

1999 Assembly Bill 853

Date of enactment: **April 12, 2000**  
Date of publication\*: **April 25, 2000**

# 1999 WISCONSIN ACT 65

AN ACT *to renumber* 66.04 (1) and 66.066 (5); *to amend* 13.94 (4) (a) 1., 16.70 (14), 19.42 (13) (a), 25.50 (1) (d), 32.02 (11), 32.05 (intro.), 32.05 (1) (a), 32.07 (2), 40.02 (28), 40.02 (36), 66.04 (2) (a) (intro.), 66.066 (1) (a), 66.067, 66.30 (1) (a), 71.26 (1) (bm), 71.26 (1m) (g), 71.36 (1m), 71.45 (1t) (g), 111.02 (7), 111.70 (1) (j) and 230.03 (3); *to repeal and recreate* 40.02 (28); and *to create* 24.61 (2) (a) 9., 25.17 (3) (b) 12., 66.04 (1a), 66.04 (2) (a) 3t., 66.066 (5) (c), 70.11 (40), 71.05 (1) (c) 6., 77.54 (9a) (h), 219.09 (1) (f) and subchapter V of chapter 229 [precedes 229.840] of the statutes; **relating to:** authorizing the creation of a local cultural arts district; granting a property tax exemption for the district's property; granting a sales tax and use tax exemption for tangible personal property and services purchased by the district; giving a local cultural arts district the authority to issue bonds and granting income tax exemptions for interest income on bonds issued by the district; and authorizing certain local cultural arts districts to acquire property by condemnation.

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

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

13.94 (4) (a) 1. Every state department, board, examining board, affiliated credentialing board, commission, independent agency, council or office in the executive branch of state government; all bodies created by the legislature in the legislative or judicial branch of state government; any public body corporate and politic created by the legislature including specifically a professional baseball park district, a local cultural arts district and a family care district under s. 46.2895; every Wisconsin works agency under subch. III of ch. 49; every provider of medical assistance under subch. IV of ch. 49; technical college district boards; development zones designated under s. 560.71; every county department under s. 51.42 or 51.437; every nonprofit corporation or cooperative to which moneys are specifically appropriated by

state law; and every corporation, institution, association or other organization which receives more than 50% of its annual budget from appropriations made by state law, including subgrantee or subcontractor recipients of such funds.

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

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

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

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

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

**SECTION 4.** 24.61 (2) (a) 9. of the statutes is created to read:

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

**SECTION 5.** 25.17 (3) (b) 12. of the statutes is created to read:

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

**SECTION 6.** 25.50 (1) (d) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

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

**SECTION 7.** 32.02 (11) of the statutes is amended to read:

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

**SECTION 8.** 32.05 (intro.) of the statutes is amended to read:

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

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

**SECTION 9.** 32.05 (1) (a) of the statutes is amended to read:

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

**SECTION 10.** 32.07 (2) of the statutes is amended to read:

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

or for easements for the construction of any elevated structure or subway for railroad purposes.

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

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

**SECTION 12.** 40.02 (28) of the statutes, as affected by 1999 Wisconsin Act 9, section 931c, and 1999 Wisconsin Act ... (this act), is repealed and recreated to read:

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

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

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

**SECTION 14.** 66.04 (1) of the statutes is renumbered 66.04 (1e).

**SECTION 15.** 66.04 (1a) of the statutes is created to read:

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

**SECTION 16.** 66.04 (2) (a) (intro.) of the statutes is amended to read:

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

**SECTION 17.** 66.04 (2) (a) 3t. of the statutes is created to read:

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

**SECTION 18.** 66.066 (1) (a) of the statutes is amended to read:

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

**SECTION 19.** 66.066 (5) of the statutes is renumbered 66.066 (5) (a).

**SECTION 20.** 66.066 (5) (c) of the statutes is created to read:

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

**SECTION 21.** 66.067 of the statutes is amended to read:

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

**SECTION 22.** 66.30 (1) (a) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

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

**SECTION 23.** 70.11 (40) of the statutes is created to read:

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

(a) Property that is not a part of the physical structure of a cultural arts facility, as defined under s. 229.841 (5), 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 corporation, organization or association described in section 501 (c) 3 of the Internal Revenue Code that is exempt from taxation under section 501 (a) of the Internal Revenue Code.

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

**SECTION 24.** 71.05 (1) (c) 6. of the statutes is created to read:

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

**SECTION 25.** 71.26 (1) (bm) of the statutes is amended to read:

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

**SECTION 26.** 71.26 (1m) (g) of the statutes is amended to read:

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

**SECTION 27.** 71.36 (1m) of the statutes is amended to read:

71.36 (1m) A tax-option corporation may deduct from its net income all amounts included in the Wisconsin adjusted gross income of its shareholders, the capital gain deduction under s. 71.05 (6) (b) 9. and all amounts not taxable to nonresident shareholders under ss. 71.04

(1) and (4) to (9) and 71.362. For purposes of this subsection, interest on federal obligations, obligations issued under s. 66.066 by a local professional baseball park district or a local cultural arts district, obligations issued under ss. 66.40, 66.431 and 66.4325, obligations issued under s. 234.65 to fund an economic development loan to finance construction, renovation or development of property that would be exempt under s. 70.11 (36) and obligations issued under subch. II of ch. 229 is not included in shareholders’ income. The proportionate share of the net loss of a tax-option corporation shall be attributed and made available to shareholders on a Wisconsin basis but subject to the limitation and carry-over rules as prescribed by section 1366 (d) of the internal revenue code. Net operating losses of the corporation to the extent attributed or made available to a shareholder may not be used by the corporation for further tax benefit. For purposes of computing the Wisconsin adjusted gross income of shareholders, tax-option items shall be reported by the shareholders and those tax-option items, including capital gains and losses, shall retain the character they would have if attributed to the corporation, including their character as business income. In computing the tax liability of a shareholder, no credit against gross tax that would be available to the tax-option corporation if it were a nontax-option corporation may be claimed.

