

1983 Assembly Bill 451

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1983 Wisconsin Act 81

AN ACT to amend 234.03 (11), (19) and (20), 234.034, 234.24 and 234.265; and to create 234.01 (5b), (5e) and (5k), 234.03 (21), 234.08 (7), 234.145, 234.80 and 560.087 of the statutes, relating to renaming the Wisconsin housing finance authority, creating an export loan program and granting rule-making authority.

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

SECTION 1. Legislative Declaration.. It is declared that:

(1) The high cost and lack of availability of loans issued at a fixed rate of interest make it difficult for small- and medium-sized export businesses in this state to continue their present employment levels or to expand employment.

(2) Unemployment puts additional pressure on this state's welfare and unemployment compensation programs and adversely affects the health, safety and general welfare of the residents of this state.

(3) It is a valid public purpose to establish mechanisms that will encourage and increase the availability of debt capital for the expansion of export business activity in this state if the mechanisms increase employment and tax revenue.

SECTION 2. 234.01 (5b), (5e) and (5k) of the statutes are created to read:

234.01 (5b) "Exporter" means an individual, firm, partnership, corporation or association, other than an export trade company, which makes or distributes producer or consumer goods or commodities or provides services for sale outside the United States.

(5e) "Export loan" means a loan to finance an export sale.

(5k) "Financial institution" means a bank, savings and loan association, credit union, insurance company, finance company, mortgage banker, community development corporation, small business investment corporation, pension fund or other lender which provides commercial loans in this state.

SECTION 3. 234.03 (11), (19) and (20) of the statutes are amended to read:

234.03 (11) To collect fees and charges on mortgage loans and export loans for the purpose of paying all or a portion of authority costs as the authority determines are reasonable and as approved by the authority.

(19) To consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification ~~of the rate of interest, time of payment or any instalment of principal or interest, or any other term,~~ of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the authority is a party.

(20) To adopt such rules and set such standards as are necessary to effectuate its corporate purpose with respect to export lending, mortgage lending, construction lending and temporary lending.

SECTION 4. 234.03 (21) of the statutes is created to read:

234.03 (21) To purchase and enter into commitments to purchase all or part of export loans and to lend funds to export trade companies and financial institutions which agree to use the funds immediately to make export loans, if the authority determines that conventional loans are unavailable on reasonably equivalent terms and conditions.

SECTION 5. 234.034 of the statutes is amended to read:

234.034 Consistency with state housing plan. Subject to agreements with bondholders or noteholders, the authority shall exercise its powers and perform its duties related to housing consistent with the state housing plan under s. 560.115.

SECTION 6. 234.08 (7) of the statutes is created to read:

234.08 (7) The authority may, by resolution before issuance, declare any issue of its bonds or notes to be subject to federal income taxation.

SECTION 7. 234.145 of the statutes is created to read:

234.145 Limitation of liability. The authority has no moral or legal obligation or liability to any person except as expressly provided by written contract.

SECTION 8. 234.24 of the statutes is amended to read:

234.24 (title) System of funds and accounts. Subject to agreements with noteholders and bondholders, the authority shall prescribe a system of funds and accounts.

SECTION 9. 234.265 of the statutes is amended to read:

234.265 Records of the authority. All records of the authority shall be open to the public, except those records relating to pending export loans or housing projects which, in the opinion of the authority, must remain confidential to protect the competitive nature of ~~any such housing~~ the loan or project.

SECTION 10. 234.80 of the statutes is created to read:

234.80 Export loan program. (1) (a) The authority may issue its negotiable bonds and notes to finance export loans and to reimburse the department of development for the department's operating costs under sub. (4).

(b) The limits in ss. 234.18, 234.40, 234.50, 234.60 and 234.70 do not apply to bonds and notes issued under this section.

(c) The authority may not have outstanding at any time more than \$50,000,000 in aggregate principal amount of bonds and notes issued under this section, excluding bonds and notes issued to refund outstanding bonds and notes issued under this section.

(cm) No bonds or notes may be issued under this section after June 30, 1986, except bonds or notes issued to refund outstanding bonds and notes issued under this section.

(d) This state is not morally or legally liable on and s. 234.15 (4) does not apply to bonds or notes issued under this section, and all bonds and notes issued under this section shall contain on the face thereof a statement to that effect.

(e) The authority shall employ the state building commission as its financial consultant to assist and coordinate the issuance of bonds and notes under this section.

(2) All financial institutions and export trade companies are eligible to participate in the export loan program.

(3) An export loan may be funded by the authority only if the authority and the department of development comply with the requirements of sub. (4) (a), (b) and (d) and if the authority finds in writing that all of the following conditions are met:

(a) Loan proceeds will finance the sale of producer or consumer goods, commodities, or services having a majority of their export value produced in this state.

(b) The export sale will serve to maintain or increase employment in this state.

(c) The principal amount of the loan does not exceed the lesser of \$5,000,000 or 85% of the export sale amount.

