 554
- 03-30. s. Read a second time.
- 03-30. s. Ordered to a third reading.
- 03-30. s. Rules suspended.
- 03-30. s. Read a third time and concurred in, Ayes 30, Noes 3.
- 03-30. s. Ordered immediately messaged.



**1999  
ENROLLED BILL**

99en AB-690

**ADOPTED DOCUMENTS:**

Orig     Engr         SubAmdt     

99-41631-1

Amendments to above (if none, write "NONE"): AA1

Corrections - show date (if none, write "NONE"): None

Topic Grants for the preservation of historic properties

4/4/00  
Date

Pete Dykeman  
Enrolling Drafter

**ELECTRONIC PROCEDURE:**

Follow automatic or manual enrolling procedures in *TEXT2000 Reference Guide, Document Specific Procedures, Ch. 20, Engrossing and Enrolling*

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**1999 ASSEMBLY BILL 690**

February 1, 2000 - Introduced by Representatives FREESE, SCHOOFF, HUTCHISON, BLACK, BERCEAU, **HUBER**, J. **LEHMAN**, MILLER, MUSSER, **RHOADES**, **RICHARDS**, SERATTI, SINICKI, NASS and HUNDERTMARK, cosponsored by Senators **JAUCH**, **RUDE**, **BAUMGART**, **BURKE**, **GROBSCHMIDT**, PLACHE, **RISER**, ROBSON, ROSENZWEIG and **SCHULTZ**. Referred to Committee on Tourism and Recreation.

1 **AN ACT** to amend 20.866 (1) (u); to repeal and recreate 20.866 (1) (u); and to  
 2 create 20.245 (3) (e), 20.866 (2) (zfm) and 44.49 of the statutes; **relating to:**  
 3 authorizing the state historical society to award grants for the preservation of  
 4 historic property, granting bonding authority and making appropriations.

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***Analysis by the Legislative Reference Bureau***

This bill creates a heritage trust program to be administered by the state historical society and authorizes the issuance of up to \$20,000,000 in general obligation bonds (up to \$2,000,000 in each of 10 years) for the purposes of the program.

Under the heritage trust program, the historical society must award grants to the state agencies, local governmental units and nonprofit organizations for historic preservation. A grant recipient must provide matching funds equal to 25% of the amount of the grant. The bill authorizes the historical society to award up to \$1,000,000 in grants for this purpose in the 2000-01 fiscal year and up to \$1,500,000 in grants in each of the succeeding nine fiscal years.

The bill also directs the historical society annually to award a grant to the Wisconsin Trust for Historic Preservation under certain conditions: 1) The bylaws of the trust must state that the purpose of the trust is to develop and support statewide initiatives promoting historic preservation and that, if the trust dissolves, it will take all reasonable measures to ensure that moneys paid to the trust under the program revert to the state; and 2) the trust must provide public access to any

**ASSEMBLY BILL 690**

meeting held regarding the awarding of grants as if the trust were a governmental body

The bill provides that the grants awarded to the trust (\$1,000,000 in the 2000-01 fiscal year and \$500,000 in each of the nine succeeding fiscal years) constitute an endowment fund. The trust must use the earnings of the endowment fund to temporarily acquire historic property for the purpose of historic preservation and to award grants to state agencies, local governmental units and nonprofit organizations for the purpose of historic preservation, including historic preservation to commemorate the 200th anniversary of Wisconsin statehood. A grant recipient must provide matching funds equal to at least 25% of the amount of the grant.

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

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

1           **SECTION 1.** 20.245 (3) (e) of the statutes is created to read:

2           **20.245 (3) (e) *Principal repayment, interest and rebates.*** A sum sufficient to  
3 reimburse s. 20.866 (1) (u) for the payment of principal and interest costs incurred  
4 in financing the grants under s. 44.49, and to make the payments determined by the  
5 building commission under s. 13.488 (1) (m) that are attributable to the proceeds of  
6 obligations incurred in financing the grants under s. 44.49.

