



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1746/2
JTK/DAK/RPN:cjs:ch

stays

DOA:.....Koskinen - BB0439, Sale of state real and personal property
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

STATE GOVERNMENT (head)
Other State Government (sub)

D. NOT GEN

1 AN ACT ...; relating to: sale or lease of certain state properties.

Analysis by the Legislative Reference Bureau

Currently, the Building Commission may lease space in state-owned buildings that are managed by DOA. State agencies are generally prohibited from permitting privately owned or operated facilities to be constructed on state-owned land without approval of the Building Commission. The Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into an appropriation account of the Joint Committee on Finance. The committee may then transfer the proceeds to the state building trust fund, except that not more than 50% of the proceeds may be made available to a state agency if the property was used exclusively by that agency. Any lease of space by the commission in a state-owned building for commercial purposes must provide for payments in lieu of property taxes. The building commission may sell certain surplus state land, subject in most cases to the consent of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol. Currently, DOA may dispose of surplus supplies, materials, or equipment or transfer supplies, materials, or equipment between state agencies. Unless the supplies, materials, or equipment are transferred to the Department of Tourism, the agency releasing them is reimbursed for their value.

This bill directs the secretary of administration, no later than July 1, 2004, to review all holdings of state-owned real or personal property under the jurisdiction

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except facilities or institutions the sale or closure of which is not authorized by law

~~of the departments of Administration, Corrections, or Health and Family Services for potential sale or lease. The bill also empowers DOA, effective on the day the bill becomes law, to sell or lease any state-owned real or personal property if DOA determines that the sale or lease is in the best interest of the state. The sale may be either on the basis of public bids or negotiated prices. The bill does not authorize DOA to close or sell any facility or institution the operation of which is provided for by law. The authority granted by the bill does not apply to surplus property obtained from the federal government or property that is leased by the state during the term of the lease without consent of the lessee. Under the bill, DOA may act without approval of the Building Commission or the Joint Committee on Finance. All net proceeds of property sales, after retirement of any outstanding debt on the affected properties and after any required reimbursement of the federal government for any federal financial assistance used to acquire the properties, is deposited in the budget stabilization fund. In addition, the net proceeds under any lease agreement, after payment of any operating expenses of any facility that is leased under the agreement, are deposited in the budget stabilization fund.~~

The bill also provides for the net proceeds of sales of property by DOA and the net proceeds of sales and leases by the Building Commission.

Commission, after payment of any outstanding debt on the affected properties, to be deposited in the budget stabilization fund.
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 13.101 (13) of the statutes is repealed.
- 2 **SECTION 2.** 13.48 (2) (b) 3. and 4. of the statutes are repealed.
- 3 **SECTION 3.** 13.48 (12) (b) 5. of the statutes is created to read:
- 4 13.48 (12) (b) 5. A facility that is authorized to be constructed under a lease
- 5 entered into in accordance with s. 16.848.

6 **SECTION 4.** 13.48 (14) (c) of the statutes is amended to read:

7 13.48 (14) (c) If there is any outstanding public debt used to finance the

8 acquisition of a building, structure or land or the construction of a building or

9 structure that is sold or leased under par. (b), the building commission shall deposit

10 a sufficient amount of the net proceeds from the sale or lease of the building,

11 structure or land in the bond security and redemption fund under s. 18.09 to repay

12 the principal and pay the interest on the debt, and any premium due upon refunding

13 any of that debt. If there is no such debt outstanding, or, if the net proceeds exceed

1 the amount required to repay that principal and pay that interest and premium, the
2 building commission shall ~~credit deposit~~ the net proceeds or remaining net proceeds
3 to in the appropriation account under s. 20.865 (4) (a) budget stabilization fund.

4 ~~SECTION 5. 13.48 (23) of the statutes is repealed.~~

5 ~~SECTION 6. 13.48 (24) of the statutes is repealed.~~

6 SECTION 7. 16.72 (4) (b) of the statutes is amended to read:

7 16.72 (4) (b) The department shall promulgate rules for the declaration as
8 surplus of supplies, materials and equipment in any agency and for the transfer to
9 other agencies or for the disposal by private or public sale of supplies, materials and
10 equipment. In either case ~~due credit shall be given to the agency releasing the same~~
11 , the department shall deposit the net proceeds in the budget stabilization fund,
12 except that the department shall transfer any supplies, materials or equipment
13 declared to be surplus to the department of tourism, upon request of the department
14 of tourism, at no cost, if the transfer is permitted by the agency having possession
15 of the supplies, materials or equipment.

16 ~~SECTION 8. 16.841 (3) of the statutes is amended to read:~~

17 16.841 (3) The department may lease space or provide space in any
18 state-owned or state-leased building to be used by a child care provider under a
19 contract specified in sub. (2) or may contribute to space costs incurred by a child care
20 provider under such a contract for the purpose of providing child care services to
21 children specified in sub. (2). ~~Prior to leasing space or providing space to a child care~~
22 ~~provider in any state-owned facility that is not constructed specially for the use of~~
23 ~~a particular agency, the department shall obtain concurrence of the building~~
24 ~~commission under s. 13.48 (2) (b) 4~~ Any lease of space in a building under the

1 jurisdiction of the department of administration, corrections, or health and family
2 services is subject to s. 16.848.

3 ~~SECTION 9. 16.848 of the statutes is created to read:~~

4 ~~16.848 Sale or lease of certain state property. (1) Except as provided in~~
5 ~~sub. (2), the department may sell or lease any state-owned real or personal property~~
6 ~~under the jurisdiction of the departments of administration, corrections, or health~~
7 ~~and family services, if the department determines that the sale or lease is in the best~~
8 ~~interest of the state. The sale may be either on the basis of public bids, with the~~
9 ~~department reserving the right to reject any bid in the interest of the state, or~~
10 ~~negotiated prices.~~

11 ~~(2) (a) Subsection (1) does not authorize the closure or sale of any facility or~~
12 ~~institution the operation of which is provided for by law.~~

13 ~~(b) Subsection (1) does not apply to property sold by the department under s.~~
14 ~~16.98 (3).~~

15 ~~(c) The department shall not sell or lease any property under this section that~~
16 ~~is leased by the state during the term of the lease without consent of the lessee.~~

17 ~~(3) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt~~
18 ~~used to finance the acquisition, construction, or improvement of any property that~~
19 ~~is sold under sub. (1), the department shall deposit a sufficient amount of the net~~
20 ~~proceeds from the sale of the property in the bond security and redemption fund~~
21 ~~under s. 18.09 to repay the principal and pay the interest on the debt, and any~~
22 ~~premium due upon refunding any of the debt. If the property was purchased with~~
23 ~~federal financial assistance, the department shall pay to the federal government any~~
24 ~~of the net proceeds required by federal law. If there is no such debt outstanding and~~
25 ~~there are no moneys payable to the federal government, or if the net proceeds exceed~~

1 the amount required to be deposited or paid under this subsection, the department
2 shall deposit the net proceeds or remaining net proceeds in the budget stabilization
3 fund

4 (4) If the department enters into an agreement to lease property under this
5 section, the department shall deposit the net proceeds under the lease, after payment
6 of any operating expenses of facilities leased under the agreement, in the budget
7 stabilization fund.

