

CHAPTER 229

PUBLIC INSTITUTIONS

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SUBCHAPTER I POPULOUS CITIES

229.11 First class city museums. Any city of the 1st class however incorporated may establish and maintain, for the free use of the inhabitants thereof, a public museum for the exhibition of objects in natural history, anthropology and history, either the several or any one of these specifically; and may receive, hold and manage any bequest, donation or loan for the establishment, increase or maintenance thereof, under such regulations and conditions as may be prescribed pursuant to law or agreed upon by and between the donors and said city.

History: 1971 c. 152 s. 27; Stats. 1971 s. 229 11; 1983 a. 192; 1985 a. 177.

229.12 Board of trustees, composition. (1) The public museum shall be administered by a board of 10 trustees, consisting of:

(a) The president of the board of school directors and the city superintendent of schools.

(b) Seven members who shall be appointed by the mayor on the 3rd Tuesday in April. Three of the 7 members shall be selected from among the alderpersons holding a 4-year term, and shall serve as such trustees during their aldermanic terms; and the other 4 shall be selected from among the residents and taxpayers of the city, for original terms of 1, 2, 3 and 4 years, respectively, commencing on May 1 next after their appointment, and for successive terms of 4 years each.

(c) One member who shall be a county board member residing in the county outside the city of the 1st class, who shall be appointed by the county executive and confirmed by the county board for a 4-year term commencing on May 1 next after the member's appointment, and for successive terms of 4 years each.

(2) Said trustees shall take the official oath, and be subject to the restrictions, disabilities, liabilities, punishments and limitations prescribed by law as to alderpersons in such city. They shall not receive any compensation for their services as such trustees; and shall not individually become or cause themselves to become interested, directly or indirectly, in any contract or job for the purchase of any matter pertaining to the institution in their charge, or of fuel, furniture, stationery or other things necessary for the increase and maintenance thereof.

History: 1971 c. 152 s. 27; 1971 c. 211, 231; 1971 c. 307 ss. 29, 91; Stats. 1971 s. 229 12; 1979 c. 110; 1983 a. 192; 1985 a. 177; 1991 a. 316; 1993 a. 184.

229.13 Board of trustees; annual meeting and general functions. (1) The annual meeting of the board of trustees of the public museum shall be held on the 3rd Tuesday of May in each year, at which meeting a president shall be chosen annually from their number.

(2) The board shall have general care, control and supervision of the museum, its appurtenances, fixtures and furniture, and of the disbursements of all moneys belonging to the museum funds. The trustees of the public museum shall have charge of the receipt, selection, arrangement and disposition of the specimens and objects pertaining to such museum. The board shall prescribe regulations for the management, care, and use of the public museum, and adopt such measures as shall promote the public utility thereof, and may prescribe and enforce penalties for violations of such regulations.

History: 1971 c. 152 ss. 27, 36m; Stats. 1971 s. 229 13; 1985 a. 177.

229.14 Director and employes; curators. (1) At its first meeting the board of trustees shall elect by ballot a person of suitable learning, scientific attainments, ability and experience for director of the public museum. The director shall be selected in accordance with and shall be subject to the usual laws, rules and regulations of the city civil service commission. The director shall receive such compensation as shall be fixed by the board of trustees and shall be the secretary of the board.

(2) The board shall appoint and fix the compensation of such assistants and employes for the institution as they deem necessary and expedient.

(3) The board of the public museum may appoint an acting director whenever, in their discretion, the service of the museum shall require it, who shall also be acting secretary of the board and whose acts as such shall receive full credit.

(4) The board of the public museum may appoint as honorary curators persons who have manifested a special interest in the museum or some particular department thereof. Such curators shall perform such duties and have such privileges as may be prescribed in the regulations of the museum, but shall not receive any pecuniary compensation.

History: 1971 c. 152 s. 27; Stats. 1971 s. 229 14; 1979 c. 110; 1985 a. 177.

229.15 Museum funds; expenditures. (1) Public museum funds appropriated to the museum by the common council shall not be used or appropriated, directly or indirectly, for any purpose other than the maintenance and increase, payment of the

salaries of the employes, purchase of fuel, supplies, furniture and fixtures, or incidental repairs of the museum.

(2) All moneys appropriated for the purposes of said institutions shall be paid over to the city treasurer and credited to said funds, respectively. Each board of trustees shall provide for all necessary expenditures from each said fund, and all disbursements shall be made on orders of the president and secretary of the board, countersigned by the city comptroller; but, except as expressly provided otherwise, the board shall not in any one year expend or incur any liability for any sum in excess of the amount allocated to each such fund by the common council.

History: 1971 c. 152 s. 27; Stats. 1971 s. 229.15; 1985 a. 177

229.16 Donations and miscellaneous receipts.

(1) All moneys, books, specimens and other property received by devise, bequest or gift for the purposes of the public museum shall, unless otherwise directed by the donor, be under the management and control of the board of trustees of the public museum.

(2) All moneys derived from penalties for violations of the regulations of the public museum, or from any other source in the course of the administration thereof, including all moneys paid to the city upon any policy of insurance or other obligation or liability for or on account of loss or damage to property pertaining to the public museum, shall be credited to public museum funds and may be expended in the manner prescribed in s. 229.15 (2), in addition to the annual tax.

History: 1971 c. 152 ss. 27, 38; Stats. 1971 s. 229.16; 1985 a. 177

229.17 Site, buildings and equipment. The board of trustees of the public museum shall erect, purchase, hire or lease buildings, lots, rooms and furniture for the use and accommodation of the public museum, and shall enlarge, improve and repair such buildings, rooms and furniture; but shall not erect, purchase, lease, or enlarge any building or lot without express authority of an ordinance or resolution of the common council. All deeds of conveyance and leases shall run to the city.

History: 1971 c. 152 s. 27; Stats. 1971 s. 229.17; 1985 a. 177

229.18 Accountability; reports. (1) Within 10 days after the appointment of a director or custodian or other salaried employes, the board of trustees of the museum shall report to and file with the city comptroller a certified list of the persons so appointed, stating the salary allowed to each and the time or times fixed for the payment thereof.

(2) Immediately after any meeting of the board at which accounts and bills are allowed, the board shall furnish such comptroller with a list of all accounts and bills allowed at said meeting, stating the character of the materials or services for which the same were rendered.

(3) On or before the first day of March in each year, the board shall make a report to the common council, for the year ending with the December 31 next prior thereto, containing a statement of the condition of the museum, the articles added to the museum, and such other information and suggestions as the board deems important, including also an account of the moneys credited to the museum fund, and the expenditures therefrom during the year.

History: 1971 c. 152 s. 27; Stats. 1971 s. 229.18; 1985 a. 177, 332

229.19 Applicability of sections 229.11 to 229.18. Sections 229.11 to 229.18 so far as they relate to museums are extended to cities of the 2nd, 3rd and 4th class.

