

**2009 DRAFTING REQUEST**

**Bill**

Received: **01/30/2009**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Willing**

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

Drafter: **tkuczens**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - misc.**

Extra Copies:

Submit via email: **YES**

Requester's email:

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

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**Pre Topic:**

DOA:.....Willing, BAB0023 -

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**Topic:**

WHEFA bonds for research institutions

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**Instructions:**

See attached

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**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>
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	tkuczens 02/02/2009			_____			
/P1			mduchek 02/02/2009	_____	cduerst 02/02/2009		

FE Sent For:

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/PI cjs 2/2  
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<END>

2/2

FE Sent For:

# Budget Adjustment Bill

## 2009-11 Budget Bill Statutory Language Drafting Request

- Topic: WHEFA
- Tracking Code: *BAB 0023*
- SBO team: Health and Insurance
- SBO analyst:
  - Phone: Krista Willing
  - Email: [krista.willing@wisconsin.gov](mailto:krista.willing@wisconsin.gov)
- Agency acronym: DHS
- Agency number: 435
- Priority (Low, Medium, High): High

### Intent:

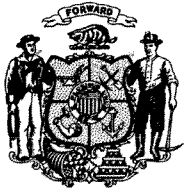
Draft the portion of Senate Bill 510 from the 2007-2008 Legislative Session titled

“WHEFA bonds for research institutions.”

### ***WHEFA bonds for research institutions***

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 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.



State of Wisconsin  
2009 - 2010 LEGISLATURE

P1  
LRB-1887/7  
TKK:.....  
inserts

DOA:.....Willing, BAB0023 - WHEFA bonds for research institutions  
**FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION**

SA 07 ✓  
SA 09 ✓

P.W.F.

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you cut

1 AN ACT ...; relating to: the budget

*Analysis by the Legislative Reference Bureau*  
**COMMERCE AND ECONOMIC DEVELOPMENT**  
**ECONOMIC DEVELOPMENT**

INERT ANAL.



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

INERT  
1-2

2

(END)

**SENATE BILL 510**

revenues of \$50,000,000 in fiscal year 2007-08, and decreased revenues of \$50,000,000 in fiscal year 2008-09, for a DOT appropriation related to revenue bond proceeds for the major highway projects program.

Under the bill, in submitting its 2009-11 biennial budget request, DOT may not include in its appropriation base level \$50,000,000 of the \$55,000,000 increase to its state funds appropriation for the major highway projects program or the modified estimates related to its revenue bonding appropriation for the major highway projects program.

***Commuter rail transit system***

Under current law, the counties of Kenosha, Milwaukee, and Racine must create a Regional Transit Authority (RTA). The RTA is responsible for the coordination of transit and commuter rail programs within these counties. The RTA may receive funding by imposing a rental car transaction fee within these counties, but the fee may presently be used only to hire staff, conduct studies, and prepare a report to the legislature and the governor, due by November 15, 2008. The report must include certain information, including a recommendation as to whether the responsibilities of the RTA should be limited to collection and distribution of regional transit funding or should also include operation of transit service and a recommendation on whether the RTA should continue in existence after September 30, 2009.

This bill provides the RTA with the responsibility for constructing and operating a commuter rail transit system connecting the cities of Kenosha, Racine, and Milwaukee (KRM commuter link). The bill increases the amount of the rental car transaction fee that may be imposed if the governing body of the RTA approves the increase. The bill reiterates the authority of the counties of Kenosha, Milwaukee, and Racine, and of the most populous city in each of these three counties, to submit to the electors in an advisory referendum the question of supporting this increase in the rental car transaction fee. The bill also authorizes the RTA to issue bonds and to use rental car transaction fees and bond proceeds for KRM commuter link purposes. Under the bill, the interest income received from the bonds is exempt from the state income tax. The bill also allows the RTA to participate in organizing municipal insurance mutuals to provide insurance and risk management services to the RTA. The bill requires the RTA's report due by November 15, 2008, to include a study on the feasibility of adding certain commuter rail stops and of extending commuter rail to a specified location.

***WHEFA bonds for research institutions***

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

Begin  
INSERT  
ANAL.



## SENATE BILL 510

1 short-term rental of passenger cars without drivers, for a period of 30 days or less,  
2 unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9),  
3 or (9a). The fee imposed under this subchapter shall be effective on the first day of  
4 the first month that begins at least 90 days after the governing body of the regional  
5 transit authority approves the imposition of the fee and notifies the department of  
6 revenue. The governing body shall notify the department of a repeal of the fee  
7 imposed under this subchapter at least 60 days before the effective date of the repeal.

BEGIN  
INVERT  
1-2

8 SECTION 26. 231.01 (4) (a) of the statutes is amended to read:

9 231.01 (4) (a) "Cost" means the sum of all costs incurred by a participating  
10 health institution, participating educational institution, participating research  
11 institution, or participating child care provider, as approved by the authority, as are  
12 reasonable and necessary to accomplish the project, exclusive of any private or  
13 federal, state, or local financial assistance received by the participating health  
14 institution, participating educational institution, participating research institution,  
15 or participating child care provider for the payment of the project cost.

16 SECTION 27. 231.01 (4) (b) 1. of the statutes is amended to read:

17 231.01 (4) (b) 1. The cost incurred by or on behalf of the participating health  
18 institution, participating educational institution, participating research institution,  
19 or participating child care provider of all necessary developmental, planning, and  
20 feasibility studies, surveys, plans, and specifications, architectural, engineering,  
21 legal, or other special services, the cost of acquisition of land and any buildings and  
22 improvements on the land, site preparation, and development including demolition  
23 or removal of existing structures, construction, reconstruction, and equipment,  
24 including machinery, fixed equipment, and personal property.