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8 SECTION 10. 25.60 of the statutes is amended to read:

9 25.60 Budget stabilization fund. There is created a separate nonlapsible
10 trust fund designated as the budget stabilization fund, consisting of moneys
11 transferred to the fund from the general fund under s. ss. 13.48 (14) (c), 16.518 (3)

12 ^{and} 16.72 (4) (b) ~~and 16.842~~ and 51.06(5)

13 SECTION 11. 46.03 (30) (a) of the statutes is amended to read:

14 46.03 (30) (a) To provide for an orderly reduction of state institutional primary
15 psychiatric services the department may approve the institutes entering into
16 contracts with county departments under s. 51.42 for providing primary psychiatric
17 care. If excess capacity exists at state operated mental health institutes, the
18 department shall, subject to s. 16.848, explore whether the possible sale or lease of
19 such excess facilities may be sold or leased to a county department under s. 51.42.

20 SECTION 12. 46.035 (1) (a) of the statutes is amended to read:

21 46.035 (1) (a) The term "existing building" in relation to any conveyance, lease
22 or sublease made under sub. (2) (a) 1., 2., and 3., (b), and (c) means all detention,
23 treatment, administrative, recreational, infirmary, hospital, vocational and
24 academic buildings, all dormitories and cottages; all storage facilities, heating
25 plants, sewage disposal plants, and such other buildings, structures, facilities and

1 permanent improvements as in the judgment of the secretary are needed or useful
2 for the purposes of the department, and all equipment therefor and all improvements
3 and additions thereto which were erected, constructed or installed prior to the
4 making of such conveyance, lease or sublease.

5 SECTION 13. 46.035 (1) (b) of the statutes is amended to read:

6 46.035 (1) (b) The term "new building" in relation to any conveyance, lease or
7 sublease made under sub. (2) (a) ~~1., 2. and 3.~~, (b), and (c) means all detention,
8 treatment, administrative, recreational, infirmary, hospital, vocational and
9 academic buildings; all dormitories and cottages; all storage facilities, heating
10 plants, sewage disposal plants, and such other buildings, structures, facilities and
11 permanent improvements as in the judgment of the secretary are needed or useful
12 for the purposes of the department, and all equipment therefor and all improvements
13 and additions thereto which are erected, constructed or installed after the making
14 of such conveyance, lease or sublease.

15 SECTION 14. 46.035 (2) (intro.) of the statutes is repealed.

16 SECTION 15. 46.035 (2) (a) of the statutes is renumbered 46.035 (2), and 46.035
17 (2) (intro.), (a) and (c) to (j), as renumbered, are amended to read:

18 46.035 (2) (intro.) In order to provide new buildings and to enable the
19 construction and financing thereof, to refinance indebtedness hereafter created by
20 a nonprofit corporation for the purpose of providing a new building or buildings or
21 additions or improvements thereto which are located on land owned by, or owned by
22 the state and held for, the department or on lands of the institutions under the
23 jurisdiction of the department or by the nonprofit corporation, or for any one or more
24 of said purposes, but for no other purpose unless authorized by law, the department
25 has, subject to s. 16.848, the following powers and duties:

1 (a) ~~Without limitation by reason of any other provisions of the statutes, the~~ The
2 power to sell and to convey title in fee simple to a nonprofit corporation any land and
3 any existing buildings thereon owned by, or owned by the state and held for, the
4 department or of any of the institutions under the jurisdiction of the department for
5 such consideration and upon such terms and conditions as in the judgment of the
6 secretary are in the public interest.

7 (c) The power to lease or sublease from such nonprofit corporation, and to make
8 available for public use, any such land and existing buildings conveyed or leased to
9 such nonprofit corporation under ~~subds. 1. and 2. pars. (a) and (b)~~, and any new
10 buildings erected upon such land or upon any other land owned by such nonprofit
11 corporation, upon such terms, conditions and rentals, subject to available
12 appropriations, as in the judgment of the secretary are in the public interest. With
13 respect to any property conveyed to such nonprofit corporation under ~~subd. 1. par.~~
14 (a), such lease from such nonprofit corporation may be subject or subordinated to one
15 or more mortgages of such property granted by such nonprofit corporation.

16 (d) The duty to submit the plans and specifications for all such new buildings
17 and all conveyances, leases and subleases made under this section ~~subsection~~ subsection to the
18 department of administration and the governor for written approval before they are
19 finally adopted, executed and delivered.

20 (e) The power to pledge and assign all or any part of the revenues derived from
21 the operation of such new buildings as security for the payment of rentals due and
22 to become due under any lease or sublease of such new buildings under ~~subd. 3 par.~~
23 (c).

24 (f) The power to covenant and agree in any lease or sublease of such new
25 buildings made under ~~subd. 3. par. (c)~~ to impose fees, rentals or other charges for the

1 use and occupancy or other operation of such new buildings in an amount calculated
2 to produce net revenues sufficient to pay the rentals due and to become due under
3 such lease or sublease.

4 (g) The power to apply all or any part of the revenues derived from the operation
5 of existing buildings to the payment of rentals due and to become due under any lease
6 or sublease made under ~~subd. 3 par. (c)~~.

7 (h) The power to pledge and assign all or any part of the revenues derived from
8 the operation of existing buildings to the payment of rentals due and to become due
9 under any lease or sublease made under ~~subd. 3 par. (c)~~.

10 (i) The power to covenant and agree in any lease or sublease made under ~~subd.~~
11 ~~3. par. (c)~~ to impose fees, rentals or other charges for the use and occupancy or other
12 operation of existing buildings in an amount calculated to produce net revenues
13 sufficient to pay the rentals due and to become due under such lease or sublease.

