



DN 0727  
**State of Wisconsin**  
**2007 - 2008 LEGISLATURE**

LRB-1278/1 2

JTK:cjs:rnw  
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skys

DOA:.....Kraus, BB0264 - Sale of state property

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

D. NOT Gen Cat

- 1 AN ACT/...; relating to: sale of certain state-owned real property and making
- 2 appropriations.

*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**OTHER STATE GOVERNMENT**

Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law. Currently, the Building Commission may sell all or any 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, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state-owned land, subject in most cases to the approval of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol. However, under a special law enacted in 2005, DOA is authorized to offer for sale and sell certain state property that is approved by the Building Commission for sale before July 1, 2007. Under that law, sales may be either on the basis of public bids or negotiated prices, and need not reflect fair market value. Sales may be with or without the approval of the state agency that has jurisdiction over the property.

This bill permits DOA to sell state property under similar terms and conditions to those specified under current law, subject to certain exceptions, if the property is approved for sale by the Building Commission during the period beginning on the day this bill becomes law and ending on June 30, 2009.

Currently, the proceeds of sales of real property by the Board of Regents of the University of Wisconsin System are appropriated for various purposes. However, with certain exceptions, the net proceeds of sales before July 1, 2007, must be used for the operation of the UW System.

This bill imposes the same requirement for the net proceeds of any sales that occur during the period beginning on the day this bill becomes law and ending on June 30, 2009, subject to the same exceptions.

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

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

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

2           13.48 (14) (a) In this subsection, "agency" has the meaning given for "state  
3 agency" in s. 20.001 (1), except that during the period prior to July 1, 2007, and the  
4 period beginning on the effective date of this paragraph .... [revisor inserts date], and  
5 ending on June 30, 2009, the term does not include the Board of Regents of the  
6 University of Wisconsin System.

7           **SECTION 2.** 16.848 (2) (gc), (gg), (gn), (gr), (gt), and (gw) of the statutes are  
8 created to read:

9           16.848 (2) (gc) Subsection (1) does not apply to property that is subject to sale  
10 by the department of military affairs under s. 21.19 (3) or 21.42 (3).

11           (gg) Subsection (1) does not apply to property that is conveyed by the  
12 department of corrections under s. 301.25.

13           (gn) Subsection (1) does not apply to property that is subject to sale by the state  
14 under 20.909 (2).

1 (gr) Subsection (1) does not apply to land that is sold or traded by the Kickapoo  
2 reserve management board under s. 41.41 (7).

3 (gt) Subsection (1) does not apply to property that is donated by the department  
4 of transportation under s. 84.09 (5r).

5 (gw) Subsection (1) does not apply to the sale of property by the department of  
6 health and family services under s. 51.06 (6).

7 **SECTION 3.** 16.848 (4) of the statutes is amended to read:

8 16.848 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding  
9 public debt used to finance the acquisition, construction, or improvement of any  
10 property that is sold under sub. (1), the department shall deposit a sufficient amount  
11 of the net proceeds from the sale of the property in the bond security and redemption  
12 fund under s. 18.09 to repay the principal and pay the interest on the debt, and any  
13 premium due upon refunding any of the debt. If the property was acquired,  
14 constructed, or improved with federal financial assistance, the department shall pay  
15 to the federal government any of the net proceeds required by federal law. If the  
16 property was acquired by gift or grant or acquired with gift or grant funds, the  
17 department shall adhere to any restriction governing use of the proceeds. Except as  
18 required under sub. ~~(5m)~~ and ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there  
19 is no such debt outstanding, there are no moneys payable to the federal government,  
20 and there is no restriction governing use of the proceeds, and if the net proceeds  
21 exceed the amount required to be deposited, paid, or used for another purpose under  
22 this subsection, the department shall deposit the net proceeds or remaining net  
23 proceeds in the general fund.

24 **SECTION 4.** 20.285 (1) (h) of the statutes is amended to read:

1           20.285 (1) (h) *Auxiliary enterprises.* Except as provided under subs. (5) (i) and  
2 (6) (g), all moneys received by the University of Wisconsin System for or on account  
3 of any housing facility, commons, dining halls, cafeteria, student union, athletic  
4 activities, stationery stand or bookstore, parking facilities or car fleet, or such other  
5 auxiliary enterprise activities as the board designates and including such fee  
6 revenues as allocated by the board and including such moneys received under leases  
7 entered into previously with nonprofit building corporations as the board designates  
8 to be receipts under this paragraph, but not including any moneys received from the  
9 sale of real property during the period before July 1, 2007, and the period beginning  
10 on the effective date of this paragraph .... [revisor inserts date], and ending on June  
11 30, 2009, to be used for the operation, maintenance, and capital expenditures of  
12 activities specified in this paragraph, including the transfer of funds to pars. (kd) and  
13 (ke), and to nonprofit building corporations to be used by the corporations for the  
14 retirement of existing indebtedness and such other payments as may be required  
15 under existing loan agreements, for optional rental payments in addition to the  
16 mandatory rental payments under the leases and subleases in connection with the  
17 providing of facilities for such activities, and for grants under ss. 36.25 (14) and  
18 36.34. A separate account shall be maintained for each campus and extension. Upon  
19 the request of the extension or any campus within the system, the board of regents  
20 may transfer surplus moneys appropriated under this paragraph to the  
21 appropriation account under par. (kp).

