

2001 DRAFTING REQUEST

Bill

Received: 11/01/2000

Received By: kahlepj

Wanted: Soon

Identical to LRB:

For: Administration-Budget 6-7329

By/Representing: Walker

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - bus. dev.

Extra Copies: Fritz Ruf of WHEDA

Pre Topic:

DOA:.....Walker -

Topic:

Aggregate the limits for guarantees under the Wisconsin development reserve fund

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 11/01/2000			_____			State
/P1		csicilia 11/03/2000	kfollet 11/02/2000	_____	lrb_docadmin 11/03/2000		State
			jfrantze 11/03/2000	_____			
/1	kahlepj 01/08/2001	csicilia 01/09/2001	jfrantze 01/09/2001	_____	lrb_docadmin 01/09/2001		State
/2	kahlepj	jdyer	martykr	_____	lrb_docadmin		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	02/06/2001	02/07/2001	02/07/2001	_____	02/07/2001		

FE Sent For:

<END>

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1/2 3/7 jld
1/2 4/9 cmh

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			jfrantze 11/03/2000				

11 cjs 1/8
11/9 *1/9*
 [Handwritten initials and dates]

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1/?	kahlepj	<i>[Signature]</i> /P1 cjs 11/2 00	<i>[Signature]</i> 11/3	<i>[Signature]</i> 11/3 RS			

FE Sent For:

<END>



State of Wisconsin
2001 - 2002 LEGISLATURE

0878/P1
LRB-07737
PJK
cjs

DOA:.....Walker – Aggregate the limits for guarantees under the Wisconsin development reserve fund

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(10-26)

do not
generate

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

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT ✓

ECONOMIC DEVELOPMENT ✓

~~The Wisconsin Housing and Economic Development Authority (WHEDA)~~
administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. Most of the loan guarantee programs are backed by funds in the Wisconsin development reserve fund, although guarantees under the job training loan guarantee program are backed by funds in the Wisconsin job training reserve fund and guarantees under the drinking water loan guarantee program are backed by funds in the Wisconsin drinking water reserve fund.

Each loan guarantee program has a limit on the total outstanding principal amount of all loans that WHEDA may guarantee under the program (guarantee limit). In that way, WHEDA may guarantee more loans under a program as the ~~outstanding principal~~ loans already guaranteed under that program ~~is~~ paid down. The bill combines the guarantee limits under all of the guarantee loan programs that are backed by the Wisconsin development reserve fund into one overall guarantee limit of \$54,900,000, which is the sum of the guarantee limits under the individual

→

are

backed by that reserve fund

loan guarantee programs. Thus, as loans guaranteed under a program that is backed by the Wisconsin development reserve fund are paid down, WHEDA may guarantee more loans under any of the programs that are backed by the Wisconsin development reserve fund and is not limited to guaranteeing more loans under the same program under which the loans are being paid down. In addition, WHEDA may request ~~the joint committee on finance~~ to increase or decrease the overall guarantee limit under the Wisconsin development reserve fund. Under current law, WHEDA may request ~~the joint committee on finance~~ to increase or decrease the guarantee limit under any individual guarantee loan program.

JCF

JCF

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

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

1 SECTION 1. 234.67 (1) (f) of the statutes is amended to read:

2 234.67 (1) (f) "Percentage of guarantee" means the percentage established by
3 the authority under sub. (3) (a).

History: 1989 a. 335; 1991 a. 39, 221; 1993 a. 75; 1995 a. 227.

4 SECTION 2. 234.67 (3) (a) of the statutes is renumbered 234.67 (3) and amended
5 to read: GUARANTEE OF COLLECTION. (CS)

6 234.67 (3) Subject to par. (b), the The authority shall guarantee collection of
7 a percentage, not exceeding 90%, of the principal of any loan eligible for a guarantee
8 under sub. (2). The authority shall establish the percentage of the unpaid principal
9 of an eligible loan that will be guaranteed, using the procedures described in the
10 guarantee agreement under s. 234.93 (2) (a). The authority may establish a single
11 percentage for all guaranteed loans or establish different percentages for eligible
12 loans on an individual basis.

History: 1989 a. 335; 1991 a. 39, 221; 1993 a. 75; 1995 a. 227.

***NOTE: Editor: Is it okay that the title does not appear in this provision or any other of the renumbered and amended provisions?

