

1999 DRAFTING REQUEST

Senate Substitute Amendment (SSA-SB442)

Received: **03/28/2000**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7417**

By/Representing: **Kelsie Doty**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters: **kuesejt
champra
jkreye
grantpr
rmarchan**

Subject: **Munis - miscellaneous
Bonding - municipal
Tax - miscellaneous
Tax - sales
State Government - miscellaneous
Eminent Domain - miscellaneous**

Extra Copies: **PJK**

Pre Topic:

No specific pre topic given

Topic:

Cultural arts districts; tax exemptions, bonding authority

Instructions:

See Attached. Base the sub. on SB 442, -4065/3; strip out WHEFA stuff and add attached minority contracting items

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 03/28/2000	chanaman 03/28/2000		_____			

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FE Sent For:

<END>

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11 MEs 3/28/00

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 3/2?

DELIVER TO: Marc Shavers

Addressee Fax #: _____ Addressee Phone #: _____

of Pages, Including Cover: 2 Sender's Initials: _____

From: Kelsie Doty

Message:

Marc-

for the Assembly Sub.

Underheim is the author

↳ send him the stripes

And send a copy to Miller and to me.

for the Senate Sub.

send the stripes to me

and I'll get them to

Burke's office

Thanks! Kelsie

Representative Riley

SENATE BILL 442 -- CULTURAL ARTS DISTRICT

Minority and Women Contracting

p 9 of papers

Motion:

Move to:

*1. Riley
2. Amend C*

Specify that if not a 1st class city, the goal of the district would be to ensure that at least 15% of the aggregate dollar value of contracts will be placed with minority businesses; and 10% with women-owned businesses.

*15
5*

Specify that in a 1st class city, the goal of the district would be to ensure that at least 25% of the aggregate dollar value of contracts will be placed with minority businesses, and 10% with women-owned businesses.

*25
5*

Green Bay	15%	5%
Browns	25	5
State	5	0

14y-1w

Motion #71

ASA to AB 653 Kalsie

1) Base doc: 3442; add LRB a2077/1
⊛ → PJK

2) Riley AM, based on ~~LRB motion~~

do the sub. for Underheim Miller

Minority K
in the bill
as modified by the
motion

Copies to Mark Miller & Riley &
LRB

do an identical sub for the
Senate

5 0504/1

SSA to

RMNR

1999 SENATE BILL 442

NOW

March 7, 2000 - Introduced by Senator **RISSE**, cosponsored by Representatives **UNDERHEIM** and **MILLER**. Referred to Joint committee on Finance.

regen

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),

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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 tax exemptions for interest income on bonds issued by the
 7 district; ^{and} authorizing certain local cultural arts districts to acquire property by
 8 condemnation and authorizing the Wisconsin Health and Educational
 9 Facilities Authority to issue bonds to finance certain cultural arts 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.

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

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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.

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;

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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 (WHEFA) 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.

COLLECTIVE BARGAINING

The bill specifically exempts the local cultural arts district from coverage under the Municipal Employment Relations Act (MERA). Under MERA, which covers

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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:

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.

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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.

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

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

1 SECTION 1. 13.94 (4) (a) 1. of the statutes, as affected by 1999 Wisconsin Act 9,

2 is amended to read:

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

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

15 16.70 (14) "State" does not include a district created under subch. II ~~or~~ III or
16 V of ch. 229.

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

18 19.42 (13) (a) All positions to which individuals are regularly appointed by the
19 governor, except the position of trustee of any private higher educational institution
20 receiving state appropriations and the position of member of the district board of a
21 local professional baseball park district created under subch. III of ch. 229 and the
22 position of member of the district board of a local cultural arts district created under
23 subch. V of ch. 229.

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

SENATE BILL 442

SECTION 4

1 24.61 (2) (a) 8. Bonds issued under ch. 231 with respect to a local cultural arts
2 district created under subch. V of ch. 229.

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

4 24.61 (2) (a) 9. Bonds issued by a local cultural arts district under subch. V of
5 ch. 229.

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

7 25.17 (3) (b) 11. Bonds issued under ch. 231 with respect to a local cultural arts
8 district created under subch. V of ch. 229.

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

10 25.17 (3) (b) 12. Bonds issued by a local cultural arts district under subch. V
11 of ch. 229.

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

14 25.50 (1) (d) "Local government" means any county, town, village, city, power
15 district, sewerage district, drainage district, town sanitary district, public inland
16 lake protection and rehabilitation district, local professional baseball park district
17 created under subch. III of ch. 229, family care district under s. 46.2895, local
18 cultural arts district created under subch. V of ch. 229, public library system, school
19 district or technical college district in this state, any commission, committee, board
20 or officer of any governmental subdivision of this state, any court of this state, other
21 than the court of appeals or the supreme court, or any authority created under s.
22 231.02, 233.02 or 234.02.

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

24 32.02 (11) Any housing authority created under ss. 66.40 to 66.404;
25 redevelopment authority created under s. 66.431; community development

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1 authority created under s. 66.4325; local cultural arts district created under subch.
2 V of ch. 229, subject to s. 229.844 (4) (c); or local exposition district created under
3 subch. II of ch. 229.

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

5 **32.05 Condemnation for sewers and transportation facilities.** (intro.)

