



State of Wisconsin


LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 02/07/2008 (Per: PG)





Appendix I (Compile Draft)

 The 2007 drafting file for LRB-3921

has been copied/added to the drafting file for

2007 LRB-4036

 The attached 2007 draft was incorporated into the new 2007 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as an appendix, to the new 2007 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

 This cover sheet was added to rear of the original 2007 drafting file. The drafting file was then returned, intact, to its folder and filed.

2007 DRAFTING REQUEST

Bill

Received: **01/24/2008**

Received By: **rchampag**

Wanted: **As time permits**

Identical to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Danielle Wilson**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - bus. dev.**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Authorize WHEFA to issue bonds for research facility

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 01/24/2008	chanaman 01/24/2008		_____			
	csundber 01/24/2008	wjackson 01/30/2008		_____			
	rchampag 01/24/2008			_____			
/1			jfrantze 01/31/2008	_____	sbasford 01/31/2008		

LRB-3921

01/31/2008 10:24:52 AM

Page 2

FE Sent For:

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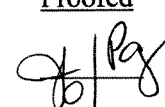
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/?	csundber 01/24/2008	chanaman 01/24/2008					
	csundber 01/24/2008	1 WLJ 1/30	1/31	1/31			
	rchampag						

FE Sent For:

<END>

Sundberg, Christopher

From: Wilson, Danielle
Sent: Thursday, January 24, 2008 9:08 AM
To: Sundberg, Christopher; Champagne, Rick
Subject: RE: Draft request

I am sorry that I did not mention this yesterday, but I am hoping that you can prioritize this bill, as it will ultimately be part of the Dem economic development package.

Thanks you!

Danielle Wilson

Clerk, Senate Committee on Economic Development
Office of Senator Julie Lassa
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123
danielle.wilson@legis.wisconsin.gov

From: Wilson, Danielle
Sent: Wednesday, January 23, 2008 5:22 PM
To: Sundberg, Christopher; Champagne, Rick
Subject: Draft request

Senator Lassa would like to draft legislation that authorizes WHEFA to issue bonds to finance any project undertaken by a research facility, or to refinance outstanding debt of a research a research facility. Project activities for which WHEFA may issue bonds include construction, acquisition, remodeling, furnishing, and equipping of research facilities, related structures, and structures or items that are useful to the operation of research facilities.

“Research Facility” means an institution, place, building or agency that satisfies all of the following:

- (a) Is owned by an entity that is described in section 501(c)(3) of the Internal Revenue Code, as defined in s. 71.22(4), and that is exempt from federal income taxation under section 501(a) of the Internal Revenue Code.
- (b) Is engaged in basic research, meaning any original investigation for the advancement of scientific, medical, or technological knowledge not having a specific commercial objective.

If this is helpful, I assume the format of the bill will be very similar to Representative Weickert’s LRB-0708.

Thank you for your help! Please let me know if you have any questions.

Sincerely,

Danielle Wilson

Clerk, Senate Committee on Economic Development
Office of Senator Julie Lassa
P.O. Box 7882

Madison, WI 53707-7882
(608) 266-3123
danielle.wilson@legis.wisconsin.gov



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0708/1

RAC&CTS:wj:rs

LRB-3921/1

RAC & CTS

2007 ASSEMBLY BILL 66

February 13, 2007 - Introduced by Representatives WIECKERT, KAUFERT, STONE, SCHNEIDER, FIELDS, BALLWEG, ALBERS, JESKEWITZ, LOTHIAN, TOWNSEND, GUNDERSON, PETROWSKI, MURSAU and F. LASEE, cosponsored by Senators RISSEE, SULLIVAN, LASSA and ROESSLER. Referred to Committee on Tourism, Recreation and State Properties.

-gen. cat.

1 AN ACT to amend 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (c),
2 231.01 (7) (a) 1., 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6) (b),
3 231.03 (5), 231.03 (7), 231.03 (8), 231.03 (11), 231.03 (13), 231.03 (14), 231.03
4 (15), 231.03 (16), 231.03 (17), 231.03 (18), 231.03 (19), 231.04, 231.05 (1),
5 231.06, 231.07 (1) (b), 231.07 (2) (a), 231.08 (5), 231.10 (1), 231.12, 231.13 (1)
6 (intro.), 231.13 (2), 231.16 (1), 231.20 and 231.23; and to create 231.01 (4c),
7 231.01 (5t), 231.03 (6) (h) and 231.03 (6) (i) of the statutes; relating to:
8 authorizing the Wisconsin Health and Educational Facilities Authority to issue
9 bonds to finance projects related to ~~health~~ research facilities.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health or educational institutions, to refinance outstanding debt of health or educational institutions, and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health or educational institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory

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surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health or educational facility or related structure.

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a cultural institution for a cultural facility, or to refinance outstanding debt of a cultural institution. A cultural institution is defined in the bill as a corporation, agency, or association that is authorized by state law to provide or operate a cultural facility. A cultural facility is defined in the bill as a building, institution, place, or agency of a nonprofit entity that is or will be used in whole or in part for the performing or visual arts; for the display of art, animals, plants, or other items of cultural interest; or as a library, museum, broadcasting facility, or other facility related to other cultural arts activities. Project activities for which WHEFA may issue bonds include construction, acquisition, remodeling, furnishing, and equipping of cultural facilities, related structures, and structures or items that are useful for the operation of cultural facilities.

Insert
Analysis

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

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

2 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating

3 health institution, participating educational institution, ~~participating cultural~~

4 institution, or participating child care provider, as approved by the authority, as are

5 reasonable and necessary to accomplish the project, exclusive of any private or

6 federal, state, or local financial assistance received by the participating health

7 institution, participating educational institution, ~~participating cultural~~ institution,

8 or participating child care provider for the payment of the project cost.

9 **SECTION 2.** 231.01 (4) (b) 1. of the statutes is amended to read:

10 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health

11 institution, participating educational institution, ~~participating cultural~~ institution,

12 or participating child care provider of all necessary developmental, planning, and

13 feasibility studies, surveys, plans, and specifications, architectural, engineering,

14 legal, or other special services, the cost of acquisition of land and any buildings and

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1 improvements on the land, site preparation, and development including demolition
2 or removal of existing structures, construction, reconstruction, and equipment,
3 including machinery, fixed equipment, and personal property.

4 **SECTION 3.** 231.01 (4) (b) 2. of the statutes is amended to read:

5 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
6 health institution, participating educational institution, ~~participating cultural~~
7 ~~institution~~, or participating child care provider in the course of the development of
8 the project to the occupancy date.

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

10 231.01 (4) (c) All rents and other net revenues from the operation of the real
11 property, improvements, or personal property on the project site by a participating
12 health institution, participating educational institution, ~~participating cultural~~
13 ~~institution~~, or participating child care provider on and after the date on which the
14 contract between a participating health institution, participating educational
15 institution, ~~participating cultural~~ institution, or participating child care provider
16 and the authority was entered into, but prior to the occupancy date, shall reduce the
17 sum of all costs in this subsection.

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18 **SECTION 5.** 231.01 (4c) of the statutes is created to read:

19 231.01 (4c) "Cultural facility" means an institution, place, building, or agency
20 that satisfies all of the following:

21 (a) Is owned by an entity that is described in section 501 (c) (3) of the Internal
22 Revenue Code and that is exempt from federal income tax under section 501 (a) of
23 the Internal Revenue Code.

24 (b) Is or will be used in whole or in part for the performing or visual arts,
25 including music performance; for the display of art, animals, plants, aquatic life, or

1 other items of cultural interest; or as a library, museum, broadcasting facility, or
2 other facility related to other cultural arts activities; and any related property.