25 SECTION 28. 231.01 (4) (b) 2. of the statutes is amended to read:

## SENATE BILL 510

1           231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating  
2 health institution, participating educational institution, participating research  
3 institution, or participating child care provider in the course of the development of  
4 the project to the occupancy date.

5           **SECTION 29.** 231.01 (4) (c) of the statutes is amended to read:

6           231.01 (4) (c) All rents and other net revenues from the operation of the real  
7 property, improvements, or personal property on the project site by a participating  
8 health institution, participating educational institution, participating research  
9 institution, or participating child care provider on and after the date on which the  
10 contract between a participating health institution, participating educational  
11 institution, participating research institution, or participating child care provider  
12 and the authority was entered into, but prior to the occupancy date, shall reduce the  
13 sum of all costs in this subsection.

14           **SECTION 30.** 231.01 (6t) of the statutes is created to read:

15           231.01 (6t) “Participating research institution” means an entity that provides  
16 or operates a research facility and that undertakes the financing and construction  
17 or acquisition of a project or undertakes the refunding or refinancing of obligations  
18 or of a mortgage or of advances as provided in this chapter.

19           **SECTION 31.** 231.01 (7) (a) 1. of the statutes is amended to read:

20           231.01 (7) (a) 1. A specific health facility, educational facility, research facility,  
21 or child care center work or improvement to be refinanced, acquired, constructed,  
22 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority  
23 with funds provided in whole or in part under this chapter.

24           **SECTION 32.** 231.01 (7) (a) 2. of the statutes is amended to read:



**SENATE BILL 510****SECTION 32**

1           231.01 (7) (a) 2. One or more structures suitable for use as a child care center,  
2 research facility, health facility, laboratory, laundry, nurses' or interns' residence or  
3 other multi-unit housing facility for staff, employees, patients or relatives of  
4 patients admitted for treatment or care in a health facility, physician's facility,  
5 administration building, research facility, maintenance, storage, or utility facility.

6           **SECTION 33.** 231.01 (7) (a) 4. of the statutes is amended to read:

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

11           **SECTION 34.** 231.01 (7) (c) of the statutes is amended to read:

12           231.01 (7) (c) "Project" may include any combination of projects undertaken  
13 jointly by any participating health institution, participating educational institution,  
14 participating research institution, or participating child care provider with one or  
15 more other participating health institutions, participating educational institutions,  
16 participating research institutions, or participating child care providers.

17           **SECTION 35.** 231.01 (8c) of the statutes is created to read:

18           231.01 (8c) "Research facility" means an institution, place, building, or agency  
19 that satisfies all of the following:

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

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

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1           SECTION 36. 231.02 (6) (b) of the statutes is amended to read:

2           231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict  
3 of interest or violation of this section or of any other law for a trustee, director, officer,  
4 or employee of a participating health institution, participating educational  
5 institution, participating research institution, or participating child care provider or  
6 for a person having the required favorable reputation for skill, knowledge, and  
7 experience in state and municipal finance or for a person having the required  
8 favorable reputation for skill, knowledge, and experience in the field of health  
9 facility, educational facility, research facility, or child care center architecture to  
10 serve as a member of the authority; if in each case to which par. (a) is applicable, the  
11 trustee, director, officer, or employee of the participating health institution,  
12 participating educational institution, participating research institution, or  
13 participating child care provider abstains from discussion, deliberation, action, and  
14 vote by the authority in specific respect to any undertaking pursuant to this chapter  
15 in which his or her participating health institution, participating educational  
16 institution, participating research institution, or participating child care provider  
17 has an interest, or the person having the required favorable reputation for skill,  
18 knowledge, and experience in state and municipal finance abstains from discussion,  
19 deliberation, action, and vote by the authority in specific respect to any sale,  
20 purchase, or ownership of bonds of the authority in which any business of which such  
21 person is a participant, owner, officer, or employee has a past, current, or future  
22 interest, or such person having the required favorable reputation for skill,  
23 knowledge, and experience in the field of health facility, educational facility, research  
24 facility, or child care center architecture abstains from discussion, deliberation,  
25 action, and vote by the authority in specific respect to construction or acquisition of

**SENATE BILL 510****SECTION 36**

1 any project of the authority in which any business of which such person is a  
2 participant, owner, officer, or employee has a past, current, or future interest.

3 **SECTION 37.** 231.03 (5) of the statutes is amended to read:

4 231.03 (5) Determine the location and character of any project to be financed  
5 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add  
6 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any  
7 such purpose, enter into contracts for the management and operation of a project or  
8 other health facilities, educational facilities, research facilities, or child care centers  
9 owned by the authority, and designate a participating health institution,  
10 participating educational institution, participating research institution, or  
11 participating child care provider as its agent to determine the location and character  
12 of a project undertaken by the participating health institution, participating  
13 educational institution, participating research institution, or participating child  
14 care provider under this chapter and as the agent of the authority, to construct,  
15 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease  
16 as lessee or lessor and regulate the same, and as the agent of the authority, to enter  
17 into contracts for any such purpose, including contracts for the management and  
18 operation of such project or other health facilities, educational facilities, research  
19 facilities, or child care centers owned by the authority.

20 **SECTION 38.** 231.03 (6) (h) of the statutes is created to read:

21 231.03 (6) (h) Finance any project undertaken for a research facility by a  
22 participating research institution.

23 **SECTION 39.** 231.03 (6) (i) of the statutes is created to read:

24 231.03 (6) (i) Refinance outstanding debt of any participating research  
25 institution.

**SENATE BILL 510**

1       **SECTION 40.** 231.03 (7) of the statutes is amended to read:

2           231.03 (7) Fix and revise from time to time and charge and collect rates, rents,  
3 fees, and charges for the use of and for the services furnished or to be furnished by  
4 a project or other health facilities, educational facilities, research facilities, or child  
5 care centers owned by the authority or any portion thereof, contract with any person  
6 in respect thereto and coordinate its policies and procedures, and cooperate with  
7 recognized health facility, educational facility, research facility, or child care center  
8 rate setting mechanisms.