(d) Preference has been given to exporters, each of which, together with all of its affiliates, subsidiaries and parent companies, has current gross annual sales of \$25,000,000 or less.

(e) The loan will not result in an outstanding aggregate loan principal amount exceeding 4% of the amount of bonds and notes authorized under sub. (1) if the loan is made to an exporter which, together with all of its affiliates, subsidiaries and parent company, has current gross annual sales in excess of \$25,000,000.

(f) The term of the loan will be not less than 180 days and not more than 5 years.

(g) The financial institution or export trade company obtains insurance against default from the export-import bank of the United States or the foreign credit insurance association or obtains similar insurance approved by the authority.

(h) The export trade company or financial institution assumes full responsibility for repayment of the loan.

(i) Financing by the export-import bank of the United States or similar financing is unavailable to the exporter on reasonably equivalent terms and conditions.

(4) (a) The department of development shall, in consultation with the authority and the department of agriculture, trade and consumer protection, promulgate rules and adopt procedures, in accordance with the procedures under ch. 227, to implement sub. (3).

(b) An export loan may not be made unless the department of development certifies that each loan complies with sub. (3) (a) to (f). The department of development shall consult with the department of agriculture, trade and consumer protection prior to certifying compliance with sub. (3) (a) to (f) if the loan finances the sale of agricultural commodities.

(c) The department of development and the department of agriculture, trade and consumer protection shall promote the use of export loans by export trade companies and financial institutions.

(d) The authority shall reimburse the department of development for the department's operating costs under this subsection.

(5) On or before July 1, 1985, and every July 1 thereafter, the department of development shall submit to the appropriate standing committee of each house of the legislature, as determined by the presiding officer thereof, a report setting forth all of the following:

(a) Sufficient information to identify the person whose purchase of goods, commodities or services was financed by an export loan and a statement of the amount of the loan.

(b) Sufficient information to identify the person from which goods, commodities or services were purchased under par. (a) and a description of the goods, commodities or services purchased.

(c) The net increase or decrease in employment in this state resulting from each export loan.

SECTION 10m. 560.087 of the statutes is created to read:

560.087 Export advisory committee. (1) The department shall establish an export technical advisory committee consisting of 8 members, with 2 members appointed by the secretary, one of whom shall have extensive experience in export loans and one of whom shall have extensive experience in marketing, 2 members appointed by the executive director of the Wisconsin housing and economic development authority, 2 members appointed by the governor, one of whom shall have extensive experience in public finance and one of whom shall have extensive experience in private finance, and 2 members appointed by the secretary of agriculture, trade and consumer protection, one of whom shall have extensive experience in agricultural exports and one of whom shall have extensive experience in agriculture marketing. Of their 2 appointments the secretary, the secretary of agriculture, trade and consumer protection, the executive director of the Wisconsin housing and economic development authority and the governor shall each appoint at least one person who is not a public employe.

(2) The committee shall make recommendations on the export loan activities of the Wisconsin housing and economic development authority.

SECTION 11. Terminology changes. Wherever the term "housing finance authority" appears in the following sections of the statutes, the term "housing and economic development authority" is substituted: 19.42 (10) (h) and (13) (g), 20.490 (intro.), 25.17 (2) (c), 25.41 (1), 34.01 (1) and (3) to (5), 40.02 (54) (b), 45.71 (1m), 46.28 (1) (a), as affected by 1983 Wisconsin Act 27, 66.395 (6) (b), 66.40 (16), 66.402 (3), chapter 234 (title), 234.01 (1), 234.02 (title) and (1) and 560.06 (1) (a).

SECTION 12. Program responsibility changes. In the sections of the statutes listed in Column A, the program responsibilities references shown in Column B are deleted and the program responsibilities references shown in Column C are inserted:

A	B	C
Statute Sections	References Deleted	References Inserted
15.151 (intro.), as affected by 1983 Wis. Act 27	none	234.80 (4) and (5)

SECTION 13. Cross-reference changes. In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

A	B	C
Statute Sections	Old Cross-References	New Cross-References
234.03 (2m), as affected by 1983 Wis. Act 27	234.08, 234.40, 234.50, 234.60 and 234.70	234.08, 234.40, 234.50, 234.60, 234.70 and 234.80
234.40 (4), as affected by 1983 Wis. Act 27	234.18, 234.50, 234.60 or 234.70	234.18, 234.50, 234.60, 234.70 or 234.80
234.50 (4), as affected by 1983 Wis. Act 27	234.18, 234.40, 234.60 or 234.70	234.18, 234.40, 234.60, 234.70 or 234.80
234.60 (2), as affected by 1983 Wis. Act 27	234.18, 234.40, 234.50 and 234.70	234.18, 234.40, 234.50, 234.70 and 234.80
234.70 (1), as created by 1983 Wis. Act 27	234.18, 234.40, 234.50 and 234.60	234.18, 234.40, 234.50, 234.60 and 234.80