



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-4065/2

MS/JTK/RC/PK/JK/PG/RM:ch:jf

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stays

1999 BILL

m 3-6-2000

now

1 AN ACT *to renumber* 66.04 (1) and 66.066 (5); *to amend* 13.94 (4) (a) 1., 16.70  
2 (14), 19.42 (13) (a), 25.50 (1) (d), 32.02 (11), 32.05 (intro.), 32.05 (1) (a), 32.07 (2),  
3 40.02 (28), 40.02 (36), 66.04 (2) (a) (intro.), 66.066 (1) (a), 66.067, 66.30 (1) (a),  
4 71.26 (1) (bm), 71.26 (1m) (g), 71.36 (1m), 71.45 (1t) (g), 111.02 (7), 111.70 (1) (j),  
5 230.03 (3), 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (c), 231.01  
6 (7) (a) 1., 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6) (b), 231.03  
7 (5), 231.03 (7), 231.03 (8), 231.03 (11), 231.03 (13), 231.03 (14), 231.03 (15),  
8 231.03 (16), 231.03 (17), 231.03 (18), 231.03 (19), 231.04, 231.05 (1), 231.06,  
9 231.07 (1) (b), 231.07 (2) (a), 231.08 (5), 231.10 (1), 231.12, 231.13 (1) (intro.),  
10 231.13 (2), 231.16 (1), 231.20 and 231.23; *to repeal and recreate* 40.02 (28);  
11 and *to create* 24.61 (2) (a) 8., 24.61 (2) (a) 9., 25.17 (3) (b) 11., 25.17 (3) (b) 12.,  
12 66.04 (1a), 66.04 (2) (a) 3r., 66.04 (2) (a) 3t., 66.066 (5) (c), 70.11 (40), 71.05 (1)  
13 (c) 6., 71.05 (1) (c) 7., 71.26 (1m) (h), 71.45 (1t) (h), 77.54 (9a) (h), 219.09 (1) (e),  
14 219.09 (1) (f), subchapter V of chapter 229 [precedes 229.840], 231.01 (4g),

**BILL**

1 231.01 (4h), 231.01 (5t), 231.03 (6) (g) and 231.03 (6) (h) of the statutes;  
2 **relating to:** authorizing the creation of a local cultural arts district; granting  
3 a property tax exemption for the district's property; granting a sales tax and use  
4 tax exemption for tangible personal property and services purchased by the  
5 district; giving a local cultural arts district the authority to issue bonds and  
6 granting income and franchise tax exemptions for interest income on bonds  
7 issued by the district; authorizing certain local cultural arts districts to acquire  
8 property by condemnation; and authorizing the Wisconsin Health and  
9 Educational Facilities Authority to issue bonds to finance certain cultural arts  
10 facilities.

*Analysis by the Legislative Reference Bureau***CREATION AND DISSOLUTION OF A DISTRICT**

This bill authorizes the creation of a local cultural arts district by a sponsoring city, which is defined as a city with a population of more than 150,000 that creates such a district. To create a district, the mayor of the sponsoring city must issue a written proclamation declaring the need for establishing a district, and the sponsoring city's common council must adopt a resolution that approves of the proclamation and deliver a copy of the resolution to the governor. The resolution must also prescribe the scope of the district's eminent domain power, if any. A district is a local unit of government that is a body corporate and politic and that is separate and distinct from, and independent of, the state and the sponsoring city. Under the bill, a district's jurisdiction and powers remain fixed even if the population of the sponsoring city subsequently declines below the minimum described.

In connection with cultural arts facilities, the powers of a district include eminent domain authority; the construction, maintenance, management and acquisition of the facilities; the issuance of revenue bonds to finance the construction of the facilities; the authority to enter upon real property within its eminent domain jurisdiction to make surveys and examinations before locating or constructing cultural arts facilities, subject to certain limitations; the authority to enter into partnerships, joint ventures, common ownership or other arrangements with other persons to further the district's purposes; and the authority to acquire, lease or transfer property within or outside of the district's jurisdiction. A district may also set standards governing the use of, and the conduct within, the facilities, and may set and collect fees for the use of the facilities.

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With regard to contracts for construction work and professional service contracts that are awarded by the district, it shall be a goal of the district that at least 5% of the aggregate dollar value of the contracts be awarded to minority-owned businesses and at least 5% of the aggregate dollar value of contracts be awarded to women-owned businesses.

The district is governed by a district board. If the sponsoring city is not a first class city (presently only Milwaukee is a first class city), the board consists of, in an ex-officio capacity, the governor, the mayor of the sponsoring city and the county executive of the county in which the greatest percentage of the territory of the sponsoring city is located or if there is no county executive, the board chairperson, or the designees of these persons. If the sponsoring city is a first class city, the common council shall determine the structure, qualifications and selection procedures for the members of the board.

If the sponsoring city is not a first class city, the board consists of, other than the ex-officio members listed above, three persons appointed by the governor, one of whom shall be selected from a list of three to five names that is submitted by the Board of Regents of the University of Wisconsin System; six persons appointed by the mayor of the sponsoring city, all of whom may need to be appointed according to procedures that may be required by the common council and one of whom must be selected from a list of three to five names that is submitted by the principal school board of the sponsoring city; and one person appointed by the county executive or, if there is no county executive, the board chairperson of the county in which the greatest percentage of the territory of the sponsoring city is located. Of the persons appointed by the mayor, no more than three may be elective city officials.

In addition, the sponsoring city's common council may increase the size of the board to include the mayor, village president or town board chair, or such person's designee, of a city, village or town having territory that is located within 25 miles of the sponsoring city's city hall and that provides substantial support to the district. The common council may reduce the size of the board to exclude that member if the common council subsequently determines that such a city, village or town no longer provides substantial support to the district.

A district may be dissolved, subject to retirement of the district's bonds and fulfillment of its other contractual obligations in one of the following ways: 1) By a law enacted by this state; 2) If the sponsoring city is not a first class city, by the unanimous action of the district board; 3) If the sponsoring city is a first class city, by any means described in the initial resolution under which the first class city created the district.

If a district is dissolved, its property may be transferred to the sponsoring city, any state, any possession of the United States, any political subdivision of a state or of the United States, the District of Columbia or to one of a number of tax-exempt religious, educational, scientific or charitable entities that are described in the Internal Revenue Code, except that in the case of a district created by a first class city, the common council's resolution that created the district must specify the specific entity to which the district's property will be transferred upon dissolution.

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Under the bill, a sponsoring city may make grants, gifts or loans of any kind of property, or provide any other form of assistance, to a district; expend public funds to subsidize a district; borrow money to fund grants, loans or subsidies to a district; fix and collect a sum to be paid in lieu of taxes by the district; or audit the financial records of a district.

**BONDING**

The bill grants a district the power to issue revenue bonds for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating or managing a local cultural arts district. Under the bill, the bonds issued by the district may be secured by district property and income placed in a special fund. The bill specifically provides that neither the state nor the sponsoring municipality is liable on bonds issued by the district and that the issuance of bonds by the district does not obligate the state or the sponsoring city to levy taxes for the retirement of the bonds. Under the bill, the state pledges to the holders of bonds issued by the district that the state will not alter the rights vested in the district by law until such bonds are fully retired, unless adequate provision is made by law for protection of the bondholders' rights. Finally, with respect to bonds issued by the district, the bill contains provisions authorizing certain state and local government funds and certain regulated financial institutions to invest in bonds issued by the district; provides that all moneys received by a district, including proceeds from the sale of bonds, are trust funds to be held and applied solely for the purposes provided in the bill; and limits the personal liability of members of a district's board with respect to the issuance of bonds.