3 **SECTION 6.** 231.01 (5t) of the statutes is created to read:

4 231.01 (5t) "Participating cultural institution" means a corporation, agency, or
5 association that is authorized by state law to provide or operate a cultural facility and
6 that undertakes the financing and construction or acquisition of a project or
7 undertakes the refunding or refinancing of obligations or of a mortgage or of
8 advances as provided in this chapter.

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

10 231.01 (7) (a) 1. A specific health facility, educational facility, ~~cultural facility,~~
11 or child care center work or improvement to be refinanced, acquired, constructed,
12 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority
13 with funds provided in whole or in part under this chapter.

14 **SECTION 8.** 231.01 (7) (a) 2. of the statutes is amended to read:

15 231.01 (7) (a) 2. One or more structures suitable for use as a child care center,
16 ~~cultural facility,~~ health facility, laboratory, laundry, nurses' or interns' residence or
17 other multi-unit housing facility for staff, employees, patients or relatives of
18 patients admitted for treatment or care in a health facility, physician's facility,
19 administration building, research facility, maintenance, storage, or utility facility.

20 **SECTION 9.** 231.01 (7) (a) 4. of the statutes is amended to read:

21 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
22 educational facility, ~~cultural facility,~~ or child care center, including facilities or
23 supporting service structures essential or convenient for the orderly conduct of the
24 health facility, educational facility, ~~cultural facility,~~ or child care center.

25 **SECTION 10.** 231.01 (7) (c) of the statutes is amended to read:

Insert 4-9

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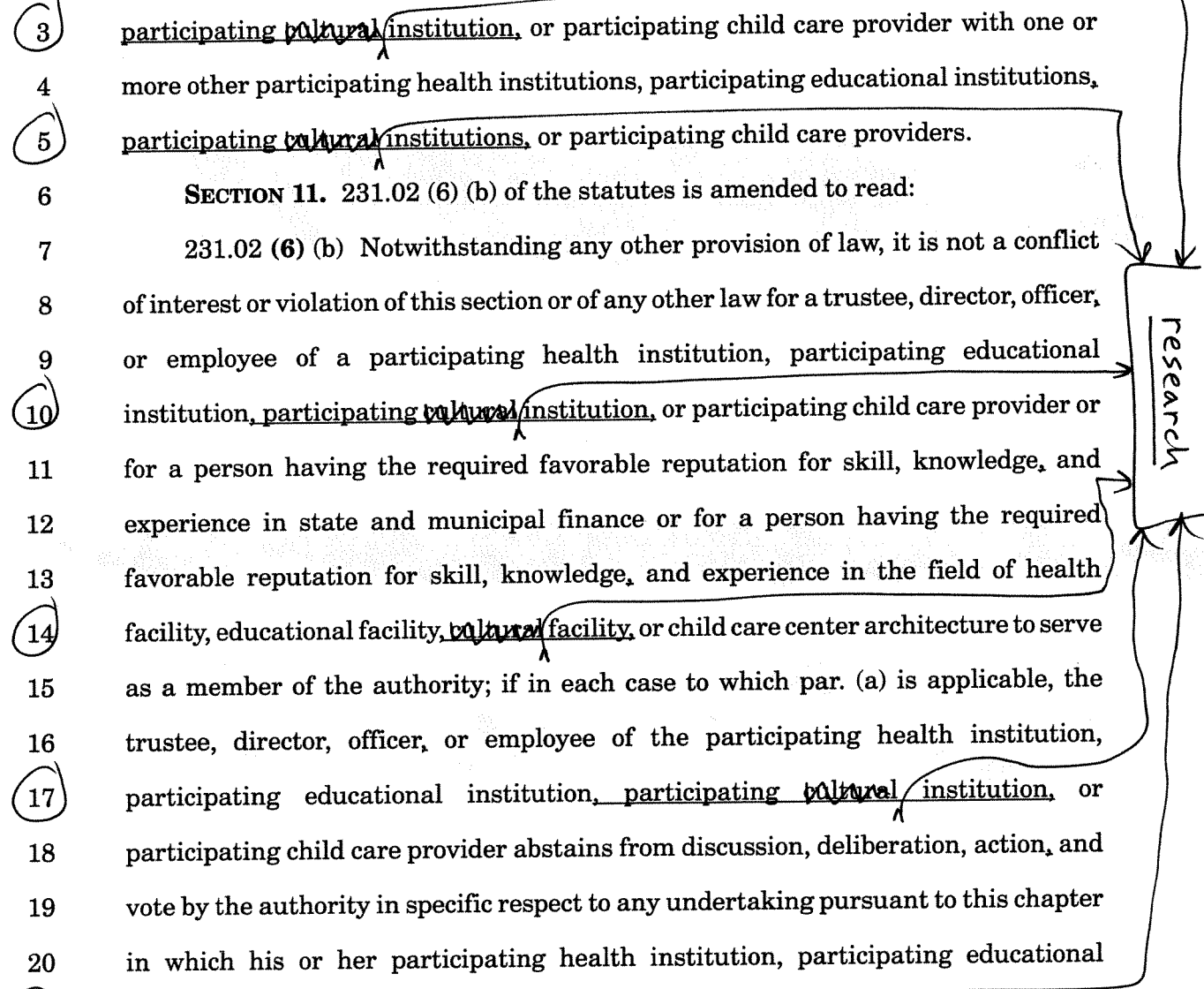
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1 231.01 (7) (c) "Project" may include any combination of projects undertaken
 2 jointly by any participating health institution, participating educational institution,
 3 ~~participating cultural institution,~~ or participating child care provider with one or
 4 more other participating health institutions, participating educational institutions,
 5 ~~participating cultural institutions,~~ or participating child care providers.

6 **SECTION 11.** 231.02 (6) (b) of the statutes is amended to read:

7 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
 8 of interest or violation of this section or of any other law for a trustee, director, officer,
 9 or employee of a participating health institution, participating educational
 10 institution, ~~participating cultural institution,~~ or participating child care provider or
 11 for a person having the required favorable reputation for skill, knowledge, and
 12 experience in state and municipal finance or for a person having the required
 13 favorable reputation for skill, knowledge, and experience in the field of health
 14 facility, educational facility, ~~cultural facility,~~ or child care center architecture to serve
 15 as a member of the authority; if in each case to which par. (a) is applicable, the
 16 trustee, director, officer, or employee of the participating health institution,
 17 participating educational institution, ~~participating cultural institution,~~ or
 18 participating child care provider abstains from discussion, deliberation, action, and
 19 vote by the authority in specific respect to any undertaking pursuant to this chapter
 20 in which his or her participating health institution, participating educational
 21 institution, ~~participating cultural institution,~~ or participating child care provider
 22 has an interest, or the person having the required favorable reputation for skill,
 23 knowledge, and experience in state and municipal finance abstains from discussion,
 24 deliberation, action, and vote by the authority in specific respect to any sale,
 25 purchase, or ownership of bonds of the authority in which any business of which such

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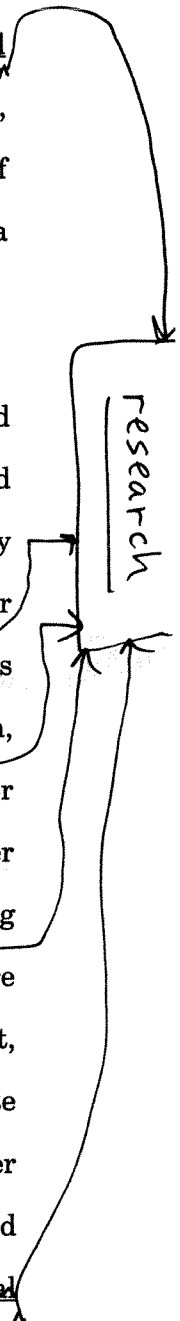
1 person is a participant, owner, officer, or employee has a past, current, or future
 2 interest, or such person having the required favorable reputation for skill,
 3 knowledge, and experience in the field of health facility, educational facility, ~~cultural~~
 4 facility, or child care center architecture abstains from discussion, deliberation,
 5 action, and vote by the authority in specific respect to construction or acquisition of
 6 any project of the authority in which any business of which such person is a
 7 participant, owner, officer, or employee has a past, current, or future interest.