13 SECTION 3. 234.67 (3) (b) of the statutes is repealed.

1 SECTION 4. 234.83 (4) (a) of the statutes is renumbered 234.83 (4) and amended
2 to read:

GUARANTEE OF REPAYMENT. CS

3 234.83 (4) ~~Subject to par. (b), the~~ The authority may guarantee repayment of
4 a portion of the principal of any loan eligible for a guarantee under sub. (1). That
5 portion may not exceed 80% of the principal of the loan or \$200,000, whichever is less.
6 The authority shall establish the portion of the principal of an eligible loan that will
7 be guaranteed, using the procedures described in the agreement under s. 234.93 (2)
8 (a). The authority may establish a single portion for all guaranteed loans that do not
9 exceed \$250,000 and a single portion for all guaranteed loans that exceed \$250,000
10 or establish on an individual basis different portions for eligible loans that do not
11 exceed \$250,000 and different portions for eligible loans that exceed \$250,000.

History: 1991 a. 39; 1993 a. 394; 1997 a. 27; 1999 a. 9.

83

12 SECTION 5. 234.83 (4) (b) of the statutes is repealed.

13 SECTION 6. 234.90 (4) (a) of the statutes is renumbered 234.90 (4) and amended
14 to read:

GUARANTEE. CS

15 234.90 (4) ~~Except as provided in par. (b), the~~ The authority shall guarantee
16 repayment of 90% of the principal of any agricultural production loan eligible for
17 guarantee under sub. (2) made to a farmer eligible for a guaranteed loan under sub.
18 (3) or (3g).

History: 1985 a. 9, 29, 153, 332, 334; 1987 a. 7, 27, 178, 421; 1989 a. 1, 10, 31, 336; 1991 a. 4, 39, 221; 1993 a. 1; 1995 a. 5, 150, 404; 1999 a. 9.

19 SECTION 7. 234.90 (4) (b) of the statutes is repealed.

****NOTE: Note that s. 234.90 (4) (b) 2. authorizes WHEDA to request permission from the secretary of administration to increase the total outstanding principal amount of the loans that it may guarantee under this program. Permission would be based on whether there are sufficient funds in the agricultural production loan fund. I assume that all moneys in that fund were transferred to the Wisconsin development reserve fund (see s. 234.93 (1) (c)). Since s. 234.93 (3) allows WHEDA to request joint finance for increases or decreases in its loan guarantee authority, I repealed s. 234.90 (4) (b) 2. Is this okay?

the

committee on

20 SECTION 8. 234.905 (4) (a) of the statutes is renumbered 234.905 (4) and
21 amended to read:

GUARANTEE OF COLLECTION. (CS)

1 234.905 (4) ~~Except as provided in par. (b), on~~ On or before June 30, 1989, the
 2 authority shall guarantee collection of 90% of the principal of any agricultural
 3 production drought assistance loan eligible for guarantee under sub. (2) made to a
 4 farmer eligible for a guaranteed loan under sub. (3).

History: 1987 a. 421; 1989 a. 2, 10, 31, 336; 1991 a. 4, 39, 221; 1995 a. 404; 1999 a. 9.

5 **SECTION 9.** 234.905 (4) (b) of the statutes is repealed.

****NOTE: Under the statute, it appears that the term of any loan guaranteed under this program may not extend beyond June 30, 1994, if we assume that the latest guaranteed loan was made by a lender on June 30, 1989. (See s. 234.905 (2) (e), (3m), and (4) (a).) I don't know if all loans under this program are paid off in actuality, however. How do you want to treat this section? As I have treated it? Repeal it? Remove "June 30, 1989" from s. 234.905 (4) (a)? ✓

6 **SECTION 10.** 234.907 (1) (f) of the statutes is amended to read:

7 234.907 (1) (f) "Percentage of guarantee" means the percentage established by
 8 the authority under sub. (3) (a).

History: 1989 a. 31, 336; 1991 a. 39, 221; 1993 a. 394.

9 **SECTION 11.** 234.907 (3) (a) of the statutes is renumbered 234.907 (3) and

10 amended to read:

GUARANTEE OF COLLECTION. (CS)

11 234.907 (3) ~~Subject to par. (b), the~~ The authority shall guarantee collection of
 12 a percentage, not exceeding 90%, of the principal of any loan eligible for a guarantee
 13 under sub. (2). The authority shall establish the percentage of the unpaid principal
 14 of an eligible loan that will be guaranteed, using the procedures described in the
 15 guarantee agreement under s. 234.93 (2) (a). The authority may establish a single
 16 percentage for all guaranteed loans or establish different percentages for eligible
 17 loans on an individual basis.