22           **SECTION 5.** 20.285 (1) (iz) of the statutes is amended to read:

23           20.285 (1) (iz) *General operations receipts.* All moneys received for or on  
24 account of the University of Wisconsin System, unless otherwise specifically  
25 appropriated, including all moneys received from the sale of real property during the

1 period prior to July 1, 2007, and the period beginning on the effective date of this  
2 paragraph .... [revisor inserts date], and ending on June 30, 2009, to be used for  
3 general operations.

4 **SECTION 6.** 20.285 (1) (j) of the statutes is amended to read:

5 20.285 (1) (j) *Gifts and donations.* All moneys received from gifts, grants,  
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7 the period before July 1, 2007, and the period beginning on the effective date of this  
8 paragraph .... [revisor inserts date], and ending on June 30, 2009, to be administered  
9 and expended in accordance with the terms of the gift, grant, bequest or devise to  
10 carry out the purposes for which made and received.

11 **SECTION 7.** 20.285 (1) (ka) of the statutes is amended to read:

12 20.285 (1) (ka) *Sale of real property.* All net proceeds from the sale of real  
13 property by the board under s. 36.34, 1969 stats., and s. 36.33, except net proceeds  
14 received during the period before July 1, 2007, and the period beginning on the  
15 effective date of this paragraph .... [revisor inserts date], and ending on June 30,  
16 2009, to be used for the purposes of s. 36.34, 1969 stats., and s. 36.33, including the  
17 expenses enumerated in s. 13.48 (2) (d) incurred in selling the real property under  
18 those sections.

19 **SECTION 8.** 23.15 (1) of the statutes is amended to read:

20 23.15 (1) The natural resources board may sell, at public or private sale, lands  
21 and structures owned by the state under the jurisdiction of the department of natural  
22 resources, except central or district office facilities, when the natural resources board  
23 determines that said lands are no longer necessary for the state's use for  
24 conservation purposes and, if real property, the real property is not the subject of a  
25 petition under s. 560.9810 (2).

1           **SECTION 9.** 25.60 of the statutes is amended to read:

2           **25.60 Budget stabilization fund.** There is created a separate nonlapsible  
3 trust fund designated as the budget stabilization fund, consisting of moneys  
4 transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3), and  
5 16.72 (4) (b), ~~and 16.848.~~

6           **SECTION 10.** 45.51 (10) (b) of the statutes is amended to read:

7           45.51 (10) (b) ~~Except where a sale occurs under s. 16.848, the~~ The department  
8 may manage, sell, lease, or transfer property passing to the state pursuant to this  
9 section or conveyed to it by members, defend and prosecute all actions concerning it,  
10 pay all just claims against it, and do all other things necessary for the protection,  
11 preservation, and management of the property. All expenditures necessary for the  
12 execution of functions under this paragraph or sub. (14) shall be made from the  
13 appropriation in s. 20.485 (1) (h).

14           **SECTION 11.** 84.09 (1) of the statutes is amended to read:

15           84.09 (1) The department may acquire by gift, devise, purchase or  
16 condemnation any lands for establishing, laying out, widening, enlarging,  
17 extending, constructing, reconstructing, improving and maintaining highways and  
18 other transportation related facilities, or interests in lands in and about and along  
19 and leading to any or all of the same; and after establishment, layout and completion  
20 of such improvements, the department may convey such lands thus acquired and not  
21 necessary for such improvements, with reservations concerning the future use and  
22 occupation of such lands so as to protect such public works and improvements and  
23 their environs and to preserve the view, appearance, light, air and usefulness of such  
24 public works. Whenever the department deems it necessary to acquire any such  
25 lands or interests therein for any transportation related purpose, it shall so order and

1 in such order or on a map or plat show the old and new locations and the lands and  
2 interests required, and shall file a copy of the order and map with the county clerk  
3 and county highway committee of each county in which such lands or interests are  
4 required or, in lieu of filing a copy of the order and map, may file or record a plat in  
5 accordance with s. 84.095. For the purposes of this section the department may  
6 acquire private or public lands or interests in such lands. When so provided in the  
7 department's order, such land shall be acquired in fee simple. Unless it elects to  
8 proceed under sub. (3), the department shall endeavor to obtain easements or title  
9 in fee simple by conveyance of the lands or interests required at a price, including  
10 any damages, deemed reasonable by the department. The instrument of conveyance  
11 shall name the state as grantee and shall be recorded in the office of the register of  
12 deeds. The purchase or acquisition of lands or interests therein under this section  
13 is excepted and exempt from s. 20.914 (1). The department may purchase or accept  
14 donations of remnants of tracts or parcels of land existing at the time or after it has  
15 acquired portions of such tracts or parcels by purchase or condemnation for  
16 transportation purposes where in the judgment of the department such action would  
17 assist in making whole the landowner, a part of whose lands have been taken for  
18 transportation purposes and would serve to minimize the overall costs of such taking  
19 by the public. This subsection does not apply to lands that are sold under s. 16.848.