**SECTION 28.** 71.45 (1t) (g) of the statutes is amended to read:

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

**SECTION 29.** 77.54 (9a) (h) of the statutes is created to read:

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

**SECTION 30.** 111.02 (7) of the statutes is amended to read:

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

**SECTION 31.** 111.70 (1) (j) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

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

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

**SECTION 32.** 219.09 (1) (f) of the statutes is created to read:

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

**SECTION 33.** Subchapter V of chapter 229 [precedes 229.840] of the statutes is created to read:

**CHAPTER 229**  
**SUBCHAPTER V**  
**LOCAL CULTURAL**  
**ARTS DISTRICTS**

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

(2) The legislature determines that cultural arts districts in populous cities serve a public purpose in those cities by providing educational and recreational opportunities for residents of those cities, by enhancing the appreciation of the arts among the residents of those cities, by encouraging economic development and tourism, by reducing unemployment and by bringing needed capital into those cities for the benefit and welfare of people in those cities.

**229.841 Definitions.** In this subchapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. The governor.
2. The mayor.
3. The county executive.

(b) Three persons appointed by the governor, one of whom shall be selected from a list of 3 to 5 names that is submitted by the Board of Regents of the University of Wisconsin System. Of the remaining 2 appointees under

this paragraph, at least one of the appointees shall have a demonstrated interest in cultural arts activities and one of the appointees may be an elective state official. A person appointed under this paragraph may take his or her seat immediately upon appointment and qualification.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Maintain an office.

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

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

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

(c) 1. If the district's sponsoring city is not a 1st class city, acquire property by condemnation, subject to the

limits specified in the resolution under s. 229.842 (1) (c) or the ordinance or resolution under s. 229.846 (6).

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

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

(e) Grant concessions.

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

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

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

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

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

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

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

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

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

(12) Establish and collect fees, and establish shared revenue arrangements or other charges for the use of its

cultural arts facilities or for services rendered by the district.

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

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

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

(16) Adopt and alter an official seal.

(17) Direct its agents or employees, if properly identified in writing, to enter upon any real property, that the district has the authority to condemn or that the redevelopment authority has the authority to condemn on behalf of the district, to make surveys and examinations before locating or constructing cultural arts facilities, without incurring liability by the district, its agents or employees except for actual damage done. Before directing anyone to enter real property under this subsection, the district shall give the owner and occupant of the property at least 5 days' written notice. If the owner or occupant does not consent to the entry, the district may petition the circuit court for the county in which the property is located for an order permitting entry upon the property. The district shall serve a copy of the petition upon the owner and occupant. Before issuing an order, the court shall require the district to demonstrate the necessity of the entry and shall examine the reasonableness of the proposed scope, time, place and manner of the entry. The court may impose appropriate limitations upon the entry in its order.

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

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

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

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

(2) It shall be a goal of the district, in awarding construction work and professional services contracts related to cultural arts facilities, that at least 15% of the aggregate dollar value of such contracts awarded by the district shall be awarded to minority businesses and at least 5% of the aggregate dollar value of such contracts awarded by the district shall be awarded to women's businesses, except that if the sponsoring city is a 1st class city, it shall be a goal of the district, in awarding construction work and professional services contracts related to cultural arts facilities, that at least 25% of the aggregate dollar value of such contracts awarded by the district shall be awarded to minority businesses and at least 5%

of the aggregate dollar value of such contracts awarded by the district shall be awarded to women's businesses.

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

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

(2) Expend public funds to subsidize a district.

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

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

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

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

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

(1) By a law enacted by this state.

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

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

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

(2) A sponsoring city and a district board may enter into a transfer agreement to provide the terms and conditions upon which the sponsoring city or the district board

may transfer any interests in an existing or proposed cultural arts facility, or any other property interests owned by either party, to the other party to the agreement. A transfer may take the form of a sale, lease, or other conveyance and may be with or without financial consideration.

**229.849 District bonds and debt not public debt.**

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

(2) Nothing in this subchapter authorizes the district to create a debt of the state or the sponsoring city, and all bonds issued by the district and all other debt incurred by the district are payable, and shall state that they are payable, solely from the funds pledged for their payment in accordance with the resolution authorizing their issuance or incurrence or in any trust indenture or mortgage or deed of trust executed as security for the bonds or other debt. Neither the state nor the sponsoring city shall in any event be liable for the payment of the principal of or interest on any bonds or other debt of the district or for the performance of any pledge, mortgage, obligation or agreement that may be undertaken by the district. No breach of any such pledge, mortgage, obligation or agreement may impose any pecuniary liability upon the state or the sponsoring city or any charge upon the state's or the sponsoring city's general credit or against the state's or the sponsoring city's taxing power.

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

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

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

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

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

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

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

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

**SECTION 34.** 230.03 (3) of the statutes is amended to read:

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

**SECTION 35. Initial applicability.**

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

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

**SECTION 36. Effective dates.** This act takes effect on the day after publication, except as follows:

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

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