History: 1989 a. 31, 336; 1991 a. 39, 221; 1993 a. 394.

18 **SECTION 12.** 234.907 (3) (b) of the statutes is repealed.

19 **SECTION 13.** 234.91 (5) (a) of the statutes is amended to read:

20 234.91 (5) (a) ~~Subject to par. (c), the~~ The authority shall guarantee collection
 21 of a percentage of the principal of a loan eligible for a guarantee under sub. (2). The

1 principal amount of an eligible loan that the authority may guarantee may not
2 exceed the borrower's net worth or 25% of the total loan amount, whichever is less,
3 calculated at the time the loan is made.

4 History: 1995 a. 150; 1999 a. 9.

4 **SECTION 14.** 234.91 (5) (c) of the statutes is repealed. ✓

5 **SECTION 15.** 234.93 (3) (title) of the statutes is amended to read:

6 234.93 (3) (title) ~~INCREASES OR DECREASES IN LOAN~~ LOAN GUARANTEES; INCREASES
7 OR DECREASES. ✓

8 History: 1991 a. 39, 221; 1993 a. 16, 394; 1995 a. 5, 150; 1997 a. 27; 1999 a. 9.

8 **SECTION 16.** 234.93 (3) of the statutes is renumbered 234.93 (3) (b) and
9 amended to read: ✓

10 234.93 (3) (b) The authority may request the joint committee on finance to take
11 action under s. 13.10 to permit the authority to increase or decrease the total
12 principal amount or total outstanding guaranteed principal amount of loans that it
13 may guarantee under a program the aggregate of the programs guaranteed by the
14 Wisconsin development reserve fund. Included with its request, the authority shall
15 provide a projection, for the next June 30, that compares the amounts required on
16 that date to pay outstanding claims and to fund guarantees under ~~all~~ the aggregate
17 of the programs guaranteed by funds from the Wisconsin development reserve fund,
18 and the balance remaining in the Wisconsin development reserve fund on that date
19 after deducting such amounts, if the increase or decrease is approved, with such
20 amounts and the balance remaining, if the increase or decrease is not approved.

21 History: 1991 a. 39, 221; 1993 a. 16, 394; 1995 a. 5, 150; 1997 a. 27; 1999 a. 9.

21 **SECTION 17.** 234.93 (3) (a) of the statutes is created to read: ✓

22 234.93 (3) (a) Except as provided in par. (b), the total principal amount or total
23 outstanding guaranteed principal amount of all loans that the authority may
24 guarantee under the aggregate of the programs guaranteed by funds from the

excluding
↑
~~except for~~

1 Wisconsin development reserve fund, ~~except for~~ the program under s. 234.935, 1997
2 stats., may not exceed \$54,900,000.

***NOTE: This amount (\$54,900,000) is the total of the guarantee amounts under the programs under ss. 234.67, 234.83, 234.90, and 234.907. Note that I did not include the programs under ss. 234.84 and 234.86, because they are guaranteed from other reserve funds, or the program under s. 234.905, because it appears that all of the loans should be paid off. Let me know if the amount should be different.

3 (END)

Kahler, Pam

From: James.Langdon@wheda.com
Sent: Friday, December 22, 2000 11:19 AM
To: William.Walker@doa.state.wi.us; William.Walker@doa.state.wi.us;
Pam.Kahler@legis.state.wi.us; Pam.Kahler@legis.state.wi.us
Cc: Fritz.Ruf@wheda.com; Geoff.Wheeler@wheda.com
Subject: LRB 0878/P1

Pam and Bill,

Thanks for providing me LRB 0878/P1 relating to an aggregate guarantee limit for all Wisconsin Development Reserve Fund (WDRF) programs. Please consider the following comments:

Sections 8 and 9: WHEDA has not had authority to make a Drought loan guarantee since June 30, 1989 [234.905 (4) (a)]. Instead of amending 234.905, may we repeal it altogether?