20 **SECTION 12.** 85.09 (4i) of the statutes is amended to read:

21 85.09 (4i) DISPOSAL OF RAIL PROPERTY. The department shall sell at public or  
22 private sale rail property acquired under sub. (4) when the department determines  
23 that the rail property is not necessary for a public purpose and, if real property, the  
24 real property is not the subject of a petition under s. 560.9810 (2). Upon receipt of  
25 the full purchase price, the department shall, by appropriate deed or other

1 instrument, transfer the rail property to the purchaser. The funds derived from sales  
2 under this subsection shall be deposited in the transportation fund, and the expense  
3 incurred by the department in connection with the sale shall be paid from the  
4 appropriation under s. 20.395 (2) (bq). This subsection does not apply to real  
5 property that is sold under s. 16.848.

6 **SECTION 13.** 114.33 (10) of the statutes is amended to read:

7 114.33 (10) Subject to the approval of the governor under this subsection, the  
8 secretary may sell at public or private sale property of whatever nature owned by the  
9 state and under the jurisdiction of the secretary when the secretary determines that  
10 the property is no longer necessary for the state's use for airport purposes and, if real  
11 property, the real property is not the subject of a petition under s. 560.9810. The  
12 secretary shall present to the governor a full and complete report of the property to  
13 be sold, the reason for the sale, and the minimum price for which the property should  
14 be sold, together with an application for the governor's approval of the sale. The  
15 governor shall investigate the proposed sale as he or she deems necessary and  
16 approve or disapprove the application. Upon approval and receipt of the full  
17 purchase price, the secretary shall by appropriate deed or other instrument transfer  
18 the property to the purchaser. The funds derived from the sale shall be deposited in  
19 the appropriate airport fund, and the expense incurred by the secretary in  
20 connection with the sale shall be paid from that fund. This subsection does not apply  
21 to real property that is sold under s. 16.848.

22 **SECTION 14.** 301.25 of the statutes is amended to read:

23 **301.25 Sewer system at Taycheedah Correctional Institution.** The  
24 department, with the approval of the governor, may enter into an agreement  
25 containing terms, conditions and covenants approved by the building commission,

1 to participate in the construction of a sanitary sewer system in the area adjacent to  
2 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
3 County; to connect the sewer system of the Taycheedah Correctional Institution  
4 thereto; to pay sewage disposal charges; and to grant easements or, subject to s.  
5 16.848, convey land to meet construction requirements.

6 SECTION 15. 2005 Wisconsin Act 25, section 9101 (4) (b) and (c) is amended to  
7 read:

8 [2005 Wisconsin Act 25] Section 9101 (4) (b) <sup>if</sup> ~~the~~ <sup>PLAIN</sup> ~~the~~ secretary of  
9 administration shall submit a report to the secretary of the building commission  
10 <sup>strike</sup> ~~containing an inventory of his or her~~ <sup>recommends that a</sup> ~~recommendations to offer~~ <sup>Property be offered</sup> ~~specified state~~  
11 <sup>strike</sup> ~~properties~~ <sup>for the recommendation. The secretary of administration may</sup> ~~for sale under section 16.848 of the statutes, as created by this act, and~~ <sup>the</sup> ~~and~~  
12 ~~the reasons therefor. A property may be included in the inventory with or without~~ <sup>strike</sup> ~~approval of the state agency having jurisdiction of the property. If, during the period~~  
13 ~~on or before June 30, 2007, or the period beginning on the effective date of this~~  
14 ~~paragraph and ending on June 30, 2009, the building commission votes to approve~~  
15 ~~the sale of any property included in the inventory, the department of administration~~ <sup>strike</sup> ~~may offer the property for sale under section 16.848 of the statutes, as created by this~~ <sup>plain</sup>  
16 ~~act.~~ <sup>shall</sup> ~~act.~~ <sup>submit</sup> ~~act.~~ <sup>report</sup> ~~act.~~ <sup>to the</sup> ~~act.~~ <sup>secretary</sup> ~~act.~~ <sup>of the</sup> ~~act.~~ <sup>building</sup> ~~act.~~ <sup>commission</sup> ~~act.~~ <sup>containing</sup> ~~act.~~ <sup>a</sup> ~~act.~~ <sup>description</sup> ~~act.~~ <sup>of the property</sup>

19 (c) This subsection does not apply during the period beginning after June 30,  
20 2007 and ending the day before the effective date of this paragraph, nor during the  
21 period after June 30, 2009.