Under current law, the Wisconsin Health and Educational Facilities Authority (WIIEFA) may issue bonds to finance certain projects of health institutions, educational institutions and, until May 1, 2000, child care centers, and to refinance outstanding debt of health institutions, educational institutions and, until May 1, 2000, child care centers. Projects 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, the construction, remodeling, furnishing or equipping of a health or educational facility or related structure and, until May 1, 2000, the construction, remodeling, furnishing or equipping of a building that is used exclusively to provide child care services and that is not operated for profit. The bill authorizes WHEFA to also issue bonds to finance a project undertaken by a local cultural arts district for a cultural arts facility, or to refinance outstanding debt of a local cultural arts district.

**CONDEMNATION**

A district's eminent domain power may be used only within the area of the sponsoring city specified in the resolution creating the district. The sponsoring city may expand or contract that area by ordinance or resolution but may not contract the area beyond that specified in the initial resolution. If the sponsoring city is a first class city, the district does not have the power of eminent domain but may request the city's redevelopment authority to exercise its power of eminent domain on behalf of the district. A redevelopment authority's power to condemn property on behalf of a district created by a first class city is not subject to the above limitations.

**BILL****COLLECTIVE BARGAINING**

The bill specifically exempts the local cultural arts district from coverage under the Municipal Employment Relations Act (MERA). Under MERA, which covers employment relations in municipalities, employes in collective bargaining units for which a representative is recognized or certified may bargain with an employer over wages, hours and conditions of employment to the point of impasse, at which point the parties may be required to submit to interest arbitration. Under MERA, however, employes do not have the right to strike. Instead, the bill provides that a district is covered under the Employment Peace Act. The Employment Peace Act generally covers all employers not covered under the National Labor Relations Act other than the state and its political subdivisions. Under the Employment Peace Act, employes in collective bargaining units for which a representative is recognized or certified may bargain with an employer over wages, hours and conditions of employment. Under the Employment Peace Act, there is no interest arbitration; however, employes are granted the right to strike.

**TAXATION**

The bill creates a property tax exemption for the property of a local cultural arts district. The property tax exemption, however, does not apply to the property of a local cultural arts district that is not a part of the physical structure of a cultural arts facility, if that property is used for a retail business or a restaurant, unless the retail business or restaurant is operated by the local cultural arts district or by a nonprofit corporation, organization or association. The exemption also does not apply to parking lots or parking structures that are not used to support the operation of a local cultural arts district.

Under the bill, the income of a local cultural arts district is exempt from the income tax and the franchise tax, and the income and interest from the district's obligations are exempt from the income tax. In addition, the income and interest from bonds that are issued by WHEFA with respect to a local cultural arts district are exempt from the income tax.

Under the bill, goods and services purchased by a local cultural arts district are exempt from the sales tax and the use tax.

**FINANCE**

The bill permits the legislative audit bureau to audit the records of a district. Under the bill, the joint legislative audit committee may review a district's performance.

**ETHICS**

Members of a district board are subject to the statutory code of ethics for local public officials. Like other local public officials, district board members are not subject to periodic reporting requirements.

**APPLICABILITY OF OTHER LAWS**

Numerous laws that currently apply to special purpose districts and local units of government apply to a local cultural arts district, including, among others:

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1. The district is subject to laws requiring, with certain exceptions, public notice of and access to meetings of the district board and public access to the district's records.

2. The district is subject to worker's compensation, unemployment insurance, state minimum wage and hour and family and medical leave laws.

3. The district is subject to the law requiring the payment of prevailing wages on local government public works projects.

4. The district is governed by laws regulating municipal administrative procedures and rights.

5. The district is subject to laws restricting employers from testing employes and prospective employes for human immunodeficiency virus (HIV) or an antibody to HIV.

6. The district is subject to the tort and antitrust liability limitation that currently applies to actions brought against local governmental units of \$50,000 per occurrence, and persons attempting to sue the district are subject to a requirement to file notice of their claims within 120 days of their occurrence.

7. The district is subject to laws regulating buildings and safety.

8. The property of the district is subject to special assessment levies.

Under the bill, the district may participate in the local government property insurance fund.

The bill provides that the district is not subject to:

1. Laws regulating generally the ways in which funds of local governments may be invested.

2. The state public employe retirement plan and state-administered plans for deferred compensation, health care benefits and disability and survivor benefits.

The bill provides also that the district may:

1. Contract with municipalities and federally recognized Indian tribes and bands in this state for the receipt or furnishing of services or the joint exercise of powers or duties.

2. Participate in the state-operated local government pooled-investment fund.

Under the bill, the assets and liabilities of a district are not assets or liabilities of the sponsoring city.

**EMPLOYMENT**

Under the bill, any ordinance of a sponsoring city that regulates employment relations or practices of all private employers generally applies to employes of the district, unless the sponsoring city's common council excludes the application of such an ordinance to the district's employes.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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

3           13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
4 credentialing board, commission, independent agency, council or office in the  
5 executive branch of state government; all bodies created by the legislature in the  
6 legislative or judicial branch of state government; any public body corporate and  
7 politic created by the legislature including specifically a professional baseball park  
8 district, a local cultural arts district and a family care district under s. 46.2895; every  
9 Wisconsin works agency under subch. III of ch. 49; every provider of medical  
10 assistance under subch. IV of ch. 49; technical college district boards; development  
11 zones designated under s. 560.71; every county department under s. 51.42 or 51.437;  
12 every nonprofit corporation or cooperative to which moneys are specifically  
13 appropriated by state law; and every corporation, institution, association or other  
14 organization which receives more than 50% of its annual budget from appropriations  
15 made by state law, including subgrantee or subcontractor recipients of such funds.

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

17           16.70 (14) "State" does not include a district created under subch. II ~~or~~ III or  
18 V of ch. 229.

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

20           19.42 (13) (a) All positions to which individuals are regularly appointed by the  
21 governor, except the position of trustee of any private higher educational institution

**BILL****SECTION 3**

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

5 **SECTION 4.** 24.61 (2) (a) 8. of the statutes is created to read:

6 24.61 (2) (a) 8. Bonds issued under ch. 231 with respect to a local cultural arts  
7 district created under subch. V of ch. 229.

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

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

11 **SECTION 6.** 25.17 (3) (b) 11. of the statutes is created to read:

12 25.17 (3) (b) 11. Bonds issued under ch. 231 with respect to a local cultural arts  
13 district created under subch. V of ch. 229.

14 **SECTION 7.** 25.17 (3) (b) 12. of the statutes is created to read:

15 25.17 (3) (b) 12. Bonds issued by a local cultural arts district under subch. V  
16 of ch. 229.

17 **SECTION 8.** 25.50 (1) (d) of the statutes, as affected by 1999 Wisconsin Act 9, is  
18 amended to read:

19 25.50 (1) (d) "Local government" means any county, town, village, city, power  
20 district, sewerage district, drainage district, town sanitary district, public inland  
21 lake protection and rehabilitation district, local professional baseball park district  
22 created under subch. III of ch. 229, family care district under s. 46.2895, local  
23 cultural arts district created under subch. V of ch. 229, public library system, school  
24 district or technical college district in this state, any commission, committee, board  
25 or officer of any governmental subdivision of this state, any court of this state, other



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1 than the court of appeals or the supreme court, or any authority created under s.  
2 231.02, 233.02 or 234.02.

3 **SECTION 9.** 32.02 (11) of the statutes is amended to read:

4 32.02 (11) Any housing authority created under ss. 66.40 to 66.404;  
5 redevelopment authority created under s. 66.431; community development  
6 authority created under s. 66.4325; local cultural arts district created under subch.  
7 V of ch. 229, subject to s. 229.844 (4) (c); or local exposition district created under  
8 subch. II of ch. 229.