8 **SECTION 12.** 231.03 (5) of the statutes is amended to read:

9 231.03 (5) Determine the location and character of any project to be financed
 10 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
 11 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
 12 such purpose, enter into contracts for the management and operation of a project or
 13 other health facilities, educational facilities, ~~cultural facilities~~, or child care centers
 14 owned by the authority, and designate a participating health institution,
 15 participating educational institution, ~~participating cultural institution~~, or
 16 participating child care provider as its agent to determine the location and character
 17 of a project undertaken by the participating health institution, participating
 18 educational institution, ~~participating cultural institution~~, or participating child care
 19 provider under this chapter and as the agent of the authority, to construct,
 20 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease
 21 as lessee or lessor and regulate the same, and as the agent of the authority, to enter
 22 into contracts for any such purpose, including contracts for the management and
 23 operation of such project or other health facilities, educational facilities, ~~cultural~~
 24 facilities, or child care centers owned by the authority.

25 **SECTION 13.** 231.03 (6) (h) of the statutes is created to read:

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231.03 (6) (h) Finance any project undertaken for a ~~cultural~~ facility by a participating ~~cultural~~ institution.

SECTION 14. 231.03 (6) (i) of the statutes is created to read:

231.03 (6) (i) Refinance outstanding debt of any participating ~~cultural~~ institution.

SECTION 15. 231.03 (7) of the statutes is amended to read:

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

SECTION 16. 231.03 (8) of the statutes is amended to read:

231.03 (8) Adopt rules for the use of a project or other health facility, educational facility, ~~cultural~~ facility, or child care center or any portion of the project or facility owned, financed, or refinanced in whole or in part by the authority, including any property used as security for a loan secured through, from, or with the assistance of the authority. The authority may designate a participating health institution, participating educational institution, ~~participating cultural~~ institution, or participating child care provider as its agent to establish rules for the use of a project or other health facilities, educational facilities, ~~cultural~~ facilities, or child care centers undertaken for that participating health institution, participating educational institution, ~~participating cultural~~ institution, or participating child care provider. The rules shall ensure that a project, health facility, educational facility,

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SECTION 16

1 ~~Cultural~~ facility, child care center, or property may not be used primarily for sectarian
2 instruction or study or as a place for devotional activities or religious worship.

3 **SECTION 17.** 231.03 (11) of the statutes is amended to read:

4 231.03 (11) Establish or contract with others to carry out on its behalf a health
5 facility, educational facility, ~~cultural~~ facility, or child care center project cost
6 estimating service, and make this service available on all projects to provide expert
7 cost estimates and guidance to the participating health institution, participating
8 educational institution, ~~participating cultural~~ institution, or participating child care
9 provider and to the authority. To implement this service and, through it, to
10 contribute to cost containment, the authority may require such reasonable reports
11 and documents from health facility, educational facility, ~~cultural~~ facility, or child care
12 center projects as are required for this service and for the development of cost reports
13 and guidelines. The authority shall appoint a technical committee on health facility,
14 educational facility, ~~cultural~~ facility, or child care center project costs and cost
15 containment.

16 **SECTION 18.** 231.03 (13) of the statutes is amended to read:

17 231.03 (13) Make loans to any participating health institution, participating
18 educational institution, ~~participating cultural~~ institution, or, before May 1, 2000,
19 participating child care provider for the cost of a project in accordance with an
20 agreement between the authority and the participating health institution,
21 participating educational institution, ~~participating cultural~~ institution, or
22 participating child care provider. The authority may secure the loan by a mortgage
23 or other security arrangement on the health facility, educational facility, ~~cultural~~
24 facility, or child care center granted by the participating health institution,
25 participating educational institution, ~~participating cultural~~ institution, or

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1 participating child care provider to the authority. The loan may not exceed the total
2 cost of the project as determined by the participating health institution,
3 participating educational institution, ~~participating cultural institution,~~ or
4 participating child care provider and approved by the authority.

5 **SECTION 19.** 231.03 (14) of the statutes is amended to read:

6 231.03 (14) Make loans to a health facility, educational facility, ~~cultural facility,~~
7 or, before May 1, 2000, child care center for which bonds may be issued under sub.
8 (6) (b) or (d) or under s. 231.03 (6) (f), 1999 stats., to refinance the health facility's,
9 educational facility's, ~~cultural facility's,~~ or child care center's outstanding debt. The
10 authority may secure the loan or bond by a mortgage or other security arrangement
11 on the health facility, educational facility, ~~cultural facility,~~ or child care center
12 granted by the participating health institution, participating educational
13 institution, ~~participating cultural institution,~~ or participating child care provider to
14 the authority.

15 **SECTION 20.** 231.03 (15) of the statutes is amended to read:

16 231.03 (15) Mortgage all or any portion of a project and other health facilities,
17 educational facilities, ~~cultural facilities,~~ or child care centers and the site thereof,
18 whether owned or thereafter acquired, for the benefit of the holders of bonds issued
19 to finance the project, health facilities, educational facilities, ~~cultural facilities,~~ or
20 child care centers or any portion thereof or issued to refund or refinance outstanding
21 indebtedness of participating health institutions, educational institutions,
22 ~~participating cultural institutions,~~ or child care providers as permitted by this
23 chapter.

24 **SECTION 21.** 231.03 (16) of the statutes is amended to read:

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SECTION 21

1 231.03 (16) Lease to a participating health institution, participating
 2 educational institution, ~~participating cultural institution~~, or participating child care
 3 provider the project being financed or other health facilities, educational facilities,
 4 ~~cultural facilities~~, or child care centers conveyed to the authority in connection with
 5 such financing, upon such terms and conditions as the authority deems proper, and
 6 charge and collect rents therefor, and terminate any such lease upon the failure of
 7 the lessee to comply with any of the obligations thereof; and include in any such lease,
 8 if desired, provisions that the lessee thereof shall have options to renew the term of
 9 the lease for such periods and at such rent as the authority determines or to purchase
 10 all or any part of the health facilities, educational facilities, ~~cultural facilities~~, or
 11 child care centers or that, upon payment of all of the indebtedness incurred by the
 12 authority for the financing of such project or health facilities, educational facilities,
 13 ~~cultural facilities~~, or child care centers or for refunding outstanding indebtedness of
 14 a participating health institution, participating educational institution,
 15 ~~participating cultural institution~~, or participating child care provider, the authority
 16 may convey all or any part of the project or such other health facilities, educational
 17 facilities, ~~cultural facilities~~, or child care centers to the lessees thereof with or
 18 without consideration.

SECTION 22. 231.03 (17) of the statutes is amended to read:

20 231.03 (17) Charge to and apportion among participating health institutions,
 21 participating educational institutions, ~~participating cultural institutions~~, and
 22 participating child care providers its administrative costs and expenses incurred in
 23 the exercise of the powers and duties conferred by this chapter.

SECTION 23. 231.03 (18) of the statutes is amended to read:

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1 231.03 (18) Make studies of needed health facilities, educational facilities,
 2 ~~and cultural facilities,~~ and child care centers that could not sustain a loan were it made
 3 under this chapter and recommend remedial action to the legislature; and do the
 4 same with regard to any laws or rules that prevent health facilities, educational
 5 facilities, ~~and cultural facilities,~~ and child care centers from benefiting from this chapter.

