231.01 Definitions. In this chapter:

(1m) “Affiliate” means an entity that controls, is controlled by, or is under common control with another entity.

(1) “Authority” means the Wisconsin Health and Educational Facilities Authority.

(2) “Bond resolution” means the resolution authorizing the issuance of, or providing terms and conditions related to, bonds issued under this chapter and includes, where appropriate, any trust agreement, trust indenture, mortgage or deed of trust providing terms and conditions for such bonds.

(3) “Bonds” means any bond, note or other obligation of the authority issued under this chapter, including any refunding bond.

(4) (a) “Cost” means the sum of all costs incurred by a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution, or participating health institution, participating educational institution, participating nonprofit institution, or participating research institution of all state, or local financial assistance received by the participating health institution, participating educational institution, participating nonprofit institution, or participating research institution for the payment of the project cost.

(b) “Cost” includes, without limitation because of enumeration:

1. The cost incurred by or on behalf of the participating health institution, participating educational institution, participating nonprofit institution, or participating research institution of all necessary developmental, planning, and feasibility studies, surveys, plans, and specifications, architectural, engineering, legal, or other special services, the cost of acquisition of land and any buildings and improvements on the land, site preparation, and development including demolition or removal of existing structures, construction, reconstruction, and equipment, including machinery, fixed equipment, and personal property.

2. The reasonable cost of financing incurred by a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution in the course of the development of the project to the occupancy date.

3. Carrying charges during construction to the occupancy date.

4. Interest on bonds issued to finance the project to a date 6 months subsequent to the estimated date of completion.

5. Working capital not exceeding the amounts permitted under 26 CFR 1.148-6 (d) (3).

6. The fees and charges imposed by the authority or by others.

7. Necessary expenses incurred in connection with the initial occupancy of the project and the cost of other items the authority determines to be reasonable.

8. A reserve for payment of the principal of and interest on the bonds.

(c) All rents and other net revenues from the operation of the real property, improvements, or personal property on the project site by a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution on and after the date on which the contract between a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution and the authority was entered into, but prior to the occupancy date, shall reduce the sum of all costs in this subsection.

(4m) “Educational facility” means a facility used for education by a private institution that is described in section 501 (c) (3) of the Internal Revenue Code, as defined in s. 71.22 (4), that is exempt from federal taxation under section 501 (a) of the Internal Revenue Code, and that satisfies any of the following:

(a) The institution is a postsecondary educational institution that is regionally accredited.

(b) The institution is a private elementary or secondary school that is accredited to the satisfaction of the authority.

(4t) “Entity” means any person other than a natural person.

(5) (a) “Health facility” means a governmental facility or a facility described in section 501 (c) (3) of the Internal Revenue Code, as defined in s. 71.22 (4), that is exempt from federal taxation under section 501 (a) of the Internal Revenue Code, and which is one of the following:

1. Any institution, place, building or agency required to be approved or licensed under either s. 50.02 or subch. II of ch. 50, and also means any such facility exempted from such approval or licensure when the secretary of health services attests that the exempted facility meets the statutory definition of a facility subject to approval or licensure.

2. Any health service institution, place, building or agency not listed in subd. 1, and not subject to approval or licensure under state law which the secretary attests is subject to certification by the U.S. department of health and human services under the social security act, or which the secretary attests is subject to standard−setting by a recognized public or voluntary accrediting or standard−setting agency.
3. Any institution, place, building or agency engaged solely in providing one or more supporting services to a health facility.

4. Any institution, place, building or agency that provides medical services, nursing services or personal care services, as defined in s. 647.01 (6) to (8), in addition to maintenance services, as defined in s. 647.01 (5), to a person under a contract for the duration of the person’s life for a term of more than 12 months.

5. Any institution, place, building or agency that is engaged in providing health education.

6. The University of Wisconsin Hospitals and Clinics Authority.

7. Any hospital, ambulatory surgical center, skilled nursing facility, community–based residential facility, assisted living facility, home health agency, hospice, rehabilitation facility, medical office or clinic, or other similar facility that is located outside of this state.

(b) “Health facility” does not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

(5m) “Hospital” has the meaning specified in s. 50.33 (2), excluding the facilities exempted by s. 50.39 (3).

(5n) “Nonprofit entity” means an entity that is described in section 501 (c) (3) of the Internal Revenue Code and that is exempt from federal income tax under section 501 (a) of the Internal Revenue Code.

(5p) “Nonprofit facility” means a facility that is owned or operated by a nonprofit entity.

(5r) “Participating child care provider” means a child care provider, or an affiliate of a child care provider, that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(5s) “Participating educational institution” means an entity authorized by state law to provide or operate an educational facility, or an affiliate of that entity, and that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(5t) “Participating health institution” means an entity authorized by state law to provide or operate a health facility, or an affiliate of that entity, and that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(5w) “Participating educational institution” means an entity authorized by state law to provide or operate an educational facility, or an affiliate of that entity, and that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(6m) “Participating nonprofit institution” means a nonprofit entity, or an affiliate of a nonprofit entity, that undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

(6n) “Project” includes site preparation, landscaping, machinery, equipment and furnishings and other similar items for the operation of a particular facility or structure but does not include such items as fuel, supplies or other items, the costs of which result in a current operating cost.