History: 1971 c. 152 ss. 17, 38

229.21 First class city auditoriums and music halls.

(1) Any city of the 1st class may establish and maintain public auditoriums and music halls; and may establish, maintain and operate the same jointly, share and share alike, by agreement between the common council of such city and any private corporation duly organized for that purpose.

(2) Such private corporation shall execute to the city a bond, in a sum determined and with sureties approved by said common council, conditioned that the said corporation will furnish its share

of money as the same shall be required for the purposes specified in sub. (1).

(3) Said city may acquire all the stock of such corporation and become the sole owner of said auditorium and music halls; and any stockholder may transfer his or her stock to the city by sale, gift or otherwise. If the city shall be unable to agree with the holder upon the purchase price of any such stock, the city may purchase the same at a price to be determined by a board of arbitration consisting of 3 persons, one to be chosen by the common council, the 2nd by the owner of such stock, and the 3rd to be chosen by the aforesaid 2, and the determination of said board shall be final and conclusive upon the parties.

(4) Whenever such city shall have acquired any of the stock of such corporation, the common council shall elect one of its members or the mayor to represent the city at all meetings of the stockholders of the corporation, and shall be entitled to vote said stock; and all notices of such meeting shall be given to said mayor or member of the council in the manner such notices are given to any other stockholder.

(5) Whenever the city has acquired all the stock of the corporation, the corporation shall be dissolved as a result of the city's action and the title to all its property shall vest in the city; thereupon the auditorium board provided for in s. 229.22 (1) and (2) shall be reorganized under s. 229.22 (3).

(7) Any such city may build additions to such auditoriums and for the purposes of any such addition, by action of the common council, issue revenue bonds under s. 66.51 payable exclusively from income and revenues of any such addition and of any auditorium to which it is added which said auditoriums and additions thereto for such purpose are declared a public utility. Said private corporation shall not be required to contribute to any such addition. Any such addition shall be subject in all other respects to ss. 229.21 to 229.25.

History: 1971 c. 152 ss. 29, 38; Stats. 1971 s. 229.21; 1975 c. 47; 1979 c. 110; 1983 a. 192; 1991 a. 316

229.22 Auditorium board. (1) The building, maintenance and operation of the institution shall be under the full and complete control of a board of 13 members, designated as the "Auditorium Board" and constituted as follows: Five of the members shall be elected by the corporation, from among its stockholders, for first terms of 1, 2, 3, 4 and 5 years, respectively, and successive terms of 5 years each; and the other members shall consist of the mayor, city attorney, city comptroller, city treasurer, one alderperson member of the library board and a different alderperson member of the board of trustees of the public museum, of the city, selected respectively by the library board and the board of trustees and 2 alderpersons appointed by the president of the common council for terms of 5 years. An alderperson appointed by the president shall serve only while serving as alderperson.

(2) Within 10 days after the members of said board shall have been elected or appointed as aforesaid they shall hold a meeting and shall elect a president, a vice president, a secretary and a treasurer from their number, who shall hold office until the 4th Tuesday of April of the next following even-numbered year, and shall thereafter be elected biennially on the 4th Tuesday in April of the even-numbered years, for a term of 2 years. The treasurer shall, immediately upon election, furnish to the board a bond equal to the amount of such funds as may come into the treasurer's hands.

(3) If the auditorium corporation is dissolved under s. 229.21 (5), or its operation and existence is terminated by action of the corporation, by a court of competent jurisdiction or by any other means and certification of the termination is recorded in the office of the register of deeds of Milwaukee county, then the common council shall create, by ordinance or resolution, a new board to be designated as the "Auditorium Board" which shall be responsible for the building maintenance and operation of the institution. The common council shall determine, by ordinance or resolution, the number of members of the board, their manner of appointment and the terms for which they are appointed. Upon creation and

appointment of members of the board created under this subsection, the board created under sub. (1) shall terminate its activities and shall cease to exist.

(4) The common council may merge, by ordinance or resolution, the auditorium board created under sub. (3) with the exposition and convention center and arena board under s. 229.26. If the boards are merged, the council shall also determine the number of members of the merged board, their manner of appointment and the length of the terms for which they are appointed. Upon creation and appointment of the merged board under this subsection the boards created under sub. (3) and s. 229.26 shall terminate their operation and cease to exist. The merged board shall be responsible for the operation and maintenance of the auditorium facility and shall have the duties and powers under s. 229.26.

History: 1971 c. 152 s. 29; Stats. 1971 s. 229.22; 1973 c. 35; 1975 c. 47; 1979 c. 110; 1985 a. 177; 1991 a. 316; 1993 a. 184, 301.

229.23 Property and finance. (1) The title to all property acquired for the purposes of said institution shall be in the name of said city, and shall be held by said city perpetually for such purposes.

(2) Before incurring any liability, the auditorium board shall by resolution determine the amount of money necessary for the purposes of said institution; and thereupon said corporation shall pay into the auditorium fund one-half thereof, in such instalments as may be required and agreed upon. All receipts on account of said institution shall be paid into, and all expenditures defrayed from the auditorium fund.

(3) If any such institution shall at any time when there shall be outstanding no bonds issued under s. 229.21 (7) become profit-earning, over and above the expense of maintenance, repairs, insurance and other expenses connected with the operation thereof, the net profits arising from the original auditorium shall be separated from those arising from the addition, and the net profits arising from the original auditorium shall be divided equally between said corporation and the city treasury, and the net profits from said addition shall be paid into the city treasury, the amounts paid into the city treasury from either source to be credited to the general city fund. If, however, at any time there shall be outstanding bonds issued under s. 229.21 (7), any net profit from such auditorium and such addition shall be applied from time to time, or held by the treasurer to apply on the interest and principal of said bonds.

History: 1971 c. 152 ss. 29, 38; Stats. 1971 s. 229.23.

229.24 Operation. (1) The auditorium board shall regulate and control the use of said institution, and fix the terms and conditions of its use; and shall do all things necessary for the maintenance and operation thereof.

(2) Said institution shall be used primarily for public meetings, conventions, expositions, and other purposes of a public nature, which are hereby declared to be public purposes; but not for exhibits or trade shows if a charge is made for space occupied by any exhibitor or when an admission fee is exacted.

(3) When not in use for any of said primary purposes, the board may rent said institution, or any part thereof, on such terms and for such purposes as may be deemed advisable and not inconsistent with said primary purposes.

(4) (a) The word "convention" when used in this subsection means a county, state or national assembly of duly authorized, chosen or elected delegates or representatives meeting to accomplish some specific commercial, industrial, labor, civil, social, scientific or educational object.

(b) The term "patriotic affairs" in this subsection means affairs given for the encouragement and support of the government in time of war, or for the benefit and support of soldiers, sailors or marines who have been, or are in the service of the United States, including memorial exercises, exhibitions, fairs, reunions, entertainments, or barracks for such persons, and to all of which affairs the public is admitted without charge.

(c) When not in use for any of its primary purposes, the common council of said city may authorize the gratuitous use of said institution, or any part thereof, for the purposes of conventions, or for offices, class rooms, studios, gymnasiums, lodge rooms, or accommodations for any industrial, commercial, scientific, educational, fraternal, musical, or labor organization which in its opinion will prove a public benefit to the city and promote the welfare and public interests of its citizens and to which said citizens are admitted without charge; and said purposes are hereby declared to be public purposes.