9       **SECTION 41.** 231.03 (8) of the statutes is amended to read:

10           231.03 (8) Adopt rules for the use of a project or other health facility,  
11 educational facility, research facility, or child care center or any portion of the project  
12 or facility owned, financed, or refinanced in whole or in part by the authority,  
13 including any property used as security for a loan secured through, from, or with the  
14 assistance of the authority. The authority may designate a participating health  
15 institution, participating educational institution, participating research institution,  
16 or participating child care provider as its agent to establish rules for the use of a  
17 project or other health facilities, educational facilities, research facilities, or child  
18 care centers undertaken for that participating health institution, participating  
19 educational institution, participating research institution, or participating child  
20 care provider. The rules shall ensure that a project, health facility, educational  
21 facility, research facility, child care center, or property may not be used primarily for  
22 sectarian instruction or study or as a place for devotional activities or religious  
23 worship.

24       **SECTION 42.** 231.03 (11) of the statutes is amended to read:

**SENATE BILL 510****SECTION 42**

1           231.03 (11) Establish or contract with others to carry out on its behalf a health  
2 facility, educational facility, research facility, or child care center project cost  
3 estimating service, and make this service available on all projects to provide expert  
4 cost estimates and guidance to the participating health institution, participating  
5 educational institution, participating research institution, or participating child  
6 care provider and to the authority. To implement this service and, through it, to  
7 contribute to cost containment, the authority may require such reasonable reports  
8 and documents from health facility, educational facility, research facility, or child  
9 care center projects as are required for this service and for the development of cost  
10 reports and guidelines. The authority shall appoint a technical committee on health  
11 facility, educational facility, research facility, or child care center project costs and  
12 cost containment.

13           **SECTION 43.** 231.03 (13) of the statutes is amended to read:

14           231.03 (13) Make loans to any participating health institution, participating  
15 educational institution, participating research institution, or, before May 1, 2000,  
16 participating child care provider for the cost of a project in accordance with an  
17 agreement between the authority and the participating health institution,  
18 participating educational institution, participating research institution, or  
19 participating child care provider. The authority may secure the loan by a mortgage  
20 or other security arrangement on the health facility, educational facility, research  
21 facility, or child care center granted by the participating health institution,  
22 participating educational institution, participating research institution, or  
23 participating child care provider to the authority. The loan may not exceed the total  
24 cost of the project as determined by the participating health institution,

## SENATE BILL 510

1 participating educational institution, participating research institution, or  
2 participating child care provider and approved by the authority.

3 SECTION 44. 231.03 (14) of the statutes is amended to read:

4 231.03 (14) Make loans to a health facility, educational facility, research  
5 facility, or, before May 1, 2000, child care center for which bonds may be issued under  
6 sub. (6) (b) or (d) or under s. 231.03 (6) (f), 1999 stats., to refinance the health  
7 facility's, educational facility's, research facility's, or child care center's outstanding  
8 debt. The authority may secure the loan or bond by a mortgage or other security  
9 arrangement on the health facility, educational facility, research facility, or child care  
10 center granted by the participating health institution, participating educational  
11 institution, participating research institution, or participating child care provider to  
12 the authority.

13 SECTION 45. 231.03 (15) of the statutes is amended to read:

14 231.03 (15) Mortgage all or any portion of a project and other health facilities,  
15 educational facilities, research facilities, or child care centers and the site thereof,  
16 whether owned or thereafter acquired, for the benefit of the holders of bonds issued  
17 to finance the project, health facilities, educational facilities, research facilities, or  
18 child care centers or any portion thereof or issued to refund or refinance outstanding  
19 indebtedness of participating health institutions, educational institutions,  
20 participating research institutions, or child care providers as permitted by this  
21 chapter.

22 SECTION 46. 231.03 (16) of the statutes is amended to read:

23 231.03 (16) Lease to a participating health institution, participating  
24 educational institution, participating research institution, or participating child  
25 care provider the project being financed or other health facilities, educational

**SENATE BILL 510****SECTION 46**

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

16 **SECTION 47.** 231.03 (17) of the statutes is amended to read:

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

21 **SECTION 48.** 231.03 (18) of the statutes is amended to read:

22 231.03 (18) Make studies of needed health facilities, educational facilities,  
23 research facilities, and child care centers that could not sustain a loan were it made  
24 under this chapter and recommend remedial action to the legislature; and do the

**SENATE BILL 510**

1 same with regard to any laws or rules that prevent health facilities, educational  
2 facilities, research facilities, and child care centers from benefiting from this chapter.

3 **SECTION 49.** 231.03 (19) of the statutes is amended to read:

4 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the  
5 United States or of this state or any private company, any insurance or guaranty  
6 concerning the payment or repayment of, interest or principal, or both, or any part  
7 thereof, on any loan, lease, or obligation or any instrument evidencing or securing  
8 the same, made or entered into under the provisions of this chapter; and  
9 notwithstanding any other provisions of this chapter, to enter into any agreement,  
10 contract, or any other instrument with respect to that insurance or guaranty, to  
11 accept payment in the manner and form provided therein in the event of default by  
12 a participating health institution, participating educational institution,  
13 participating research institution, or participating child care provider, and to assign  
14 the insurance or guaranty as security for the authority's bonds.