6 **SECTION 24.** 231.03 (19) of the statutes is amended to read:

7 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
 8 United States or of this state or any private company, any insurance or guaranty
 9 concerning the payment or repayment of, interest or principal, or both, or any part
 10 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
 11 the same, made or entered into under the provisions of this chapter; and
 12 notwithstanding any other provisions of this chapter, to enter into any agreement,
 13 contract, or any other instrument with respect to that insurance or guaranty, to
 14 accept payment in the manner and form provided therein in the event of default by
 15 a participating health institution, participating educational institution,
 16 ~~participating cultural institution,~~ or participating child care provider, and to assign
 17 the insurance or guaranty as security for the authority's bonds.

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

19 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
 20 chapter shall be payable solely from funds provided under the authority of this
 21 chapter, and no liability may be incurred by the authority beyond the extent to which
 22 moneys have been provided under this chapter except that, for the purposes of
 23 meeting the necessary expenses of initial organization and operation of the authority
 24 for the period commencing on June 19, 1974 and continuing until such date as the
 25 authority derives moneys from funds provided to it under the authority of this

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SECTION 25

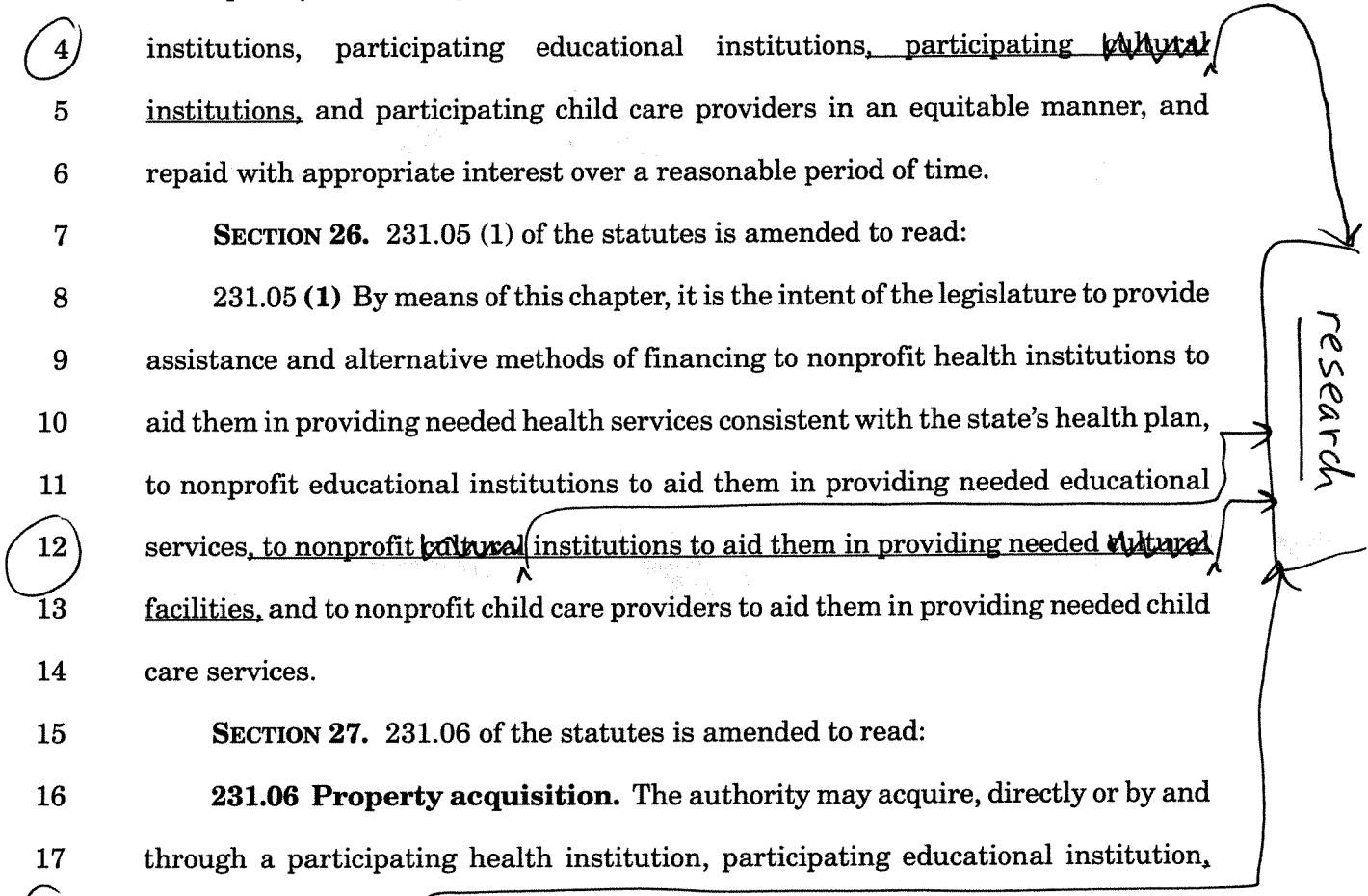
1 chapter, the authority may borrow such moneys as it requires to supplement the
 2 funds provided under s. 20.440. Such moneys borrowed by the authority shall
 3 subsequently be charged to and apportioned among participating health
 4 institutions, participating educational institutions, ~~participating cultural~~
 5 ~~institutions~~, and participating child care providers in an equitable manner, and
 6 repaid with appropriate interest over a reasonable period of time.

SECTION 26. 231.05 (1) of the statutes is amended to read:

8 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
 9 assistance and alternative methods of financing to nonprofit health institutions to
 10 aid them in providing needed health services consistent with the state's health plan,
 11 to nonprofit educational institutions to aid them in providing needed educational
 12 ~~services, to nonprofit cultural institutions to aid them in providing needed cultural~~
 13 ~~facilities~~, and to nonprofit child care providers to aid them in providing needed child
 14 care services.

SECTION 27. 231.06 of the statutes is amended to read:

16 **231.06 Property acquisition.** The authority may acquire, directly or by and
 17 through a participating health institution, participating educational institution,
 18 ~~participating cultural~~ institution, or participating child care provider as its agent,
 19 by purchase or by gift or devise, such lands, structures, property, rights,
 20 rights-of-way, franchises, easements, and other interests in lands, including lands
 21 lying under water and riparian rights, which are located within this state as it deems
 22 necessary or convenient for the construction or operation of a project, upon such
 23 terms and at such prices as it considers reasonable and can be agreed upon between
 24 it and the owner thereof, and take title thereto in the name of the authority or in the



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1 name of a health facility, educational facility, ~~cultural facility~~, or child care center as
2 its agent.

3 **SECTION 28.** 231.07 (1) (b) of the statutes is amended to read:

4 231.07 (1) (b) Convey to the participating health institution, participating
5 educational institution, ~~participating cultural institution~~, or participating child care
6 provider the authority's interest in the project and in any other health facility,
7 educational facility, ~~cultural facility~~, or child care center leased, mortgaged, or
8 subject to a deed of trust or any other form of security arrangement to secure the
9 bond.

10 **SECTION 29.** 231.07 (2) (a) of the statutes is amended to read:

11 231.07 (2) (a) The principal of and interest on any bond issued by the authority
12 to finance a project or to refinance or refund outstanding indebtedness of one or more
13 participating health institutions, participating educational institutions,
14 ~~participating cultural institutions~~, or participating child care providers, including
15 any refunding bonds issued to refund and refinance the bond, have been fully paid
16 and the bonds retired or if the adequate provision has been made to pay fully and
17 retire the bond; and

18 **SECTION 30.** 231.08 (5) of the statutes is amended to read:

19 231.08 (5) In addition to the other authorizations under this section, bonds of
20 the authority may be secured by a pooling of leases whereby the authority may assign
21 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
22 educational facilities, ~~cultural facilities~~, or child care centers with 2 or more health
23 institutions, educational institutions, ~~cultural institutions~~, or child care providers,
24 as lessees respectively, upon such terms as may be provided for in bond resolutions
25 of the authority.