Section 17: The \$54,900,000 aggregate limit in the draft will not get us through the biennium. Our projections indicate that we will need guarantee authority of at least \$61,169,900 to get us to June 30, 2003. Should I take the \$54.9 million limit as a sign that the Administration will not allocate \$2.6 million GPR to the WDRF as requested to get us through the biennium? If not, we should immediately discuss what WDRF programs the Administration wants us to eliminate or scale back as we expect to reach \$54.9 million in aggregate guarantees by mid 2002.

Thanks,

Jim Langdon
Executive Assistant
Wisconsin Housing and Economic Development Authority
201 West Washington Avenue, Suite 700
Madison, Wisconsin 53701-1728
(608) 266-3529
(608) 267-1099 FAX

Kahler, Pam

From: Walker, William
Sent: Friday, December 22, 2000 2:33 PM
To: Kahler, Pam
Subject: RE: E-mail from Jim Langdon on LRB-0878

Will repeal cause a problem with any outstanding guarantees (or with anything else)?

We'll make a decision on the guarantee limit later on and I'll let you know.

Also, I don't have a copy of LRB-0878. Do you know if one is on the way?

-----Original Message-----

From: Kahler, Pam
Sent: Friday, December 22, 2000 1:28 PM
To: Walker, William
Subject: E-mail from Jim Langdon on LRB-0878

Hi, Bill:

I assume you have seen Jim Langdon's e-mail on LRB-0878. I can certainly repeal s. 234.905. You will have to let me know what you would like to do on the guarantee authority limit. Thanks.

Pam

++++
Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
(608) 266-2682

Kahler, Pam

From: Walker, William
Sent: Saturday, January 06, 2001 12:03 PM
To: Kahler, Pam
Subject: FW: LRB Draft: 01-0878/P1 Aggregate the limits for guarantees under the Wisconsin development reserve fund

Final updates to this draft:

- Go ahead and make the repeal Jim Langdon suggested if you haven't already:

"Sections 8 and 9: WHEDA has not had authority to make a Drought loan guarantee since June 30, 1989 [234.905 (4) (a)]. Instead of amending 234.905, may we repeal it altogether? "

- Let's raise the aggregate limit to \$62,000,000.

Thanks, Thanks, Thanks!

-----Original Message-----

From: Hanaman, Cathlene
Sent: Saturday, January 06, 2001 11:16 AM
To: Walker, William
Cc: Schmiedicke, David; Currier, Dawn; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 01-0878/P1 Aggregate the limits for guarantees under the Wisconsin development reserve fund

Following is the PDF version of draft 01-0878/P1.



01-0878/P1



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0878/21

PJK:cs:jl

rmis
cs

DOA:.....Walker – Aggregate the limits for guarantees under the Wisconsin development reserve fund

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(1-3)

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1 AN ACT; relating to: the budget.

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

WHEDA administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. Most of the loan guarantee programs are backed by funds in the Wisconsin development reserve fund, although guarantees under the job training loan guarantee program are backed by funds in the Wisconsin job training reserve fund and guarantees under the drinking water loan guarantee program are backed by funds in the Wisconsin drinking water reserve fund.

Each loan guarantee program has a limit on the total outstanding principal amount of all loans that WHEDA may guarantee under the program (guarantee limit). In that way, WHEDA may guarantee more loans under a program as the loans already guaranteed under that program are paid down. The bill ~~repeals~~ the guarantee limits under ~~the~~ of the guarantee loan programs that are backed by the Wisconsin development reserve fund ~~has~~ one overall guarantee limit of ~~\$54,900,000~~ ~~which is the sum of the guarantee limits under the individual loan guarantee programs backed by that reserve fund.~~ Thus, as loans guaranteed under a program

eliminates

separate

for all

and establishes

\$62,000,000

that is backed by the Wisconsin development reserve fund are paid down, WHEDA may guarantee more loans under any of the programs that are backed by the Wisconsin development reserve fund and is not limited to guaranteeing more loans under the same program under which the loans are being paid down. In addition, WHEDA may request JCF to increase or decrease the overall guarantee limit under the Wisconsin development reserve fund. Under current law, WHEDA may request JCF to increase or decrease the guarantee limit under any individual guarantee loan program.

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

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

SECTION 1. 234.67 (1) (f) of the statutes is amended to read:

234.67 (1) (f) "Percentage of guarantee" means the percentage established by the authority under sub. (3) (a).