(d) Whenever the common council shall approve the gratuitous use of the institution for the particular conventions and purposes specified in this subsection, said common council shall appropriate to the auditorium fund the usual and customary rentals charged therefor. The aggregate amount to be so expended may be made a part of the annual budget, as provided by ch. 65, 1943 stats.

History: 1971 c. 152 s. 29; Stats. 1971 s. 229.24; 1975 c. 94 s. 91 (9).

229.25 Annual report. The auditorium board shall report annually to the common council all receipts into and disbursements from the auditorium fund, and the balance on hand.

History: 1971 c. 152 s. 29; Stats. 1971 s. 229.25.

229.26 Exposition center. (1) Any city of the 1st class may in addition to all other powers conferred upon it establish and maintain a convention complex and exposition center, hereinafter termed "convention institution", for the purpose of holding conventions, public meetings, expositions, exhibits, trade shows, gatherings, conferences and other related purposes of a public nature which are hereby declared to be public purposes.

(2) The building, maintenance and operation of the convention institution shall be under the complete and autonomous control of a board which shall act independently and shall be designated as the "(city) Exposition and Convention Center and Arena Board". Such board shall be composed of the number of members as provided for by resolution adopted by the common council of such city. The common council shall prescribe the terms of members of the board and shall designate the manner in which they shall be selected. The board may sue and be sued.

(3) The board shall have complete maintenance, supervision, control and operation of the convention institution and it shall regulate, control and designate the use thereof. The board shall also fix the terms and conditions for its use and do all things necessary for the maintenance and operation thereof and it shall handle all finances of the convention institution.

(4) Title to all property real or personal of the convention institution shall be in the name of such city and shall, except as provided in s. 229.47, be held by such city for such purposes, but the board shall determine the use to which such property shall be devoted as provided for in this section.

(4m) A common council that creates a convention institution under this section may dissolve the convention institution and the convention institution's board and transfer all of the assets and liabilities owned or administered by the convention institution if the common council enters into a transfer agreement under s. 229.47 with a district that has jurisdiction over the territory in which the convention institution is located.

(5) The common council of such city may appropriate such sums as may be required to supplement revenues of the convention institution in order for the board to regulate, control and operate the convention institution. The board may receive gifts and contributions from any source as in the judgment of such board shall be consistent and in keeping with the general operations and public purpose of the convention institution.

(6) The common council may by resolution adopted by it impose additional duties and responsibilities upon the board in connection with the operation, maintenance and control of such convention institution, however, the board shall itself determine the manner in which such operation shall be performed.

(7) In addition to all other powers of the board, the board may hire and retain personnel including the selection of a general manager for the convention institution and the board shall determine the manner of selection of all of its employees. The board shall establish the compensation for its personnel but shall relate as far as possible to general wage rates of such city of the 1st class for comparable work performed. The board may also enter into contracts on behalf of the board without first obtaining approval of the common council of such city and such contracts may be entered into with respect to all matters which relate to the operation, control and use of the convention institution as determined by the board.

(8) The board shall report annually or more frequently as the common council so determines with respect to all receipts and disbursements of the board, balances of the board's funds and all other matters which bear upon the board's operations. Expenditures made by the board from funds under its control shall not require prior approval of the common council of such city.

(10) If the employees who perform services for the board are included within one or more collective bargaining units under subch. IV of ch. 111 that do not include other employees of the sponsoring municipality, and a collective bargaining agreement exists between the sponsoring municipality and the representative of those employees in any such unit, and if the common council enters into a transfer agreement under s. 229.47, the board shall transfer its functions under that collective bargaining agreement to a local exposition district under subch. II in accordance with the transfer agreement. Upon the effective date of the transfer, the local exposition district shall carry out the functions of the employer under that agreement. Notwithstanding s. 111.70 (4) (d), during the term of any such collective bargaining agreement that is in effect at the time of the transfer, the existing collective bargaining unit to which the agreement applies shall not be altered.

History: 1971 c. 257; 1975 c. 47; 1993 a. 263

229.27 Municipal theater. (1) Any city of the 1st class may, in addition to all other powers conferred upon it, establish and maintain a municipal theater hereinafter termed "theater", for the purpose of providing a community facility to further the advancement of the performing arts and other related purposes of a public nature which are hereby declared to be public purposes.

(2) An independent board shall be designated by the local governing body as the "(City) Theater Board". The board shall be composed of the number of members as provided for by resolution adopted by the local governing body of the city. The local governing body shall prescribe the terms of members of the board. Members shall be appointed by the mayor and confirmed by the local governing body.

(3) The board shall have complete and autonomous control of the building, maintenance, supervision and operation of the theater; and shall regulate, control and designate the use thereof. The board shall also fix the terms and conditions for use of the theater and do all things necessary for the maintenance and operation thereof and shall handle all finances of the theater. The board shall also contract or otherwise provide for personnel and other services and rentals necessary for the operation of the facility. The board may sue and be sued.

(4) Title to all property, real or personal, of the theater shall be in the name of such city and shall be held by such city perpetually for such purposes, but the board shall determine the use to which such property shall be devoted under this section. The theater board shall not transfer title or property to the county.

(5) The local governing body of such city may appropriate such sums as may be required to supplement revenues of the theater in order for the board to regulate, control and operate the theater. As in the judgment of such board shall be consistent and in keeping with the general operation and public purposes of the theater, the board may receive, hold and manage any devise, bequest,

donation or loan for the establishment, increase or maintenance thereof, under such regulations and conditions as may be prescribed pursuant to law or agreed upon by and between the donors and the board.

(6) The local governing body may by resolution adopted by it impose additional duties and responsibilities upon the board in connection with the operation, maintenance and control of the theater, however the board shall itself determine the manner in which such operations shall be performed.

(7) In addition to all other powers of the board, the board may hire and retain all personnel, or contract or designate responsibility for the supervision of the theater and the board shall determine the manner of selection of all of its employees, contracts or designees. The board shall establish the compensation for its personnel. The board may enter into contracts on behalf of the board without first obtaining approval of the local governing body of the city, and such contracts may be entered into with respect to all matters which relate to the operation, control and use of the theater as determined by the board.

(8) The board shall report annually or more frequently as the local governing body so determines with respect to all receipts and disbursements of the board, balances of the board's funds and all other matters which bear upon the board's operations. Expenditures made by the board from funds under its control shall not require the approval of the local governing body of the city.

(9) Notwithstanding any other provision of this section, all actions of the board may be reviewed, modified or nullified by appropriate action of the local governing body.

History: 1977 c. 134.

SUBCHAPTER II

LOCAL EXPOSITION DISTRICTS

229.41 Definitions. In this subchapter:

(2) "Board of directors" means the board of directors of a district.

(3) "Bond" means any bond, note or other obligation of a district issued under this subchapter.