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1 **SECTION 31.** 231.10 (1) of the statutes is amended to read:

2 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
3 and bonds are not a debt of the state. All notes and bonds of the authority shall
4 contain on the face thereof a statement to this effect. The issuance of bonds under
5 this chapter shall not, directly or indirectly or contingently, obligate the state or any
6 political subdivision thereof to levy any form of taxation therefor or to make any
7 appropriation for their payment. Nothing in this section prevents the authority from
8 pledging its full faith and credit or the full faith and credit of a health institution,
9 educational institution, ~~health~~ research institution, or child care provider to the payment of
10 bonds authorized under this chapter.

11 **SECTION 32.** 231.12 of the statutes is amended to read:

12 **231.12 Studies and recommendations.** It is the intent and purpose of this
13 chapter that the exercise by the authority of the powers granted to it shall be in all
14 respects for the benefit of the people of this state to assist them to provide needed
15 health facilities, educational facilities, ~~health~~ research facilities, and child care centers of
16 the number, size, type, distribution, and operation that will assure admission and
17 health care, education, ~~health~~ research opportunities, or child care of high quality to all who
18 need it. The authority shall identify and study all projects which are determined by
19 health planning agencies to be needed, but which could not sustain a loan were such
20 to be made to it under this chapter. The authority shall formulate and recommend
21 to the legislature such amendments to this and other laws, and such other specific
22 measures as grants, loan guarantees, interest subsidies, or other actions the state
23 may provide which would render the construction and operation of needed health
24 facilities, educational facilities, ~~health~~ research facilities, and child care centers feasible and
25 in the public interest. The authority also shall identify and study any laws or rules

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1 which it finds handicaps or bars a needed health facility, educational facility, ~~cultural~~
2 facility, or child care center from participating in the benefits of this chapter, and
3 recommend to the legislature such actions as will remedy such situation.

4 **SECTION 33.** 231.13 (1) (intro.) of the statutes is amended to read:

5 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
6 revenues relating to the financing of, each project. The authority shall contract with
7 a participating health institution, participating educational institution,
8 ~~participating cultural institution~~, or participating child care provider for each
9 issuance of bonds. The contract shall provide that the rents or other revenues
10 payable by the health facility, educational facility, ~~cultural facility~~, or child care
11 center shall be sufficient at all times to:

12 **SECTION 34.** 231.13 (2) of the statutes is amended to read:

13 231.13 (2) The authority shall pledge the revenues derived and to be derived
14 from a project and other related health facilities, educational facilities, ~~cultural~~
15 facilities, or child care centers for the purposes specified in sub. (1), and additional
16 bonds may be issued which may rank on a parity with other bonds relating to the
17 project to the extent and on the terms and conditions provided in the bond resolution.
18 Such pledge shall be valid and binding from the time when the pledge is made, the
19 revenues so pledged by the authority shall immediately be subject to the lien of such
20 pledge without any physical delivery thereof or further act and the lien of any such
21 pledge shall be valid and binding as against all parties having claims of any kind in
22 tort, contract, or otherwise against the authority, irrespective of whether such
23 parties have notice thereof. Neither the bond resolution nor any financing
24 statement, continuation statement, or other instrument by which a pledge is created
25 or by which the authority's interest in revenues is assigned need be filed or recorded



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SECTION 34

1 in any public records in order to perfect the lien thereof as against 3rd parties, except
2 that a copy thereof shall be filed in the records of the authority and with the
3 department of financial institutions.

4 **SECTION 35.** 231.16 (1) of the statutes is amended to read:

5 231.16 (1) The authority may issue bonds to refund any outstanding bond of
6 the authority or indebtedness that a participating health institution, participating
7 educational institution, ~~participating cultural institution~~, or participating child care
8 provider may have incurred for the construction or acquisition of a project prior to
9 or after April 30, 1980, including the payment of any redemption premium on the
10 outstanding bond or indebtedness and any interest accrued or to accrue to the
11 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all
12 or any part of the cost of constructing and acquiring additions, improvements,
13 extensions, or enlargements of a project or any portion of a project. Except for bonds
14 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this
15 section unless the authority has first entered into a new or amended agreement with
16 a participating health institution, participating educational institution,
17 ~~participating cultural institution~~, or participating child care provider to provide
18 sufficient revenues to pay the costs and other items described in s. 231.13.

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19 **SECTION 36.** 231.20 of the statutes is amended to read:

20 **231.20 Waiver of construction and bidding requirements.** In exercising
21 its powers under s. 101.12, the department of commerce or any city, village, town, or
22 county may, within its discretion for proper cause shown, waive any particular
23 requirements relating to public buildings, structures, grounds, works, and
24 improvements imposed by law upon projects under this chapter; the requirements
25 of s. 101.13 may not be waived, however. If, however, the prospective lessee so

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1 requests in writing, the authority shall, through the participating health institution,
2 participating educational institution, ~~participating cultural institution,~~ or
3 participating child care provider as its agent, call for construction bids in such
4 manner as is determined by the authority with the approval of the lessee.

5 **SECTION 37.** 231.23 of the statutes is amended to read:

6 **231.23 Nonprofit institutions.** It is intended that all nonprofit health and
7 ~~institutions,~~ educational institutions, ~~artistic institutions,~~ and child care providers
8 in this state be enabled to benefit from and participate in this chapter. To this end,
9 all nonprofit health and ~~institutions,~~ educational institutions, ~~cultural institutions,~~
10 and child care providers operating, or authorized to be operated, under any law of
11 this state may undertake projects and utilize the capital financing sources and
12 methods of repayment provided by this chapter, the provisions of any other laws to
13 the contrary notwithstanding.

14

(END)

research

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3921/1insRC
RAC:.....

Insert Analysis:

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a research institution for a research facility, or to refinance outstanding debt of a research institution. A research institution is defined in the bill as an entity that provides or operates a research facility. A research facility is defined in the bill as a building, institution, place, or agency of a nonprofit entity that is or will be used in whole or in part for the advancement of scientific, medical, or technological knowledge and that does not have a specific commercial objective. Project activities for which WHEFA may issue bonds include construction, acquisition, remodeling, furnishing, and equipping of research facilities, related structures, and structures or items that are useful for the operation of research facilities.

Insert 4-9:

SECTION ~~2~~ 231.01 (6t) of the statutes is created to read:

231.01 (6t) "Participating research institution" means an entity that provides or operates a research facility and that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

SECTION ~~2~~ 231.01 (8c) of the statutes is created to read:

231.01 (8c) "Research facility" means an institution, place, building, or agency that satisfies all of the following:

(a) ~~is~~ owned by an entity that is described in section 501 (c) (3) of the Internal Revenue Code and that is exempt from federal income tax under section 501 (a) of the Internal Revenue Code.