14 (j) The power and duty, upon receipt of notice of any assignment by any such
15 nonprofit corporation of any lease or sublease made under ~~subd. 3. par. (c)~~, or of any
16 of its rights under any such sublease, to recognize and give effect to such assignment,
17 and to pay to the assignee thereof rentals or other payments then due or which may
18 become due under any such lease or sublease which has been so assigned by such
19 nonprofit corporation.

20 SECTION 16. 46.035 (2) (b) of the statutes is renumbered 46.035 (3) and
21 amended to read:

22 46.035 (3) The Subject to s. 16.848, the state shall be is liable for accrued
23 rentals and for any other default under any lease or sublease made under ~~par. (a) 3.~~
24 ~~sub. (2) (c)~~, and may be sued therefor on contract as in other contract actions
25 pursuant to ch. 775, except that it shall ~~not be~~ is not necessary for the lessor under

1 any such lease or sublease or any assignee of such lessor or any person or other legal
2 entity proceeding on behalf of such lessor to file any claim with the legislature prior
3 to the commencement of any such action.

4 SECTION 17. 46.035 (2) (c) of the statutes is renumbered 46.035 (4).

5 SECTION 18. 46.035 (2) (d) of the statutes is repealed.

6 SECTION 19. 46.035 (2) (e) of the statutes is renumbered 46.035 (5) and amended
7 to read:

8 46.035 (5) All laws, except s. 16.848 and ch. 150, conflicting that conflict with
9 any provisions of this section, are, insofar as they conflict with this section and no
10 further, superseded by this section.

11 SECTION 20. 46.06 (intro.) of the statutes is created to read:

12 46.06 Lands; condemnation, easements, leases, sales, purchases.

13 (intro.) Subject to s. 16.848:

14 SECTION 21. 46.09 (intro.) of the statutes is created to read:

15 46.09 Purchases, bills, audits, payments. (intro.) Subject to s. 16.848:

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16 SECTION 22. 301.20 of the statutes is amended to read:

17 301.20 Training school for delinquent boys. The department, with the
18 approval of the governor and subject to s. 16.848, may purchase or accept a gift of land
19 for a suitable site for an additional training school for delinquent boys and erect and
20 equip such buildings as it considers necessary at such time as funds may be allocated
21 for that purpose by the building commission. The training school or other additional
22 facilities for delinquent boys financed by the authorized 1965-67 building program
23 shall be located north of a line between La Crosse and Manitowoc. The department
24 shall operate and maintain the institution for the treatment of delinquent boys who
25 are placed under the supervision of the department under s. 938.34 (4h) or (4m). All

1 laws pertaining to the care of juveniles received under s. 938.34 shall apply. Officers
2 and employees of the institution are subject to the same laws as apply to other
3 facilities described in s. 938.52.

4 **SECTION 23.** 301.235 (1) (a) of the statutes is amended to read:

5 301.235 (1) (a) "Existing building", in relation to any conveyance, lease or
6 sublease made under sub. (2) (a) 1., 2. and 3., means all detention, treatment,
7 administrative, recreational, infirmary, hospital, vocational and academic buildings;
8 all dormitories and cottages; all storage facilities, heating plants, sewage disposal
9 plants, and such other buildings, structures, facilities and permanent improvements
10 as in the judgment of the secretary are needed or useful for the purposes of the
11 department, and all equipment therefor and all improvements and additions thereto
12 which were erected, constructed or installed prior to making the conveyance, lease
13 or sublease.

14 **SECTION 24.** 301.235 (1) (b) of the statutes is amended to read:

15 301.235 (1) (b) "New building", in relation to any conveyance, lease or sublease
16 made under sub. (2) (a) 1., 2. and 3., means all detention, treatment, administrative,
17 recreational, infirmary, hospital, vocational and academic buildings; all dormitories
18 and cottages; all storage facilities, heating plants, sewage disposal plants, and such
19 other buildings, structures, facilities and permanent improvements as in the
20 judgment of the secretary are needed or useful for the purposes of the department,
21 and all equipment therefor and all improvements and additions thereto which are
22 erected, constructed or installed after making the conveyance, lease or sublease.

23 **SECTION 25.** 301.235 (2) (a) (intro.) of the statutes is amended to read:

24 301.235 (2) (a) (intro.) In order to provide new buildings and to enable the
25 construction and financing thereof, to refinance indebtedness created by a nonprofit

1 corporation for the purpose of providing a new building or buildings or additions or
2 improvements thereto which are located on land owned by, or owned by the state and
3 held for, the department or on lands of the institutions under the jurisdiction of the
4 department or owned by the nonprofit corporation, or for any one or more of those
5 purposes, but for no other purpose unless authorized by law, the department, subject
6 to s. 16.848, has the following powers and duties:

7 SECTION 26. 301.235 (2) (a) 1. of the statutes is repealed.

8 SECTION 27. 301.235 (2) (a) 3. of the statutes is amended to read:

9 301.235 (2) (a) 3. The power to lease or sublease from the nonprofit corporation,
10 and to make available for public use, any such land and existing buildings conveyed
11 or leased to the nonprofit corporation under subds. 1. and subd. 2., and any new
12 buildings erected upon the land or upon any other land owned by such nonprofit
13 corporation, upon such terms, conditions and rentals, subject to available
14 appropriations, as the secretary determines are in the public interest. With respect
15 to any property conveyed to the nonprofit corporation under subd. 1., the lease from
16 the nonprofit corporation may be subject or subordinated to one or more mortgages
17 of the property granted by the nonprofit corporation.

18 SECTION 28. 301.24 (2) of the statutes is amended to read:

19 301.24 (2) EASEMENTS. The Subject to s. 16.848, the department may grant
20 easements for the extension of municipal and public utilities onto the lands of the
21 institutions under its jurisdiction, for the purpose of connecting railroads, roads,
22 water systems, sewers, electric lines and similar facilities, to serve the institutions.

23 SECTION 29. 301.24 (3) of the statutes is amended to read:

24 301.24 (3) LEASES. The Subject to s. 16.848, the department may lease
25 additional lands for the operation of the institutions under its jurisdiction.

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SECTION 30. 301.24 (4) of the statutes is repealed.

SECTION 31. 301.24 (4m) of the statutes is repealed.