15 **SECTION 50.** 231.04 of the statutes is amended to read:

16 **231.04 Expenses.** All expenses of the authority incurred in carrying out this  
17 chapter shall be payable solely from funds provided under the authority of this  
18 chapter, and no liability may be incurred by the authority beyond the extent to which  
19 moneys have been provided under this chapter except that, for the purposes of  
20 meeting the necessary expenses of initial organization and operation of the authority  
21 for the period commencing on June 19, 1974 and continuing until such date as the  
22 authority derives moneys from funds provided to it under the authority of this  
23 chapter, the authority may borrow such moneys as it requires to supplement the  
24 funds provided under s. 20.440. Such moneys borrowed by the authority shall  
25 subsequently be charged to and apportioned among participating health



## SENATE BILL 510

## SECTION 50

1 institutions, participating educational institutions, participating research  
2 institutions, and participating child care providers in an equitable manner, and  
3 repaid with appropriate interest over a reasonable period of time.

4 **SECTION 51.** 231.05 (1) of the statutes is amended to read:

5 231.05 (1) By means of this chapter, it is the intent of the legislature to provide  
6 assistance and alternative methods of financing to nonprofit health institutions to  
7 aid them in providing needed health services consistent with the state's health plan,  
8 to nonprofit educational institutions to aid them in providing needed educational  
9 services, to nonprofit research institutions to aid them in providing needed research  
10 facilities, and to nonprofit child care providers to aid them in providing needed child  
11 care services.

12 **SECTION 52.** 231.06 of the statutes is amended to read:

13 **231.06 Property acquisition.** The authority may acquire, directly or by and  
14 through a participating health institution, participating educational institution,  
15 participating research institution, or participating child care provider as its agent,  
16 by purchase or by gift or devise, such lands, structures, property, rights,  
17 rights-of-way, franchises, easements, and other interests in lands, including lands  
18 lying under water and riparian rights, which are located within this state as it deems  
19 necessary or convenient for the construction or operation of a project, upon such  
20 terms and at such prices as it considers reasonable and can be agreed upon between  
21 it and the owner thereof, and take title thereto in the name of the authority or in the  
22 name of a health facility, educational facility, research facility, or child care center  
23 as its agent.

24 **SECTION 53.** 231.07 (1) (b) of the statutes is amended to read:

**SENATE BILL 510**

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

7           **SECTION 54.** 231.07 (2) (a) of the statutes is amended to read:

8           231.07 (2) (a) The principal of and interest on any bond issued by the authority  
9           to finance a project or to refinance or refund outstanding indebtedness of one or more  
10          participating health institutions, participating educational institutions,  
11          participating research institutions, or participating child care providers, including  
12          any refunding bonds issued to refund and refinance the bond, have been fully paid  
13          and the bonds retired or if the adequate provision has been made to pay fully and  
14          retire the bond; and

15          **SECTION 55.** 231.08 (5) of the statutes is amended to read:

16          231.08 (5) In addition to the other authorizations under this section, bonds of  
17          the authority may be secured by a pooling of leases whereby the authority may assign  
18          its rights, as lessor, and pledge rents under 2 or more leases of health facilities,  
19          educational facilities, research facilities, or child care centers with 2 or more health  
20          institutions, educational institutions, research institutions, or child care providers,  
21          as lessees respectively, upon such terms as may be provided for in bond resolutions  
22          of the authority.

23          **SECTION 56.** 231.10 (1) of the statutes is amended to read:

24          231.10 (1) The state is not liable on notes or bonds of the authority and the notes  
25          and bonds are not a debt of the state. All notes and bonds of the authority shall

**SENATE BILL 510****SECTION 56**

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

8 **SECTION 57.** 231.12 of the statutes is amended to read:

9 **231.12 Studies and recommendations.** It is the intent and purpose of this  
10 chapter that the exercise by the authority of the powers granted to it shall be in all  
11 respects for the benefit of the people of this state to assist them to provide needed  
12 health facilities, educational facilities, research facilities, and child care centers of  
13 the number, size, type, distribution, and operation that will assure admission and  
14 health care, education, research opportunities, or child care of high quality to all who  
15 need it. The authority shall identify and study all projects which are determined by  
16 health planning agencies to be needed, but which could not sustain a loan were such  
17 to be made to it under this chapter. The authority shall formulate and recommend  
18 to the legislature such amendments to this and other laws, and such other specific  
19 measures as grants, loan guarantees, interest subsidies, or other actions the state  
20 may provide which would render the construction and operation of needed health  
21 facilities, educational facilities, research facilities, and child care centers feasible  
22 and in the public interest. The authority also shall identify and study any laws or  
23 rules which it finds handicaps or bars a needed health facility, educational facility,  
24 research facility, or child care center from participating in the benefits of this chapter,  
25 and recommend to the legislature such actions as will remedy such situation.

## SENATE BILL 510

1           **SECTION 58.** 231.13 (1) (intro.) of the statutes is amended to read:

2           **231.13 (1)** (intro.) The authority shall collect rents for the use of, or other  
3 revenues relating to the financing of, each project. The authority shall contract with  
4 a participating health institution, participating educational institution,  
5 participating research institution, or participating child care provider for each  
6 issuance of bonds. The contract shall provide that the rents or other revenues  
7 payable by the health facility, educational facility, research facility, or child care  
8 center shall be sufficient at all times to:

9           **SECTION 59.** 231.13 (2) of the statutes is amended to read:

10           **231.13 (2)** The authority shall pledge the revenues derived and to be derived  
11 from a project and other related health facilities, educational facilities, research  
12 facilities, or child care centers for the purposes specified in sub. (1), and additional  
13 bonds may be issued which may rank on a parity with other bonds relating to the  
14 project to the extent and on the terms and conditions provided in the bond resolution.  
15 Such pledge shall be valid and binding from the time when the pledge is made, the  
16 revenues so pledged by the authority shall immediately be subject to the lien of such  
17 pledge without any physical delivery thereof or further act and the lien of any such  
18 pledge shall be valid and binding as against all parties having claims of any kind in  
19 tort, contract, or otherwise against the authority, irrespective of whether such  
20 parties have notice thereof. Neither the bond resolution nor any financing  
21 statement, continuation statement, or other instrument by which a pledge is created  
22 or by which the authority's interest in revenues is assigned need be filed or recorded  
23 in any public records in order to perfect the lien thereof as against 3rd parties, except  
24 that a copy thereof shall be filed in the records of the authority and with the  
25 department of financial institutions.