SECTION 2. 234.67 (3) (a) of the statutes is renumbered 234.67 (3) and amended to read:

234.67 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority shall guarantee collection of a percentage, not exceeding 90%, of the principal of any loan eligible for a guarantee under sub. (2). The authority shall establish the percentage of the unpaid principal of an eligible loan that will be guaranteed, using the procedures described in the guarantee agreement under s. 234.93 (2) (a). The authority may establish a single percentage for all guaranteed loans or establish different percentages for eligible loans on an individual basis.

SECTION 3. 234.67 (3) (b) of the statutes is repealed.

SECTION 4. 234.83 (4) (a) of the statutes is renumbered 234.83 (4) and amended to read:

234.83 (4) GUARANTEE OF REPAYMENT. ~~Subject to par. (b), the~~ The authority may guarantee repayment of a portion of the principal of any loan eligible for a guarantee

Insert 3-17
Insert 2-1

1 under sub. (1). That portion may not exceed 80% of the principal of the loan or
2 \$200,000, whichever is less. The authority shall establish the portion of the principal
3 of an eligible loan that will be guaranteed, using the procedures described in the
4 agreement under s. 234.93 (2) (a). The authority may establish a single portion for
5 all guaranteed loans that do not exceed \$250,000 and a single portion for all
6 guaranteed loans that exceed \$250,000 or establish on an individual basis different
7 portions for eligible loans that do not exceed \$250,000 and different portions for
8 eligible loans that exceed \$250,000.

9 SECTION 5. 234.83 (4) (b) of the statutes is repealed.

10 SECTION 6. 234.90 (4) (a) of the statutes is renumbered 234.90 (4) and amended
11 to read:

12 234.90 (4) GUARANTEE. ~~Except as provided in par. (b), the~~ The authority shall
13 guarantee repayment of 90% of the principal of any agricultural production loan
14 eligible for guarantee under sub. (2) made to a farmer eligible for a guaranteed loan
15 under sub. (3) or (3g).

16 SECTION 7. 234.90 (4) (b) of the statutes is repealed.

****NOTE: Note that s. 234.90 (4) (b) 2. authorizes WHEDA to request permission from the secretary of administration to increase the total outstanding principal amount of the loans that it may guarantee under this program. Permission would be based on whether there are sufficient funds in the agricultural production loan fund. I assume that all moneys in that fund were transferred to the Wisconsin development reserve fund (see s. 234.93 (1) (c)). Since s. 234.93 (3) allows WHEDA to request the joint committee on finance for increases or decreases in its loan guarantee authority, I repealed s. 234.90 (4) (b) 2. Is this okay?

17 SECTION 8. 234.905 (4) (a) of the statutes is renumbered 234.905 (4) and
18 amended to read:

19 234.905 (4) GUARANTEE OF COLLECTION. ~~Except as provided in par. (b), on~~ On or
20 before June 30, 1989, the authority shall guarantee collection of 90% of the principal

1 of any agricultural production drought assistance loan eligible for guarantee under
2 sub. (2) made to a farmer eligible for a guaranteed loan under sub. (3).

3 SECTION 9. 234.905 ~~of the statutes~~ of the statutes is repealed.

****NOTE: Under the statute, it appears that the term of any loan guaranteed under this program may not extend beyond June 30, 1994, if we assume that the latest guaranteed loan was made by a lender on June 30, 1989. (See s. 234.905 (2) (e), (3m), and (4) (a).) I don't know if all loans under this program are paid off in actuality, however. How do you want to treat this section? As I have treated it? Repeal it? Remove "June 30, 1989" from s. 234.905 (4) (a)?

4 SECTION 10. 234.907 (1) (f) of the statutes is amended to read:

5 234.907 (1) (f) "Percentage of guarantee" means the percentage established by
6 the authority under sub. (3) (a).

7 SECTION 11. 234.907 (3) (a) of the statutes is renumbered 234.907 (3) and
8 amended to read:

9 234.907 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority
10 shall guarantee collection of a percentage, not exceeding 90%, of the principal of any
11 loan eligible for a guarantee under sub. (2). The authority shall establish the
12 percentage of the unpaid principal of an eligible loan that will be guaranteed, using
13 the procedurcs described in the guarantee agreement under s. 234.93 (2) (a). The
14 authority may establish a single percentage for all guaranteed loans or establish
15 different percentages for eligible loans on an individual basis.