(3m) "Bond resolution" means a resolution of the board of directors authorizing the issuance of, or providing terms and conditions related to, bonds and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for bonds.

(4) "Chief executive officer" means, as to a sponsoring municipality, the mayor or city manager of a city, the village president of a village or the county executive of a county or, if the county does not have a county executive, the chairperson of the county board of supervisors.

(4m) "District" means a special purpose district created under this subchapter.

(5) "Enabling resolution" means a resolution, or an amendment of a resolution, adopted by the governing body of a sponsoring municipality and signed by the chief executive officer to create a district.

(6) "Exposition center" means one or more related structures, including fixtures and equipment, owned, operated or leased by a district and used primarily for conventions, expositions, trade shows, musical or dramatic events or other events involving educational, cultural or commercial activities, and not primarily for recreational or sporting activities.

(7) "Exposition center facilities" means land or structures, including fixtures and equipment, owned, operated or leased by a district that are used primarily to support the activities of an exposition center, and are functionally related to the exposition center, such as offices, parking lots and garages, storage or loading facilities, access ways, transportation facilities, restaurants and stores.

(8) "Exposition center site" means land owned, operated or leased by a district upon which an exposition center or exposition center facilities exist or may be constructed.

(9) "Private sector entity" means an entity that is not a public sector entity.

(10) "Public sector entity" means this state, a city, village, town or county or a quasi-governmental entity.

(11) "Sponsoring municipality" means any city, village, town or county that creates a district either separately or in combination with another city, village, town or county.

(12) "Transfer agreement" means the contract between a district and a sponsoring municipality that provides the terms and conditions upon which the ownership and operation of an exposition center and exposition center facilities are transferred from a sponsoring municipality to the district.

History: 1993 a. 263

229.42 Creation and organization. (1) A sponsoring municipality may create a special purpose district that is a unit of government, that is a body corporate and politic, that is separate and distinct from, and independent of, the state and the sponsoring municipality, and that has the powers under s. 229.44, if the sponsoring municipality does all of the following:

(a) Adopts an enabling resolution, subject to sub. (2), that does all of the following:

1. Declares the need for establishing the district.
2. Contains findings of public purpose.
3. Names the district.
4. Contains a description of the exposition center to be developed, owned, leased or operated by the district.
5. If the sole sponsoring municipality is a 1st class city, states that the municipality agrees to stop imposing and collecting its room tax under s. 66.75 (1m) (a).

(b) Files copies of the enabling resolution with the secretary of administration, the secretary of revenue and the county executive, if the sponsoring municipality is not a county.

(2) A district may have more than one sponsoring municipality if each sponsoring municipality is identified in a substantially similar enabling resolution that is adopted by the governing body of each sponsoring municipality within a 90-day period commencing with the date of adoption of the first enabling resolution.

(3) The district shall be governed by its board of directors and, except for the 3rd member described under sub. (4) (d) who is either a chief executive officer of a municipality or a resident of the district, may not act until all of the persons appointed to its board are certified under s. 229.435. The board of directors shall adopt bylaws to govern the district's activities, subject to this subchapter.

(4) If the sole sponsoring municipality is a 1st class city, the board of directors shall consist of 15 members, who shall be qualified and appointed, subject to sub. (7) (b), as follows:

(a) Two members, who shall be residents of the sponsoring municipality and primarily employes or officers of a private sector entity, shall be appointed by the chief executive officer of the sponsoring municipality.

(b) Three members, each of whom shall be a resident of the sponsoring municipality and primarily an employe or officer of a public sector entity, shall be appointed by the president of the governing body of the sponsoring municipality and the president may appoint himself or herself.

(c) One member shall be the comptroller of the sponsoring municipality, except that if the sponsoring municipality does not have a comptroller one member shall be the chief financial officer of the sponsoring municipality.

(d) Three members, 2 of whom shall be primarily employes or officers of a private sector entity, shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located and the 2 private sector entity members

shall reside in the county but may not reside in the sponsoring municipality. The 3rd member shall be the chief executive officer of a municipality that contributes a minimum of five-fourteenths of its room tax to an entity which promotes tourism and conventions within the jurisdiction of the district, as that term is used in s. 229.43, except that if no municipality makes this minimum contribution the 3rd member shall be a resident of the district. The room tax contribution shall be at least \$150,000 each year. The chief executive officer appointed under this paragraph shall serve a term that expires 2 years after his or her appointment, or shall serve until the expiration of his or her term of elective office, whichever occurs first.

(e) Four members, one of whom shall be the secretary of administration, or the secretary's designee, and 3 of whom shall be primarily employes or officers of a private sector entity, who shall be appointed by the governor. Of the 3 members who are officers or employes of a private sector entity, at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the food and beverage industry and at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the lodging industry. At least 2 of the appointees under this paragraph shall reside in the district's jurisdiction but may not reside in the sponsoring municipality.

(f) Two members, each of whom shall be a chairperson of the joint committee on finance, or his or her designee if the designee is a member of the joint committee on finance.

(5) (a) If a district has 2 or more sponsoring municipalities, one of which is a 1st class city, the board of directors shall consist of 8 members appointed by the chief executive officers of the sponsoring municipalities. The allocation of appointments by the chief executive officers and the expiration dates of the terms of office shall be specified in the enabling resolutions. The directors shall be subject to sub. (7) (a).

(b) If a district has 2 or more sponsoring municipalities, none of which is a 1st class city, the board of directors shall consist of 6 members appointed by the chief executive officer of each sponsoring municipality. The allocation of appointments by the chief executive officers and the expiration dates of the terms of office shall be specified in the enabling resolutions. The directors shall be subject to sub. (7) (a).

(6) If the sole sponsoring municipality is not a 1st class city, the board of directors shall consist of 6 members, all of whom shall reside in the area of the district's jurisdiction and shall be appointed by the sponsoring municipality's chief executive officer, subject to sub. (7) (a). The expiration dates of the members' terms of office shall be specified in the enabling resolution. Three of the directors shall be elected or appointed public officials of the sponsoring municipality, one shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has a significant involvement with the hotel, motel and lodging industry, one shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has a significant involvement with the food and beverage industry and one shall be an at-large appointment who is an employe or officer of a private sector entity.

(7) (a) Appointments by the chief executive officer under subs. (5) and (6) shall be subject to confirmation by the governing body of the sponsoring municipality. The terms of office of the public sector members of the board of directors shall be 3 years and shall expire upon the earlier of a date specified in the enabling resolution or the expiration of their respective terms of public office. The terms of office of the members who are officers or employes of a private sector entity shall be 3 years, except that for the initial appointments for a newly created district one-third of the appointments of such members shall be for one year, one-third shall be for 2 years and one-third shall be for 3 years. If the number of members who are officers or employes of a private sector entity is not divisible by 3, for the initial appointments of such

members for a newly created district, approximately one-third of the appointments shall be for one year, approximately one-third shall be for 2 years and approximately one-third shall be for 3 years. No members who are officers or employees of a private sector entity may serve more than 2 consecutive full terms. Members may be removed from the board of directors prior to the expiration of their terms only by the chief executive officer and only for malfeasance or nonfeasance in office.