22 SECTION 16. 2005 Wisconsin Act 25, section 9152 (5) is amended to read:  
23 [2005 Wisconsin Act 25] Section 9152 (5) SALE OF REAL PROPERTY. If the Board  
24 of Regents of the University of Wisconsin System sells any real property under its  
25 jurisdiction during the period prior to July 1, 2007, and the period beginning on the

1 effective date of this subsection and ending on June 30, 2009, the board shall credit  
2 the net proceeds of the sale to the appropriation account under section 20.285 (1) (iz)  
3 of the statutes, as affected by this act, except that if there is any outstanding public  
4 debt used to finance the acquisition, construction, or improvement of any property  
5 that is sold, the board shall deposit a sufficient amount of the net proceeds from the  
6 sale of the property in the bond security and redemption fund under section 18.09  
7 of the statutes to repay the principal and pay the interest on the debt, and any  
8 premium due upon refunding any of the debt. If the property was acquired,  
9 constructed, or improved with federal financial assistance, the board shall pay to the  
10 federal government any of the net proceeds required by federal law. If the property  
11 was acquired by gift or grant or acquired with gift or grant funds, the board shall  
12 adhere to any restriction governing use of the proceeds.

13 (END)

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

LRB-1278/2dn

JTK:f:....

g  
gjs

Jennifer Kraus:

I did not treat s. 16.848 (3), stats. because, in order to retain the new window for approval of property sales by the Building Commission, we still need to tie the approval to 2005 Act 25, section 9101 (4) (b). ✓

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778

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January 30, 2007

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authorizes the property to be offered

*with certain exceptions*

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*except that, under the bill, DOA may offer an eligible parcel of property for sale contingent upon approval by the Building Commission*

*offer*

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10 pay all just claims against it, and do all other things necessary for the protection,  
11 preservation, and management of the property. All expenditures necessary for the  
12 execution of functions under this paragraph or sub. (14) shall be made from the  
13 appropriation in s. 20.485 (1) (h).

14           **SECTION 11.** 84.09 (1) of the statutes is amended to read:

15           84.09 (1) The department may acquire by gift, devise, purchase or  
16 condemnation any lands for establishing, laying out, widening, enlarging,  
17 extending, constructing, reconstructing, improving and maintaining highways and  
18 other transportation related facilities, or interests in lands in and about and along  
19 and leading to any or all of the same; and after establishment, layout and completion  
20 of such improvements, the department may convey such lands thus acquired and not  
21 necessary for such improvements, with reservations concerning the future use and  
22 occupation of such lands so as to protect such public works and improvements and  
23 their environs and to preserve the view, appearance, light, air and usefulness of such  
24 public works. Whenever the department deems it necessary to acquire any such  
25 lands or interests therein for any transportation related purpose, it shall so order and

1 in such order or on a map or plat show the old and new locations and the lands and  
2 interests required, and shall file a copy of the order and map with the county clerk  
3 and county highway committee of each county in which such lands or interests are  
4 required or, in lieu of filing a copy of the order and map, may file or record a plat in  
5 accordance with s. 84.095. For the purposes of this section the department may  
6 acquire private or public lands or interests in such lands. When so provided in the  
7 department's order, such land shall be acquired in fee simple. Unless it elects to  
8 proceed under sub. (3), the department shall endeavor to obtain easements or title  
9 in fee simple by conveyance of the lands or interests required at a price, including  
10 any damages, deemed reasonable by the department. The instrument of conveyance  
11 shall name the state as grantee and shall be recorded in the office of the register of  
12 deeds. The purchase or acquisition of lands or interests therein under this section  
13 is excepted and exempt from s. 20.914 (1). The department may purchase or accept  
14 donations of remnants of tracts or parcels of land existing at the time or after it has  
15 acquired portions of such tracts or parcels by purchase or condemnation for  
16 transportation purposes where in the judgment of the department such action would  
17 assist in making whole the landowner, a part of whose lands have been taken for  
18 transportation purposes and would serve to minimize the overall costs of such taking  
19 by the public. This subsection does not apply to lands that are sold under s. 16.848.

20 **SECTION 12.** 85.09 (4i) of the statutes is amended to read:

21 85.09 (4i) DISPOSAL OF RAIL PROPERTY. The department shall sell at public or  
22 private sale rail property acquired under sub. (4) when the department determines  
23 that the rail property is not necessary for a public purpose and, if real property, the  
24 real property is not the subject of a petition under s. 560.9810 (2). Upon receipt of  
25 the full purchase price, the department shall, by appropriate deed or other

1 instrument, transfer the rail property to the purchaser. The funds derived from sales  
2 under this subsection shall be deposited in the transportation fund, and the expense  
3 incurred by the department in connection with the sale shall be paid from the  
4 appropriation under s. 20.395 (2) (bq). This subsection does not apply to real  
5 property that is sold under s. 16.848.