7           **SECTION 2.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9,  
8 section 628, is amended to read:

9           **20.866 (1) (u) *Principal repayment and interest.*** A sum sufficient from moneys  
10 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1)  
11 (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), ~~(3) (e)~~, (4) (e) and (5) (e),  
12 **20.250** (1) (e), 20.255 (l).(d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (k),  
13 (ih), (kd) and (km) and (5) (i), 20.3.20 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag),  
14 (aq), (ar), (at), (au), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (aq)  
15 and (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1)

**ASSEMBLY BILL 690**

1 (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855 (8)  
2 (a) and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the  
3 payment of principal and interest on public debt contracted under subchs. I and IV  
4 of ch. 18.

5 **SECTION 3.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9,  
6 section 628b, and 1999 Wisconsin Act . . . . (this act), is repealed and recreated to read:

7 *20.866 (1) (u) Principal repayment and interest.* A sum sufficient from moneys  
8 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1)  
9 (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), (3) (e), (4) (e) and (5) (e),  
10 20.250 (1) (e), 20.255 (1) (d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (fh),  
11 (ih), (kd) and (km) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag),  
12 (aq), (ar), (at), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (aq) and  
13 (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1) (d),  
14 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855 (8) (a)  
15 and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the payment  
16 of principal and interest on public debt contracted under subchs. I and IV of ch. 18.

17 **SECTION 4.** 20.866 (2) (zfm) of the statutes is created to read:

18 *20.866 (2) (zfm) Historical society; heritage trust program.* From the capital  
19 improvement fund, a sum sufficient for the historical society to award grants under  
20 s. 44.49. The state may contract public debt in an amount not to exceed \$20,000,000  
21 for this purpose. The total amount of debt authorized under this paragraph may not  
22 exceed the following amounts on the following dates:

- 23 1. Prior to July 1, 2000, \$2,000,000.
- 24 2. July 1, 2000, to June 30, 2001, \$4,000,000.
- 25 3. July 1, 2001, to June 30, 2002, \$6,000,000.

AAI

3-23 AAI

**ASSEMBLY BILL 690****SECTION 4**

- 1           4. July 1, 2002, to June 30, 2003, \$8,000,000.
- 2           5. July 1, 2003, to June 30, 2004 0 , 0 0 0 .
- 3           6. July 1, 2004, to June 30, 2005, \$12,000,000.
- 4           7. July 1, 2005, to June 30, 2006, \$14,000,000.
- 5           8. July 1, 2006, to June 30, 2007, \$16,000,000.
- 6           9. July 1, 2007, to June 30, 2008, \$18,000,000.
- 7           10. July 1, 2008, to June 30, 2009, \$20,000,000.

8           **SECTION 5.** 44.49 of the statutes is created to read:

9           **44.49 Heritage trust program. (1) PURPOSE.** The legislature determines  
10 that the provision of assistance by the state under this section and the awarding of  
11 grants to the Wisconsin Trust for Historic Preservation under this section serve a  
12 statewide public purpose by assisting in the protection, restoration and  
13 rehabilitation of property located in this state that is significant in the history,  
14 prehistory, architecture, archaeology or culture of this state, its rural and urban  
15 communities or the nation.

16           **(2) DEFINITIONS.** In this section:

17           (a) "Local governmental unit" has the meaning given in s. 16.97 (7).

18           (b) "Trust" means the Wisconsin Trust for Historic Preservation.

19           **(3) GRANTSTOGOVERNMENTALUNITSANDNONPROFITORGANIZATIONS.** (a) Fromthe  
20 appropriation under s. 20.866 (2) (zfm), the state historical society shall award  
21 grants to state agencies, local governmental units and nonprofit organizations for  
22 historic preservation. A grant recipient shall provide matching funds equal to 25%  
23 of the amount of the grant, except that the state historical society may require a  
24 recipient to provide matching funds equal to a higher percentage.

1 (b) The state historical society shall ensure that all grant recipients under par.

2 (a) comply with the standards for rehabilitation in 36 CFR 67.7.

3 (c) The state historical society may award up to \$1,000,000 in grants under par.