(b) 1. Subject to subs. 2. and 3., the terms of office of the members of the board shall be 3 years, except that for the initial appointments for a newly created district, as specified in the enabling resolution, 4 of the appointments shall be for one year, 4 appointments, including the 3 members appointed under sub. (4) (d), shall be for 2 years and 4 appointments shall be for 3 years. The cochairpersons of the joint committee on finance or their designees shall serve on the board for a term that is concurrent with their terms in office and the comptroller's appointment shall be for the comptroller's tenure in his or her position. No member who is an officer or employee of a private sector entity may serve more than 2 consecutive full terms.

2. The term of a public sector member shall expire or terminate upon the earliest occurrence of one of the following:

- a. The term for which he or she was appointed expires.
- b. The member's term in public office expires.
- c. The member is removed by his or her appointing authority for malfeasance or nonfeasance in office.

3. The term of a member who is an officer or employee of a private sector entity shall expire or terminate upon the earliest occurrence of one of the following:

- a. The term for which he or she was appointed expires.
- b. A member that is subject to a residency requirement establishes a nonqualifying residence.
- c. A member that is appointed as a member from the food and beverage industry or the lodging industry no longer qualifies as an industry representative as described in sub. (4) (e).
- d. The member is removed by his or her appointing authority for malfeasance or nonfeasance in office.

(8) The board of directors shall elect from its membership a chairperson, a vice chairperson, a secretary and a treasurer. A majority of the current membership of the board of directors constitutes a quorum to do business. Except as provided in ss. 66.75 (1m) (b) and 77.981, the district may take action based on the affirmative vote of a majority of a quorum.

(9) The members of the board of directors shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties.

History: 1993 a 263.

229.43 Jurisdiction. A district's jurisdiction is the sponsoring municipality's geographical area, except that, if the sponsoring municipality is a 1st class city, the district's jurisdiction is that city and each city and village that is wholly or partly contained within the most populous county in which that city is located and except that no territory may be included within the jurisdiction of more than one district.

History: 1993 a 263.

229.435 Certification of board members. Within 30 days after a sponsoring municipality files an enabling resolution under s. 229.42 (1) (b), each person who may appoint members to a board of directors under s. 229.42 (4), (5) or (6) shall certify to the department of administration the names of the persons appointed to the board of directors under s. 229.42 (5) or (6) or, if the sole sponsoring municipality is a 1st class city, the names of the persons appointed to the board of directors under s. 229.42 (4).

History: 1993 a 263.

229.44 Powers of a district. A district has all of the powers necessary or convenient to carry out the purposes and provi-

sions of this subchapter. In addition to all other powers granted by this subchapter, a district may do any of the following:

- (1) Adopt and alter an official seal.
- (2) Sue and be sued in its own name, plead and be impleaded.
- (3) Maintain an office.
- (4) Do any of the following in connection with an exposition center and exposition center facilities:

(a) Acquire, construct, equip, maintain, improve, operate and manage the exposition center and exposition center facilities, or engage other persons to do these things.

(b) Acquire, lease, use or transfer property. With the approval of all sponsoring municipalities of the district, the district may acquire property by condemnation using the procedure under s. 32.05 or 32.06.

(c) Improve real property.

(d) Enter into contracts. All contracts, the estimated costs of which exceed \$30,000, except contracts subject to s. 229.46 (5) and contracts for personal or professional services, shall be subject to bid and shall be awarded to the lowest qualified and competent bidder. The district may reject any bid that is submitted under this paragraph.

(e) Grant concessions.

(5) Employ personnel, and fix and regulate their compensation; and provide, either directly or subject to an agreement under s. 66.30 or 229.47 as a participant in a benefit plan of another governmental entity, any employee benefits, including an employee pension plan.

(6) Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity under s. 66.30 or 229.47, participate in a governmental plan of insurance or self-insurance.

(7) Mortgage, pledge or otherwise encumber the district's property or funds.

(8) Issue bonds under ss. 229.48 to 229.56 and enter into agreements related to the issuance of bonds, including liquidity and credit facilities, remarketing agreements, insurance policies, guaranty agreements, letter of credit or reimbursement agreements, indexing agreements, interest exchange agreements and currency exchange agreements.

(9) Maintain funds and invest the funds in any investment that the board considers appropriate.

(10) Direct its agents or employees, if properly identified in writing, to enter upon real property within its jurisdiction to make surveys and examinations before locating or constructing an exposition center or exposition center facilities, without incurring liability by the district, its agents or employees except for actual damage done. Before directing anyone to enter real property under this subsection, the district shall give the owner and occupant of the property at least 5 days' written notice.

(11) Promote, advertise and publicize its exposition center, exposition center facilities and related activities.

(12) Set standards governing the use of, and the conduct within, its exposition center and exposition center facilities in order to promote public safety and convenience and to maintain order.

(13) Establish rates or other charges for the use of its exposition center and exposition center facilities or for services rendered by the district.

(14) Enter into partnerships, joint ventures or other arrangements with other persons, including other districts created under this subchapter, to further the district's purposes.

(15) If the district's sponsoring municipality adopts a resolution described under s. 229.50 (1) (a), and if the district's sponsoring municipality agrees to stop imposing and collecting its room tax under s. 66.75 (1m) (a), adopt a resolution to impose the taxes under ss. 66.75 (1m), 77.98 and 77.99, except that, if a district adopts a resolution under this subsection, it shall deliver a certified

copy of the resolution to the secretary of revenue at least 120 days before its effective date.

History: 1993 a. 263

229.45 Powers granted to sponsoring municipality.

In addition to any powers that it may otherwise have, a sponsoring municipality may do any of the following:

(1) Make grants or loans to a district upon terms that the sponsoring municipality considers appropriate.

(2) Expend public funds to subsidize a district.

(3) Borrow money under ss. 67.04 and 67.12 (12) for exposition center facilities or to fund grants, loans or subsidies to a district.

History: 1993 a. 263.

229.46 Certain contracting requirements. (1) In this section:

(a) "Minority business" has the meaning given in s. 66.905 (1) (a).

(b) "Minority group member" has the meaning given in s. 560.036 (1) (f).

(c) "Women's business" means a sole proprietorship, partnership, joint venture or corporation that is at least 51% owned, controlled and actively managed by women.

(2) A person who is awarded a contract by a district shall agree, as a condition to receiving the contract, that at least 25% of the employees hired because of the contract will be minority group members and at least 5% of the employees hired because of the contract will be women if any of the following applies:

(a) The contract is for the construction of any part of an exposition center.

(b) The contract results in the hiring of individuals who will work at the exposition center.

(3) At least 25% of the aggregate dollar value of contracts awarded by the district in the following areas shall be awarded to minority businesses and at least 5% of the aggregate dollar value of contracts awarded by the district in the following areas shall be awarded to women's businesses:

(a) Contracts for the construction of an exposition center.