16 SECTION 12. 234.907 (3) (b) of the statutes is repealed.

17 SECTION 13. 234.91 (5) (a) of the statutes is amended to read:

18 234.91 (5) (a) ~~Subject to par. (c), the~~ The authority shall guarantee collection
19 of a percentage of the principal of a loan eligible for a guarantee under sub. (2). The
20 principal amount of an eligible loan that the authority may guarantee may not
21 exceed the borrower's net worth or 25% of the total loan amount, whichever is less,
22 calculated at the time the loan is made.

1 SECTION 14. 234.91 (5) (c) of the statutes is repealed.

2 SECTION 15. 234.93 (3) (title) of the statutes is amended to read:

3 234.93 (3) (title) ~~INCREASES OR DECREASES IN LOAN~~ LOAN GUARANTEES; INCREASES
4 OR DECREASES.

5 SECTION 16. 234.93 (3) of the statutes is renumbered 234.93 (3) (b) and
6 amended to read:

7 234.93 (3) (b) The authority may request the joint committee on finance to take
8 action under s. 13.10 to permit the authority to increase or decrease the total
9 principal amount or total outstanding guaranteed principal amount of loans that it
10 may guarantee under a ~~program~~ the aggregate of the programs guaranteed by the
11 Wisconsin development reserve fund. Included with its request, the authority shall
12 provide a projection, for the next June 30, that compares the amounts required on
13 that date to pay outstanding claims and to fund guarantees under all the aggregate
14 of the programs guaranteed by funds from the Wisconsin development reserve fund,
15 and the balance remaining in the Wisconsin development reserve fund on that date
16 after deducting such amounts, if the increase or decrease is approved, with such
17 amounts and the balance remaining, if the increase or decrease is not approved.

18 SECTION 17. 234.93 (3) (a) of the statutes is created to read:

19 234.93 (3) (a) Except as provided in par. (b), the total principal amount or total
20 outstanding guaranteed principal amount of all loans that the authority may
21 guarantee under the aggregate of the programs guaranteed by funds from the
22 Wisconsin development reserve fund, excluding the program under s. 234.935, 1997
23 stats., may not exceed ~~\$54,900,000~~ 62,000,000

****NOTE: This amount (\$54,900,000) is the total of the guarantee amounts under the programs under ss. 234.67, 234.83, 234.90, and 234.907. Note that I did not include the programs under ss. 234.84 and 234.86, because they are guaranteed from other

reserve funds, or the program under s. 234.905, because it appears that all of the loans should be paid off. Let me know if the amount should be different.

1

~~(END)~~



Section #. 600.01 (1) (b) 8. of the statutes is amended to read:

600.01 (1) (b) 8. Guarantees of the Wisconsin Housing and Economic Development Authority under s. 234.68, 1995 stats., s. 234.69, 1995 stats., s. 234.765, 1995 stats., s. 234.82, 1995 stats., s. 234.87, 1995 stats., and ss. 234.67, 234.83, 234.84, 234.90, ~~234.905~~, 234.907 and 234.91.

History: 1971 c. 260; 1975 c. 375, 421; 1975 c. 422 s. 163; 1977 c. 203; 1979 c. 89, 102, 177; 1983 a. 358 s. 14; 1989 a. 31; 1989 a. 187 s. 29; 1989 a. 317, 336; 1991 a. 39, 69, 250, 309; 1993 a. 16; 1995 a. 116, 150, 289; 1997 a. 27, 35; 1999 a. 9, 155.

Plain
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(END)

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0878/Plins
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INSERT 2-A

guaranteed under the program

The bill also removes from the statutes the agricultural production drought assistance loan guarantee program. WHEDA may not guarantee loans under that program after June 30, 1989, and, since no loan may extend beyond five years after it was initially granted, no loans are currently outstanding under the program.