SECTION 32. 301.25 of the statutes is amended to read:

301.25 Sewer system at Taycheedah Correctional Institution. The department, with the approval of the governor, may enter into an agreement containing terms, conditions and covenants approved by the building commission, to participate in the construction of a sanitary sewer system in the area adjacent to the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac County; to connect the sewer system of the Taycheedah Correctional Institution thereto; to pay sewage disposal charges; and to grant easements or convey land to meet construction requirements.

SECTION 33. 302.04 of the statutes is amended to read:

302.04 Duties of warden and superintendents. ~~The~~ Except as provided in s. 16.848, the warden or the superintendent of each state prison shall have charge and custody of the prison and all lands, belongings, furniture, implements, stock and provisions and every other species of property within the same or pertaining thereto. ~~The~~ warden or superintendent shall enforce the ~~regulations~~ rules of the department for the administration of the prison and for the government of its officers and the discipline of its inmates.

SECTION 9101. Nonstatutory provisions; administration.

(1) SALE OR LEASE OF CERTAIN STATE PROPERTY.

(a) Except as provided in paragraph (b), no later than ^{July} ~~January~~ 1, 2004, the secretary of administration shall review all holdings of ^{state-owned} ~~real and personal~~ property under the ~~jurisdiction of the departments of administration, corrections, and health and family services~~ for potential sale or lease.

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(b) Paragraph (a) does not apply to any facility or institution the closure or sale
of which is not authorized ^{by law} ~~under section 16.848 of the statutes, as created by this act.~~

(END)

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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In addition, the bill requires DHFS to maintain the Northern Center for the Developmentally Disabled, but authorizes DHFS to sell assets and real property of the Northern Center for the Developmentally Disabled. If any of this property is sold, DHFS must, after retiring any outstanding public debt on the property or paying to the federal government any proceeds as required by federal law, deposit the net proceeds in the budget stabilization fund.

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1 **SECTION 1.** 20.435 (2) (gk) of the statutes is amended to read:

2 20.435 (2) (gk) *Institutional operations and charges.* The amounts in the
3 schedule for care, other than under s. 51.06 (1r), provided by the centers for the
4 developmentally disabled, to reimburse the cost of providing the services and to
5 remit any credit balances to county departments that occur on and after
6 July 1, 1978, in accordance with s. 51.437 (4rm) (c); for care, other than under s.
7 46.043, provided by the mental health institutes, to reimburse the cost of providing
8 the services and to remit any credit balances to county departments that occur on and
9 after January 1, 1979, in accordance with s. 51.42 (3) (as) 2.; for maintenance of
10 state-owned housing at centers for the developmentally disabled and mental health
11 institutes; for repair or replacement of property damaged at the mental health
12 institutes or at centers for the developmentally disabled; and for reimbursing the
13 total cost of using, producing, and providing services, products, and care. All moneys
14 received as payments from medical assistance on and after August 1, 1978; as
15 payments from all other sources including other payments under s. 46.10 and
16 payments under s. 51.437 (4rm) (c) received on and after July 1, 1978; as medical
17 assistance payments, other payments under s. 46.10, and payments under s. 51.42
18 (3) (as) 2. received on and after January 1, 1979; as payments for the rental of
19 state-owned housing and other institutional facilities at centers for the

1 developmentally disabled and mental health institutes; for the sale of electricity,
 2 steam, or chilled water; as payments in restitution of property damaged at the
 3 mental health institutes or at centers for the developmentally disabled; for the sale
 4 of surplus property, including vehicles, at the mental health institutes or, except as
 5 provided in s. 51.06 (5), at centers for the developmentally disabled; and for other
 6 services, products, and care shall be credited to this appropriation, except that any
 7 payment under s. 46.10 received for the care or treatment of patients admitted under
 8 s. 51.10, 51.15, or 51.20 for which the state is liable under s. 51.05 (3), of patients
 9 admitted under s. 55.06 (9) (d) or (e) for which the state is liable under s. 55.05 (1),
 10 of forensic patients committed under ch. 971 or 975, admitted under ch. 975, or
 11 transferred under s. 51.35 (3), or of patients transferred from a state prison under
 12 s. 51.37 (5), to the Mendota Mental Health Institute or the Winnebago Mental Health
 13 Institute shall be treated as general purpose revenue — earned, as defined under s.
 14 20.001 (4).

History: 1971 c. 125 ss. 138 to 155, 522 (1); 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18); 1977 c. 112; 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361; 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6; 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402; 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293; 1999 a. 5, 9, 32, 52, 84, 103, 109, 113, 133, 185, 186; 2001 a. 16, 69, 103, 105.

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15 **SECTION 2.** 51.06 (5) of the statutes is created to read:
 16 **51.06 (5) SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE**
 17 **DEVELOPMENTALLY DISABLED.** The department shall maintain the Northern Center
 18 for the Developmentally Disabled for the purpose specified in sub. (1), but may sell
 19 assets or real property of the Northern Center for the Developmentally Disabled.

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1 jurisdiction of the department of administration, corrections, or health and family
2 services is subject to s. 16.848.

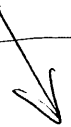
3 SECTION 9. 16.848 of the statutes is created to read:

4 **16.848 Sale or lease of certain state property.** (1) Except as provided in
5 sub. (2), the department may sell or lease any state-owned real or personal property
6 under the jurisdiction of the departments of administration, corrections, or health
7 and family services, if the department determines that the sale or lease is in the best
8 interest of the state. The sale may be either on the basis of public bids, with the
9 department reserving the right to reject any bid in the interest of the state, or
10 negotiated prices.

11 (2) (a) Subsection (1) does not authorize the closure or sale of any facility or
12 institution the operation of which is provided for by law.

13 (b) Subsection (1) does not apply to property sold by the department under s.
14 16.98 (3).

15 (c) The department shall not sell or lease any property under this section that
16 is leased by the state during the term of the lease without consent of the lessee.



17 ~~no # 63~~ Except as provided in s. 13.48 (14)(e), if there is any outstanding public debt
18 used to finance the acquisition, construction, or improvement of any property that
19 is sold under ~~sub. (1)~~ ^{this subsection}, the department shall deposit a sufficient amount of the net
20 proceeds from the sale of the property in the bond security and redemption fund
21 under s. 18.09 to repay the principal and pay the interest on the debt, and any
22 premium due upon refunding any of the debt. If the property was purchased with
23 federal financial assistance, the department shall pay to the federal government any
24 of the net proceeds required by federal law. If there is no such debt outstanding and
25 there are no moneys payable to the federal government, or if the net proceeds exceed

1 the amount required to be deposited or paid under this subsection, the department
2 shall deposit the net proceeds or remaining net proceeds in the budget stabilization
3 fund.