(c) “Project” may include more than one project, and it may include any combination of projects undertaken jointly by any participating health institution, participating educational institution, participating nonprofit institution, or participating research institution with one or more other participating health institutions, participating educational institutions, participating nonprofit institutions, or participating research institutions.

(6o) “Property” means any real, personal or mixed property, or any interest therein, including, without limitation because of enumeration, any real estate, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights−of−way and structures, or any interest therein.

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

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

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

(9) “Revenues” means, with respect to any project, the rents, fees, charges, and other income or profit derived therefrom and, with respect to any bonds issued under s. 231.03 (6) (g), tobacco settlement revenues identified in the bond resolution.

(10) “State health planning and development agency” means the department of health services, as designated under s. 250.04 (12).

(11) “Tobacco settlement agreement” has the meaning given in s. 16.63 (1) (b).

(12) “Tobacco settlement revenues” has the meaning given in s. 16.63 (1) (c).

History: 1973 c. 304; 1975 c. 413 s. 18; 1977 c. 29; 1979 c. 221; 1980 c. 156; 1981 c. 134 ss. 44; 1983 a. 27; 189; 1985 a. 29; 1987 a. 27; 1999 a. 31; 2009 a. 56 s. 259; 2011 a. 39; 2013 a. 27, 124, 438, 490, 491; 1995 a. 27 ss. 6296, 9125 (19); 1995 a. 332; 1997 a. 27; 2001 a. 16, 104; 2003 a. 109; 2007 a. 20 s. 9121 (6) (a); 2009 a. 2; 2011 a. 32, 259; 2013 a. 20; 2013 a. 173 s. 32.
or participating research institution has an interest, or the person
having the required favorable reputation for skill, knowledge, and
experience in state and municipal finance abstains from discus-
sion, deliberation, action, and vote by the authority in specific
respect to any sale, purchase, or ownership of bonds of the author-
ity in which any business of which such person is a participant,
owner, officer, or employee has a past, current, or future interest,
or such person having the required favorable reputation for skill,
knowledge, and experience in the field of health facility, educa-
tional facility, nonprofit facility, or research facility architectural
abstains from discussion, deliberation, action, and vote by the
authority in specific respect to construction or acquisition of any
project of the authority in which any business of which such per-
son is a participant, owner, officer, or employee has a past, current,
or future interest.


231.03 Powers. The authority has all the powers necessary or
convenient to carry out and effectuate the purposes and provisions
of this chapter. In addition to all other powers granted by this
chapter, the authority may:

(1) Adopt bylaws and rules for the regulation of its affairs and
the conduct of its business.

(2) Adopt an official seal and alter it at pleasure.

(3) Maintain an office.

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

(5) Determine the location and character of any project to be
financed under this chapter, and construct, reconstruct, remodel,
maintain, enlarge, alter, add to, repair, lease as lessee or lessor and
regulate the same, enter into contracts for any such purpose, enter
into contracts for the management and operation of a project or
other health facilities, educational facilities, nonprofit facilities,
or research facilities owned by the authority, and designate a par-
ticipating health institution, participating educational institution,
participating nonprofit institution, or participating research institu-
tion as its agent to determine the location and character of a proj-
et undertaken by the participating health institution, participating
educational institution, participating nonprofit institution, or par-
ticipating research institution under this chapter and as the agent
of the authority, to construct, reconstruct, remodel, maintain,
manage, enlarge, alter, add to, repair, operate, lease as lessee or
lessor and regulate the same, and as the agent of the authority,
to enter into contracts for any such purpose, including contracts for
the management and operation of such project or other health
facilities, educational facilities, nonprofit facilities, or research
facilities owned by the authority.

(6) Subject to s. 231.08 (7), issue bonds of the authority to do
any of the following:

(a) Finance any project undertaken by a participating health
institution if any of the following applies:

1. The department of health services approves the project
under subch. II of ch. 150.

2. The department of health services need not approve the
project under subch. II of ch. 150 because the cost of the project
is equal to or less than the amount in s. 150.21 (3) (c) and (4) and
the cost of the project is equal to or greater than 5 percent of the annual
operating expenses of the participating health institution.

3. The project is for any of the following purposes:

a. A capital expenditure, by or on behalf of a hospital, that
under generally accepted accounting principles is not properly
chargeable as an expense of operations or maintenance, including
the cost of studies, surveys, plans and other activities essential to
the proposed capital expenditure.

b. The addition of a service or unit or expansion of an existing
service or unit by or on behalf of a hospital.