(b) Contracts entered into by the district for the purchase of services to be performed at the exposition center.

(c) Contracts for the underwriting of bonds.

(3m) It shall be a goal of a district, with regard to each of the contracts described under sub. (3) (a), (b) and (c), to award at least 25% of the dollar value of such contracts to minority businesses.

(4) This section applies only to an exposition center that is being constructed under contracts that are funded by the proceeds of a bond issue that is secured by a special debt service reserve fund under s. 229.50.

(5) Before a district initially constructs an exposition center or exposition center facilities, or enters into contracts for such initial construction, the district shall do all of the following:

(a) Adopt or revise a program statement that includes all of the following:

1. An identification of the functions to be conducted in the exposition center or exposition center facilities.

2. An estimate of the space requirements for the functions described under subd. 1.

3. Minimum design requirements for the spaces described under subd. 2.

4. Site development requirements for the exposition center and exposition center facilities.

5. A maximum cost of the project.

(b) Prescribe criteria for the preparation of requests for proposals for the initial construction of the exposition center and exposition center facilities. The criteria shall include all of the following:

1. The scope of responsibilities of the person or group of persons submitting the proposal.

2. The contractual relationships between a group of persons submitting a proposal.

3. General architectural elements.

4. Electrical systems.

5. Mechanical systems.

6. Plumbing systems.

7. Structural elements.

(c) Solicit competitive sealed proposals for the design and initial construction of the exposition center and exposition center facilities. The panel described under sub. (6) shall evaluate the proposals using a 2-phase selection process. Under the first phase, offerors shall submit information responding to the district's request for proposals, including the experience and past performance of the offerors, a management plan, general concept design features and a price analysis. An offeror may be eliminated from further consideration by the panel without discussion if any minimum requirements of the request for proposal are not met. The panel shall evaluate all first-phase proposals and select not more than 3 offerors to submit 2nd-phase proposals. All 2nd-phase proposals shall include all of the following:

1. Responses to any comments or questions by the panel relating to first phase submissions.

2. Refined initial design concepts, management plan and materials relating to experience and past performance.

3. A development schedule.

4. A guaranteed maximum price for the design and initial construction of the exposition center and exposition center facilities.

5. Detail of any fees, including all professional service and development fees.

6. Evidence that is satisfactory to the panel of the offeror's ability to obtain bonds guaranteeing the offeror's performance and bonds guaranteeing the payment for labor and materials by the offeror in amounts specified by the panel.

7. Any other information and materials requested by the panel.

(d) Publish a class 2 notice under ch. 985 requesting the first-phase proposals described under par. (c). The advertisement shall include the date by which the proposals must be submitted, which shall be at least 7 days after the date of the last insertion of the notice.

(e) Forward to the panel described under sub. (6), for its recommendations, all first-phase and 2nd-phase proposals received under par. (c).

(6) (a) The district shall convene an evaluation panel to make recommendations concerning the competitive sealed proposals that the district solicits and receives under sub. (5). The panel shall consist of the following members:

1. A representative appointed by the chief executive officer of the city with the largest population within the district's jurisdiction, as that term is used in s. 229.43.

2. Two representatives appointed by the secretary of administration, one of whom shall be a registered engineer and one of whom shall be a registered architect.

3. A representative appointed by the district who has experience in the construction of major facilities.

4. The comptroller of the sponsoring municipality with the largest population within the district's jurisdiction, as that term is used in s. 229.43, except that if the sponsoring municipality does not have a comptroller the representative shall be the chief financial officer of the sponsoring municipality.

(b) The panel under par. (a) shall evaluate the proposals and make its recommendations based on the adequacy of the

responses to the information solicited in the district's request for proposals, including the following factors:

1. The guaranteed maximum price.
2. The qualifications of the persons submitting the bids or proposals.
3. The time schedule contained in the proposals.
4. The design quality and suitability of the construction or remodeling plans contained in the proposals.

(7) The district may retain the department of administration or any other consultant to assist in the preparation of the program statement required under sub. (5) (a), the criteria required under sub. (5) (b) or the request for proposals required under sub. (5) (c).

History: 1993 a 263.

229.47 Transfer agreements. A sponsoring municipality may enter into a transfer agreement with a district to provide the terms and conditions upon which the sponsoring municipality may transfer any interests in an existing exposition center and exposition center facilities created under this subchapter or an existing convention institution created under s. 229.26 to the district. The transfer agreement may include provisions for the division of revenues from taxes levied by the district under s. 66.75 (1m) and subchs. VIII and IX of ch. 77 to fund costs incurred by the sponsoring municipality during any transition period in which the sponsoring municipality has continuing responsibility for the operation or maintenance of any exposition center, exposition center facilities or convention institution facilities. A transfer may take the form of a sale, lease or other conveyance and may be with or without financial consideration. A transfer agreement shall require the district to accept an assignment of all contracts with other persons, with respect to a transferred exposition center, exposition center facilities or convention institution facilities, that are in force at the time of transfer. If the employees who perform services for a board created under s. 229.26 (2) are included within one or more collective bargaining units under subch. IV of ch. 111 that do not include other employees of the sponsoring municipality, and a collective bargaining agreement exists between the sponsoring municipality and the representative of those employees in any such unit, the transfer agreement shall require the district to assume the functions of the employer under that collective bargaining agreement as provided in s. 229.26 (10).

History: 1993 a 263.

229.477 Dissolution of a district. Subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, a district may be dissolved by the joint action of the district's board of directors and sponsoring municipality. If the district is dissolved, the property of the district shall be transferred to its sponsoring municipality. If the district was created by more than one sponsoring municipality, the municipalities shall agree on the apportioning of the district's property before the district may be dissolved.

History: 1993 a 263.

229.48 Issuance of bonds. (1) A district may issue bonds for costs and purposes that are related to an exposition center or an exposition center facility, including all of the following:

- (a) Costs of acquiring, constructing, equipping, maintaining or improving an exposition center or an exposition center facility.
- (b) Costs of acquiring or improving an exposition center site.
- (c) Engineering, architectural or consultant fees, costs of environmental or feasibility studies, permit and license fees and similar planning or preparatory costs, that are related to an exposition center or exposition center facility.
- (d) Funding budgeted costs for an exposition center or exposition center facility for the 6-month period immediately following the completion of its construction or acquisition.
- (e) Interest on bonds or on any debt that is retired with the proceeds of bonds, if the interest is incurred or is reasonably expected

to be incurred during the time period beginning a reasonable time period prior to the construction or acquisition of an exposition center or exposition center facility and ending 6 months after the completion of the construction or acquisition.

(f) Expenses related to the authorization, issuance and sale of the bonds.

(g) Funding reserves authorized by the bond resolution.

(1m) For financing purposes, exposition centers and exposition center facilities are public utilities and tax revenues imposed under s. 66.75 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 are property or income of the public utility.

(2) All bonds are negotiable for all purposes, notwithstanding their payment from a limited source. A district may retain the building commission or any other person as its financial consultant to assist with and coordinate the issuance of bonds and shall use the building commission as its financial consultant for bonds secured by a special debt service reserve fund under s. 229.50.