6 **SECTION 13.** 114.33 (10) of the statutes is amended to read:

7 114.33 (10) Subject to the approval of the governor under this subsection, the  
8 secretary may sell at public or private sale property of whatever nature owned by the  
9 state and under the jurisdiction of the secretary when the secretary determines that  
10 the property is no longer necessary for the state's use for airport purposes and, if real  
11 property, the real property is not the subject of a petition under s. 560.9810. The  
12 secretary shall present to the governor a full and complete report of the property to  
13 be sold, the reason for the sale, and the minimum price for which the property should  
14 be sold, together with an application for the governor's approval of the sale. The  
15 governor shall investigate the proposed sale as he or she deems necessary and  
16 approve or disapprove the application. Upon approval and receipt of the full  
17 purchase price, the secretary shall by appropriate deed or other instrument transfer  
18 the property to the purchaser. The funds derived from the sale shall be deposited in  
19 the appropriate airport fund, and the expense incurred by the secretary in  
20 connection with the sale shall be paid from that fund. This subsection does not apply  
21 to real property that is sold under s. 16.848.

22 **SECTION 14.** 301.25 of the statutes is amended to read:

23 **301.25 Sewer system at Taycheedah Correctional Institution.** The  
24 department, with the approval of the governor, may enter into an agreement  
25 containing terms, conditions and covenants approved by the building commission,

1 to participate in the construction of a sanitary sewer system in the area adjacent to  
2 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
3 County; to connect the sewer system of the Taycheedah Correctional Institution  
4 thereto; to pay sewage disposal charges; and to grant easements or, ~~subject to s.~~  
5 16.848, convey land to meet construction requirements.

6 SECTION 15. 2005 Wisconsin Act 25, section 9101 (4) (b) and (c) is amended to  
7 read:

8 [2005 Wisconsin Act 25] Section 9101 (4) (b) ~~If the secretary~~ of administration  
9 shall submit a report to the secretary of the building commission containing an  
10 inventory of his or her recommendations to offer ~~recommends that a~~ specified state  
11 ~~properties~~ property be offered for sale under section 16.848 of the statutes, as created  
12 by this act, ~~the secretary shall~~ submit a report to the secretary of the building  
13 commission containing a description of the property and the reasons therefor. A  
14 property may be included in the inventory for the recommendation. The secretary  
15 of administration may recommend the sale of a property with or without approval  
16 of the state agency having jurisdiction of the property. If, during the period on or  
17 before June 30, 2007, or the period beginning on the effective date of this paragraph  
18 and ending on June 30, 2009, the building commission votes to approve the sale of  
19 any ~~the~~ property included in the inventory, the department of administration may  
20 offer the property for sale under section 16.848 of the statutes, as created by this act.

21 (c) This subsection does not apply during the period beginning after June 30,  
22 2007 and ending the day before the effective date of this paragraph, nor during the  
23 period after June 30, 2009.

24 SECTION 16. 2005 Wisconsin Act 25, section 9152 (5) is amended to read:

*in accordance with*

*strike* ~~The department~~

*strike*

*If the property is eligible for sale under section and this subsection*

*score*

*property, the Secretary of administration may*

*Score*

*strike*

*strike*

*offer to purchase*

*sell*

1 [2005 Wisconsin Act 25] Section 9152 (5) SALE OF REAL PROPERTY. If the Board  
2 of Regents of the University of Wisconsin System sells any real property under its  
3 jurisdiction during the period prior to July 1, 2007, and the period beginning on the  
4 effective date of this subsection and ending on June 30, 2009, the board shall credit  
5 the net proceeds of the sale to the appropriation account under section 20.285 (1) (iz)  
6 of the statutes, as affected by this act, except that if there is any outstanding public  
7 debt used to finance the acquisition, construction, or improvement of any property  
8 that is sold, the board shall deposit a sufficient amount of the net proceeds from the  
9 sale of the property in the bond security and redemption fund under section 18.09  
10 of the statutes to repay the principal and pay the interest on the debt, and any  
11 premium due upon refunding any of the debt. If the property was acquired,  
12 constructed, or improved with federal financial assistance, the board shall pay to the  
13 federal government any of the net proceeds required by federal law. If the property  
14 was acquired by gift or grant or acquired with gift or grant funds, the board shall  
15 adhere to any restriction governing use of the proceeds.

16 (END)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-1278/3  
JTK:cjs:jf

DOA:.....Kraus, BB0264 - Sale of state property

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

- 1     **AN ACT ...; relating to:** sale of certain state-owned real property and making  
2     appropriations.

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*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**OTHER STATE GOVERNMENT**

Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law. Currently, the Building Commission may sell all or any 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, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state-owned land, subject in most cases to the approval of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol. However, under a special law enacted in 2005, DOA is authorized to offer for sale and sell certain state property if the Building Commission authorizes the property to be offered for sale before July 1, 2007. Under that law, sales may be either on the basis of public bids or negotiated prices, and need not reflect fair market value. Sales may be with or without the approval of the state agency that has jurisdiction over the property.