C. The expenditure, by or on behalf of a hospital, independent
practitioner, partnership, unincorporated medical group or service
corporation, as defined in s. 180.1901 (2), or the substantially

2021–22 Wisconsin Statutes updated through 2023 Wis. Act 33 and through all Supreme Court and Controlled Substances
Board Orders filed before and in effect on October 4, 2023. Published and certified under s. 35.18. Changes effective after Octo-
ber 4, 2023, are designated by NOTES. (Published 10–4–23)
equivalent laws or rules of another state, for clinical medical
d. The acquisition of a hospital  
ea. An addition to a hospital’s bed capacity  
f. The construction or operation of an ambulatory surgery
center or a home health agency  
g. The acquisition, construction, renovation, improvement or
equipping of a health facility described in s. 231.01 (5) (a) 4.,
including projects begun before August 1, 1987.
(h) Refinance outstanding debt of any participating health
institution.
(i) Finance any project undertaken for an educational facility.
(j) Refinance outstanding debt of any participating educa-
tional institution.
(k) Finance a purchase, or make a loan, under sub. (20). Bonds
issued under this paragraph shall be payable from, or secured by
interests in, tobacco settlement revenues and such other property
pledged under the bond resolution and, notwithstanding s. 231.08
(3), are not required to mature in 50 years or less from the date of
issue.
(h) Finance any project undertaken for a research facility by
a participating research institution.
(i) Refinance outstanding debt of any participating research
institution.
(j) Finance any project undertaken for a nonprofit facility by
a participating nonprofit institution.
(k) Refinance outstanding debt of any participating nonprofit
institution.

7) Fix and revise from time to time and charge and collect
rates, rents, fees, and charges for the use of and for the services fur-
nished or to be furnished by a project or other health facilities, ed-
cational facilities, nonprofit facilities, or research facilities owned
by the authority or any portion thereof, contract with any person
in respect thereto and coordinate its policies and procedures, and
cooperate with recognized health facility, educational facility,
nonprofit facility, or research facility rate setting mechanisms.

8) Adopt rules for the use of a project or other health facility,
educational facility, nonprofit facility, or research facility or any
portion of the project or facility owned, financed, or refinanced in
whole or in part by the authority, including any property used as
security for a loan secured through, from, or with the assistance
of the authority. The authority may designate a participating
health institution, participating educational institution, participat-
ing nonprofit institution, or participating research institution as
its agent to establish rules for the use of a project or other health fac-
cilities, educational facilities, nonprofit facilities, or research facili-
ties undertaken for that participating health institution, participat-
ing educational institution, participating nonprofit institution, or
participating research institution. The rules shall ensure that a
project, health facility, educational facility, research facility, non-
profit facility, or property may not be used primarily for sectarian
instruction or study or as a place for devotional activities or reli-
gious worship.

9) Employ or contract for consulting engineers, architects,
attorneys, accountants, construction and financial experts and
such other employees and agents as it finds necessary and fix their
compensation. Any employee of the authority shall be exempt from
subch. II of ch. 230, except s. 230.40 shall apply.

10) Appoint such technical or professional advisory commit-
ees as it finds necessary, define their duties and provide reim-
bursement of their expenses.

11) Establish or contract with others to carry out on its behalf
a health facility, educational facility, nonprofit facility, or research
facility project cost estimating service, and make this service
available on all projects to provide expert cost estimates and guid-
ance to the participating health institution, participating educa-
tional institution, participating nonprofit institution, or participat-
ing research institution and to the authority. To implement this
service and, through it, to contribute to cost containment, the
authority may require such reasonable reports and documents
from health facility, educational facility, nonprofit facility, or
research facility projects as are required for this service and for the
development of cost reports and guidelines. The authority shall
appoint a technical committee on health facility, educational facil-
ity, nonprofit facility, or research facility project costs and cost
containment.

(12) Receive and accept from any source loans, contributions
or grants for or in aid of the construction of a project or any portion
thereof in either money, property, labor or other things of value
and when required, use such funds, property or labor only for the
purposes for which it was loaned, contributed or granted.

(13) Make loans to any participating health institution, partic-
ipating educational institution, participating nonprofit institution,
or participating research institution for the cost of a project in
accordance with an agreement between the authority and the par-
ticipating health institution, participating educational institution,
participating nonprofit institution, or participating research insti-
tution. The authority may secure the loan by a mortgage or other
security arrangement on the health facility, educational facility,
nonprofit facility, or research facility granted by the participating
health institution, participating educational institution, participat-
ing nonprofit institution, or participating research institution to
the authority. The loan may not exceed the total cost of the project
as determined by the participating health institution, participating
educational institution, participating nonprofit institution, or par-
icipating research institution and approved by the authority.

(14) Make loans to a health facility, educational facility, non-
profit facility, or research facility for which bonds may be issued
under sub. (6) (b), (d), (i), or (k), to refinance the health facility’s,
educational facility’s, nonprofit facility’s, or research facility’s
outstanding indebtedness. The authority may secure the loan by a
mortgage or other security arrangement on the health facility,
educational facility, nonprofit facility, or research facility granted by
the participating health institution, participating educational insti-
tution, participating nonprofit institution, or participating research
institution to the authority.