## SENATE BILL 510

1           **SECTION 60.** 231.16 (1) of the statutes is amended to read:

2           **231.16 (1)** The authority may issue bonds to refund any outstanding bond of  
3 the authority or indebtedness that a participating health institution, participating  
4 educational institution, participating research institution, or participating child  
5 care provider may have incurred for the construction or acquisition of a project prior  
6 to or after April 30, 1980, including the payment of any redemption premium on the  
7 outstanding bond or indebtedness and any interest accrued or to accrue to the  
8 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all  
9 or any part of the cost of constructing and acquiring additions, improvements,  
10 extensions, or enlargements of a project or any portion of a project. Except for bonds  
11 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this  
12 section unless the authority has first entered into a new or amended agreement with  
13 a participating health institution, participating educational institution,  
14 participating research institution, or participating child care provider to provide  
15 sufficient revenues to pay the costs and other items described in s. 231.13.

16           **SECTION 61.** 231.20 of the statutes is amended to read:

17           **231.20 Waiver of construction and bidding requirements.** In exercising  
18 its powers under s. 101.12, the department of commerce or any city, village, town, or  
19 county may, within its discretion for proper cause shown, waive any particular  
20 requirements relating to public buildings, structures, grounds, works, and  
21 improvements imposed by law upon projects under this chapter; the requirements  
22 of s. 101.13 may not be waived, however. If, however, the prospective lessee so  
23 requests in writing, the authority shall, through the participating health institution,  
24 participating educational institution, participating research institution, or

SENATE BILL 510

1 participating child care provider as its agent, call for construction bids in such  
2 manner as is determined by the authority with the approval of the lessee.

3 SECTION 62. 231.23 of the statutes is amended to read:

4 231.23 Nonprofit institutions. It is intended that all nonprofit health and  
5 institutions, educational institutions, research institutions, and child care providers  
6 in this state be enabled to benefit from and participate in this chapter. To this end,  
7 all nonprofit health ~~and~~ institutions, educational institutions, research institutions,  
8 and child care providers operating, or authorized to be operated, under any law of  
9 this state may undertake projects and utilize the capital financing sources and  
10 methods of repayment provided by this chapter, the provisions of any other laws to  
11 the contrary notwithstanding.

*(amend ins 1-2)*

12 SECTION 63. 560.126 (1) (intro.) of the statutes, as created by 2007 Wisconsin  
13 Act 20, is amended to read:

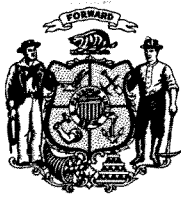
14 560.126 (1) (intro.) The department may award a grant or make a loan from  
15 the appropriations under s. 20.143 (1) (cr), (ie) ~~or~~, and (tm) to a business or researcher  
16 to fund any of the following projects:

17 SECTION 64. 560.126 (1) (intro.) of the statutes, as affected by 2007 Wisconsin  
18 Act ... (this act), is repealed and recreated to read:

19 560.126 (1) (intro.) The department may award a grant or make a loan from  
20 the appropriations under s. 20.143 (1) (ie) and (tm) to a business or researcher to fund  
21 any of the following projects:

22 SECTION 65. 560.7995 (3) (b) of the statutes is amended to read:

23 560.7995 (3) (b) When the department designates an area as an airport  
24 development zone, the department shall establish a limit, not to exceed \$3,000,000,  
25 for tax benefits applicable to the airport development zone. The total tax benefits



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1887/P1

TKK:cjs:md

DOA:.....Willing, BAB0023 - WHEFA bonds for research institutions

**FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to: the budget**

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*Analysis by the Legislative Reference Bureau*  
**COMMERCE AND ECONOMIC DEVELOPMENT**

**ECONOMIC DEVELOPMENT**

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 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.

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*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  
16 or removal of existing structures, construction, reconstruction, and equipment,  
17 including machinery, fixed equipment, and personal property.

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

19          231.01 (4) (b) 2. The reasonable cost of financing incurred by a participating  
20 health institution, participating educational institution, participating research



1 institution, or participating child care provider in the course of the development of  
2 the project to the occupancy date.

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

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

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

13 231.01 (6t) "Participating research institution" means an entity that provides  
14 or operates a research facility and that undertakes the financing and construction  
15 or acquisition of a project or undertakes the refunding or refinancing of obligations  
16 or of a mortgage or of advances as provided in this chapter.

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

18 231.01 (7) (a) 1. A specific health facility, educational facility, research facility,  
19 or child care center work or improvement to be refinanced, acquired, constructed,  
20 enlarged, remodeled, renovated, improved, furnished, or equipped by the authority  
21 with funds provided in whole or in part under this chapter.

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

23 231.01 (7) (a) 2. One or more structures suitable for use as a child care center,  
24 research facility, health facility, laboratory, laundry, nurses' or interns' residence or  
25 other multi-unit housing facility for staff, employees, patients or relatives of

1 patients admitted for treatment or care in a health facility, physician's facility,  
2 administration building, research facility, maintenance, storage, or utility facility.

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

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

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

9 231.01 (7) (c) "Project" may include any combination of projects undertaken  
10 jointly by any participating health institution, participating educational institution,  
11 participating research institution, or participating child care provider with one or  
12 more other participating health institutions, participating educational institutions,  
13 participating research institutions, or participating child care providers.