(END OF INSERT 2-A)

Insert 2-1

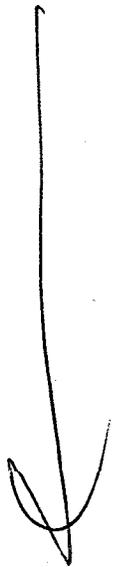
1082

Section #. 49.855 (7) of the statutes is amended to read:

49.855 (7) The department of workforce development may provide a certification under sub. (1) to a state agency or authority under s. 21.49 (2) (e), 36.11 (6) (b), 36.25 (14), 36.34 (1), 39.30 (2) (e), 39.38 (2), 39.435 (6), 39.44 (4), 39.47 (2m), 45.356 (6), 45.396 (6), 45.74 (6), 145.245 (5m) (b), 234.04 (2), 234.49 (1) (c), 234.59 (3) (c), 234.65 (3) (f), 234.83 (2) (a) 3., 234.90 (3) (d) or (3g) (c), ~~234.905 (3) (d)~~, 281.65 (8) (L) ^{or 2} 949.08 (2) (g).

NOTE: Sub. (7) is repealed eff. the date stated in the notice published by the Department of Workforce Development in the Wisconsin Administrative Register under s. 49.854 (2) (e) by 1999 Wis. Act 9.

History: 1981 c. 20, 391; 1983 a. 27; 1987 a. 27; 1987 a. 312 s. 17; 1987 a. 421; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 16, 481; 1995 a. 27 s. 9126 (19); 1995 a. 201, 227, 279; 1995 a. 404 ss. 50 to 59; Stats. 1995 s. 49.855; 1997 a. 3, 27, 35, 237, 252; 1999 a. 9, 32.



Amend 2-1 cont'd

202

Section #. 234.265 (2) of the statutes is amended to read:

234.265 (2) Records or portions of records consisting of personal or financial information provided by a person seeking a grant or loan under s. 234.08, 234.49, 234.59, 234.61, 234.65, 234.67, 234.83, 234.84, 234.90, ~~234.905~~, 234.907² or 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance under s. 234.66, seeking investment of funds under s. 234.03 (18m)² or in which the authority has invested funds under s. 234.03 (18m), unless the person consents to disclosure of the information.

History: 1971 c. 287; 1983 a. 81, 83, 192; 1985 a. 29, 334; 1987 a. 421; 1989 a. 31, 335, 336, 359; 1991 a. 39, 309; 1993 a. 16, 437; 1995 a. 116, 150; 1997 a. 27, 35; 1999 a. 9.

(end of ins. 2-1)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0878/2
PJK:cjs:jf
✓ m is m + jld

DOA:.....Walker – Aggregate the limits for guarantees under the Wisconsin development reserve fund

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(2-16)
D-note

do not
gen cost

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

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

WHEDA administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. Most of the loan guarantee programs are backed by funds in the Wisconsin development reserve fund, although guarantees under the job training loan guarantee program are backed by funds in the Wisconsin job training reserve fund and guarantees under the drinking water loan guarantee program are backed by funds in the Wisconsin drinking water reserve fund.

Each loan guarantee program has a limit on the total outstanding principal amount of all loans that WHEDA may guarantee under the program (guarantee limit). In that way, WHEDA may guarantee more loans under a program as the loans already guaranteed under that program are paid down. The bill eliminates the separate guarantee limit under each of the guarantee loan programs that are backed by the Wisconsin development reserve fund and establishes one overall guarantee limit of \$62,000,000 for all programs backed by that reserve fund. Thus, as loans guaranteed under a program that is backed by the Wisconsin development reserve

fund are paid down, WHEDA may guarantee more loans under any of the programs that are backed by the Wisconsin development reserve fund and is not limited to guaranteeing more loans under the same program under which the loans are being paid down. In addition, WHEDA may request JCF to increase or decrease the overall guarantee limit under the Wisconsin development reserve fund. Under current law, WHEDA may request JCF to increase or decrease the guarantee limit under any individual guarantee loan program.

The bill also removes from the statutes the agricultural production drought assistance loan guarantee program. WHEDA may not guarantee loans under that program after June 30, 1989, and, since no loan guaranteed under the program may extend beyond five years after it was initially granted, no loans are currently outstanding under the program.

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

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

1 **SECTION 1.** 49.855 (7) of the statutes is amended to read:

2 49.855 (7) The department of workforce development may provide a
3 certification under sub. (1) to a state agency or authority under s. 21.49 (2) (e), 36.11
4 (6) (b), 36.25 (14), 36.34 (1), 39.30 (2) (c), 39.38 (2), 39.435 (6), 39.44 (4), 39.47 (2m),
5 45.356 (6), 45.396 (6), 45.74 (6), 145.245 (5m) (b), 234.04 (2), 234.49 (1) (c), 234.59 (3)
6 (c), 234.65 (3) (f), 234.83 (2) (a) 3., 234.90 (3) (d) or (3g) (c), ~~234.905 (3) (d)~~, 281.65 (8)
7 (L), or 949.08 (2) (g).