(15) Mortgage all or any portion of a project and other health
facilities, educational facilities, nonprofit facilities, or research
facilities and the site thereof, whether owned or thereafter
acquired, for the benefit of the holders of bonds issued to finance
the project, health facilities, educational facilities, nonprofit facili-
ties, or research facilities or any portion thereof or issued to
refund or refinance outstanding indebtedness of participating
health institutions, participating educational institutions, participat-
in nonprofit institutions, or participating research institutions
as permitted by this chapter.

(16) Lease to a participating health institution, participating
educational institution, participating nonprofit institution, or par-
ticipating research institution the project being financed or other
health facilities, educational facilities, nonprofit facilities, or
research facilities conveyed to the authority in connection with
such financing, upon such terms and conditions as the authority
desires, and charge and collect rents thereon, and terminate
any such lease upon the failure of the lessee to comply with any
of the obligations thereof; and include in any such lease, if desired,
provisions that the lessee thereof shall have options to renew
the term of the lease for such periods and at such rent as the authority
determines or to purchase all or any part of the health facilities,
educational facilities, nonprofit facilities, or research facilities or
that, upon payment of all of the indebtedness incurred by the
authority for the financing of such project or health facilities, ed-
cational facilities, nonprofit facilities, or research facilities for or
refunding outstanding indebtedness of a participating health insti-
tution, participating educational institution, participating non-
profit institution, or participating research institution, the author-
ity may convey all or any part of the project or such other health
facilities, educational facilities, nonprofit facilities, or research
facilities to the lessees thereof with or without consideration.
231.08 Issuance of bonds. (1) Subject to sub. (7), the authority may from time to time issue bonds for any corporate purpose. All such bonds or other obligations of the authority issued under this chapter are declared to be negotiable for all purposes, notwithstanding their payment from a limited source and without regard to any other law. The authority shall notify the state health planning and development agency of its action, including data in support of its decision.

(2) The authority may issue bonds of both types. The bonds shall be secured by the lien of the security arrangement securing the bond; and

(3) The bonds may be issued as serial bonds or as term bonds, or both. The authority may issue bonds of both types. The bonds shall

(4) The authority may issue bonds of both types. The bonds shall

(5) The authority may issue bonds of both types. The bonds shall

231.07 Property conveyance. (1) If the conditions of sub. (2) are satisfied, the authority shall:

(a) Release the lien of any mortgage, deed of trust or other security arrangement securing the bond; and

(b) Convey to the participating health institution, participating educational institution, participating nonprofit institution, or participating research institution the authority’s interest in the project or property conveyed.

231.06 Property acquisition. The authority may acquire, directly or by and through a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution as its agent, by purchase or by gift or devise, such lands, structures, property, rights, rights-of-way, franchises, easements, and other interests in lands, including lands lying under water and riparian rights, as it deems necessary or convenient for the construction or operation of a project, upon such terms and at such prices as it considers reasonable and can be agreed upon between it and the owner thereof, and take title thereto in the name of the authority or in the name of a health facility, educational facility, nonprofit facility, or research facility as its agent.

231.04 Expenses. All expenses of the authority incurred in carrying out this chapter shall be payable solely from funds provided under the authority of this chapter, and no liability may be incurred by the authority beyond the extent to which moneys have been provided under this chapter except that, for the purposes of meeting the necessary expenses of initial organization and operation of the authority for the period commencing on June 19, 1974 and continuing until such date as the authority derives moneys from such sources as it considers reasonable and can be agreed upon between it and the owner thereof, and take title thereto in the name of the authority or in the name of a health facility, educational facility, nonprofit facility, or research facility as its agent.

231.05 Project applications. (1) By means of this chapter, it is the intent of the legislature to provide assistance and alternative methods of financing to nonprofit entities to aid them in providing needed health services consistent with the state’s health plan, needed educational services, needed research facilities, and other needed services and facilities in this state.

(2) With respect to an applicant requesting financing for health services, the authority shall, at the same time as it notifies the applicant of its action, notify the state health planning and development agency of its action, including data in support of its decision.

(3) Subject to the approval of the authority, an applicant may recommend to the authority an underwriter for the bonds or notes related to its project.

privileges, be executed in such manner, be payable in lawful 
money of the United States at such places, and be subject to such 
terms of redemption as the bond resolution provides. The bonds 
or notes shall be executed by the manual or facsimile signatures 
of such officers of the authority as the authority designates. Cou-
pon bonds shall have attached thereto interest coupons bearing the 
facsimile signature of the treasurer of the authority or such other 
officer as the authority designates. The bonds or notes may be sold 
at public or private sale for such price and in such manner and from 
time to time as the authority determines. Pending preparation of 
the definitive bonds, the authority may issue interim receipts or 
certificates which shall be exchanged for the definitive bonds.