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

15 231.01 (8c) "Research facility" means an institution, place, building, or agency  
16 that satisfies all of the following:

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

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

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

24 231.02 (6) (b) Notwithstanding any other provision of law, it is not a conflict  
25 of interest or violation of this section or of any other law for a trustee, director, officer,

1 or employee of a participating health institution, participating educational  
2 institution, participating research institution, or participating child care provider or  
3 for a person having the required favorable reputation for skill, knowledge, and  
4 experience in state and municipal finance or for a person having the required  
5 favorable reputation for skill, knowledge, and experience in the field of health  
6 facility, educational facility, research facility, or child care center architecture to  
7 serve as a member of the authority; if in each case to which par. (a) is applicable, the  
8 trustee, director, officer, or employee of the participating health institution,  
9 participating educational institution, participating research institution, or  
10 participating child care provider abstains from discussion, deliberation, action, and  
11 vote by the authority in specific respect to any undertaking pursuant to this chapter  
12 in which his or her participating health institution, participating educational  
13 institution, participating research institution, or participating child care provider  
14 has an interest, or the person having the required favorable reputation for skill,  
15 knowledge, and experience in state and municipal finance abstains from discussion,  
16 deliberation, action, and vote by the authority in specific respect to any sale,  
17 purchase, or ownership of bonds of the authority in which any business of which such  
18 person is a participant, owner, officer, or employee has a past, current, or future  
19 interest, or such person having the required favorable reputation for skill,  
20 knowledge, and experience in the field of health facility, educational facility, research  
21 facility, or child care center architecture abstains from discussion, deliberation,  
22 action, and vote by the authority in specific respect to construction or acquisition of  
23 any project of the authority in which any business of which such person is a  
24 participant, owner, officer, or employee has a past, current, or future interest.

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

1           231.03 (5) Determine the location and character of any project to be financed  
2 under this chapter, and construct, reconstruct, remodel, maintain, enlarge, alter, add  
3 to, repair, lease as lessee or lessor and regulate the same, enter into contracts for any  
4 such purpose, enter into contracts for the management and operation of a project or  
5 other health facilities, educational facilities, research facilities, or child care centers  
6 owned by the authority, and designate a participating health institution,  
7 participating educational institution, participating research institution, or  
8 participating child care provider as its agent to determine the location and character  
9 of a project undertaken by the participating health institution, participating  
10 educational institution, participating research institution, or participating child  
11 care provider under this chapter and as the agent of the authority, to construct,  
12 reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease  
13 as lessee or lessor and regulate the same, and as the agent of the authority, to enter  
14 into contracts for any such purpose, including contracts for the management and  
15 operation of such project or other health facilities, educational facilities, research  
16 facilities, or child care centers owned by the authority.

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

18           231.03 (6) (h) Finance any project undertaken for a research facility by a  
19 participating research institution.

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

21           231.03 (6) (i) Refinance outstanding debt of any participating research  
22 institution.

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

24           231.03 (7) Fix and revise from time to time and charge and collect rates, rents,  
25 fees, and charges for the use of and for the services furnished or to be furnished by

1 a project or other health facilities, educational facilities, research facilities, or child  
2 care centers owned by the authority or any portion thereof, contract with any person  
3 in respect thereto and coordinate its policies and procedures, and cooperate with  
4 recognized health facility, educational facility, research facility, or child care center  
5 rate setting mechanisms.

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

7 231.03 (8) Adopt rules for the use of a project or other health facility,  
8 educational facility, research facility, or child care center or any portion of the project  
9 or facility owned, financed, or refinanced in whole or in part by the authority,  
10 including any property used as security for a loan secured through, from, or with the  
11 assistance of the authority. The authority may designate a participating health  
12 institution, participating educational institution, participating research institution,  
13 or participating child care provider as its agent to establish rules for the use of a  
14 project or other health facilities, educational facilities, research facilities, or child  
15 care centers undertaken for that participating health institution, participating  
16 educational institution, participating research institution, or participating child  
17 care provider. The rules shall ensure that a project, health facility, educational  
18 facility, research facility, child care center, or property may not be used primarily for  
19 sectarian instruction or study or as a place for devotional activities or religious  
20 worship.

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

22 231.03 (11) Establish or contract with others to carry out on its behalf a health  
23 facility, educational facility, research facility, or child care center project cost  
24 estimating service, and make this service available on all projects to provide expert  
25 cost estimates and guidance to the participating health institution, participating

1 educational institution, participating research institution, or participating child  
2 care provider and to the authority. To implement this service and, through it, to  
3 contribute to cost containment, the authority may require such reasonable reports  
4 and documents from health facility, educational facility, research facility, or child  
5 care center projects as are required for this service and for the development of cost  
6 reports and guidelines. The authority shall appoint a technical committee on health  
7 facility, educational facility, research facility, or child care center project costs and  
8 cost containment.

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

10 231.03 (13) Make loans to any participating health institution, participating  
11 educational institution, participating research institution, or, before May 1, 2000,  
12 participating child care provider for the cost of a project in accordance with an  
13 agreement between the authority and the participating health institution,  
14 participating educational institution, participating research institution, or  
15 participating child care provider. The authority may secure the loan by a mortgage  
16 or other security arrangement on the health facility, educational facility, research  
17 facility, or child care center granted by the participating health institution,  
18 participating educational institution, participating research institution, or  
19 participating child care provider to the authority. The loan may not exceed the total  
20 cost of the project as determined by the participating health institution,  
21 participating educational institution, participating research institution, or  
22 participating child care provider and approved by the authority.

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

24 231.03 (14) Make loans to a health facility, educational facility, research  
25 facility, or, before May 1, 2000, child care center for which bonds may be issued under

1 sub. (6) (b) or (d) or under s. 231.03 (6) (f), 1999 stats., to refinance the health  
2 facility's, educational facility's, research facility's, or child care center's outstanding  
3 debt. The authority may secure the loan or bond by a mortgage or other security  
4 arrangement on the health facility, educational facility, research facility, or child care  
5 center granted by the participating health institution, participating educational  
6 institution, participating research institution, or participating child care provider to  
7 the authority.