(3) The bonds of each issue shall be payable solely out of revenues of the district specified in the bond resolution under which the bonds are issued.

(4) A district may not issue bonds unless the issuance is first authorized by a bond resolution. Bonds shall bear the dates, mature at the times not exceeding 40 years from their dates of issue, be payable at the times, be in the denominations, be in the form, carry the registration and conversion privileges, be executed in the manner, be payable in lawful money of any sovereign government at the places, and be subject to the terms of redemption, that the bond resolution provides. Bonds shall bear interest at fixed, variable or no interest, as provided in the bond resolution. The bonds shall be executed by the manual or facsimile signatures of the officers of the district designated by the board of directors. The bonds may be sold at public or private sale at the price, in the manner and at the time determined by the board of directors. Pending preparation of definitive bonds, a district may issue interim receipts or certificates that shall be exchanged for the definitive bonds.

(5) A bond resolution may contain provisions, which shall be a part of the contract with the holders of the bonds that are authorized by the bond resolution, regarding any of the following:

- (a) Pledging or assigning specified assets or revenues of the district.
- (b) Setting aside reserves or sinking funds, and the regulation, investment and disposition of these funds.
- (c) Limitations on the purpose to which or the investments in which the proceeds of the sale of any issue of bonds may be applied.
- (d) 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.

(e) Funding, refunding, advance refunding or purchasing outstanding bonds.

(f) Procedures, if any, by which the terms of any contract with bondholders may be amended, the amount of bonds the holders of which must consent to the amendment and the manner in which this consent may be given.

(g) Defining the acts or omissions to act that constitute a default in the duties of the district issuing the bonds to the bondholders, and providing the rights and remedies of the bondholders in the event of a default.

(h) Other matters relating to the bonds that the board of directors considers desirable.

(6) Neither the members of the board of directors nor any person executing the bonds is liable personally on the bonds or subject to any personal liability or accountability by reason of the

issuance of the bonds, unless the personal liability or accountability is the result of wilful misconduct.

History: 1993 a 263.

229.49 Bond security. A district may secure bonds by a trust agreement, trust indenture, indenture of mortgage or deed of trust by and between the district and one or more corporate trustees. A bond resolution providing for the issuance of bonds so secured may mortgage, pledge, assign or grant security interests in some or all of the revenues and property of the district issuing the bonds and may contain those provisions for protecting and enforcing the rights and remedies of the bondholders that are reasonable and proper and not in violation of law. A bond resolution may contain other provisions determined by the board of directors to be reasonable and proper for the security of the bondholders.

History: 1993 a 263.

229.50 Special debt service reserve funds.

(1) ESTABLISHMENT OF SPECIAL DEBT SERVICE RESERVE FUNDS. A district may establish one or more special funds to secure its bonds, referred to in this subchapter as special debt service reserve funds, if, prior to each issuance of bonds to be secured by the special debt service reserve fund, the secretary of administration determines that all of the following conditions are met with respect to the bonds:

(a) *Substantial statewide public purpose.* The proceeds of the bonds, other than refunding bonds, will be used in connection with an exposition center, or an exposition center facility used primarily to support the activities of an exposition center, that serves a substantial statewide public purpose. An exposition center serves a substantial statewide public purpose if all of the following conditions are met:

1. Each sponsoring municipality of the district adopts a resolution that certifies that the exposition center meets all of the following conditions:

a. The exposition center includes or will include an exhibition hall of at least 100,000 square feet.

b. The exposition center is reasonably projected to support at least 2,000 full-time equivalent jobs.

c. The exposition center is reasonably projected to stimulate at least \$6,500,000,000 in total spending in the state over the 30-year period beginning on the date on which the bonds are issued.

d. The exposition center is reasonably projected to attract at least 50,000 out-of-state visitors annually.

e. The exposition center is reasonably projected to generate at least \$150,000,000 of incremental state income, franchise and sales tax revenues over the 30-year period beginning on the date on which the bonds are issued.

2. Each sponsoring municipality sends a copy of the resolution adopted under subd. 1. to the secretary of administration and the secretary of revenue.

3. Neither the secretary of administration nor the secretary of revenue determines that a resolution provided under subd. 2. does not meet the conditions under subd. 1. If a secretary makes a determination under this subdivision, the secretary shall provide written notice of his or her determination and the reasons for his or her determination to each sponsoring municipality of the district within 30 days after receiving a copy of all resolutions under subd. 2. A determination under this subdivision is not subject to review under ch. 227, but sponsoring municipalities may resubmit resolutions under subd. 1. at any time after a secretary issues a determination under this subdivision.

(b) *Feasibility.* The proceeds of bonds, other than refunding bonds, will be used for feasible projects and there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund that secures the bonds. The secretary of administration may not make the determinations required under this paragraph unless a majority of the authorized members of the district's board has voted that,

if the balance in a special debt service reserve fund of the district is less than the requirement under sub. (5), the room tax imposed by the district under s. 66.75 (1m) (b) is 3% of total room charges and the food and beverages tax imposed by the district under s. 77.981 is 0.5% of gross receipts. In addition, the secretary of administration may make the determinations required under this paragraph only after considering all of the following:

1. Whether a pledge of the gross tax revenues of the district is made under the bond resolution.

2. Whether the tax revenues of the district will be paid directly to the trustee of the bonds.

3. Revenue projections for the projects to be financed by the bonds and the reasonableness of the assumptions on which these revenue projections are based.

4. The proposed interest rates of the bonds and the resulting cash-flow requirements.

5. Whether the projected ratio of annual tax revenues to annual debt service of the district, taking into account capitalized interest, is 135% or greater.

6. Whether an understanding exists providing for repayment by the district to the state of all amounts appropriated to the special debt service reserve fund pursuant to sub. (7).

7. Whether the district has agreed to provide the department of administration with all financial reports of the district and all regular monthly statements of the trustee of the bonds on a direct and ongoing basis.

8. Whether the district has agreed that the department of administration will have direct and immediate access, at any time and without notice, to all records of the district.

(c) *Limit on bonds issued.* The amount of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the district will not exceed \$200,000,000.

(d) *Use of net proceeds.* Not more than \$170,000,000 of the total net proceeds of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the district will be used for the purposes specified under s. 229.48 (1) (a) to (c), except that no proceeds of the bonds secured by a special debt service reserve fund may be used to remodel or refurbish an existing exposition center or existing exposition center facilities transferred under a transfer agreement under s. 229.47.

(e) *Date of issuance.* The bonds, other than refunding bonds, will be issued no later than April 1, 1999.

(f) *Transfer agreement.* A sponsoring municipality of the district issuing the bonds has entered into a transfer agreement under s. 229.47 that transfers to the district the sponsoring municipality's interests in an existing exposition center and exposition center facilities created under this subchapter or in an existing convention institution under s. 229.26.