9 **SECTION 10.** 32.05 (intro.) of the statutes is amended to read:

10 **32.05 Condemnation for sewers and transportation facilities.** (intro.)  
11 In this section, "mass transit facility" includes, without limitation because of  
12 enumeration, exclusive or preferential bus lanes if those lanes are limited to  
13 abandoned railroad rights-of-way or existing expressways constructed before  
14 May 17, 1978, highway control devices, bus passenger loading areas and terminal  
15 facilities, including shelters, and fringe and corridor parking facilities to serve bus  
16 and other public mass transportation passengers, together with the acquisition,  
17 construction, reconstruction and maintenance of lands and facilities for the  
18 development, improvement and use of public mass transportation systems for the  
19 transportation of passengers. This section does not apply to town highways created  
20 or altered under ch. 80 except as to jury trials on appeals under ss. 80.24 and 80.25,  
21 nor to proceedings in 1st class cities under subch. II. In any city, condemnation for  
22 housing under ss. 66.40 to 66.404, ~~or~~ for urban renewal under s. 66.431, or for  
23 cultural arts facilities under subch. V of ch. 229, may proceed under this section or  
24 under s. 32.06 at the option of the condemning authority. Condemnation by a local  
25 exposition district under subch. II of ch. 229 for any exposition center or exposition

**BILL****SECTION 10**

1 center facility may proceed under this section or under s. 32.06 at the option of the  
2 local exposition district. All other condemnation of property for public alleys, streets,  
3 highways, airports, mass transit facilities, or other transportation facilities, gas or  
4 leachate extraction systems to remedy environmental pollution from a solid waste  
5 disposal facility, storm sewers and sanitary sewers, watercourses or water  
6 transmission and distribution facilities shall proceed as follows:

7 **SECTION 11.** 32.05 (1) (a) of the statutes is amended to read:

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

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1 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in  
2 accordance with s. 84.095.

3 **SECTION 12.** 32.07 (2) of the statutes is amended to read:

4 32.07 (2) The petitioner shall determine necessity if application is by the state  
5 or any commission, department, board or other branch of state government or by a  
6 city, village, town, county, school district, board, commission, public officer,  
7 commission created by contract under s. 66.30, joint local water authority under s.  
8 66.0735, redevelopment authority created under s. 66.431, local exposition district  
9 created under subch. II of ch. 229, local cultural arts district created under subch.  
10 V of ch. 229, housing authority created under ss. 66.40 to 66.404 or for the  
11 right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other  
12 electric line, for the right-of-way for a gas pipeline, main or service or for easements  
13 for the construction of any elevated structure or subway for railroad purposes.

14 **SECTION 13.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act 9,  
15 section 931b, is amended to read:

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

**BILL****SECTION 14**

1           **SECTION 14.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act 9,  
2 section 931c, and 1999 Wisconsin Act .... (this act), is repealed and recreated to read:

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

12           **SECTION 15.** 40.02 (36) of the statutes, as affected by 1999 Wisconsin Act 9, is  
13 amended to read:

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

24           **SECTION 16.** 66.04 (1) of the statutes is renumbered 66.04 (1e).

25           **SECTION 17.** 66.04 (1a) of the statutes is created to read:

**BILL**

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

4           **SECTION 18.** 66.04 (2) (a) (intro.) of the statutes is amended to read:

5           66.04 (2) (a) (intro.) Any county, city, village, town, school district, drainage  
6 district, technical college district or other governing board as defined by s. 34.01 (1)  
7 may invest any of its funds not immediately needed in any of the following:

8           **SECTION 19.** 66.04 (2) (a) 3r. of the statutes is created to read:

9           66.04 (2) (a) 3r. Bonds issued by the Wisconsin Health and Educational  
10 Facilities Authority under ch. 231, with respect to a local cultural arts district under  
11 subch. V of ch. 229.

12           **SECTION 20.** 66.04 (2) (a) 3t. of the statutes is created to read:

13           66.04 (2) (a) 3t. Bonds issued by a local cultural arts district under subch. V of  
14 ch. 229.

15           **SECTION 21.** 66.066 (1) (a) of the statutes is amended to read:

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

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1           **SECTION 22.** 66.066 (5) of the statutes is renumbered 66.066 (5) (a).

2           **SECTION 23.** 66.066 (5) (c) of the statutes is created to read:

3           66.066 (5) (c) Revenue bonds issued by a local cultural arts district created  
4 under subch. V of ch. 229 are subject to the provisions in ss. 229.849 to 229.853.

5           **SECTION 24.** 66.067 of the statutes is amended to read:

6           **66.067 Public works projects.** For financing purposes, garbage  
7 incinerators, toll bridges, swimming pools, tennis courts, parks, playgrounds, golf  
8 links, bathing beaches, bathhouses, street lighting, city halls, village halls, town  
9 halls, courthouses, jails, schools, cooperative educational service agencies, hospitals,  
10 homes for the aged or indigent, child care centers, as defined in s. 231.01 (3c),  
11 regional projects, waste collection and disposal operations, systems of sewerage,  
12 local professional baseball park facilities, local cultural arts facilities and any and  
13 all other necessary public works projects undertaken by any municipality are public  
14 utilities within the meaning of s. 66.066.

15           **SECTION 25.** 66.30 (1) (a) of the statutes, as affected by 1999 Wisconsin Act 9,  
16 is amended to read:

17           66.30 (1) (a) In this section "municipality" means the state or any department  
18 or agency thereof, or any city, village, town, county, school district, public library  
19 system, public inland lake protection and rehabilitation district, sanitary district,  
20 farm drainage district, metropolitan sewerage district, sewer utility district, solid  
21 waste management system created under s. 59.70 (2), local exposition district  
22 created under subch. II of ch. 229, local professional baseball park district created  
23 under subch. III of ch. 229, local cultural arts district created under subch. V of ch.  
24 229, family care district under s. 46.2895, water utility district, mosquito control  
25 district, municipal electric company, county or city transit commission, commission

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1 created by contract under this section, taxation district or regional planning  
2 commission.

3 **SECTION 26.** 70.11 (40) of the statutes is created to read:

4 70.11 (40) LOCAL CULTURAL ARTS DISTRICT. Property of a local cultural arts  
5 district under subch. V of ch. 229, except any of the following:

6 (a) Property that is not a part of the physical structure of a cultural arts facility,  
7 as defined under s. 229.841 (5), if that property is used for a retail business or a  
8 restaurant, unless the retail business or restaurant is operated by the local cultural  
9 arts district or by a corporation, organization or association described in section 501  
10 (c) 3 of the Internal Revenue Code that is exempt from taxation under section 501  
11 (a) of the Internal Revenue Code.

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

14 **SECTION 27.** 71.05 (1) (c) 6. of the statutes is created to read:

15 71.05 (1) (c) 6. A local cultural arts district created under subch. V of ch. 229.

16 **SECTION 28.** 71.05 (1) (c) 7. of the statutes is created to read:

17 71.05 (1) (c) 7. The Wisconsin Health and Educational Facilities Authority  
18 under ch. 231, if the bonds are used with respect to a local cultural arts district.

19 **SECTION 29.** 71.26 (1) (bm) of the statutes is amended to read:

20 71.26 (1) (bm) *Certain local districts.* Income of a local exposition district  
21 created under subch. II of ch. 229 ~~or~~ a local professional baseball park district  
22 created under subch. III of ch. 229 or a local cultural arts district created under  
23 subch. V of ch. 229.

24 **SECTION 30.** 71.26 (1m) (g) of the statutes is amended to read:

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

3           **SECTION 31.** 71.26 (1m) (h) of the statutes is created to read:

4           71.26 (1m) (h) Those issued under ch. 231 with respect to a local cultural arts  
5 district.