(b) ~~is~~ or will be used in whole or in part for basic research for the advancement of scientific, medical, or technological knowledge and that does not have a specific commercial objective.

for

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State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3921/1
RAC&CTS:wlj:jf

2007 BILL

1 **AN ACT to amend** 231.01 (4) (a), 231.01 (4) (b) 1., 231.01 (4) (b) 2., 231.01 (4) (c),
2 231.01 (7) (a) 1., 231.01 (7) (a) 2., 231.01 (7) (a) 4., 231.01 (7) (c), 231.02 (6) (b),
3 231.03 (5), 231.03 (7), 231.03 (8), 231.03 (11), 231.03 (13), 231.03 (14), 231.03
4 (15), 231.03 (16), 231.03 (17), 231.03 (18), 231.03 (19), 231.04, 231.05 (1),
5 231.06, 231.07 (1) (b), 231.07 (2) (a), 231.08 (5), 231.10 (1), 231.12, 231.13 (1)
6 (intro.), 231.13 (2), 231.16 (1), 231.20 and 231.23; and **to create** 231.01 (6t),
7 231.01.(8c), 231.03 (6) (h) and 231.03 (6) (i) of the statutes; **relating to:**
8 authorizing the Wisconsin Health and Educational Facilities Authority to issue
9 bonds to finance projects related to research facilities.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance certain projects of health or educational institutions, to refinance outstanding debt of health or educational institutions, and to finance a purchase of the state's right to receive any of the payments under the Attorneys General Master Tobacco Settlement Agreement of November 23, 1998. Projects of health or educational institutions that may be financed include, among others, the acquisition of a hospital, the construction or operation of an ambulatory

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surgery center or home health agency, and the construction, remodeling, furnishing, or equipping of a health or educational facility or related structure.

This bill authorizes WHEFA to issue bonds to finance any project undertaken by a research institution for a research facility, or to refinance outstanding debt of a research institution. A research institution is defined in the bill as an entity that provides or operates a research facility. A research facility is defined in the bill as a building, institution, place, or agency of a nonprofit entity that is or will be used in whole or in part for the advancement of scientific, medical, or technological knowledge and that does not have a specific commercial objective. Project activities for which WHEFA may issue bonds include construction, acquisition, remodeling, furnishing, and equipping of research facilities, related structures, and structures or items that are useful for the operation of research facilities.

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

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

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

9 **SECTION 2.** 231.01 (4) (b) 1. of the statutes is amended to read:

10 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health
11 institution, participating educational institution, participating research institution,
12 or participating child care provider of all necessary developmental, planning, and
13 feasibility studies, surveys, plans, and specifications, architectural, engineering,
14 legal, or other special services, the cost of acquisition of land and any buildings and
15 improvements on the land, site preparation, and development including demolition

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1 or removal of existing structures, construction, reconstruction, and equipment,
2 including machinery, fixed equipment, and personal property.

3 **SECTION 3.** 231.01 (4) (b) 2. of the statutes is amended to read:

4 231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating
5 health institution, participating educational institution, participating research
6 institution, or participating child care provider in the course of the development of
7 the project to the occupancy date.

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

9 231.01 (4) (c) All rents and other net revenues from the operation of the real
10 property, improvements, or personal property on the project site by a participating
11 health institution, participating educational institution, participating research
12 institution, or participating child care provider on and after the date on which the
13 contract between a participating health institution, participating educational
14 institution, participating research institution, or participating child care provider
15 and the authority was entered into, but prior to the occupancy date, shall reduce the
16 sum of all costs in this subsection.

17 **SECTION 5.** 231.01 (6t) of the statutes is created to read:

18 231.01 (6t) "Participating research institution" means an entity that provides
19 or operates a research facility and that undertakes the financing and construction
20 or acquisition of a project or undertakes the refunding or refinancing of obligations
21 or of a mortgage or of advances as provided in this chapter.

22 **SECTION 6.** 231.01 (7) (a) 1. of the statutes is amended to read:

23 231.01 (7) (a) 1. A specific health facility, educational facility, research facility,
24 or child care center work or improvement to be refinanced, acquired, constructed,

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1 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority
2 with funds provided in whole or in part under this chapter.

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

4 231.01 (7) (a) 2. One or more structures suitable for use as a child care center,
5 research facility, health facility, laboratory, laundry, nurses' or interns' residence or
6 other multi-unit housing facility for staff, employees, patients or relatives of
7 patients admitted for treatment or care in a health facility, physician's facility,
8 administration building, research facility, maintenance, storage, or utility facility.

9 **SECTION 8.** 231.01 (7) (a) 4. of the statutes is amended to read:

10 231.01 (7) (a) 4. Any structure useful for the operation of a health facility,
11 educational facility, research facility, or child care center, including facilities or
12 supporting service structures essential or convenient for the orderly conduct of the
13 health facility, educational facility, research facility, or child care center.

14 **SECTION 9.** 231.01 (7) (c) of the statutes is amended to read:

15 231.01 (7) (c) "Project" may include any combination of projects undertaken
16 jointly by any participating health institution, participating educational institution,
17 participating research institution, or participating child care provider with one or
18 more other participating health institutions, participating educational institutions,
19 participating research institutions, or participating child care providers.

20 **SECTION 10.** 231.01 (8c) of the statutes is created to read:

21 231.01 (8c) "Research facility" means an institution, place, building, or agency
22 that satisfies all of the following:

23 (a) Is owned by an entity that is described in section 501 (c) (3) of the Internal
24 Revenue Code and that is exempt from federal income tax under section 501 (a) of
25 the Internal Revenue Code.

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1 (b) Is or will be used in whole or in part for basic research for the advancement
2 of scientific, medical, or technological knowledge and that does not have a specific
3 commercial objective.

4 **SECTION 11.** 231.02 (6) (b) of the statutes is amended to read:

5 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict
6 of interest or violation of this section or of any other law for a trustee, director, officer,
7 or employee of a participating health institution, participating educational
8 institution, participating research institution, or participating child care provider or
9 for a person having the required favorable reputation for skill, knowledge, and
10 experience in state and municipal finance or for a person having the required
11 favorable reputation for skill, knowledge, and experience in the field of health
12 facility, educational facility, research facility, or child care center architecture to
13 serve as a member of the authority; if in each case to which par. (a) is applicable, the
14 trustee, director, officer, or employee of the participating health institution,
15 participating educational institution, participating research institution, or
16 participating child care provider abstains from discussion, deliberation, action, and
17 vote by the authority in specific respect to any undertaking pursuant to this chapter
18 in which his or her participating health institution, participating educational
19 institution, participating research institution, or participating child care provider
20 has an interest, or the person having the required favorable reputation for skill,
21 knowledge, and experience in state and municipal finance abstains from discussion,
22 deliberation, action, and vote by the authority in specific respect to any sale,
23 purchase, or ownership of bonds of the authority in which any business of which such
24 person is a participant, owner, officer, or employee has a past, current, or future
25 interest, or such person having the required favorable reputation for skill,

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1 knowledge, and experience in the field of health facility, educational facility, research
2 facility, or child care center architecture abstains from discussion, deliberation,
3 action, and vote by the authority in specific respect to construction or acquisition of
4 any project of the authority in which any business of which such person is a
5 participant, owner, officer, or employee has a past, current, or future interest.

6 **SECTION 12.** 231.03 (5) of the statutes is amended to read:

7 231.03 (5) Determine the location and character of any project to be financed
8 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add
9 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any
10 such purpose, enter into contracts for the management and operation of a project or
11 other health facilities, educational facilities, research facilities, or child care centers
12 owned by the authority, and designate a participating health institution,
13 participating educational institution, participating research institution, or
14 participating child care provider as its agent to determine the location and character
15 of a project undertaken by the participating health institution, participating
16 educational institution, participating research institution, or participating child
17 care provider under this chapter and as the agent of the authority, to construct,
18 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease
19 as lessee or lessor and regulate the same, and as the agent of the authority, to enter
20 into contracts for any such purpose, including contracts for the management and
21 operation of such project or other health facilities, educational facilities, research
22 facilities, or child care centers owned by the authority.

23 **SECTION 13.** 231.03 (6) (h) of the statutes is created to read:

24 231.03 (6) (h) Finance any project undertaken for a research facility by a
25 participating research institution.