With certain exceptions, this bill permits DOA to sell state property under similar terms and conditions to those specified under current law, except that, under the bill, DOA may offer an eligible parcel of property for sale contingent upon approval of any offer of sale by the Building Commission if the offer is approved by the commission during the period beginning on the day this bill becomes law and ending on June 30, 2009.

Currently, the proceeds of sales of real property by the Board of Regents of the University of Wisconsin System are appropriated for various purposes. However, with certain exceptions, the net proceeds of sales before July 1, 2007, must be used for the operation of the UW System.

This bill imposes the same requirement for the net proceeds of any sales of real property by the Board of Regents that occur during the period beginning on the day this bill becomes law and ending on June 30, 2009, subject to the same exceptions.

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

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

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

2           13.48 (14) (a) In this subsection, "agency" has the meaning given for "state  
3 agency" in s. 20.001 (1), except that during the period prior to July 1, 2007, and the  
4 period beginning on the effective date of this paragraph .... [revisor inserts date], and  
5 ending on June 30, 2009, the term does not include the Board of Regents of the  
6 University of Wisconsin System.

7           **SECTION 2.** 16.848 (2) (gc), (gg), (gn), (gr), (gt), and (gw) of the statutes are  
8 created to read:

9           16.848 (2) (gc) Subsection (1) does not apply to property that is subject to sale  
10 by the department of military affairs under s. 21.19 (3) or 21.42 (3).

11           (gg) Subsection (1) does not apply to property that is conveyed by the  
12 department of corrections under s. 301.25.

13           (gn) Subsection (1) does not apply to property that is subject to sale by the state  
14 under 20.909 (2).

1 (gr) Subsection (1) does not apply to land that is sold or traded by the Kickapoo  
2 reserve management board under s. 41.41 (7).

3 (gt) Subsection (1) does not apply to property that is donated by the department  
4 of transportation under s. 84.09 (5r).

5 (gw) Subsection (1) does not apply to the sale of property by the department of  
6 health and family services under s. 51.06 (6).

7 **SECTION 3.** 16.848 (4) of the statutes is amended to read:

8 16.848 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding  
9 public debt used to finance the acquisition, construction, or improvement of any  
10 property that is sold under sub. (1), the department shall deposit a sufficient amount  
11 of the net proceeds from the sale of the property in the bond security and redemption  
12 fund under s. 18.09 to repay the principal and pay the interest on the debt, and any  
13 premium due upon refunding any of the debt. If the property was acquired,  
14 constructed, or improved with federal financial assistance, the department shall pay  
15 to the federal government any of the net proceeds required by federal law. If the  
16 property was acquired by gift or grant or acquired with gift or grant funds, the  
17 department shall adhere to any restriction governing use of the proceeds. Except as  
18 required under sub. ~~(5m)~~ and ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there  
19 is no such debt outstanding, there are no moneys payable to the federal government,  
20 and there is no restriction governing use of the proceeds, and if the net proceeds  
21 exceed the amount required to be deposited, paid, or used for another purpose under  
22 this subsection, the department shall deposit the net proceeds or remaining net  
23 proceeds in the general fund.

24 **SECTION 4.** 20.285 (1) (h) of the statutes is amended to read:

1           20.285 (1) (h) *Auxiliary enterprises.* Except as provided under subs. (5) (i) and  
2 (6) (g), all moneys received by the University of Wisconsin System for or on account  
3 of any housing facility, commons, dining halls, cafeteria, student union, athletic  
4 activities, stationery stand or bookstore, parking facilities or car fleet, or such other  
5 auxiliary enterprise activities as the board designates and including such fee  
6 revenues as allocated by the board and including such moneys received under leases  
7 entered into previously with nonprofit building corporations as the board designates  
8 to be receipts under this paragraph, but not including any moneys received from the  
9 sale of real property during the period before July 1, 2007, and the period beginning  
10 on the effective date of this paragraph .... [revisor inserts date], and ending on June  
11 30, 2009, to be used for the operation, maintenance, and capital expenditures of  
12 activities specified in this paragraph, including the transfer of funds to pars. (kd) and  
13 (ke), and to nonprofit building corporations to be used by the corporations for the  
14 retirement of existing indebtedness and such other payments as may be required  
15 under existing loan agreements, for optional rental payments in addition to the  
16 mandatory rental payments under the leases and subleases in connection with the  
17 providing of facilities for such activities, and for grants under ss. 36.25 (14) and  
18 36.34. A separate account shall be maintained for each campus and extension. Upon  
19 the request of the extension or any campus within the system, the board of regents  
20 may transfer surplus moneys appropriated under this paragraph to the  
21 appropriation account under par. (kp).

22           **SECTION 5.** 20.285 (1) (iz) of the statutes is amended to read:

23           20.285 (1) (iz) *General operations receipts.* All moneys received for or on  
24 account of the University of Wisconsin System, unless otherwise specifically  
25 appropriated, including all moneys received from the sale of real property during the

1 period prior to July 1, 2007, and the period beginning on the effective date of this  
2 paragraph .... [revisor inserts date], and ending on June 30, 2009, to be used for  
3 general operations.