4 ~~(4) If the department enters into an agreement to lease property under this~~
5 ~~section, the department shall deposit the net proceeds under the lease, after payment~~
6 ~~of any operating expenses of facilities leased under the agreement, in the budget~~
7 ~~stabilization fund.~~

8 SECTION 10. 25.60 of the statutes is amended to read:

9 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
10 trust fund designated as the budget stabilization fund, consisting of moneys
11 transferred to the fund from the general fund under ~~s. ss. 13.48 (14) (c), 16.518 (3)~~
12 , 16.72 (4) (b), and 16.848.

13 SECTION 11. 46.03 (30) (a) of the statutes is amended to read:

14 46.03 (30) (a) To provide for an orderly reduction of state institutional primary
15 psychiatric services the department may approve the institutes entering into
16 contracts with county departments under s. 51.42 for providing primary psychiatric
17 care. If excess capacity exists at state operated mental health institutes, the
18 department shall subject to s. 16.848, explore whether the possible sale or lease of
19 such excess facilities may be sold or leased to a county department under s. 51.42.

20 SECTION 12. ~~46.035~~ (1) (a) of the statutes is amended to read:

21 46.035 (1) (a) The term "existing building" in relation to any conveyance, lease
22 or sublease made under sub. (2) (a) ~~1., 2., and 3.,~~ (b), and (c) means all detention,
23 treatment, administrative, recreational, infirmary, hospital, vocational and
24 academic buildings; all dormitories and cottages; all storage facilities, heating
25 plants, sewage disposal plants, and such other buildings, structures, facilities and

← end ins 9-15



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1746/3 4
JTK/DAK/RPN:cjs:c

EWLj

D-NOTE

DOA:.....Koskinen - BB0439, Sale or lease of certain state property
FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION

DO NOT GEN

1 AN ACT ...; relating to: sale or lease of certain state properties.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into an appropriation account of the Joint Committee on Finance. The committee may then transfer the proceeds to the state building trust fund, except that not more than 50% of the proceeds may be made available to a state agency if the property was used exclusively by that agency. Currently, DOA may dispose of surplus supplies, materials, or equipment or transfer supplies, materials, or equipment between state agencies. Unless the supplies, materials, or equipment are transferred to the Department of Tourism, the agency releasing them is reimbursed for their value.

This bill directs the secretary of administration, no later than July 1, 2004, to review all holdings of state-owned real or personal property for potential sale or lease, except facilities or institutions the sale or closure of which is not authorized by law. The bill also provides for the net proceeds of sales of property by DOA and the net proceeds of property sales and leases by the Building Commission, after payment of any outstanding debt on the affected properties, to be deposited in the budget stabilization fund. The bill does not apply to surplus property obtained from

the federal government or property that is leased by the state during the term of the lease without consent of the lessee.

In addition, the bill requires DHFS to maintain the Northern Center for the Developmentally Disabled, but authorizes DHFS to sell assets and real property of the Northern Center for the Developmentally Disabled. If any of this property is sold, DHFS must, after retiring any outstanding public debt on the property or paying to the federal government any proceeds as required by federal law, deposit the net proceeds in the budget stabilization fund.

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

1 **SECTION 1.** 13.48 (14) (c) of the statutes is amended to read:

2 13.48 (14) (c) If there is any outstanding public debt used to finance the
3 acquisition of a building, structure or land or the construction of a building or
4 structure that is sold or leased under par. (b), the building commission shall deposit
5 a sufficient amount of the net proceeds from the sale or lease of the building,
6 structure or land in the bond security and redemption fund under s. 18.09 to repay
7 the principal and pay the interest on the debt, and any premium due upon refunding
8 any of that debt. If there is no such debt outstanding, or, if the net proceeds exceed
9 the amount required to repay that principal and pay that interest and premium, the
10 building commission shall ~~credit~~ deposit the net proceeds or remaining net proceeds
11 ~~to in the appropriation account under s. 20.865 (4) (a)~~ budget stabilization fund.

12 **SECTION 2.** 16.72 (4) (b) of the statutes is amended to read:

13 16.72 (4) (b) The department shall promulgate rules for the declaration as
14 surplus of supplies, materials and equipment in any agency and for the transfer to
15 other agencies or for the disposal by private or public sale of supplies, materials and
16 equipment. In either case ~~due credit shall be given to the agency releasing the same~~
17 , the department shall deposit the net proceeds in the budget stabilization fund,
18 except that the department shall transfer any supplies, materials or equipment

1 declared to be surplus to the department of tourism, upon request of the department
2 of tourism, at no cost, if the transfer is permitted by the agency having possession
3 of the supplies, materials or equipment.

4 **SECTION 3.** 20.435 (2) (gk) of the statutes is amended to read:

5 20.435 (2) (gk) *Institutional operations and charges.* The amounts in the
6 schedule for care, other than under s. 51.06 (1r), provided by the centers for the
7 developmentally disabled, to reimburse the cost of providing the services and to
8 remit any credit balances to county departments that occur on and after
9 July 1, 1978, in accordance with s. 51.437 (4rm) (c); for care, other than under s.
10 46.043, provided by the mental health institutes, to reimburse the cost of providing
11 the services and to remit any credit balances to county departments that occur on and
12 after January 1, 1979, in accordance with s. 51.42 (3) (as) 2.; for maintenance of
13 state-owned housing at centers for the developmentally disabled and mental health
14 institutes; for repair or replacement of property damaged at the mental health
15 institutes or at centers for the developmentally disabled; and for reimbursing the
16 total cost of using, producing, and providing services, products, and care. All moneys
17 received as payments from medical assistance on and after August 1, 1978; as
18 payments from all other sources including other payments under s. 46.10 and
19 payments under s. 51.437 (4rm) (c) received on and after July 1, 1978; as medical
20 assistance payments, other payments under s. 46.10, and payments under s. 51.42
21 (3) (as) 2. received on and after January 1, 1979; as payments for the rental of
22 state-owned housing and other institutional facilities at centers for the
23 developmentally disabled and mental health institutes; for the sale of electricity,
24 steam, or chilled water; as payments in restitution of property damaged at the
25 mental health institutes or at centers for the developmentally disabled; for the sale

SECTION 3

1 of surplus property, including vehicles, at the mental health institutes or, except as
 2 provided in s. 51.06 (5), at centers for the developmentally disabled; and for other
 3 services, products, and care shall be credited to this appropriation, except that any
 4 payment under s. 46.10 received for the care or treatment of patients admitted under
 5 s. 51.10, 51.15, or 51.20 for which the state is liable under s. 51.05 (3), of patients
 6 admitted under s. 55.06 (9) (d) or (e) for which the state is liable under s. 55.05 (1),
 7 of forensic patients committed under ch. 971 or 975, admitted under ch. 975, or
 8 transferred under s. 51.35 (3), or of patients transferred from a state prison under
 9 s. 51.37 (5), to the Mendota Mental Health Institute or the Winnebago Mental Health
 10 Institute shall be treated as general purpose revenue — earned, as defined under s.
 11 20.001 (4).