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

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SECTION 10

1 disposal facility, storm sewers and sanitary sewers, watercourses or water
2 transmission and distribution facilities shall proceed as follows:

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

4 32.05 (1) (a) Except as provided under par. (b), the county board of supervisors
5 or the county highway committee when so authorized by the county board of
6 supervisors, city council, village board, town board, sewerage commission governing
7 metropolitan sewerage district created by ss. 66.22 or 66.88 to 66.918, secretary of
8 transportation, a commission created by contract under s. 66.30, a joint local water
9 authority created by contract under s. ~~66.0375~~ 66.0735, housing authority under ss.
10 66.40 to 66.404, local exposition district created under subch. II of ch. 229, local
11 cultural arts district created under subch. V of ch. 229, redevelopment authority
12 under s. 66.431 or community development authority under s. 66.4325 shall make
13 an order providing for the laying out, relocation and improvement of the public
14 highway, street, alley, storm and sanitary sewers, watercourses, water transmission
15 and distribution facilities, mass transit facilities, airport, or other transportation
16 facilities, gas or leachate extraction systems to remedy environmental pollution from
17 a solid waste disposal facility, housing project, redevelopment project, cultural arts
18 facilities, exposition center or exposition center facilities which shall be known as the
19 relocation order. This order shall include a map or plat showing the old and new
20 locations and the lands and interests required. A copy of the order shall, within 20
21 days after its issue, be filed with the county clerk of the county wherein the lands are
22 located or, in lieu of filing a copy of the order, a plat may be filed or recorded in
23 accordance with s. 84.095.

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

SENATE BILL 442

1 32.07 (2) The petitioner shall determine necessity if application is by the state
2 or any commission, department, board or other branch of state government or by a
3 city, village, town, county, school district, board, commission, public officer,
4 commission created by contract under s. 66.30, joint local water authority under s.
5 66.0735, redevelopment authority created under s. 66.431, local exposition district
6 created under subch. II of ch. 229, local cultural arts district created under subch.
7 V of ch. 229, housing authority created under ss. 66.40 to 66.404 or for the
8 right-of-way of a railroad up to 100 feet in width, for a telegraph, telephone or other
9 electric line, for the right-of-way for a gas pipeline, main or service or for easements
10 for the construction of any elevated structure or subway for railroad purposes.

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

13 40.02 (28) "Employer" means the state, including each state agency, any
14 county, city, village, town, school district, other governmental unit or
15 instrumentality of 2 or more units of government now existing or hereafter created
16 within the state and, any federated public library system established under s. 43.19
17 whose territory lies within a single county with a population of 500,000 or more, a
18 local exposition district created under subch. II of ch. 229 and a family care district
19 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3) and
20 subch. X. "Employer" does not include a local cultural arts district created under
21 subch. V of ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI
22 purposes.

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

SENATE BILL 442**SECTION 14**

1 40.02 (28) “Employer” means the state, including each state agency, any
2 county, city, village, town, school district, other governmental unit or
3 instrumentality of 2 or more units of government now existing or hereafter created
4 within the state, any federated public library system established under s. 43.19
5 whose territory lies within a single county with a population of 500,000 or more, a
6 local exposition district created under subch. II of ch. 229 and a family care district
7 created under s. 46.2895, except as provided under ss. 40.51 (7) and 40.61 (3).
8 “Employer” does not include a local cultural arts district created under subch. V of
9 ch. 229. Each employer shall be a separate legal jurisdiction for OASDHI purposes.

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

12 40.02 (36) “Governing body” means the legislature or the head of each state
13 agency with respect to employes of that agency for the state, the common council in
14 cities, the village board in villages, the town board in towns, the county board in
15 counties, the school board in school districts, or the board, commission or other
16 governing body having the final authority for any other unit of government, for any
17 agency or instrumentality of 2 or more units of government, for any federated public
18 library system established under s. 43.19 whose territory lies within a single county
19 with a population of 500,000 or more, for a local exposition district created under
20 subch. II of ch. 229 or for a family care district created under s. 46.2895, but does not
21 include a local cultural arts district created under subch. V of ch. 229.

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

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

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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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SECTION 22

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

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 issued 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:

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

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.

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 ¹⁵4% 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. *maint 27-16*

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

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 employes 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:~~

~~* delete pp 32 to 45 entirely~~

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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. ~~71.26~~ 71.26 (1) (bm) and (1m) (g) ~~71.36~~ 71.36 (1m) and 71.45 (1t) (g) ~~71.45~~

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)

SENATE BILL 442

FNS 27-16

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. 560.038 (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.

except that if the sponsoring city is a 1st class city,

12 *ND 21* 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 *25%* 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. *FNS 27-16*

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.

Malaise, Gordon

From: Malaise, Gordon
Sent: Wednesday, March 29, 2000 10:31 AM
To: Burnett, Douglas; Graf, Bill; Bills, Nancy
Cc: Shovers, Marc; Grant, Peter
Subject: Applicability of Prevailing Wage to Cultural Arts District

Doug, Bill and Nancy:

Your question whether the prevailing wage law applies to a cultural arts district has been referred to me for attention and response.

Although no specific language within the four corners of SB 442 or AB 853 says in so many words that the prevailing wage law applies to a cultural arts district, nevertheless a cultural arts district is subject to the prevailing wage law.

That is because s. 229.842 (1), as created by the bills, provides that a cultural arts district is both a special purpose district and a local governmental unit, and s. 66.293 (1) (d), stats., which defines "local governmental unit" for purposes of the prevailing wage law, includes a special purpose district within that definition. Accordingly, a cultural arts district, being both a special purpose district and a local governmental unit, fits within the definition of "local governmental unit" for purposes of the prevailing wage law

I hope that this information is helpful to you. Please do not hesitate to contact me directly if you have any further questions.

Gordon M. Malaise
Senior Legislative Attorney
Legislative Reference Bureau
Phone: (608) 266-9738