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1 **SECTION 14.** 231.03 (6) (i) of the statutes is created to read:

2 231.03 (6) (i) Refinance outstanding debt of any participating research
3 institution.

4 **SECTION 15.** 231.03 (7) of the statutes is amended to read:

5 231.03 (7) Fix and revise from time to time and charge and collect rates, rents,
6 fees, and charges for the use of and for the services furnished or to be furnished by
7 a project or other health facilities, educational facilities, research facilities, or child
8 care centers owned by the authority or any portion thereof, contract with any person
9 in respect thereto and coordinate its policies and procedures, and cooperate with
10 recognized health facility, educational facility, research facility, or child care center
11 rate setting mechanisms.

12 **SECTION 16.** 231.03 (8) of the statutes is amended to read:

13 231.03 (8) Adopt rules for the use of a project or other health facility,
14 educational facility, research facility, or child care center or any portion of the project
15 or facility owned, financed, or refinanced in whole or in part by the authority,
16 including any property used as security for a loan secured through, from, or with the
17 assistance of the authority. The authority may designate a participating health
18 institution, participating educational institution, participating research institution,
19 or participating child care provider as its agent to establish rules for the use of a
20 project or other health facilities, educational facilities, research facilities, or child
21 care centers undertaken for that participating health institution, participating
22 educational institution, participating research institution, or participating child
23 care provider. The rules shall ensure that a project, health facility, educational
24 facility, research facility, child care center, or property may not be used primarily for

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1 sectarian instruction or study or as a place for devotional activities or religious
2 worship.

3 **SECTION 17.** 231.03 (11) of the statutes is amended to read:

4 231.03 (11) Establish or contract with others to carry out on its behalf a health
5 facility, educational facility, research facility, or child care center project cost
6 estimating service, and make this service available on all projects to provide expert
7 cost estimates and guidance to the participating health institution, participating
8 educational institution, participating research institution, or participating child
9 care provider and to the authority. To implement this service and, through it, to
10 contribute to cost containment, the authority may require such reasonable reports
11 and documents from health facility, educational facility, research facility, or child
12 care center projects as are required for this service and for the development of cost
13 reports and guidelines. The authority shall appoint a technical committee on health
14 facility, educational facility, research facility, or child care center project costs and
15 cost containment.

16 **SECTION 18.** 231.03 (13) of the statutes is amended to read:

17 231.03 (13) Make loans to any participating health institution, participating
18 educational institution, participating research institution, or, before May 1, 2000,
19 participating child care provider for the cost of a project in accordance with an
20 agreement between the authority and the participating health institution,
21 participating educational institution, participating research institution, or
22 participating child care provider. The authority may secure the loan by a mortgage
23 or other security arrangement on the health facility, educational facility, research
24 facility, or child care center granted by the participating health institution,
25 participating educational institution, participating research institution, or

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1 participating child care provider to the authority. The loan may not exceed the total
2 cost of the project as determined by the participating health institution,
3 participating educational institution, participating research institution, or
4 participating child care provider and approved by the authority.

5 **SECTION 19.** 231.03 (14) of the statutes is amended to read:

6 231.03 (14) Make loans to a health facility, educational facility, research
7 facility, or, before May 1, 2000, child care center for which bonds may be issued under
8 sub. (6) (b) or (d) or under s. 231.03 (6) (f), 1999 stats., to refinance the health
9 facility's, educational facility's, research facility's, or child care center's outstanding
10 debt. The authority may secure the loan or bond by a mortgage or other security
11 arrangement on the health facility, educational facility, research facility, or child care
12 center granted by the participating health institution, participating educational
13 institution, participating research institution, or participating child care provider to
14 the authority.

15 **SECTION 20.** 231.03 (15) of the statutes is amended to read:

16 231.03 (15) Mortgage all or any portion of a project and other health facilities,
17 educational facilities, research facilities, or child care centers and the site thereof,
18 whether owned or thereafter acquired, for the benefit of the holders of bonds issued
19 to finance the project, health facilities, educational facilities, research facilities, or
20 child care centers or any portion thereof or issued to refund or refinance outstanding
21 indebtedness of participating health institutions, educational institutions,
22 participating research institutions, or child care providers as permitted by this
23 chapter.

24 **SECTION 21.** 231.03 (16) of the statutes is amended to read:

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1 231.03 (16) Lease to a participating health institution, participating
2 educational institution, participating research institution, or participating child
3 care provider the project being financed or other health facilities, educational
4 facilities, research facilities, or child care centers conveyed to the authority in
5 connection with such financing, upon such terms and conditions as the authority
6 deems proper, and charge and collect rents therefor, and terminate any such lease
7 upon the failure of the lessee to comply with any of the obligations thereof; and
8 include in any such lease, if desired, provisions that the lessee thereof shall have
9 options to renew the term of the lease for such periods and at such rent as the
10 authority determines or to purchase all or any part of the health facilities,
11 educational facilities, research facilities, or child care centers or that, upon payment
12 of all of the indebtedness incurred by the authority for the financing of such project
13 or health facilities, educational facilities, research facilities, or child care centers or
14 for refunding outstanding indebtedness of a participating health institution,
15 participating educational institution, participating research institution, or
16 participating child care provider, the authority may convey all or any part of the
17 project or such other health facilities, educational facilities, research facilities, or
18 child care centers to the lessees thereof with or without consideration.

19 **SECTION 22.** 231.03 (17) of the statutes is amended to read:

20 231.03 (17) Charge to and apportion among participating health institutions,
21 participating educational institutions, participating research institutions, and
22 participating child care providers its administrative costs and expenses incurred in
23 the exercise of the powers and duties conferred by this chapter.

24 **SECTION 23.** 231.03 (18) of the statutes is amended to read:

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1 231.03 (18) Make studies of needed health facilities, educational facilities,
2 research facilities, and child care centers that could not sustain a loan were it made
3 under this chapter and recommend remedial action to the legislature; and do the
4 same with regard to any laws or rules that prevent health facilities, educational
5 facilities, research facilities, and child care centers from benefiting from this chapter.

6 **SECTION 24.** 231.03 (19) of the statutes is amended to read:

7 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the
8 United States or of this state or any private company, any insurance or guaranty
9 concerning the payment or repayment of, interest or principal, or both, or any part
10 thereof, on any loan, lease, or obligation or any instrument evidencing or securing
11 the same, made or entered into under the provisions of this chapter; and
12 notwithstanding any other provisions of this chapter, to enter into any agreement,
13 contract, or any other instrument with respect to that insurance or guaranty, to
14 accept payment in the manner and form provided therein in the event of default by
15 a participating health institution, participating educational institution,
16 participating research institution, or participating child care provider, and to assign
17 the insurance or guaranty as security for the authority's bonds.

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

19 **231.04 Expenses.** All expenses of the authority incurred in carrying out this
20 chapter shall be payable solely from funds provided under the authority of this
21 chapter, and no liability may be incurred by the authority beyond the extent to which
22 moneys have been provided under this chapter except that, for the purposes of
23 meeting the necessary expenses of initial organization and operation of the authority
24 for the period commencing on June 19, 1974 and continuing until such date as the
25 authority derives moneys from funds provided to it under the authority of this

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1 chapter, the authority may borrow such moneys as it requires to supplement the
2 funds provided under s. 20.440. Such moneys borrowed by the authority shall
3 subsequently be charged to and apportioned among participating health
4 institutions, participating educational institutions, participating research
5 institutions, and participating child care providers in an equitable manner, and
6 repaid with appropriate interest over a reasonable period of time.

7 **SECTION 26.** 231.05 (1) of the statutes is amended to read:

8 231.05 (1) By means of this chapter, it is the intent of the legislature to provide
9 assistance and alternative methods of financing to nonprofit health institutions to
10 aid them in providing needed health services consistent with the state's health plan,
11 to nonprofit educational institutions to aid them in providing needed educational
12 services, to nonprofit research institutions to aid them in providing needed research
13 facilities, and to nonprofit child care providers to aid them in providing needed child
14 care services.