(g) *Refunding bonds.* All refunding bonds to be secured by the special debt service reserve fund meet all of the following conditions:

1. The refunding bonds are to be issued to fund, refund or advance refund bonds secured by a special debt service reserve fund.

2. The refunding of bonds by the refunding bonds was determined by the secretary of administration not to adversely affect the risk that the state will be called on to make a payment under sub. (7).

(2) PAYMENT OF FUNDS INTO A SPECIAL DEBT SERVICE RESERVE FUND. A district shall pay into each of these special debt service reserve funds any moneys appropriated and made available by the state for the purposes of the special debt service reserve fund, any proceeds of a sale of bonds to the extent provided in the bond resolution authorizing the issuance of the bonds and any other moneys that are made available to the district for the purpose of the special debt service reserve fund from any other source.

(3) USE OF MONEYS IN THE SPECIAL DEBT SERVICE RESERVE FUND. All moneys held in any special debt service reserve fund of

a district, except as otherwise specifically provided, shall be used, as required, solely for the payment of the principal of bonds secured in whole or in part by the special debt service reserve fund, the making of sinking fund payments with respect to these bonds, the purchase or redemption of these bonds, the payment of interest on these bonds or the payment of any redemption premium required to be paid when these bonds are redeemed prior to maturity. If moneys in a special debt service reserve fund at any time are less than the special debt service reserve fund requirement under sub. (5) for the debt service reserve fund, the district may not use these moneys for any optional purchase or optional redemption of the bonds. Any income or interest earned by, or increment to, any special debt service reserve fund due to the investment of moneys in the special debt service reserve fund may be transferred by the district to other funds or accounts of the district to the extent that the transfer does not reduce the amount of the special debt service reserve fund below the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund.

(4) LIMITATION ON BONDS SECURED BY A SPECIAL DEBT SERVICE RESERVE FUND. A district shall accumulate in each special debt service reserve fund an amount equal to the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund. A district may not at any time issue bonds secured in whole or in part by a special debt service reserve fund if upon the issuance of these bonds the amount in the special debt service reserve fund will be less than the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund, unless the district, at the time that it issues the bonds, deposits in the special debt service reserve fund from the proceeds of the bond issuance, or from other sources, an amount that, together with the amount then in the special debt service reserve fund, will not be less than the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund.

(5) SPECIAL DEBT SERVICE RESERVE FUND REQUIREMENT. The special debt service reserve fund requirement for a special debt service reserve fund, as of any particular date of computation, is equal to an amount of money, as provided in the bond resolution authorizing the bonds with respect to which the special debt service reserve fund is established, that may not exceed the maximum annual debt service on the bonds of the district for that fiscal year or any future fiscal year of the district secured in whole or in part by that special debt service reserve fund. In computing the annual debt service for any fiscal year, bonds deemed to have been paid in accordance with the defeasance provisions of the bond resolution authorizing the issuance of the bonds shall not be included in bonds outstanding on such date of computation. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all of the following calculated on the assumption that the bonds will, after the date of computation, cease to be outstanding by reason, but only by reason, of the payment of bonds when due, and the payment when due, and application in accordance with the bond resolution authorizing those bonds, of all of the sinking fund payments payable at or after the date of computation:

(a) All interest payable during the fiscal year on all bonds that are secured in whole or in part by the special debt service reserve fund and that are outstanding on the date of computation.

(b) The principal amount of all of the bonds that are secured in whole or in part by the special debt service reserve fund, are outstanding on the date of computation and mature during the fiscal year.

(c) All amounts specified in bond resolutions of the district authorizing any of the bonds that are secured in whole or in part by the special debt service reserve fund to be payable during the fiscal year as a sinking fund payment with respect to any of the bonds that mature after the fiscal year.

(6) VALUATION OF SECURITIES. In computing the amount of a special debt service reserve fund for the purposes of this section,

securities in which all or a portion of the special debt service reserve fund is invested shall be valued at their fair market value.

(7) STATE MORAL OBLIGATION PLEDGE. If at any time the special debt service reserve fund requirement under sub. (5) for a special debt service reserve fund exceeds the amount of moneys in the special debt service reserve fund, the board of directors of the district shall certify to the secretary of administration, the governor, the joint committee on finance and the governing body of the sponsoring municipality the amount necessary to restore the special debt service reserve fund to an amount equal to the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund. If this certification is received by the secretary of administration in an even-numbered year prior to the completion of the budget compilation under s. 16.43, the secretary shall include the certified amount in the budget compilation. In any case, the joint committee on finance shall introduce in either house, in bill form, an appropriation of the amount so certified to the appropriate special debt service reserve fund of the district. Recognizing its moral obligation to do so, the legislature hereby expresses its expectation and aspiration that, if ever called upon to do so, it shall make this appropriation.

History: 1993 a. 263.

229.52 Bonds not public debt. **(1)** The state and a sponsoring municipality are not liable on bonds and the bonds are not a debt of the state or a sponsoring municipality. All bonds shall contain a statement to this effect on the face of the bond. A bond issue does not, directly or indirectly or contingently, obligate the state or a political subdivision of the state to levy any tax or make any appropriation for payment of the bonds.

(2) Nothing in this subchapter authorizes a district to create a debt of the state or a sponsoring municipality, and all bonds issued by a district are payable, and shall state that they are payable, solely from the funds pledged for their payment in accordance with the bond resolution authorizing their issuance or in any trust indenture or mortgage or deed of trust executed as security for the bonds. The state and a sponsoring municipality are not liable for the payment of the principal of or interest on a bond or for the performance of any pledge, mortgage, obligation or agreement that may be undertaken by a district. The breach of any pledge, mortgage, obligation or agreement undertaken by a district does not impose pecuniary liability upon the state or a sponsoring municipality or a charge upon its general credit or against its taxing power.

History: 1993 a. 263.

229.53 State pledge. The state pledges to and agrees with the bondholders, and persons that enter into contracts with a district under this subchapter, that the state will not limit or alter the rights and powers vested in a district by this subchapter, including the rights and powers under s. 229.44 (15), before the district has fully met and discharged the bonds, and any interest due on the bonds, and has fully performed its contracts, unless adequate provision is made by law for the protection of the bondholders or those entering into contracts with a district.

History: 1993 a. 263.

229.55 Trust funds. All moneys received under this subchapter, whether as proceeds from the sale of bonds or from any other source, are trust funds to be held and applied solely as provided in this subchapter. Any officer with whom, or any bank or trust company with which, those moneys are deposited shall act as trustee of those moneys and shall hold and apply the moneys for the purposes of this subchapter, subject to this subchapter and the bond resolution authorizing issuance of the bonds.

History: 1993 a. 263.

229.56 Funding and refunding bonds. **(1)** A district may issue bonds to fund or refund any outstanding bond, including the payment of any redemption premium on the outstanding

bond and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity.

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

History: 1993 a. 263.

229.57 Budgets; rates and charges; audit. A district shall adopt a calendar year as its fiscal year for accounting purposes. The board of directors shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the district and to pay interest, amortization, and retirement charges on bonds. The district shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant.

History: 1993 a. 263.