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

9 231.03 (15) Mortgage all or any portion of a project and other health facilities,  
10 educational facilities, research facilities, or child care centers and the site thereof,  
11 whether owned or thereafter acquired, for the benefit of the holders of bonds issued  
12 to finance the project, health facilities, educational facilities, research facilities, or  
13 child care centers or any portion thereof or issued to refund or refinance outstanding  
14 indebtedness of participating health institutions, educational institutions, research  
15 institutions, or child care providers as permitted by this chapter.

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

17 231.03 (16) Lease to a participating health institution, participating  
18 educational institution, participating research institution, or participating child  
19 care provider the project being financed or other health facilities, educational  
20 facilities, research facilities, or child care centers conveyed to the authority in  
21 connection with such financing, upon such terms and conditions as the authority  
22 deems proper, and charge and collect rents therefor, and terminate any such lease  
23 upon the failure of the lessee to comply with any of the obligations thereof; and  
24 include in any such lease, if desired, provisions that the lessee thereof shall have  
25 options to renew the term of the lease for such periods and at such rent as the

1 authority determines or to purchase all or any part of the health facilities,  
2 educational facilities, research facilities, or child care centers or that, upon payment  
3 of all of the indebtedness incurred by the authority for the financing of such project  
4 or health facilities, educational facilities, research facilities, or child care centers or  
5 for refunding outstanding indebtedness of a participating health institution,  
6 participating educational institution, participating research institution, or  
7 participating child care provider, the authority may convey all or any part of the  
8 project or such other health facilities, educational facilities, research facilities, or  
9 child care centers to the lessees thereof with or without consideration.

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

11 231.03 (17) Charge to and apportion among participating health institutions,  
12 participating educational institutions, participating research institutions, and  
13 participating child care providers its administrative costs and expenses incurred in  
14 the exercise of the powers and duties conferred by this chapter.

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

16 231.03 (18) Make studies of needed health facilities, educational facilities,  
17 research facilities, and child care centers that could not sustain a loan were it made  
18 under this chapter and recommend remedial action to the legislature; and do the  
19 same with regard to any laws or rules that prevent health facilities, educational  
20 facilities, research facilities, and child care centers from benefiting from this chapter.

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

22 231.03 (19) Obtain, or aid in obtaining, from any department or agency of the  
23 United States or of this state or any private company, any insurance or guaranty  
24 concerning the payment or repayment of, interest or principal, or both, or any part  
25 thereof, on any loan, lease, or obligation or any instrument evidencing or securing



1 the same, made or entered into under the provisions of this chapter; and  
2 notwithstanding any other provisions of this chapter, to enter into any agreement,  
3 contract, or any other instrument with respect to that insurance or guaranty, to  
4 accept payment in the manner and form provided therein in the event of default by  
5 a participating health institution, participating educational institution,  
6 participating research institution, or participating child care provider, and to assign  
7 the insurance or guaranty as security for the authority's bonds.

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

9 **231.04 Expenses.** All expenses of the authority incurred in carrying out this  
10 chapter shall be payable solely from funds provided under the authority of this  
11 chapter, and no liability may be incurred by the authority beyond the extent to which  
12 moneys have been provided under this chapter except that, for the purposes of  
13 meeting the necessary expenses of initial organization and operation of the authority  
14 for the period commencing on June 19, 1974 and continuing until such date as the  
15 authority derives moneys from funds provided to it under the authority of this  
16 chapter, the authority may borrow such moneys as it requires to supplement the  
17 funds provided under s. 20.440. Such moneys borrowed by the authority shall  
18 subsequently be charged to and apportioned among participating health  
19 institutions, participating educational institutions, participating research  
20 institutions, and participating child care providers in an equitable manner, and  
21 repaid with appropriate interest over a reasonable period of time.

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

23 231.05 (1) By means of this chapter, it is the intent of the legislature to provide  
24 assistance and alternative methods of financing to nonprofit health institutions to  
25 aid them in providing needed health services consistent with the state's health plan,

1 to nonprofit educational institutions to aid them in providing needed educational  
2 services, to nonprofit research institutions to aid them in providing needed research  
3 facilities, and to nonprofit child care providers to aid them in providing needed child  
4 care services.

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

6 **231.06 Property acquisition.** The authority may acquire, directly or by and  
7 through a participating health institution, participating educational institution,  
8 participating research institution, or participating child care provider as its agent,  
9 by purchase or by gift or devise, such lands, structures, property, rights,  
10 rights-of-way, franchises, easements, and other interests in lands, including lands  
11 lying under water and riparian rights, which are located within this state as it deems  
12 necessary or convenient for the construction or operation of a project, upon such  
13 terms and at such prices as it considers reasonable and can be agreed upon between  
14 it and the owner thereof, and take title thereto in the name of the authority or in the  
15 name of a health facility, educational facility, research facility, or child care center  
16 as its agent.

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

18 231.07 (1) (b) Convey to the participating health institution, participating  
19 educational institution, participating research institution, or participating child  
20 care provider the authority's interest in the project and in any other health facility,  
21 educational facility, research facility, or child care center leased, mortgaged, or  
22 subject to a deed of trust or any other form of security arrangement to secure the  
23 bond.