12 SECTION 4. 25.60 of the statutes is amended to read:

13 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
 14 trust fund designated as the budget stabilization fund, consisting of moneys
 15 transferred to the fund from the general fund under s. ss. 13.48 (14) (c), 16.518 (3)

16 , 16.72 (4) (b), and 51.06 (5). (6)

17 **SECTION 5.** 51.06 of the statutes is created to read:

18 51.06 **SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE**
 19 **DEVELOPMENTALLY DISABLED.** The department shall maintain the Northern Center
 20 for the Developmentally Disabled for the purpose specified in sub. (1), but may sell
 21 assets or real property of the Northern Center for the Developmentally Disabled. If
 22 there is any outstanding public debt used to finance the acquisition, construction, or
 23 improvement of any property that is sold under this subsection, the department shall
 24 deposit a sufficient amount of the net proceeds from the sale of the property in the
 25 bond security and redemption fund under s. 18.09 to repay the principal and pay the

1 interest on the debt, and any premium due upon refunding any of the debt. If the
2 property was purchased with federal financial assistance, the department shall pay
3 to the federal government any of the net proceeds required by federal law. If there
4 is no such debt outstanding and there are no moneys payable to the federal
5 government, or if the net proceeds exceed the amount required to be deposited or paid
6 under this subsection, the department shall deposit the net proceeds or remaining
7 net proceeds in the budget stabilization fund.

8 **SECTION 9101. Nonstatutory provisions; administration.**

9 (1) SALE OR LEASE OF CERTAIN STATE PROPERTY.

10 (a) Except as provided in paragraph (b), no later than July 1, 2004, the
11 secretary of administration shall review all holdings of state-owned real and
12 personal property for potential sale or lease.

13 (b) Paragraph (a) does not apply to any facility or institution the closure or sale
14 of which is not authorized by law.

15 (END)

D-NOTE

D-NOTE

¶ This draft reconciles LRB-0196/2 and LRB-1746/4

Both LRB-0196 and LRB-1746 should continue to appear in the computered bill @

DAK

↑ as to the numbering

of S. 51.06 (6) @

INSERT 4-16

⁽²⁵⁾
***NOTE: This is reconciled 3.25.60^v ①

= This section has been affected by drafts

with the following LRB#s: - 0196/2 and

- 1746/30^v

INSERT 5-7

***^(CS) NOTE: This is reconciled s. 51.06(6) [✓] ①

This section has been affected by drafts

with the following LRB#s: - 0196/2 and

-1746/30

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1746/4dn
DAK:wlj:rs

February 6, 2003

This draft reconciles LRB-0196/2 and LRB-1746/4, as to the numbering of s. 51.06 (6). Both LRB-0196 and LRB-1746 should continue to appear in the compiled bill.

Debora A. Kennedy
Managing Attorney
Phone: (608) 266-0137
E-mail: debora.kennedy@legis.state.wi.us

Kennedy, Debora

From: Johnston, James
Sent: Saturday, February 08, 2003 1:05 PM
To: Kennedy, Debora
Cc: Kraus, Jennifer; Jablonsky, Sue; Koskinen, John
Subject: Change to LRB draft #1746 Sale of Assets

Sue and I discussed the language in LRB #1746 and concluded that on page 4, line 19 [section 5 of the draft, pertaining to s.51.06(5)] the word "shall" needs to be changed to "may." DHFS plans to close NWC, but retain one unit to stabilize patients who are having difficulty in their community placements.

Thanks,
Jim

Jim Johnston

State Budget Office -- WI Dept. of Administration
608/266-3420
608/267-0372 (fax)
james.johnston@doa.state.wi.us



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1746/4 S-

JTK/DAK/RPN:cjs&wlj:rs

L + JLD

DOA:.....Koskinen – BB0439, Sale or lease of certain state property
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

don't gen

1

AN ACT ...; relating to: sale or lease of certain state properties.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into an appropriation account of the Joint Committee on Finance. The committee may then transfer the proceeds to the state building trust fund, except that not more than 50% of the proceeds may be made available to a state agency if the property was used exclusively by that agency. Currently, DOA may dispose of surplus supplies, materials, or equipment or transfer supplies, materials, or equipment between state agencies. Unless the supplies, materials, or equipment are transferred to the Department of Tourism, the agency releasing them is reimbursed for their value.

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authorizes ✓

the federal government or property that is leased by the state during the term of the lease without consent of the lessee.

In addition, the bill ~~requires~~ DHFS to maintain the Northern Center for the Developmentally Disabled, but authorizes DHFS to sell assets and real property of the Northern Center for the Developmentally Disabled. If any of this property is sold, DHFS must, after retiring any outstanding public debt on the property or paying to the federal government any proceeds as required by federal law, deposit the net proceeds in the budget stabilization fund.

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

1 **SECTION 1.** 13.48 (14) (c) of the statutes is amended to read:

2 13.48 (14) (c) If there is any outstanding public debt used to finance the
3 acquisition of a building, structure or land or the construction of a building or
4 structure that is sold or leased under par. (b), the building commission shall deposit
5 a sufficient amount of the net proceeds from the sale or lease of the building,
6 structure or land in the bond security and redemption fund under s. 18.09 to repay
7 the principal and pay the interest on the debt, and any premium due upon refunding
8 any of that debt. If there is no such debt outstanding, or, if the net proceeds exceed
9 the amount required to repay that principal and pay that interest and premium, the
10 building commission shall credit deposit the net proceeds or remaining net proceeds
11 to in the appropriation account under s. 20.865 (4) (a) budget stabilization fund.