6           **SECTION 32.** 71.36 (1m) of the statutes is amended to read:

7           71.36 (1m) A tax-option corporation may deduct from its net income all  
8 amounts included in the Wisconsin adjusted gross income of its shareholders, the  
9 capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to  
10 nonresident shareholders under ss. 71.04 (1) and (4) to (9) and 71.362. For purposes  
11 of this subsection, interest on federal obligations, obligations issued under s. 66.066  
12 by a local professional baseball park district or a local cultural arts district,  
13 obligations issued under ss. 66.40, 66.431 and 66.4325, obligations issued under ch.  
14 231 with respect to a local cultural arts district, obligations issued under s. 234.65  
15 to fund an economic development loan to finance construction, renovation or  
16 development of property that would be exempt under s. 70.11 (36) and obligations  
17 issued under subch. II of ch. 229 is not included in shareholders' income. The  
18 proportionate share of the net loss of a tax-option corporation shall be attributed and  
19 made available to shareholders on a Wisconsin basis but subject to the limitation and  
20 carry-over rules as prescribed by section 1366 (d) of the internal revenue code. Net  
21 operating losses of the corporation to the extent attributed or made available to a  
22 shareholder may not be used by the corporation for further tax benefit. For purposes  
23 of computing the Wisconsin adjusted gross income of shareholders, tax-option items  
24 shall be reported by the shareholders and those tax-option items, including capital  
25 gains and losses, shall retain the character they would have if attributed to the



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1 corporation, including their character as business income. In computing the tax  
2 liability of a shareholder, no credit against gross tax that would be available to the  
3 tax-option corporation if it were a nontax-option corporation may be claimed.

4 **SECTION 33.** 71.45 (1t) (g) of the statutes is amended to read:

5 71.45 (1t) (g) Those issued under s. 66.066 by a local professional baseball park  
6 district or a local cultural arts district.

7 **SECTION 34.** 71.45 (1t) (h) of the statutes is created to read:

8 71.45 (1t) (h) Those issued under ch. 231 with respect to a local cultural arts  
9 district.

10 **SECTION 35.** 77.54 (9a) (h) of the statutes is created to read:

11 77.54 (9a) (h) A local cultural arts district under subch. V of ch. 229.

12 **SECTION 36.** 111.02 (7) of the statutes is amended to read:

13 111.02 (7) The term “employer” means a person who engages the services of an  
14 employe, and includes any person acting on behalf of an employer within the scope  
15 of his or her authority, express or implied, but shall not include the state or any  
16 political subdivision thereof, or any labor organization or anyone acting in behalf of  
17 such organization other than when it is acting as an employer in fact. For purposes  
18 of this subsection, a person who engages the services of an employe includes the  
19 University of Wisconsin Hospitals and Clinics Authority and a local cultural arts  
20 district created under subch. V of ch. 229.

21 **SECTION 37.** 111.70 (1) (j) of the statutes, as affected by 1999 Wisconsin Act 9,  
22 is amended to read:

23 111.70 (1) (j) “Municipal employer” means any city, county, village, town,  
24 metropolitan sewerage district, school district, family care district or any other  
25 political subdivision of the state that engages the services of an employe and includes

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1 any person acting on behalf of a municipal employer within the scope of the person's  
2 authority, express or implied, but specifically does not include a local cultural arts  
3 district created under subch. V of ch. 229.

4 **SECTION 38.** 219.09 (1) (e) of the statutes is created to read:

5 219.09 (1) (e) The Wisconsin Health and Educational Facilities Authority  
6 under ch. 231, with respect to a local cultural arts district under subch. V of ch. 229.

7 **SECTION 39.** 219.09 (1) (f) of the statutes is created to read:

8 219.09 (1) (f) Bonds issued by a local cultural arts district under subch. V of ch.  
9 229.

10 **SECTION 40.** Subchapter V of chapter 229 [precedes 229.840] of the statutes is  
11 created to read:

12 **CHAPTER 229**

13 **SUBCHAPTER V**

14 **LOCAL CULTURAL**

15 **ARTS DISTRICTS**

16 **229.840 Legislative declaration.** (1) The legislature determines that this  
17 subchapter serves a statewide public purpose by assisting the development of  
18 cultural arts facilities in the state, which provide educational and recreational  
19 opportunities for Wisconsin residents, by enhancing the appreciation of the arts  
20 among the states' residents, by encouraging economic development and tourism, by  
21 reducing unemployment and by bringing needed capital into the state for the benefit  
22 and welfare of people throughout the state.

23 (2) The legislature determines that cultural arts districts in populous cities  
24 serve a public purpose in those cities by providing educational and recreational  
25 opportunities for residents of those cities, by enhancing the appreciation of the arts

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1 among the residents of those cities, by encouraging economic development and  
2 tourism, by reducing unemployment and by bringing needed capital into those cities  
3 for the benefit and welfare of people in those cities.

4 **229.841 Definitions.** In this subchapter:

5 (1) "Bond" means any bond, note or other obligation issued under s. 66.066 by  
6 a district.

7 (2) "Bond resolution" means a resolution of the district board authorizing the  
8 issuance of, or providing terms and conditions related to, bonds and includes, where  
9 appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of  
10 trust providing terms and conditions for bonds.

11 (3) "County executive" means the county executive or, if the county does not  
12 have a county executive, the chairperson of the county board of supervisors, of the  
13 county in which the sponsoring city is located. If a sponsoring city is located in more  
14 than one county, the city shall be considered to be located solely in the county in  
15 which the greatest percentage of its territory is located at the time a district is  
16 created.

17 (4) "Cultural arts activity" means any performance, program, concert, exhibit,  
18 show, broadcast or other activity with any artistic or cultural significance, or any  
19 related or incidental activity.

20 (5) "Cultural arts facilities" means district property, tangible or intangible,  
21 owned in whole or in part, operated or leased by a district that is principally for a  
22 cultural arts activity including auditoriums, music halls, exhibit halls, theaters,  
23 practice facilities, dressing rooms, parking lots, garages, restaurants, concession  
24 facilities, entertainment facilities, transportation facilities and other functionally  
25 related or auxiliary facilities or structures.

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1 (6) "District" means a district created under this subchapter.

2 (7) "District board" means the governing board of a district.

3 (8) "Mayor" means the mayor of a sponsoring city.

4 (9) "Populous city" means any city with a population of more than 150,000.

5 (10) "Sponsoring city" means a populous city that creates a district under this  
6 subchapter.

7 **229.842 Creation and organization.** (1) A sponsoring city may create a  
8 special purpose district that is a local governmental unit, that is a body corporate and  
9 politic, that is separate and distinct from, and independent of, the state and the  
10 sponsoring city, that has the powers under s. 229.844 and the name of which includes  
11 "Cultural Arts District", if all of the following occur:

12 (a) The mayor issues a written proclamation declaring the need for establishing  
13 a district.

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

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

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

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

- 4 1. The governor.
- 5 2. The mayor.
- 6 3. The county executive.

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

14 (c) Subject to sub. (1) (b), 6 persons appointed by the mayor, one of whom shall  
15 be selected from a list of 3 to 5 names that is submitted by the school board of the  
16 school district in which the greatest percentage of the sponsoring city's territory is  
17 located. Of the remaining 5 appointees under this paragraph, at least 2 of the  
18 appointees shall have a demonstrated interest in cultural arts activities and not  
19 more than 3 of the appointees may be elective city officials. A person appointed under  
20 this paragraph may take his or her seat immediately upon appointment and  
21 qualification, subject to any procedures specified by the common council under sub.  
22 (1) (b).

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

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

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

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

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

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

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

16           **(c)** Persons appointed under sub. (2) (b) to (d) must have resided within 25 miles  
17 of the sponsoring city's city hall for at least one year before their appointment.  
18 Persons appointed under sub. (2) (b) to (d) may be removed from the district board  
19 before the expiration of their terms by the appointing authority but only for cause,  
20 as defined in s. 17.16 (2). Vacancies shall be filled by the appointing authority who  
21 appointed the person whose office is vacant. A person appointed to fill a vacancy  
22 under sub. (2) (b) to (d) shall serve for the remainder of the unexpired term to which  
23 he or she is appointed. The appointing authorities shall confer with one another  
24 regarding their appointments with a view toward achieving diversity on the district  
25 board.