4 (a) in the 2000-01 fiscal year and up to \$1500,000 in grants under par. (a) in each  
5 of the 9 succeeding fiscal years, except that if the state historical society awards less  
6 than the maximum amount allowed in any fiscal year the maximum amount allowed  
7 in the succeeding fiscal year is increased by an amount equal to the difference  
8 between the amount awarded in the current fiscal year and the maximum amount  
9 allowed in the current fiscal year.

10 (4) GRANTS TO THE TRUST. (a) Subject to par. (b), the state historical society  
11 annually shall award a grant to the trust from the appropriation under s. 20.866 (2)  
12 (zfm). In the 2000-91 fiscal year, the amount of the grant shall be \$1,000,000. In  
13 each of the 9 succeeding fiscal years, the amount of the grant shall be \$500,000.

14 (b) The state historical society may award a grant under par. (a) only if the  
15 following conditions are satisfied:

16 1. The bylaws of the trust state that the purpose of the trust is to develop and  
17 support statewide initiatives promoting historic preservation and that, if the trust  
18 dissolves, the trust shall in good faith take all reasonable measures to ensure that  
19 all moneys paid to the trust under this subsection revert to the state.

20 2. The trust provides public access to any meeting held for the purpose of  
21 deliberations regarding the awarding of grants under par. (c) 1. to the same extent  
22 as is required of, and subject to the same terms and enforcement provisions that  
23 apply to, a governmental body under subch. V of ch. 19.

24 (c) The moneys received under par. (a) shall constitute an endowment fund.

25 The trust shall use the earnings of the endowment fund for the following purposes:

**ASSEMBLY BILL 690**

1 1. To award grants to state agencies, local governmental units and nonprofit  
2 organizations for historic preservation, including historic preservation to  
3 commemorate the 200th anniversary of Wisconsin statehood. A grant recipient shall  
4 provide matching funds equal to 25% of the amount of the grant, except that the trust  
5 may require a recipient to provide matching funds equal to a higher percentage.

6 2. To temporarily acquire historic property for the purpose of historic  
7 preservation.

8 (d) The trust shall comply, and shall ensure that all grant recipients under par.  
9 (c) 1. comply, with the standards for rehabilitation in 36 CFR 67.7.

10 (e) The trust shall contract with an independent certified public accountant to  
11 biennially audit the endowment fund. Within 30 days after the completion of each  
12 audit, the trust shall submit a detailed report of the audit to the governor and the  
13 joint committee on finance.

14 **(5) SUNSET.** The state historical society may not award a grant under this  
15 section after June 30, 2010.

**SECTION 6. Appropriation changes; historical society.**

17 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
18 to the state historical society under section 20.245 (3) (a) of the statutes, as affected  
19 by the acts of 1999, the dollar amount is increased by ~~\$25,000~~ for fiscal year 1999-00  
20 and the dollar amount is increased by ~~\$50,000~~ for fiscal year 2000-01 to increase the  
21 authorized FTE positions for the historical society by 1.0 GRP position for the  
22 performance of services for the heritage trust program.

23 **SECTION 7. Effective dates.** This act takes effect on the day after publication,  
24 except as follows:

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**ASSEMBLY AMENDMENT 1,  
TO 1999 ASSEMBLY BILL 690**

March 28, 2000 – Offered by JOINT COMMITTEE ON FINANCE.

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 3, line 23: delete the material beginning with that line and ending with  
3 page 4, line 7, and substitute:

- 4 1. Prior to July 1, 2001, \$2,000,000.  
5 2. July 1, 2001, to June 30, 2002, \$4,000,000.  
6 3. July 1, 2002, to June 30, 2003, \$6,000,000.  
7 4. July 1, 2003, to June 30, 2004, \$8,000,000.  
8 5. July 1, 2004, to June 30, 2005, \$10,000,000.  
9 6. July 1, 2005, to June 30, 2006, \$12,000,000.  
10 7. July 1, 2006, to June 30, 2007, \$14,000,000.  
11 8. July 1, 2007, to June 30, 2008, \$16,000,000.  
12 9. July 1, 2008, to June 30, 2009, \$18,000,000.  
13 10. July 1, 2009, to June 30, 2010, \$20,000,000.

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