(4) Any bond resolution may contain provisions, which shall 
be a part of the contract with the holders of the bonds to be autho-
rized, as to:

(a) Pledging or assigning the revenues of the project with 
respect to which the bonds are to be issued or other specified reve-
 nues of the authority;
(b) The rentals, fees and other amounts to be charged, and the 
sums to be raised in each year thereby, and the use, investment and 
disposition of such sums;
(c) The setting aside of reserves or sinking funds, and the regu-
lation, investment and disposition thereof;
(d) Limitations on the use of the project;
(e) Limitations on the purpose to which or the investments in 
which the proceeds of sale of any issue of bonds then or thereafter 
to be issued may be applied;
(f) Limitations on the issuance of additional bonds, the terms 
upon which additional bonds may be issued and secured and the 
terms upon which additional bonds may rank on a parity with, or 
be subordinate or superior to, other bonds;
(g) The refunding of outstanding bonds;
(h) The procedure, if any, by which the terms of any contract 
with bondholders may be amended or abrogated, the amount of 
bonds the holders of which must consent thereto and the manner 
in which such consent may be given;
(i) Defining the acts or omissions to act which shall constitute a 
default in the duties of the authority to holders of its obligations, 
and providing the rights and remedies of such holders in the event 
of a default; and
(j) Any other matters relating to the bonds which the authority 
determines desirable.

(5) In addition to the other authorizations under this section, 
bonds of the authority may be secured by a pooling of leases 
whereby the authority may assign its rights, as lessor, and pledge 
rents under 2 or more leases of health facilities, educational facili-
ties, nonprofit facilities, or research facilities with 2 or more par-
ticipating health institutions, participating educational institu-
tions, participating nonprofit institutions, or participating 
research institutions, as lessees respectively, upon such terms as 
may be provided for in bond resolutions of the authority.

(6) Neither the members of the authority nor any person exe-
cuting the bonds are liable personally on the bonds or subject to 
any personal liability or accountability by reason of the issuance 
thereof.

(7) Beginning on May 23, 2000, the authority may not issue 
bonds for the purpose of purchasing a health maintenance orga-
nization, as defined in s. 609.01 (2), or any other insurer, as 
defined in s. 600.03 (27).

(8) The proceeds of a bond issued under this section may be 
used for a project in this state or any other state, except that if 
the proceeds of a bond are used for a project located in another state, 
that project shall include a substantial component located in this 
state which is authorized by the executive director.

2; 2011 a. 32, 239; 2013 a. 20.

231.09 Bond security. The authority may secure any bonds 
issued under this chapter by a trust agreement, trust indenture, 
indenture of mortgage or deed of trust by and between the author-
ity and one or more corporate trustees, which may be any trust 
company or bank in this state having the powers of a trust company. 
The bond resolution providing for the issuance of bonds so 
secured shall pledge the revenues to be received by the authority 
as a result of the terms of the financing referred to in the resolution, 
and may contain such provisions for protecting and enforcing the 
rights and remedies of the bondholders as are reasonable and 
proper and not in violation of law, including particularly such pro-
visions as are specifically authorized by this chapter to be included 
in any bond resolution of the authority, and may restrict 
the individual right of action by bondholders. In addition, any 
bond resolution may contain such other provisions as the authority 
deems reasonable and proper for the security of the bondholders. 
All expenses incurred in carrying out the provisions of the bond 
resolution may be treated as a part of the cost of the operation of 
a project.

History: 1973 c. 304; 1977 c. 29.

231.10 Bonds not public debt. (1) The state is not liable 
on notes or bonds of the authority and the notes and bonds are not a 
debt of the state. All notes and bonds of the authority shall con-
tain on the face thereof a statement to this effect. The issuance of 
bonds under this chapter shall not, directly or indirectly or contin-
gently, obligate the state or any political subdivision thereof to 
levy any form of taxation therefor or to make any appropriation 
for their payment. Nothing in this section prevents the authority 
from pledging its full faith and credit or the full faith and credit of 
a participating health institution, participating educational insti-
tution, participating nonprofit institution, or participating research 
institution to the payment of bonds authorized under this chapter.

(2) Nothing in this chapter authorizes the authority to create 
a debt of the state, and all bonds issued by the authority under this 
chapter are payable and shall state that they are payable solely 
from the funds pledged for their payment in accordance with the 
resolution authorizing their issuance or in any trust indenture or 
mortgage or deed of trust executed as security therefor. The state 
shall not in any event be liable for the payment of the principal of 
or interest on any bonds of the authority or for the performance of 
any pledge, mortgage, obligation or agreement which may be 
undertaken by the authority. No breach of any such pledge, mort-
gage, obligation or agreement may impose any pecuniary liability 
upon the state or any charge upon its general credit or against its 
taxing power.

History: 1973 c. 304; 1977 c. 29; 1987 a. 27; 1993 a. 124; 2009 a. 2; 2011 a. 239; 
2013 a. 20.