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1           (4) If the sponsoring city's common council determines that another city or a  
2 village or town having territory located within 25 miles of the sponsoring city's city  
3 hall provides substantial support to the district, the council may increase the size of  
4 the district board to include as a member the mayor, village president or town board  
5 chair of that city, village or town, or the designee of such a mayor, village president  
6 or town board chair. If the sponsoring city's common council subsequently  
7 determines that the other city or the village or town no longer provides substantial  
8 support to the district, the council may decrease the size of the district board to  
9 exclude that member.

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

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

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

20           (8) At its first meeting, the district board shall name the district, and the name  
21 shall include "Cultural Arts District".

22           **229.843 Jurisdiction.** (1) Except as provided under s. 229.844 (4) (c), a  
23 district's jurisdiction shall be the boundaries of the sponsoring city.

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

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1           **229.844 Powers of a district.** A district has all of the powers necessary or  
2 convenient to carry out the purposes and provisions of this subchapter. In addition  
3 to all other powers granted by this subchapter, a district may do all of the following:

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

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

6           (3) Maintain an office.

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

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

12           (b) Acquire; lease, as lessor or lessee; use; or transfer property within or outside  
13 of the district's jurisdiction.

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

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

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

25           (e) Grant concessions.



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

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

9           (7) Mortgage, pledge or otherwise encumber the district's revenue, property or  
10          funds.

11          (8) (a) Issue revenue bonds under s. 66.066, subject to ss. 229.849 to 229.853,  
12          and enter into agreements related to the issuance of bonds by the district or, for  
13          purposes related to the district, by the Wisconsin Health and Educational Facilities  
14          Authority or a community development authority created under s. 66.4325,  
15          including liquidity and credit facilities, remarketing agreements, insurance policies,  
16          guaranty agreements, letter of credit or reimbursement agreements, indexing  
17          agreements, interest exchange agreements and currency exchange agreements.

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

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

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

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1           (10) Promote, advertise and publicize its cultural arts facilities and related  
2 cultural arts activities.

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

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

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

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

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

15           (16) Adopt and alter an official seal.

16           (17) Direct its agents or employes, if properly identified in writing, to enter  
17 upon any real property, that the district has the authority to condemn or that the  
18 redevelopment authority has the authority to condemn on behalf of the district, to  
19 make surveys and examinations before locating or constructing cultural arts  
20 facilities, without incurring liability by the district, its agents or employes except for  
21 actual damage done. Before directing anyone to enter real property under this  
22 subsection, the district shall give the owner and occupant of the property at least 5  
23 days' written notice. If the owner or occupant does not consent to the entry, the  
24 district may petition the circuit court for the county in which the property is located  
25 for an order permitting entry upon the property. The district shall serve a copy of the

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1 petition upon the owner and occupant. Before issuing an order, the court shall  
2 require the district to demonstrate the necessity of the entry and shall examine the  
3 reasonableness of the proposed scope, time, place and manner of the entry. The court  
4 may impose appropriate limitations upon the entry in its order.

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

7 **229.845 Minority contracting goals.** (1) In this section:

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

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

12 (2) It shall be a goal of the district, in awarding construction work and  
13 professional services contracts related to cultural arts facilities, that at least 5% of  
14 the aggregate dollar value of such contracts awarded by the district shall be awarded  
15 to minority businesses and at least 5% of the aggregate dollar value of such contracts  
16 awarded by the district shall be awarded to women's businesses.

17 **229.846 Powers granted to a sponsoring city.** In addition to any powers  
18 that it may otherwise have, a sponsoring city may do any of the following:

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

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

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

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

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

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

9           **229.847 Dissolution of a district.** Subject to providing for the payment of  
10 its bonds or other debts that it has incurred, including interest on the bonds or other  
11 debts, and the performance of its other contractual obligations, a district may be  
12 dissolved by one of the following methods:

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

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

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

18           **229.848 Transfers; transfer agreements.** (1) If a district is dissolved under  
19 s. 229.847, the property of the district shall be transferred either to the sponsoring  
20 city or to an entity described either in section 170 (c) (1) or in both sections 170 (c)  
21 (2) and 501 (c) (3) of the Internal Revenue Code. If the sponsoring city is a 1st class  
22 city, the specific entity to which the district's property shall be transferred upon  
23 dissolution shall be specified in the initial resolution under which the 1st class city  
24 created the district. If the sponsoring city is not a 1st class city, the district board

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1 shall determine the entity to which the district's property shall be transferred upon  
2 dissolution.

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

9 **229.849 District bonds and debt not public debt.** (1) Neither the state nor  
10 the sponsoring city is liable on bonds or other debt of the district and the bonds and  
11 other debt of the district are not a debt of the state or the sponsoring city. All bonds  
12 and other debt of the district shall contain on the face of the bond or the debt  
13 instrument a statement to this effect. The issuance of bonds or the incurrence of  
14 other debt by the district shall not, directly or indirectly or contingently, obligate the  
15 state or the sponsoring city to levy any form of taxation therefor or to make any  
16 appropriation for the payment of the bonds or other debt.

17 (2) Nothing in this subchapter authorizes the district to create a debt of the  
18 state or the sponsoring city, and all bonds issued by the district and all other debt  
19 incurred by the district are payable, and shall state that they are payable, solely from  
20 the funds pledged for their payment in accordance with the resolution authorizing  
21 their issuance or incurrence or in any trust indenture or mortgage or deed of trust  
22 executed as security for the bonds or other debt. Neither the state nor the sponsoring  
23 city shall in any event be liable for the payment of the principal of or interest on any  
24 bonds or other debt of the district or for the performance of any pledge, mortgage,  
25 obligation or agreement that may be undertaken by the district. No breach of any

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1 such pledge, mortgage, obligation or agreement may impose any pecuniary liability  
2 upon the state or the sponsoring city or any charge upon the state's or the sponsoring  
3 city's general credit or against the state's or the sponsoring city's taxing power.

4 **229.850 Special fund for payment of principal and interest costs on**  
5 **certain bonds.** The district may maintain a special fund into which it deposits any  
6 income or property of the district that is used for the payment of principal and  
7 interest costs of bonds issued by the district or by the Wisconsin Health and  
8 Educational Facilities Authority or by a community development authority created  
9 under s. 66.4325 for purposes related to the district.

10 **229.851 State pledge.** The state pledges to and agrees with the holders of any  
11 bond issued by the district or other debt incurred by the district, and with those  
12 parties who may enter into contracts with the district, that the state will not limit  
13 or alter the rights vested in the district by this subchapter until such bonds or other  
14 debt, together with the interest on the bonds and other debt, are fully met and  
15 discharged and such contracts are fully performed on the part of the district, but  
16 nothing shall preclude such a limitation or alteration if adequate provision is made  
17 by law for the protection of the holders of such bonds or other debt or those entering  
18 into such contracts.

19 **229.852 Pledge of revenues.** A district may pledge the revenues derived, or  
20 to be derived, from any cultural arts facility for any of the following purposes:

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

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

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

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1           **229.853 Trust funds.** All moneys received by the district under this  
2 subchapter, whether as proceeds from the issuance of bonds or the incurrence of  
3 other debt or as revenues, shall be considered to be trust funds to be held and applied  
4 solely as provided in this subchapter. Any officer with whom, or any bank or trust  
5 company with which, the moneys are deposited shall act as trustee of the moneys and  
6 shall hold and apply the same for the purposes of this subchapter, subject to such  
7 regulations as this subchapter and any bond resolution or debt agreement  
8 authorizing the bonds or debt may provide.

9           **229.854 Sponsoring city employment regulations.** Any ordinance of a  
10 sponsoring city that regulates employment relations or practices of all private  
11 employers, generally, shall apply to employees of the district, unless the sponsoring  
12 city's common council excludes the application of such an ordinance to the district's  
13 employes.