12 **SECTION 2.** 16.72 (4) (b) of the statutes is amended to read:

13 16.72 (4) (b) The department shall promulgate rules for the declaration as
14 surplus of supplies, materials and equipment in any agency and for the transfer to
15 other agencies or for the disposal by private or public sale of supplies, materials and
16 equipment. In either case ~~due credit shall be given to the agency releasing the same~~
17 , the department shall deposit the net proceeds in the budget stabilization fund,
18 except that the department shall transfer any supplies, materials or equipment

1 declared to be surplus to the department of tourism, upon request of the department
2 of tourism, at no cost, if the transfer is permitted by the agency having possession
3 of the supplies, materials or equipment.

4 **SECTION 3.** 20.435 (2) (gk) of the statutes is amended to read:

5 20.435 (2) (gk) *Institutional operations and charges.* The amounts in the
6 schedule for care, other than under s. 51.06 (1r), provided by the centers for the
7 developmentally disabled, to reimburse the cost of providing the services and to
8 remit any credit balances to county departments that occur on and after
9 July 1, 1978, in accordance with s. 51.437 (4rm) (c); for care, other than under s.
10 46.043, provided by the mental health institutes, to reimburse the cost of providing
11 the services and to remit any credit balances to county departments that occur on and
12 after January 1, 1979, in accordance with s. 51.42 (3) (as) 2.; for maintenance of
13 state-owned housing at centers for the developmentally disabled and mental health
14 institutes; for repair or replacement of property damaged at the mental health
15 institutes or at centers for the developmentally disabled; and for reimbursing the
16 total cost of using, producing, and providing services, products, and care. All moneys
17 received as payments from medical assistance on and after August 1, 1978; as
18 payments from all other sources including other payments under s. 46.10 and
19 payments under s. 51.437 (4rm) (c) received on and after July 1, 1978; as medical
20 assistance payments, other payments under s. 46.10, and payments under s. 51.42
21 (3) (as) 2. received on and after January 1, 1979; as payments for the rental of
22 state-owned housing and other institutional facilities at centers for the
23 developmentally disabled and mental health institutes; for the sale of electricity,
24 steam, or chilled water; as payments in restitution of property damaged at the
25 mental health institutes or at centers for the developmentally disabled; for the sale

1 of surplus property, including vehicles, at the mental health institutes or, except as
 2 provided in s. 51.06 (6), at centers for the developmentally disabled; and for other
 3 services, products, and care shall be credited to this appropriation, except that any
 4 payment under s. 46.10 received for the care or treatment of patients admitted under
 5 s. 51.10, 51.15, or 51.20 for which the state is liable under s. 51.05 (3), of patients
 6 admitted under s. 55.06 (9) (d) or (e) for which the state is liable under s. 55.05 (1),
 7 of forensic patients committed under ch. 971 or 975, admitted under ch. 975, or
 8 transferred under s. 51.35 (3), or of patients transferred from a state prison under
 9 s. 51.37 (5), to the Mendota Mental Health Institute or the Winnebago Mental Health
 10 Institute shall be treated as general purpose revenue — earned, as defined under s.
 11 20.001 (4).

12 SECTION 4. 25.60 of the statutes is amended to read:

13 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
 14 trust fund designated as the budget stabilization fund, consisting of moneys
 15 transferred to the fund from the general fund under ~~s.~~ ss. 13.48 (14) (c), 16.518 (3)
 16 , 16.72 (4) (b), and 51.06 (6).

****NOTE: This is reconciled s. 25.60. This SECTION has been affected by drafts with
 the following LRB numbers: -0196/2 and -1746/3.

17 SECTION 5. 51.06 (6) of the statutes is created to read:

18 51.06 (6) SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE
 19 DEVELOPMENTALLY DISABLED. The department ~~shall~~ maintain the Northern Center
 20 for the Developmentally Disabled for the purpose specified in sub. (1), but may sell
 21 assets or real property of the Northern Center for the Developmentally Disabled. If
 22 there is any outstanding public debt used to finance the acquisition, construction, or
 23 improvement of any property that is sold under this subsection, the department shall

may ✓

1 deposit a sufficient amount of the net proceeds from the sale of the property in the
2 bond security and redemption fund under s. 18.09 to repay the principal and pay the
3 interest on the debt, and any premium due upon refunding any of the debt. If the
4 property was purchased with federal financial assistance, the department shall pay
5 to the federal government any of the net proceeds required by federal law. If there
6 is no such debt outstanding and there are no moneys payable to the federal
7 government, or if the net proceeds exceed the amount required to be deposited or paid
8 under this subsection, the department shall deposit the net proceeds or remaining
9 net proceeds in the budget stabilization fund.

***NOTE: This is reconciled s. 51.06 (6). This SECTION has been affected by drafts
with the following LRB numbers: -0196/2 and -1746/3.

10 **SECTION 9101. Nonstatutory provisions; administration.**

11 (1) SALE OR LEASE OF CERTAIN STATE PROPERTY.

12 (a) Except as provided in paragraph (b), no later than July 1, 2004, the
13 secretary of administration shall review all holdings of state-owned real and
14 personal property for potential sale or lease.

15 (b) Paragraph (a) does not apply to any facility or institution the closure or sale
16 of which is not authorized by law.

17 (END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-1746/5
JTK/DAK/RPN:cjs/wlj/jld:rs

DOA:.....Koskinen – BB0439, Sale or lease of certain state property
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to: sale or lease of certain state properties.**

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into an appropriation account of the Joint Committee on Finance. The committee may then transfer the proceeds to the state building trust fund, except that not more than 50% of the proceeds may be made available to a state agency if the property was used exclusively by that agency. Currently, DOA may dispose of surplus supplies, materials, or equipment or transfer supplies, materials, or equipment between state agencies. Unless the supplies, materials, or equipment are transferred to the Department of Tourism, the agency releasing them is reimbursed for their value.

This bill directs the secretary of administration, no later than July 1, 2004, to review all holdings of state-owned real or personal property for potential sale or lease, except facilities or institutions the sale or closure of which is not authorized by law. The bill also provides for the net proceeds of sales of property by DOA and the net proceeds of property sales and leases by the Building Commission, after payment of any outstanding debt on the affected properties, to be deposited in the budget stabilization fund. The bill does not apply to surplus property obtained from

the federal government or property that is leased by the state during the term of the lease without consent of the lessee.