231.11 State pledge. The state pledges to and agrees with the 
holders of any obligations issued under this chapter, and with 
those parties who may enter into contracts with the authority 
under this chapter, that the state will not limit or alter the rights 
vested in the authority by this chapter until such obligations, 
together with the interest thereon, are fully met and discharged and 
such contracts are fully performed on the part of the authority, 
but nothing shall preclude such a limitation or alteration if ade-
quate provision is made by law for the protection of the holders of 
such obligations of the authority or those entering into such con-
tracts with the authority.

History: 1973 c. 304; 1977 c. 29.

231.12 Studies and recommendations. It is the intent and 
purpose of this chapter that the exercise by the authority of the 
powers granted to it shall be in all respects for the benefit of 
the people of this state to assist them to provide needed health facili-
ties, educational facilities, nonprofit facilities, and research facili-
ties of the number, size, type, distribution, and operation that will 
assure admission and health care, education, research opportuni-
ties, or other necessary services of high quality to all who need it. 
The authority shall identify and study all projects which are deter-
mined by health planning agencies to be needed, but which could
not sustain a loan were such to be made to it under this chapter. The authority shall formulate and recommend to the legislature such amendments to this and other laws, and such other specific measures as grants, loan guarantees, interest subsidies, or other actions the state may provide which would render the construction and operation of needed health facilities, educational facilities, nonprofit facilities, and research facilities feasible and in the public interest. The authority also shall identify and study any laws or rules which it finds handicaps or bars a needed health facility, educational facility, nonprofit facility, or research facility from participating in the benefits of this chapter, and recommend to the legislature such actions as will remedy such situation.


231.13 Project revenues. (1) The authority shall collect rents for the use of, or other revenues relating to the financing of, each project. The authority shall contract with a participating health institution, participating educational institution, participating nonprofit institution, or participating research institution for each issuance of bonds. The contract shall provide that the rents or other revenues payable by the health facility, educational facility, nonprofit facility, or research facility shall be sufficient at all times to:

(a) Pay its share of the administrative costs and expenses of the authority;
(b) Pay the principal of, the premium, if any, and the interest on outstanding bonds of the authority issued in respect of such project as they become due and payable; and
(c) Create and maintain reserves which may but need not be required or provided for in the bond resolution relating to such bonds of the authority.

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

History: 1973 c. 304; 1977 c. 29; 1979 c. 221; 1987 a. 27; 1993 a. 124; 1995 a. 27; 2009 a. 2; 2011 a. 239; 2013 a. 20.

231.14 Trust funds. All moneys received under the authority of this chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this chapter. Any officer with whom, or any bank or trust company with which, such moneys are deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes of this chapter, subject to such regulations as this chapter and the bond resolution authorizing the bonds of any issue provide.

History: 1973 c. 304.

231.15 Rights of bondholders. Any holder of bonds issued under this chapter or a trustee under a trust agreement, trust indenture, indenture of mortgage or deed of trust entered into under this chapter, except to the extent that their rights are restricted by any bond resolution, may, by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond resolution. Such rights include the right to compel the performance of all duties of the authority required by this chapter or the bond resolution; to enjoin unlawful activities; and in the event of default with respect to the payment of any principal of, premium, if any, and interest on any bond or in the performance of any covenant or agreement on the part of the authority in the bond resolution, to apply to a court to appoint a receiver to administer and operate the projects, the revenues of which are pledged to the payment of principal of, premium, if any, and interest on such bonds, with full power to pay, and to provide for payment of principal of, principal of, premium, if any, and interest on such bonds, and with such powers, subject to the direction of the court, as are permitted by law and are accorded receivers, excluding any power to pledge additional revenues of the authority to the payment of such principal, premium and interest.

History: 1973 c. 304.

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

(2) The authority may apply the proceeds of the bonds issued to refund or refinance any outstanding bond or indebtedness to the purchase or retirement at maturity or redemption of the outstanding bond or indebtedness either on its earliest or any subsequent redemption date or upon the purchase or at the maturity of the bond or indebtedness. The authority may, pending application, place the proceeds in escrow to be applied to the purchase or retirement at maturity or redemption on any date the authority determines.

(3) All bonds issued under this section shall be subject to this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter, except that the limitations with respect to dates under s. 231.03 (14) do not apply to bonds issued under this section, and the requirement under s. 231.08 (3) that the bonds mature in 50 years or less from their date of issue does not apply to bonds issued under this section to refund bonds issued under s. 231.03 (6) (g).


231.17 Investment of funds. The authority may invest any funds in bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of, or obligations the principal and interest of which are guaranteed by, the United States; in those certificates of deposit or time deposits constituting direct obligations of any bank that are insured by the federal deposit insurance corporation; in certificates of deposit constituting direct obligations of any credit union that are insured by the federal national mortgage association; or in any of the investments provided under s. 66.0603 (1m) (a). Any such securities may be...
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purchased at the offering or market price thereof at the time of such purchase.