14           **SECTION 41.** 230.03 (3) of the statutes is amended to read:

15           230.03 (3) "Agency" means any board, commission, committee, council or  
16 department in the state government or a unit thereof created by the constitution or  
17 statutes if such board, commission, committee, council, department, unit or the head  
18 thereof, is authorized to appoint subordinate staff by the constitution or statute,  
19 except a legislative or judicial board, commission, committee, council, department or  
20 unit thereof or an authority created under ch. 231, 232, 233, 234 or 235. "Agency"  
21 does not mean any local unit of government or body within one or more local units  
22 of government that is created by law or by action of one or more local units of  
23 government.

24           **SECTION 42.** 231.01 (4) (a) of the statutes is amended to read:

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1           231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating  
2 health institution, participating educational institution, participating cultural arts  
3 district or participating child care provider, as approved by the authority, as are  
4 reasonable and necessary to accomplish the project, exclusive of any private or  
5 federal, state or local financial assistance received by the participating health  
6 institution, participating educational institution, participating cultural arts district  
7 or participating child care provider for the payment of the project cost.

8           **SECTION 43.** 231.01 (4) (b) 1. of the statutes is amended to read:

9           231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health  
10 institution, participating educational institution, participating cultural arts district  
11 or participating child care provider of all necessary developmental, planning and  
12 feasibility studies, surveys, plans and specifications, architectural, engineering,  
13 legal or other special services, the cost of acquisition of land and any buildings and  
14 improvements on the land, site preparation and development including demolition  
15 or removal of existing structures, construction, reconstruction and equipment,  
16 including machinery, fixed equipment and personal property.

17           **SECTION 44.** 231.01 (4) (b) 2. of the statutes is amended to read:

18           231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating  
19 health institution, participating educational institution, participating cultural arts  
20 district or participating child care provider in the course of the development of the  
21 project to the occupancy date.

22           **SECTION 45.** 231.01 (4) (c) of the statutes is amended to read:

23           231.01 (4) (c) All rents and other net revenues from the operation of the real  
24 property, improvements or personal property on the project site by a participating  
25 health institution, participating educational institution, participating cultural arts



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1 district or participating child care provider on and after the date on which the  
2 contract between a participating health institution, participating educational  
3 institution, participating cultural arts district or participating child care provider  
4 and the authority was entered into, but prior to the occupancy date, shall reduce the  
5 sum of all costs in this subsection.

6 **SECTION 46.** 231.01 (4g) of the statutes is created to read:

7 231.01 (4g) "Cultural arts district" means a local cultural arts district created  
8 under subch. V of ch. 229.

9 **SECTION 47.** 231.01 (4h) of the statutes is created to read:

10 231.01 (4h) "Cultural arts facility" has the meaning given in s. 229.841 (5).

11 **SECTION 48.** 231.01 (5t) of the statutes is created to read:

12 231.01 (5t) "Participating cultural arts district" means a cultural arts district  
13 that undertakes the financing and construction or acquisition of a project or  
14 undertakes the refunding or refinancing of obligations or of a mortgage or of  
15 advances as provided in this chapter.

16 **SECTION 49.** 231.01 (7) (a) 1. of the statutes is amended to read:

17 231.01 (7) (a) 1. A specific health facility, educational facility, cultural arts  
18 facility or child care center work or improvement to be refinanced, acquired,  
19 constructed, enlarged, remodeled, renovated, improved, furnished or equipped by  
20 the authority with funds provided in whole or in part under this chapter.

21 **SECTION 50.** 231.01 (7) (a) 2. of the statutes is amended to read:

22 231.01 (7) (a) 2. One or more structures suitable for use as a child care center,  
23 health facility, cultural arts facility, laboratory, laundry, nurses' or interns' residence  
24 or other multi-unit housing facility for staff, employees, patients or relatives of

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1 patients admitted for treatment or care in a health facility, physician's facility,  
2 administration building, research facility, maintenance, storage or utility facility.

3 **SECTION 51.** 231.01 (7) (a) 4. of the statutes is amended to read:

4 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,  
5 educational facility, cultural arts facility or child care center, including facilities or  
6 supporting service structures essential or convenient for the orderly conduct of the  
7 health facility, educational facility, cultural arts facility or child care center.

8 **SECTION 52.** 231.01 (7) (c) of the statutes is amended to read:

9 231.01 (7) (c) "Project" may include any combination of projects undertaken  
10 jointly by any participating health institution, participating educational institution,  
11 participating cultural arts district or participating child care provider with one or  
12 more other participating health institutions, participating educational institutions,  
13 participating cultural arts districts or participating child care providers.

14 **SECTION 53.** 231.02 (6) (b) of the statutes is amended to read:

15 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict  
16 of interest or violation of this section or of any other law for a trustee, director, officer  
17 or employe of a participating health institution, participating educational  
18 institution, participating cultural arts district or participating child care provider or  
19 for a person having the required favorable reputation for skill, knowledge and  
20 experience in state and municipal finance or for a person having the required  
21 favorable reputation for skill, knowledge and experience in the field of health facility,  
22 educational facility, cultural arts facility or child care center architecture to serve as  
23 a member of the authority; if in each case to which par. (a) is applicable, the trustee,  
24 director, officer or employe of the participating health institution, participating  
25 educational institution, participating cultural arts district or participating child

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1 care provider abstains from discussion, deliberation, action and vote by the authority  
2 in specific respect to any undertaking pursuant to this chapter in which his or her  
3 participating health institution, participating educational institution, participating  
4 cultural arts district or participating child care provider has an interest, or the  
5 person having the required favorable reputation for skill, knowledge and experience  
6 in state and municipal finance abstains from discussion, deliberation, action and  
7 vote by the authority in specific respect to any sale, purchase or ownership of bonds  
8 of the authority in which any business of which such person is a participant, owner,  
9 officer or employe has a past, current or future interest, or such person having the  
10 required favorable reputation for skill, knowledge and experience in the field of  
11 health facility, educational facility, cultural arts facility or child care center  
12 architecture abstains from discussion, deliberation, action and vote by the authority  
13 in specific respect to construction or acquisition of any project of the authority in  
14 which any business of which such person is a participant, owner, officer or employe  
15 has a past, current or future interest.

16 **SECTION 54.** 231.03 (5) of the statutes is amended to read:

17 231.03 (5) Determine the location and character of any project to be financed  
18 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add  
19 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any  
20 such purpose, enter into contracts for the management and operation of a project or  
21 other health facilities, educational facilities, cultural arts facilities or child care  
22 centers owned by the authority, and designate a participating health institution,  
23 participating educational institution, participating cultural arts district or  
24 participating child care provider as its agent to determine the location and character  
25 of a project undertaken by the participating health institution, participating

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1 educational institution, participating cultural arts district or participating child  
2 care provider under this chapter and as the agent of the authority, to construct,  
3 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease  
4 as lessee or lessor and regulate the same, and as the agent of the authority, to enter  
5 into contracts for any such purpose, including contracts for the management and  
6 operation of such project or other health facilities, educational facilities, cultural arts  
7 facilities or child care centers owned by the authority.

8 **SECTION 55.** 231.03 (6) (g) of the statutes is created to read:

9 231.03 (6) (g) Finance any project undertaken for a cultural arts facility.

10 **SECTION 56.** 231.03 (6) (h) of the statutes is created to read:

11 231.03 (6) (h) Refinance outstanding debt of any participating cultural arts  
12 district.

13 **SECTION 57.** 231.03 (7) of the statutes is amended to read:

14 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,  
15 fees and charges for the use of and for the services furnished or to be furnished by  
16 a project or other health facilities, educational facilities, cultural arts facilities or  
17 child care centers owned by the authority or any portion thereof, contract with any  
18 person in respect thereto and coordinate its policies and procedures and cooperate  
19 with recognized health facility, educational facility, cultural arts facility or child care  
20 center rate setting mechanisms.