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

1           231.07 (2) (a) The principal of and interest on any bond issued by the authority  
2 to finance a project or to refinance or refund outstanding indebtedness of one or more  
3 participating health institutions, participating educational institutions,  
4 participating research institutions, or participating child care providers, including  
5 any refunding bonds issued to refund and refinance the bond, have been fully paid  
6 and the bonds retired or if the adequate provision has been made to pay fully and  
7 retire the bond; and

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

9           231.08 (5) In addition to the other authorizations under this section, bonds of  
10 the authority may be secured by a pooling of leases whereby the authority may assign  
11 its rights, as lessor, and pledge rents under 2 or more leases of health facilities,  
12 educational facilities, research facilities, or child care centers with 2 or more health  
13 institutions, educational institutions, research institutions, or child care providers,  
14 as lessees respectively, upon such terms as may be provided for in bond resolutions  
15 of the authority.

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

17           231.10 (1) The state is not liable on notes or bonds of the authority and the notes  
18 and bonds are not a debt of the state. All notes and bonds of the authority shall  
19 contain on the face thereof a statement to this effect. The issuance of bonds under  
20 this chapter shall not, directly or indirectly or contingently, obligate the state or any  
21 political subdivision thereof to levy any form of taxation therefor or to make any  
22 appropriation for their payment. Nothing in this section prevents the authority from  
23 pledging its full faith and credit or the full faith and credit of a health institution,  
24 educational institution, research institution, or child care provider to the payment  
25 of bonds authorized under this chapter.

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

2           **231.12 Studies and recommendations.** It is the intent and purpose of this  
3 chapter that the exercise by the authority of the powers granted to it shall be in all  
4 respects for the benefit of the people of this state to assist them to provide needed  
5 health facilities, educational facilities, research facilities, and child care centers of  
6 the number, size, type, distribution, and operation that will assure admission and  
7 health care, education, research opportunities, or child care of high quality to all who  
8 need it. The authority shall identify and study all projects which are determined by  
9 health planning agencies to be needed, but which could not sustain a loan were such  
10 to be made to it under this chapter. The authority shall formulate and recommend  
11 to the legislature such amendments to this and other laws, and such other specific  
12 measures as grants, loan guarantees, interest subsidies, or other actions the state  
13 may provide which would render the construction and operation of needed health  
14 facilities, educational facilities, research facilities, and child care centers feasible  
15 and in the public interest. The authority also shall identify and study any laws or  
16 rules which it finds handicaps or bars a needed health facility, educational facility,  
17 research facility, or child care center from participating in the benefits of this chapter,  
18 and recommend to the legislature such actions as will remedy such situation.

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

20           **231.13 (1) (intro.)** The authority shall collect rents for the use of, or other  
21 revenues relating to the financing of, each project. The authority shall contract with  
22 a participating health institution, participating educational institution,  
23 participating research institution, or participating child care provider for each  
24 issuance of bonds. The contract shall provide that the rents or other revenues

1 payable by the health facility, educational facility, research facility, or child care  
2 center shall be sufficient at all times to:

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

4 231.13 (2) The authority shall pledge the revenues derived and to be derived  
5 from a project and other related health facilities, educational facilities, research  
6 facilities, or child care centers for the purposes specified in sub. (1), and additional  
7 bonds may be issued which may rank on a parity with other bonds relating to the  
8 project to the extent and on the terms and conditions provided in the bond resolution.  
9 Such pledge shall be valid and binding from the time when the pledge is made, the  
10 revenues so pledged by the authority shall immediately be subject to the lien of such  
11 pledge without any physical delivery thereof or further act and the lien of any such  
12 pledge shall be valid and binding as against all parties having claims of any kind in  
13 tort, contract, or otherwise against the authority, irrespective of whether such  
14 parties have notice thereof. Neither the bond resolution nor any financing  
15 statement, continuation statement, or other instrument by which a pledge is created  
16 or by which the authority's interest in revenues is assigned need be filed or recorded  
17 in any public records in order to perfect the lien thereof as against 3rd parties, except  
18 that a copy thereof shall be filed in the records of the authority and with the  
19 department of financial institutions.

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

21 231.16 (1) The authority may issue bonds to refund any outstanding bond of  
22 the authority or indebtedness that a participating health institution, participating  
23 educational institution, participating research institution, or participating child  
24 care provider may have incurred for the construction or acquisition of a project prior  
25 to or after April 30, 1980, including the payment of any redemption premium on the

1 outstanding bond or indebtedness and any interest accrued or to accrue to the  
2 earliest or any subsequent date of redemption, purchase, or maturity, or to pay all  
3 or any part of the cost of constructing and acquiring additions, improvements,  
4 extensions, or enlargements of a project or any portion of a project. Except for bonds  
5 to refund bonds issued under s. 231.03 (6) (g), no bonds may be issued under this  
6 section unless the authority has first entered into a new or amended agreement with  
7 a participating health institution, participating educational institution,  
8 participating research institution, or participating child care provider to provide  
9 sufficient revenues to pay the costs and other items described in s. 231.13.

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

11 **231.20 Waiver of construction and bidding requirements.** In exercising  
12 its powers under s. 101.12, the department of commerce or any city, village, town, or  
13 county may, within its discretion for proper cause shown, waive any particular  
14 requirements relating to public buildings, structures, grounds, works, and  
15 improvements imposed by law upon projects under this chapter; the requirements  
16 of s. 101.13 may not be waived, however. If, however, the prospective lessee so  
17 requests in writing, the authority shall, through the participating health institution,  
18 participating educational institution, participating research institution, or  
19 participating child care provider as its agent, call for construction bids in such  
20 manner as is determined by the authority with the approval of the lessee.

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

22 **231.23 Nonprofit institutions.** It is intended that all nonprofit health and  
23 institutions, educational institutions, research institutions, and child care providers  
24 in this state be enabled to benefit from and participate in this chapter. To this end,  
25 all nonprofit health and institutions, educational institutions, research institutions,

1 and child care providers operating, or authorized to be operated, under any law of  
2 this state may undertake projects and utilize the capital financing sources and  
3 methods of repayment provided by this chapter, the provisions of any other laws to  
4 the contrary notwithstanding.

5 (END)