231.18 Investment authorization. The notes and bonds of the authority are securities in which all public officers and bodies of this state and all political subdivisions and public officers thereof, all banks, trust companies, savings banks and institutions, savings and loan associations, investment companies and all personal representatives, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control.

History: 1973 c. 304; 1979 c. 279.

231.19 Annual reports. (1) The authority shall keep an accurate account of all its activities and of all its receipts and expenditures, and shall annually in January make a report thereof to the governor and the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2). The reports shall be in a form approved by the state auditor. The state auditor may investigate the affairs of the authority, may examine the properties and records of the authority and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the authority.

(2) The authority, annually on January 15, shall file with the department of administration the total amount purchased from and contracted or authorized to be operated, under any law of this state may undertake projects and utilize the capital financing sources and methods of repayment provided by this chapter, the provisions of any other laws to the contrary notwithstanding.


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


231.21 Employees under social security. The authority may take such action as it deems appropriate to enable its employees to come within the provisions and obtain the benefits of the federal social security act.

History: 1973 c. 304.

231.215 Incorporator for purpose related to purchase or sale of right to payments. The authority, or its executive director, may organize one or more nonstock corporations under ch. 181 or limited liability companies under ch. 183 for any purpose related to purchasing or selling the state’s right to receive any of the payments under the tobacco settlement agreement and may take any action necessary to facilitate and complete the purchase or sale.

History: 2001 a. 16.

231.22 Effect of chapter. This chapter shall be deemed to provide a complete, additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of bonds.

History: 1973 c. 304.

231.23 Nonprofit institutions. It is intended that all non-profit entities in this state be enabled to benefit from and participate in this chapter. To this end, all nonprofit entities operating, or authorized to be operated, under any law of this state may undertake projects and utilize the capital financing sources and methods of repayment provided by this chapter, the provisions of any other laws to the contrary notwithstanding.


231.24 Liberal construction. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

History: 1973 c. 304.

231.25 Tax exemption. The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project undertaken pursuant to this chapter will constitute the performance of an essential public function, neither the authority nor any agent with which it contracts to operate or maintain a project is required to pay any taxes or assessments, including mortgage recording taxes, upon or in respect of a project or any property acquired or used by the authority or its agent under this chapter and the authority’s income therefrom shall at all times be free from taxation of every kind by the state and by political subdivisions of the state.

History: 1973 c. 304; 1977 c. 29.

231.26 Residential facility for the severely physically disabled. (1) If proper application is made in accordance with this chapter for a project meeting the requirements of this section, the authority shall undertake a project to provide a residential facility for severely physically disabled persons utilizing any capital finance sources, methods of repayment and operation specified in this chapter.

(2) The proposed residential facility shall provide a stable, viable environment for severely physically disabled individuals in that, while attendants will be on call at all times and personal care assistance will be provided, the residents will be given the opportunity to fulfill useful and productive life styles.

(3) The facility’s design features shall accommodate the specific needs of the residents and provide opportunities for:

(a) Continuing education;
(b) Counseling services;
(c) Outpatient visits, as necessary;
(d) Job opportunities;
(e) Assisted living services performed by resident staff; and
(f) Low-cost transportation.

History: 1973 c. 304; 1975 c. 277.

231.27 Minority financial interests. (1) In this section, “minority business”, “minority financial adviser” and “minority investment firm” mean a business, financial adviser and investment firm, respectively, certified by the department of administration under s. 16.287 (2).

(2) The authority shall annually report to the department of administration the total amount purchased from and contracted or subcontracted under contracts made by the authority to minority businesses, the total amount of bonds issued by the authority with the underwriting services of minority investment firms and the total amount of moneys expended by the authority for the services of minority financial advisers during the preceding state fiscal year.

History: 1987 a. 27; 1995 a. 27 ss. 9116 (5); 2011 a. 32.
231.28 Minority business participation. The authority shall ensure that, in any project that is financed under this chapter after January 8, 2004, and that relates to an educational facility, other than a postsecondary educational institution, all minority business participation requirements that apply to the project under state statute or administrative rule are complied with.


231.29 Disabled veteran-owned business financial interests. (1) In this section, “business,” “financial adviser,” and “investment firm” mean a business, financial adviser, and investment firm certified by the department of administration under s. 16.283 (3).

(2) The authority shall annually report to the department of administration the total amount purchased from and contracted or subcontracted under contracts made by the authority with businesses, the total amount of bonds issued by the authority with the underwriting services of investment firms, and the total amount of moneys expended by the authority for the services of financial advisers during the preceding state fiscal year.


231.35 Rural hospital loan guarantee. (1) In this section:

(a) “Guaranteed loan” means a loan that the authority guarantees under sub. (3).

(b) “Hospital services” means medical or social services provided by a hospital and includes day care, hospice care and outpatient treatment.