4 **SECTION 6.** 20.285 (1) (j) of the statutes is amended to read:

5 20.285 (1) (j) *Gifts and donations.* All moneys received from gifts, grants,  
6 bequests and devises, except moneys received from the sale of real property during  
7 the period before July 1, 2007, and the period beginning on the effective date of this  
8 paragraph .... [revisor inserts date], and ending on June 30, 2009, to be administered  
9 and expended in accordance with the terms of the gift, grant, bequest or devise to  
10 carry out the purposes for which made and received.

11 **SECTION 7.** 20.285 (1) (ka) of the statutes is amended to read:

12 20.285 (1) (ka) *Sale of real property.* All net proceeds from the sale of real  
13 property by the board under s. 36.34, 1969 stats., and s. 36.33, except net proceeds  
14 received during the period before July 1, 2007, and the period beginning on the  
15 effective date of this paragraph .... [revisor inserts date], and ending on June 30,  
16 2009, to be used for the purposes of s. 36.34, 1969 stats., and s. 36.33, including the  
17 expenses enumerated in s. 13.48 (2) (d) incurred in selling the real property under  
18 those sections.

19 **SECTION 8.** 23.15 (1) of the statutes is amended to read:

20 23.15 (1) The natural resources board may sell, at public or private sale, lands  
21 and structures owned by the state under the jurisdiction of the department of natural  
22 resources, except central or district office facilities, when the natural resources board  
23 determines that said lands are no longer necessary for the state's use for  
24 conservation purposes and, if real property, the real property is not the subject of a  
25 petition under s. 560.9810 (2).

1           **SECTION 9.** 25.60 of the statutes is amended to read:

2           **25.60 Budget stabilization fund.** There is created a separate nonlapsible  
3 trust fund designated as the budget stabilization fund, consisting of moneys  
4 transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3), and  
5 16.72 (4) (b), ~~and 16.848.~~

6           **SECTION 10.** 45.51 (10) (b) of the statutes is amended to read:

7           45.51 (10) (b) ~~Except where a sale occurs under s. 16.848, the~~ The department  
8 may manage, sell, lease, or transfer property passing to the state pursuant to this  
9 section or conveyed to it by members, defend and prosecute all actions concerning it,  
10 pay all just claims against it, and do all other things necessary for the protection,  
11 preservation, and management of the property. All expenditures necessary for the  
12 execution of functions under this paragraph or sub. (14) shall be made from the  
13 appropriation in s. 20.485 (1) (h).

14           **SECTION 11.** 84.09 (1) of the statutes is amended to read:

15           84.09 (1) The department may acquire by gift, devise, purchase or  
16 condemnation any lands for establishing, laying out, widening, enlarging,  
17 extending, constructing, reconstructing, improving and maintaining highways and  
18 other transportation related facilities, or interests in lands in and about and along  
19 and leading to any or all of the same; and after establishment, layout and completion  
20 of such improvements, the department may convey such lands thus acquired and not  
21 necessary for such improvements, with reservations concerning the future use and  
22 occupation of such lands so as to protect such public works and improvements and  
23 their environs and to preserve the view, appearance, light, air and usefulness of such  
24 public works. Whenever the department deems it necessary to acquire any such  
25 lands or interests therein for any transportation related purpose, it shall so order and

1 in such order or on a map or plat show the old and new locations and the lands and  
2 interests required, and shall file a copy of the order and map with the county clerk  
3 and county highway committee of each county in which such lands or interests are  
4 required or, in lieu of filing a copy of the order and map, may file or record a plat in  
5 accordance with s. 84.095. For the purposes of this section the department may  
6 acquire private or public lands or interests in such lands. When so provided in the  
7 department's order, such land shall be acquired in fee simple. Unless it elects to  
8 proceed under sub. (3), the department shall endeavor to obtain easements or title  
9 in fee simple by conveyance of the lands or interests required at a price, including  
10 any damages, deemed reasonable by the department. The instrument of conveyance  
11 shall name the state as grantee and shall be recorded in the office of the register of  
12 deeds. The purchase or acquisition of lands or interests therein under this section  
13 is excepted and exempt from s. 20.914 (1). The department may purchase or accept  
14 donations of remnants of tracts or parcels of land existing at the time or after it has  
15 acquired portions of such tracts or parcels by purchase or condemnation for  
16 transportation purposes where in the judgment of the department such action would  
17 assist in making whole the landowner, a part of whose lands have been taken for  
18 transportation purposes and would serve to minimize the overall costs of such taking  
19 by the public. This subsection does not apply to lands that are sold under s. 16.848.