21 **SECTION 58.** 231.03 (8) of the statutes is amended to read:

22 231.03 (8) Adopt rules for the use of a project or other health facility,  
23 educational facility, cultural arts facility or child care center or any portion of the  
24 project or facility owned, financed or refinanced in whole or in part by the authority,  
25 including any property used as security for a loan secured through, from or with the

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1 assistance of the authority. The authority may designate a participating health  
2 institution, participating educational institution, participating cultural arts district  
3 or participating child care provider as its agent to establish rules for the use of a  
4 project or other health facilities, educational facilities, cultural arts facilities or child  
5 care centers undertaken for that participating health institution, participating  
6 educational institution, participating cultural arts district or participating child  
7 care provider. The rules shall ensure that a project, health facility, educational  
8 facility, cultural arts facility, child care center or property may not be used primarily  
9 for sectarian instruction or study or as a place for devotional activities or religious  
10 worship.

11 **SECTION 59.** 231.03 (11) of the statutes is amended to read:

12 231.03 (11) Establish or contract with others to carry out on its behalf a health  
13 facility, educational facility, cultural arts facility or child care center project cost  
14 estimating service, and make this service available on all projects to provide expert  
15 cost estimates and guidance to the participating health institution, participating  
16 educational institution, participating cultural arts district or participating child  
17 care provider and to the authority. To implement this service and, through it, to  
18 contribute to cost containment, the authority may require such reasonable reports  
19 and documents from health facility, educational facility, cultural arts facility or child  
20 care center projects as are required for this service and for the development of cost  
21 reports and guidelines. The authority shall appoint a technical committee on health  
22 facility, educational facility, cultural arts facility or child care center project costs and  
23 cost containment.

24 **SECTION 60.** 231.03 (13) of the statutes is amended to read:

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1           231.03 (13) Make loans to any participating health institution, participating  
2 educational institution, participating cultural arts district or, before May 1, 2000,  
3 participating child care provider for the cost of a project in accordance with an  
4 agreement between the authority and the participating health institution,  
5 participating educational institution, participating cultural arts district or  
6 participating child care provider. The authority may secure the loan by a mortgage  
7 or other security arrangement on the health facility, educational facility, cultural  
8 arts facility or child care center granted by the participating health institution,  
9 participating educational institution, participating cultural arts district or  
10 participating child care provider to the authority. The loan may not exceed the total  
11 cost of the project as determined by the participating health institution,  
12 participating educational institution, participating cultural arts district or  
13 participating child care provider and approved by the authority.

14           **SECTION 61.** 231.03 (14) of the statutes is amended to read:

15           231.03 (14) Make loans to a health facility, educational facility, cultural arts  
16 facility or, before May 1, 2000, child care center for which bonds may be issued under  
17 sub. (6) (b), (d) ~~or~~, (f) or (h) to refinance the health facility's, educational facility's,  
18 cultural arts facility's or child care center's outstanding debt. The authority may  
19 secure the loan or bond by a mortgage or other security arrangement on the health  
20 facility, educational facility, cultural arts facility or child care center granted by the  
21 participating health institution, participating educational institution, participating  
22 cultural arts district or participating child care provider to the authority.

23           **SECTION 62.** 231.03 (15) of the statutes is amended to read:

24           231.03 (15) Mortgage all or any portion of a project and other health facilities,  
25 educational facilities, cultural arts facilities or child care centers and the site thereof,

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1 whether owned or thereafter acquired, for the benefit of the holders of bonds issued  
2 to finance the project, health facilities, educational facilities, cultural arts facilities  
3 or child care centers or any portion thereof or issued to refund or refinance  
4 outstanding indebtedness of participating health institutions, educational  
5 institutions, participating cultural arts districts or child care providers as permitted  
6 by this chapter.

7 **SECTION 63.** 231.03 (16) of the statutes is amended to read:

8 231.03 (16) Lease to a participating health institution, participating  
9 educational institution, participating cultural arts district or participating child  
10 care provider the project being financed or other health facilities, educational  
11 facilities, cultural arts facilities or child care centers conveyed to the authority in  
12 connection with such financing, upon such terms and conditions as the authority  
13 deems proper, and charge and collect rents therefor and terminate any such lease  
14 upon the failure of the lessee to comply with any of the obligations thereof; and  
15 include in any such lease, if desired, provisions that the lessee thereof shall have  
16 options to renew the term of the lease for such periods and at such rent as the  
17 authority determines or to purchase all or any part of the health facilities,  
18 educational facilities, cultural arts facilities or child care centers or that, upon  
19 payment of all of the indebtedness incurred by the authority for the financing of such  
20 project or health facilities, educational facilities, cultural arts facilities or child care  
21 centers or for refunding outstanding indebtedness of a participating health  
22 institution, participating educational institution, participating cultural arts district  
23 or participating child care provider, the authority may convey all or any part of the  
24 project or such other health facilities, educational facilities, cultural arts facilities or  
25 child care centers to the lessees thereof with or without consideration.

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1           **SECTION 64.** 231.03 (17) of the statutes is amended to read:

2           231.03 (17) Charge to and apportion among participating health institutions,  
3 participating educational institutions, participating cultural arts districts and  
4 participating child care providers its administrative costs and expenses incurred in  
5 the exercise of the powers and duties conferred by this chapter.

6           **SECTION 65.** 231.03 (18) of the statutes is amended to read:

7           231.03 (18) Make studies of needed health facilities, educational facilities,  
8 cultural arts facilities and child care centers that could not sustain a loan were it  
9 made under this chapter and recommend remedial action to the legislature; and do  
10 the same with regard to any laws or rules that prevent health facilities, educational  
11 facilities, cultural arts facilities and child care centers from benefiting from this  
12 chapter.

13           **SECTION 66.** 231.03 (19) of the statutes is amended to read:

14           231.03 (19) Obtain, or aid in obtaining, from any department or agency of the  
15 United States or of this state or any private company, any insurance or guaranty  
16 concerning the payment or repayment of, interest or principal, or both, or any part  
17 thereof, on any loan, lease or obligation or any instrument evidencing or securing the  
18 same, made or entered into under the provisions of this chapter; and  
19 notwithstanding any other provisions of this chapter, to enter into any agreement,  
20 contract or any other instrument with respect to that insurance or guaranty, to  
21 accept payment in the manner and form provided therein in the event of default by  
22 a participating health institution, participating educational institution,  
23 participating cultural arts district or participating child care provider, and to assign  
24 the insurance or guaranty as security for the authority's bonds.

25           **SECTION 67.** 231.04 of the statutes is amended to read:



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1           **231.04 Expenses.** All expenses of the authority incurred in carrying out this  
2 chapter shall be payable solely from funds provided under the authority of this  
3 chapter, and no liability may be incurred by the authority beyond the extent to which  
4 moneys have been provided under this chapter except that, for the purposes of  
5 meeting the necessary expenses of initial organization and operation of the authority  
6 for the period commencing on June 19, 1974 and continuing until such date as the  
7 authority derives moneys from funds provided to it under the authority of this  
8 chapter, the authority may borrow such moneys as it requires to supplement the  
9 funds provided under s. 20.440. Such moneys borrowed by the authority shall  
10 subsequently be charged to and apportioned among participating health  
11 institutions, participating educational institutions, participating cultural arts  
12 districts and participating child care providers in an equitable manner, and repaid  
13 with appropriate interest over a reasonable period of time.

14           **SECTION 68.** 231.05 (1) of the statutes is amended to read:

15           231.05 (1) By means of this chapter, it is the intent of the legislature to provide  
16 assistance and alternative methods of financing to nonprofit health institutions to  
17 aid them in providing needed health services consistent with the state's health plan,  
18 to nonprofit educational institutions to aid them in providing needed educational  
19 services, to cultural arts districts to aid them in providing needed cultural arts  
20 activities and events and to nonprofit child care providers to aid them in providing  
21 needed child care services.