(c) “Participating lender” means any person, including the authority, who does all of the following:

1. Makes loans to rural hospitals.

2. Enters into a guarantee agreement with the authority under sub. (6).

(d) “Rural” means outside a metropolitan statistical area specified under 42 CFR 412.62 (f) (ii) (A) or in a city, village, or town with a population of not more than 14,000.

(e) “Rural hospital loan fund” means the fund established under s. 231.36.

(2) A person is eligible for a guarantee under this section if the person is one of the following:

(a) A nonprofit rural hospital with no more than 100 beds.

(b) A cooperative organized under ch. 185 or 193 that consists of one or more rural hospitals, each with no more than 100 beds.

(c) A nonprofit rural primary care provider.

(3) Subject to sub. (4), the authority may guarantee a loan under this section that is made on or before July 29, 1995, if all of the following apply:

(a) The borrower is eligible for a guarantee under sub. (2).

(b) The borrower will use the proceeds of the loan to finance the acquisition, construction, remodeling or conversion of space at a rural hospital, or the acquisition or construction of equipment for a rural hospital, to provide hospital services.

(c) Not more than 25 percent of the proceeds of the loan will be used to refinance a previous loan that financed the acquisition, construction, remodeling or conversion of space at a rural hospital to provide hospital services.

(d) The principal amount of the loan is at least $100,000, but not more than $1,500,000.

(e) The loan is made by a participating lender.

(f) The borrower pays the authority, for deposit into the rural hospital loan fund, a service charge in an amount determined by the authority but not exceeding 0.5 percent of the total principal amount of the loan.

(g) The borrower provides proof of local community support for the acquisition, construction, remodeling or conversion to be financed by the loan proceeds by obtaining a loan guarantee of at least 20 percent of the loan principal from the community or another 3rd party that is acceptable to the participating lender and to the authority.

(h) The term of the loan is not longer than 10 years.

(i) The borrower establishes a reserve fund of not less than 10 percent of the loan principal.

(j) The total of the borrower’s reserve fund under par. (i), the 3rd-party loan guarantee under par. (g) and the guarantee under sub. (4) (a) will not exceed 90 percent of the loan principal.

(4) (a) The authority shall guarantee payment or collection of 20 percent of the principal of loans guaranteed under sub. (3).

(b) The total principal amount of all loans that the authority may guarantee under sub. (3) may not exceed $5,000,000.

(5) (a) A participating lender shall determine when a guaranteed loan is in default, except that a guaranteed loan that is not repaid in full at the end of the loan’s term is in default.

(b) In the event of a default on a guaranteed loan, the authority shall pay to the participating lender, from the rural hospital loan fund and in accordance with the terms and conditions of the guarantee agreement entered into under sub. (6), 20 percent of the unpaid principal amount of the defaulted guaranteed loan.

(c) Payments under par. (b) may not include any interest, origination fees or other charges relating to the guaranteed loan or any collection costs incurred by the participating lender.

(6) (a) The authority shall enter into a guarantee agreement with any person who makes loans described under sub. (3) (b) and who wishes to have those loans guaranteed under this section. The guarantee agreement shall comply with the rules promulgated by the department of administration under sub. (7) (b).

(b) The authority may use money from the rural hospital loan fund to guarantee loans made for the purposes described in sub. (3) (b), if the authority sets out the terms and conditions of the guarantee in a guarantee agreement that complies with the rules promulgated by the department of administration under sub. (7) (b).

(c) The authority may not use any moneys other than those in the rural hospital loan fund to guarantee a loan under this section.

(7) With the advice of the rural health development council, the department of administration shall promulgate rules specifying all of the following:

(b) With respect to a guarantee agreement entered into by the authority under sub. (6):

1. The form of the agreement.

2. Any conditions upon which the authority may refuse to enter into such an agreement.

3. The procedure for making a demand for payment under the guarantee agreement, or for payment by the authority under the guarantee agreement, in the event of a default of a guaranteed loan.

4. Criteria for determining whether the guarantee is a guarantee of collection or payment.

5. Any procedures that the authority may impose to carry out the agreement.

(8) Annually, the authority shall submit to the chief clerk of each house of the legislature for distribution under s. 13.172 (2) a report on the number of loans guaranteed under this section, the annual gross revenues of the borrowers who have received the guaranteed loans, the default rate on those loans and any other information on the program under this section which the authority determines is significant.

History: 1989 a. 317; 1991 a. 39; 1993 a. 16; 1995 a. 27 ss. 6299, 6300, 9116 (5); 2005 a. 441; 2011 a. 32, 258; 2021 a. 238 s. 44.

Cross-reference: See also ch. Adm 85, Wis. adm. code.

231.36 Rural hospital loan fund. There is established under the jurisdiction and control of the authority a rural hospital loan fund consisting of all of the following:

(1) Service charges received by the authority under s. 231.35 (3) (f).
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(2) Any moneys appropriated to the authority under s. 20.440
(2) (a) or received by the authority for the rural hospital loan fund.
(3) Any income from investment of moneys in the rural hospital loan fund by the authority under s. 231.17.

History: 1989 a. 317.