20 **SECTION 12.** 85.09 (4i) of the statutes is amended to read:

21 85.09 (4i) DISPOSAL OF RAIL PROPERTY. The department shall sell at public or  
22 private sale rail property acquired under sub. (4) when the department determines  
23 that the rail property is not necessary for a public purpose and, if real property, the  
24 real property is not the subject of a petition under s. 560.9810 (2). Upon receipt of  
25 the full purchase price, the department shall, by appropriate deed or other

1 instrument, transfer the rail property to the purchaser. The funds derived from sales  
2 under this subsection shall be deposited in the transportation fund, and the expense  
3 incurred by the department in connection with the sale shall be paid from the  
4 appropriation under s. 20.395 (2) (bq). This subsection does not apply to real  
5 property that is sold under s. 16.848.

6 **SECTION 13.** 114.33 (10) of the statutes is amended to read:

7 114.33 (10) Subject to the approval of the governor under this subsection, the  
8 secretary may sell at public or private sale property of whatever nature owned by the  
9 state and under the jurisdiction of the secretary when the secretary determines that  
10 the property is no longer necessary for the state's use for airport purposes and, if real  
11 property, the real property is not the subject of a petition under s. 560.9810. The  
12 secretary shall present to the governor a full and complete report of the property to  
13 be sold, the reason for the sale, and the minimum price for which the property should  
14 be sold, together with an application for the governor's approval of the sale. The  
15 governor shall investigate the proposed sale as he or she deems necessary and  
16 approve or disapprove the application. Upon approval and receipt of the full  
17 purchase price, the secretary shall by appropriate deed or other instrument transfer  
18 the property to the purchaser. The funds derived from the sale shall be deposited in  
19 the appropriate airport fund, and the expense incurred by the secretary in  
20 connection with the sale shall be paid from that fund. This subsection does not apply  
21 to real property that is sold under s. 16.848.

22 **SECTION 14.** 301.25 of the statutes is amended to read:

23 **301.25 Sewer system at Taycheedah Correctional Institution.** The  
24 department, with the approval of the governor, may enter into an agreement  
25 containing terms, conditions and covenants approved by the building commission,

1 to participate in the construction of a sanitary sewer system in the area adjacent to  
2 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
3 County; to connect the sewer system of the Taycheedah Correctional Institution  
4 thereto; to pay sewage disposal charges; and to grant easements or, ~~subject to s.~~  
5 16.848, convey land to meet construction requirements.

6 **SECTION 15.** 2005 Wisconsin Act 25, section 9101 (4) (b) and (c) is amended to  
7 read:

8 [2005 Wisconsin Act 25] Section 9101 (4) (b) ~~the secretary~~ The department of  
9 ~~administration shall submit a report to the secretary of the building commission~~  
10 ~~containing an inventory of his or her recommendations to offer specified state~~  
11 ~~properties may offer any parcel of state-owned real property for sale under in~~  
12 ~~accordance with~~ section 16.848 of the statutes, as created by this act, if the property  
13 is eligible for sale under that section and this subsection. If the department of  
14 administration receives an offer to purchase the property, the secretary of  
15 administration may submit a report to the secretary of the building commission  
16 recommending acceptance of the offer. The report shall contain a description of the  
17 property and the reasons therefor. A property may be included in the inventory for  
18 the recommendation. The secretary of administration may recommend the sale of  
19 a property with or without approval of the state agency having jurisdiction of the  
20 property. If, during the period on or before June 30, 2007, or the period beginning  
21 on the effective date of this paragraph and ending on June 30, 2009, the building  
22 commission votes to approve the sale of any offer to purchase the property included  
23 in the inventory, the department of administration may offer sell the property for sale  
24 under section 16.848 of the statutes, as created by this act.

1 (c) This subsection does not apply during the period beginning after June 30,  
2 2007 and ending the day before the effective date of this paragraph, nor during the  
3 period after June 30, 2009.

4 **SECTION 16.** 2005 Wisconsin Act 25, section 9152 (5) is amended to read:

5 [2005 Wisconsin Act 25] Section 9152 (5) SALE OF REAL PROPERTY. If the Board  
6 of Regents of the University of Wisconsin System sells any real property under its  
7 jurisdiction during the period prior to July 1, 2007, and the period beginning on the  
8 effective date of this subsection and ending on June 30, 2009, the board shall credit  
9 the net proceeds of the sale to the appropriation account under section 20.285 (1) (iz)  
10 of the statutes, as affected by this act, except that if there is any outstanding public  
11 debt used to finance the acquisition, construction, or improvement of any property  
12 that is sold, the board shall deposit a sufficient amount of the net proceeds from the  
13 sale of the property in the bond security and redemption fund under section 18.09  
14 of the statutes to repay the principal and pay the interest on the debt, and any  
15 premium due upon refunding any of the debt. If the property was acquired,  
16 constructed, or improved with federal financial assistance, the board shall pay to the  
17 federal government any of the net proceeds required by federal law. If the property  
18 was acquired by gift or grant or acquired with gift or grant funds, the board shall  
19 adhere to any restriction governing use of the proceeds.

20 (END)