22           **SECTION 69.** 231.06 of the statutes is amended to read:

23           **231.06 Property acquisition.** The authority may acquire, directly or by and  
24 through a participating health institution, participating educational institution,  
25 participating cultural arts district or participating child care provider as its agent,

**BILL****SECTION 69**

1 by purchase or by gift or devise, such lands, structures, property, rights,  
2 rights-of-way, franchises, easements and other interests in lands, including lands  
3 lying under water and riparian rights, which are located within this state as it deems  
4 necessary or convenient for the construction or operation of a project, upon such  
5 terms and at such prices as it considers reasonable and can be agreed upon between  
6 it and the owner thereof, and take title thereto in the name of the authority or in the  
7 name of a health facility, educational facility, cultural arts facility or child care center  
8 as its agent.

9 **SECTION 70.** 231.07 (1) (b) of the statutes is amended to read:

10 231.07 (1) (b) Convey to the participating health institution, participating  
11 educational institution, participating cultural arts district or participating child  
12 care provider the authority's interest in the project and in any other health facility,  
13 educational facility, cultural arts facility or child care center leased, mortgaged or  
14 subject to a deed of trust or any other form of security arrangement to secure the  
15 bond.

16 **SECTION 71.** 231.07 (2) (a) of the statutes is amended to read:

17 231.07 (2) (a) The principal of and interest on any bond issued by the authority  
18 to finance a project or to refinance or refund outstanding indebtedness of one or more  
19 participating health institutions, participating educational institutions,  
20 participating cultural arts districts or participating child care providers, including  
21 any refunding bonds issued to refund and refinance the bond, have been fully paid  
22 and the bonds retired or if the adequate provision has been made to pay fully and  
23 retire the bond; and

24 **SECTION 72.** 231.08 (5) of the statutes is amended to read:

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1           231.08 (5) In addition to the other authorizations under this section, bonds of  
2 the authority may be secured by a pooling of leases whereby the authority may assign  
3 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,  
4 educational facilities, cultural arts facilities or child care centers with 2 or more  
5 health institutions, educational institutions, cultural arts districts or child care  
6 providers, as lessees respectively, upon such terms as may be provided for in bond  
7 resolutions of the authority.

8           **SECTION 73.** 231.10 (1) of the statutes is amended to read:

9           231.10 (1) The state is not liable on notes or bonds of the authority and the notes  
10 and bonds are not a debt of the state. All notes and bonds of the authority shall  
11 contain on the face thereof a statement to this effect. The issuance of bonds under  
12 this chapter shall not, directly or indirectly or contingently, obligate the state or any  
13 political subdivision thereof to levy any form of taxation therefor or to make any  
14 appropriation for their payment. Nothing in this section prevents the authority from  
15 pledging its full faith and credit or the full faith and credit of a health institution,  
16 educational institution, cultural arts district or child care provider to the payment  
17 of bonds authorized under this chapter.

18           **SECTION 74.** 231.12 of the statutes is amended to read:

19           **231.12 Studies and recommendations.** It is the intent and purpose of this  
20 chapter that the exercise by the authority of the powers granted to it shall be in all  
21 respects for the benefit of the people of this state to assist them to provide needed  
22 health facilities, educational facilities, cultural arts facilities and child care centers  
23 of the number, size, type, distribution and operation that will assure admission and  
24 health care, education, cultural enrichment or child care of high quality to all who  
25 need it. The authority shall identify and study all projects which are determined by

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1 health planning agencies to be needed, but which could not sustain a loan were such  
2 to be made to it under this chapter. The authority shall formulate and recommend  
3 to the legislature such amendments to this and other laws, and such other specific  
4 measures as grants, loan guarantees, interest subsidies or other actions the state  
5 may provide which would render the construction and operation of needed health  
6 facilities, educational facilities, cultural arts facilities and child care centers feasible  
7 and in the public interest. The authority also shall identify and study any laws or  
8 rules ~~which~~ that it finds handicaps or bars a needed health facility, educational  
9 facility, cultural arts facility or child care center from participating in the benefits  
10 of this chapter, and recommend to the legislature such actions as will remedy such  
11 situation.

12 **SECTION 75.** 231.13 (1) (intro.) of the statutes is amended to read:

13 231.13 (1) (intro.) The authority shall collect rents for the use of, or other  
14 revenues relating to the financing of, each project. The authority shall contract with  
15 a participating health institution, participating educational institution,  
16 participating cultural arts district or participating child care provider for each  
17 issuance of bonds. The contract shall provide that the rents or other revenues  
18 payable by the health facility, educational facility, cultural arts facility or child care  
19 center shall be sufficient at all times to:

20 **SECTION 76.** 231.13 (2) of the statutes is amended to read:

21 231.13 (2) The authority shall pledge the revenues derived and to be derived  
22 from a project and other related health facilities, educational facilities, cultural arts  
23 facilities or child care centers for the purposes specified in sub. (1), and additional  
24 bonds may be issued which may rank on a parity with other bonds relating to the  
25 project to the extent and on the terms and conditions provided in the bond resolution.

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1 Such pledge shall be valid and binding from the time when the pledge is made, the  
2 revenues so pledged by the authority shall immediately be subject to the lien of such  
3 pledge without any physical delivery thereof or further act and the lien of any such  
4 pledge shall be valid and binding as against all parties having claims of any kind in  
5 tort, contract or otherwise against the authority, irrespective of whether such parties  
6 have notice thereof. Neither the bond resolution nor any financing statement,  
7 continuation statement or other instrument by which a pledge is created or by which  
8 the authority's interest in revenues is assigned need be filed or recorded in any public  
9 records in order to perfect the lien thereof as against 3rd parties, except that a copy  
10 thereof shall be filed in the records of the authority and with the department of  
11 financial institutions.

12 **SECTION 77.** 231.16 (1) of the statutes is amended to read:

13 231.16 (1) The authority may issue bonds to refund any outstanding bond of  
14 the authority or indebtedness that a participating health institution, participating  
15 educational institution, participating cultural arts district or participating child  
16 care provider may have incurred for the construction or acquisition of a project prior  
17 to or after April 30, 1980, including the payment of any redemption premium on the  
18 outstanding bond or indebtedness and any interest accrued or to accrue to the  
19 earliest or any subsequent date of redemption, purchase or maturity, or to pay all or  
20 any part of the cost of constructing and acquiring additions, improvements,  
21 extensions or enlargements of a project or any portion of a project. No bonds may be  
22 issued under this section unless the authority has first entered into a new or  
23 amended agreement with a participating health institution, participating  
24 educational institution, participating cultural arts district or participating child

**BILL****SECTION 77**

1 care provider to provide sufficient revenues to pay the costs and other items  
2 described in s. 231.13.

3 **SECTION 78.** 231.20 of the statutes is amended to read:

4 **231.20 Waiver of construction and bidding requirements.** In exercising  
5 its powers under s. 101.12, the department of commerce or any city, village, town or  
6 county may, within its discretion for proper cause shown, waive any particular  
7 requirements relating to public buildings, structures, grounds, works and  
8 improvements imposed by law upon projects under this chapter; the requirements  
9 of s. 101.13 may not be waived, however. If, however, the prospective lessee so  
10 requests in writing, the authority shall, through the participating health institution,  
11 participating educational institution, participating cultural arts district or  
12 participating child care provider as its agent, call for construction bids in such  
13 manner as is determined by the authority with the approval of the lessee.

14 **SECTION 79.** 231.23 of the statutes is amended to read:

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

22 **SECTION 80. Initial applicability.**

23 (1) **INCOME AND FRANCHISE TAX EXEMPTIONS.** The treatment of sections 71.05 (1)  
24 (c) 6. and 7., 71.26 (1) (bm) and (1m) (g) and (h), 71.36 (1m) and 71.45 (1t) (g) and (h)  
25 of the statutes first applies to taxable years beginning on January 1, 2000.

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

3           **SECTION 81. Effective dates.** This act takes effect on the day after publication,  
4 except as follows:

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

7           (2) **DEFINITION OF EMPLOYER UNDER THE WISCONSIN RETIREMENT SYSTEM.** The  
8 repeal and recreation of section 40.02 (28) of the statutes takes effect on January 1,  
9 2010.

10

**(END)**