In addition, the bill authorizes DHFS to maintain the Northern Center for the Developmentally Disabled, but authorizes DHFS to sell assets and real property of the Northern Center for the Developmentally Disabled. If any of this property is sold, DHFS must, after retiring any outstanding public debt on the property or paying to the federal government any proceeds as required by federal law, deposit the net proceeds in the budget stabilization fund.

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

1 **SECTION 1.** 13.48 (14) (c) of the statutes is amended to read:

2 13.48 (14) (c) If there is any outstanding public debt used to finance the
3 acquisition of a building, structure or land or the construction of a building or
4 structure that is sold or leased under par. (b), the building commission shall deposit
5 a sufficient amount of the net proceeds from the sale or lease of the building,
6 structure or land in the bond security and redemption fund under s. 18.09 to repay
7 the principal and pay the interest on the debt, and any premium due upon refunding
8 any of that debt. If there is no such debt outstanding, or, if the net proceeds exceed
9 the amount required to repay that principal and pay that interest and premium, the
10 building commission shall ~~credit~~ deposit the net proceeds or remaining net proceeds
11 ~~to in the appropriation account under s. 20.865 (4) (a)~~ budget stabilization fund.

12 **SECTION 2.** 16.72 (4) (b) of the statutes is amended to read:

13 16.72 (4) (b) The department shall promulgate rules for the declaration as
14 surplus of supplies, materials and equipment in any agency and for the transfer to
15 other agencies or for the disposal by private or public sale of supplies, materials and
16 equipment. In either case ~~due credit shall be given to the agency releasing the same~~
17 , the department shall deposit the net proceeds in the budget stabilization fund,
18 except that the department shall transfer any supplies, materials or equipment

1 declared to be surplus to the department of tourism, upon request of the department
2 of tourism, at no cost, if the transfer is permitted by the agency having possession
3 of the supplies, materials or equipment.

4 **SECTION 3.** 20.435 (2) (gk) of the statutes is amended to read:

5 20.435 (2) (gk) *Institutional operations and charges.* The amounts in the
6 schedule for care, other than under s. 51.06 (1r), provided by the centers for the
7 developmentally disabled, to reimburse the cost of providing the services and to
8 remit any credit balances to county departments that occur on and after
9 July 1, 1978, in accordance with s. 51.437 (4rm) (c); for care, other than under s.
10 46.043, provided by the mental health institutes, to reimburse the cost of providing
11 the services and to remit any credit balances to county departments that occur on and
12 after January 1, 1979, in accordance with s. 51.42 (3) (as) 2.; for maintenance of
13 state-owned housing at centers for the developmentally disabled and mental health
14 institutes; for repair or replacement of property damaged at the mental health
15 institutes or at centers for the developmentally disabled; and for reimbursing the
16 total cost of using, producing, and providing services, products, and care. All moneys
17 received as payments from medical assistance on and after August 1, 1978; as
18 payments from all other sources including other payments under s. 46.10 and
19 payments under s. 51.437 (4rm) (c) received on and after July 1, 1978; as medical
20 assistance payments, other payments under s. 46.10, and payments under s. 51.42
21 (3) (as) 2. received on and after January 1, 1979; as payments for the rental of
22 state-owned housing and other institutional facilities at centers for the
23 developmentally disabled and mental health institutes; for the sale of electricity,
24 steam, or chilled water; as payments in restitution of property damaged at the
25 mental health institutes or at centers for the developmentally disabled; for the sale

1 of surplus property, including vehicles, at the mental health institutes or, except as
2 provided in s. 51.06 (6), at centers for the developmentally disabled; and for other
3 services, products, and care shall be credited to this appropriation, except that any
4 payment under s. 46.10 received for the care or treatment of patients admitted under
5 s. 51.10, 51.15, or 51.20 for which the state is liable under s. 51.05 (3), of patients
6 admitted under s. 55.06 (9) (d) or (e) for which the state is liable under s. 55.05 (1),
7 of forensic patients committed under ch. 971 or 975, admitted under ch. 975, or
8 transferred under s. 51.35 (3), or of patients transferred from a state prison under
9 s. 51.37 (5), to the Mendota Mental Health Institute or the Winnebago Mental Health
10 Institute shall be treated as general purpose revenue — earned, as defined under s.
11 20.001 (4).

12 **SECTION 4.** 25.60 of the statutes is amended to read:

13 **25.60 Budget stabilization fund.** There is created a separate nonlapsible
14 trust fund designated as the budget stabilization fund, consisting of moneys
15 transferred to the fund from the general fund under ~~s. ss. 13.48 (14) (c), 16.518 (3)~~
16 , 16.72 (4) (b), and 51.06 (6).

****NOTE: This is reconciled s. 25.60. This SECTION has been affected by drafts with
the following LRB numbers: -0196/2 and -1746/3.

17 **SECTION 5.** 51.06 (6) of the statutes is created to read:

18 **51.06 (6) SALE OF ASSETS OR REAL PROPERTY AT NORTHERN CENTER FOR THE**
19 **DEVELOPMENTALLY DISABLED.** The department may maintain the Northern Center for
20 the Developmentally Disabled for the purpose specified in sub. (1), but may sell
21 assets or real property of the Northern Center for the Developmentally Disabled. If
22 there is any outstanding public debt used to finance the acquisition, construction, or
23 improvement of any property that is sold under this subsection, the department shall

1 deposit a sufficient amount of the net proceeds from the sale of the property in the
2 bond security and redemption fund under s. 18.09 to repay the principal and pay the
3 interest on the debt, and any premium due upon refunding any of the debt. If the
4 property was purchased with federal financial assistance, the department shall pay
5 to the federal government any of the net proceeds required by federal law. If there
6 is no such debt outstanding and there are no moneys payable to the federal
7 government, or if the net proceeds exceed the amount required to be deposited or paid
8 under this subsection, the department shall deposit the net proceeds or remaining
9 net proceeds in the budget stabilization fund.

****NOTE: This is reconciled s. 51.06 (6). This SECTION has been affected by drafts
with the following LRB numbers: -0196/2 and -1746/3.

10 **SECTION 9101. Nonstatutory provisions; administration.**

11 (1) SALE OR LEASE OF CERTAIN STATE PROPERTY.

12 (a) Except as provided in paragraph (b), no later than July 1, 2004, the
13 secretary of administration shall review all holdings of state-owned real and
14 personal property for potential sale or lease.

15 (b) Paragraph (a) does not apply to any facility or institution the closure or sale
16 of which is not authorized by law.

17 (END)