15 **SECTION 27.** 231.06 of the statutes is amended to read:

16 **231.06 Property acquisition.** The authority may acquire, directly or by and
17 through a participating health institution, participating educational institution,
18 participating research institution, or participating child care provider as its agent,
19 by purchase or by gift or devise, such lands, structures, property, rights,
20 rights-of-way, franchises, easements, and other interests in lands, including lands
21 lying under water and riparian rights, which are located within this state as it deems
22 necessary or convenient for the construction or operation of a project, upon such
23 terms and at such prices as it considers reasonable and can be agreed upon between
24 it and the owner thereof, and take title thereto in the name of the authority or in the

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1 name of a health facility, educational facility, research facility, or child care center
2 as its agent.

3 **SECTION 28.** 231.07 (1) (b) of the statutes is amended to read:

4 231.07 (1) (b) Convey to the participating health institution, participating
5 educational institution, participating research institution, or participating child
6 care provider the authority's interest in the project and in any other health facility,
7 educational facility, research facility, or child care center leased, mortgaged, or
8 subject to a deed of trust or any other form of security arrangement to secure the
9 bond.

10 **SECTION 29.** 231.07 (2) (a) of the statutes is amended to read:

11 231.07 (2) (a) The principal of and interest on any bond issued by the authority
12 to finance a project or to refinance or refund outstanding indebtedness of one or more
13 participating health institutions, participating educational institutions,
14 participating research institutions, or participating child care providers, including
15 any refunding bonds issued to refund and refinance the bond, have been fully paid
16 and the bonds retired or if the adequate provision has been made to pay fully and
17 retire the bond; and

18 **SECTION 30.** 231.08 (5) of the statutes is amended to read:

19 231.08 (5) In addition to the other authorizations under this section, bonds of
20 the authority may be secured by a pooling of leases whereby the authority may assign
21 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,
22 educational facilities, research facilities, or child care centers with 2 or more health
23 institutions, educational institutions, research institutions, or child care providers,
24 as lessees respectively, upon such terms as may be provided for in bond resolutions
25 of the authority.

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1 **SECTION 31.** 231.10 (1) of the statutes is amended to read:

2 231.10 (1) The state is not liable on notes or bonds of the authority and the notes
3 and bonds are not a debt of the state. All notes and bonds of the authority shall
4 contain on the face thereof a statement to this effect. The issuance of bonds under
5 this chapter shall not, directly or indirectly or contingently, obligate the state or any
6 political subdivision thereof to levy any form of taxation therefor or to make any
7 appropriation for their payment. Nothing in this section prevents the authority from
8 pledging its full faith and credit or the full faith and credit of a health institution,
9 educational institution, research institution, or child care provider to the payment
10 of bonds authorized under this chapter.

11 **SECTION 32.** 231.12 of the statutes is amended to read:

12 **231.12 Studies and recommendations.** It is the intent and purpose of this
13 chapter that the exercise by the authority of the powers granted to it shall be in all
14 respects for the benefit of the people of this state to assist them to provide needed
15 health facilities, educational facilities, research facilities, and child care centers of
16 the number, size, type, distribution, and operation that will assure admission and
17 health care, education, research opportunities, or child care of high quality to all who
18 need it. The authority shall identify and study all projects which are determined by
19 health planning agencies to be needed, but which could not sustain a loan were such
20 to be made to it under this chapter. The authority shall formulate and recommend
21 to the legislature such amendments to this and other laws, and such other specific
22 measures as grants, loan guarantees, interest subsidies, or other actions the state
23 may provide which would render the construction and operation of needed health
24 facilities, educational facilities, research facilities, and child care centers feasible
25 and in the public interest. The authority also shall identify and study any laws or

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1 rules which it finds handicaps or bars a needed health facility, educational facility,
2 research facility, or child care center from participating in the benefits of this chapter,
3 and recommend to the legislature such actions as will remedy such situation.

4 **SECTION 33.** 231.13 (1) (intro.) of the statutes is amended to read:

5 231.13 (1) (intro.) The authority shall collect rents for the use of, or other
6 revenues relating to the financing of, each project. The authority shall contract with
7 a participating health institution, participating educational institution,
8 participating research institution, or participating child care provider for each
9 issuance of bonds. The contract shall provide that the rents or other revenues
10 payable by the health facility, educational facility, research facility, or child care
11 center shall be sufficient at all times to:

12 **SECTION 34.** 231.13 (2) of the statutes is amended to read:

13 231.13 (2) The authority shall pledge the revenues derived and to be derived
14 from a project and other related health facilities, educational facilities, research
15 facilities, or child care centers for the purposes specified in sub. (1), and additional
16 bonds may be issued which may rank on a parity with other bonds relating to the
17 project to the extent and on the terms and conditions provided in the bond resolution.
18 Such pledge shall be valid and binding from the time when the pledge is made, the
19 revenues so pledged by the authority shall immediately be subject to the lien of such
20 pledge without any physical delivery thereof or further act and the lien of any such
21 pledge shall be valid and binding as against all parties having claims of any kind in
22 tort, contract, or otherwise against the authority, irrespective of whether such
23 parties have notice thereof. Neither the bond resolution nor any financing
24 statement, continuation statement, or other instrument by which a pledge is created
25 or by which the authority's interest in revenues is assigned need be filed or recorded

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1 in any public records in order to perfect the lien thereof as against 3rd parties, except
2 that a copy thereof shall be filed in the records of the authority and with the
3 department of financial institutions.

4 **SECTION 35.** 231.16 (1) of the statutes is amended to read:

5 231.16 (1) The authority may issue bonds to refund any outstanding bond of
6 the authority or indebtedness that a participating health institution, participating
7 educational institution, participating research institution, or participating child
8 care provider may have incurred for the construction or acquisition of a project prior
9 to or after April 30, 1980, including the payment of any redemption premium on the
10 outstanding bond or indebtedness and any interest accrued or to accrue to the
11 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all
12 or any part of the cost of constructing and acquiring additions, improvements,
13 extensions, or enlargements of a project or any portion of a project. Except for bonds
14 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this
15 section unless the authority has first entered into a new or amended agreement with
16 a participating health institution, participating educational institution,
17 participating research institution, or participating child care provider to provide
18 sufficient revenues to pay the costs and other items described in s. 231.13.

19 **SECTION 36.** 231.20 of the statutes is amended to read:

20 **231.20 Waiver of construction and bidding requirements.** In exercising
21 its powers under s. 101.12, the department of commerce or any city, village, town, or
22 county may, within its discretion for proper cause shown, waive any particular
23 requirements relating to public buildings, structures, grounds, works, and
24 improvements imposed by law upon projects under this chapter; the requirements
25 of s. 101.13 may not be waived, however. If, however, the prospective lessee so

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1 requests in writing, the authority shall, through the participating health institution,
2 participating educational institution, participating research institution, or
3 participating child care provider as its agent, call for construction bids in such
4 manner as is determined by the authority with the approval of the lessee.

5 **SECTION 37.** 231.23 of the statutes is amended to read:

6 **231.23 Nonprofit institutions.** It is intended that all nonprofit health and
7 institutions, educational institutions, research institutions, and child care providers
8 in this state be enabled to benefit from and participate in this chapter. To this end,
9 all nonprofit health and institutions, educational institutions, research institutions,
10 and child care providers operating, or authorized to be operated, under any law of
11 this state may undertake projects and utilize the capital financing sources and
12 methods of repayment provided by this chapter, the provisions of any other laws to
13 the contrary notwithstanding.

14 (END)