8 **SECTION 2.** 234.265 (2) of the statutes is amended to read:

9 234.265 (2) Records or portions of records consisting of personal or financial
10 information provided by a person seeking a grant or loan under s. 234.08, 234.49,
11 234.59, 234.61, 234.65, 234.67, 234.83, 234.84, 234.90, ~~234.905~~, 234.907, or 234.91,
12 seeking a loan under ss. 234.621 to 234.626, seeking financial assistance under s.
13 234.66, seeking investment of funds under s. 234.03 (18m), or in which the authority

1 has invested funds under s. 234.03 (18m), unless the person consents to disclosure
2 of the information.

3 **SECTION 3.** 234.67 (1) (f) of the statutes is amended to read:

4 234.67 (1) (f) "Percentage of guarantee" means the percentage established by
5 the authority under sub. (3) (a).

6 **SECTION 4.** 234.67 (3) (a) of the statutes is renumbered 234.67 (3) and amended
7 to read:

8 234.67 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority
9 shall guarantee collection of a percentage, not exceeding 90%, of the principal of any
10 loan eligible for a guarantee under sub. (2). The authority shall establish the
11 percentage of the unpaid principal of an eligible loan that will be guaranteed, using
12 the procedures described in the guarantee agreement under s. 234.93 (2) (a). The
13 authority may establish a single percentage for all guaranteed loans or establish
14 different percentages for eligible loans on an individual basis.

15 **SECTION 5.** 234.67 (3) (b) of the statutes is repealed.

16 **SECTION 6.** 234.83 (4) (a) of the statutes is renumbered 234.83 (4) and amended
17 to read:

18 234.83 (4) GUARANTEE OF REPAYMENT. ~~Subject to par. (b), the~~ The authority may
19 guarantee repayment of a portion of the principal of any loan eligible for a guarantee
20 under sub. ~~(1)~~ ^(1m). That portion may not exceed 80% of the principal of the loan or
21 \$200,000, whichever is less. The authority shall establish the portion of the principal
22 of an eligible loan that will be guaranteed, using the procedures described in the
23 agreement under s. 234.93 (2) (a). The authority may establish a single portion for
24 all guaranteed loans that do not exceed \$250,000 and a single portion for all
25 guaranteed loans that exceed \$250,000 or establish on an individual basis different

Insert 4-2

1 portions for eligible loans that do not exceed \$250,000 and different portions for
2 eligible loans that exceed \$250,000.

3 SECTION 7. 234.83 (4) (b) of the statutes is repealed.

4 SECTION 8. 234.90 (4) (a) of the statutes is renumbered 234.90 (4) and amended
5 to read:

6 234.90 (4) GUARANTEE. ~~Except as provided in par. (b), the~~ The authority shall
7 guarantee repayment of 90% of the principal of any agricultural production loan
8 eligible for guarantee under sub. (2) made to a farmer eligible for a guaranteed loan
9 under sub. (3) or (3g).

10 SECTION 9. 234.90 (4) (b) of the statutes is repealed.

11 SECTION 10. 234.905 of the statutes is repealed.

12 SECTION 11. 234.907 (1) (f) of the statutes is amended to read:

13 234.907 (1) (f) "Percentage of guarantee" means the percentage established by
14 the authority under sub. (3) (a).

15 SECTION 12. 234.907 (3) (a) of the statutes is renumbered 234.907 (3) and
16 amended to read:

17 234.907 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority
18 shall guarantee collection of a percentage, not exceeding 90%, of the principal of any
19 loan eligible for a guarantee under sub. (2). The authority shall establish the
20 percentage of the unpaid principal of an eligible loan that will be guaranteed, using
21 the procedures described in the guarantee agreement under s. 234.93 (2) (a). The
22 authority may establish a single percentage for all guaranteed loans or establish
23 different percentages for eligible loans on an individual basis.

24 SECTION 13. 234.907 (3) (b) of the statutes is repealed.

25 SECTION 14. 234.91 (5) (a) of the statutes is amended to read:

1 234.91 (5) (a) ~~Subject to par. (c), the~~ The authority shall guarantee collection
2 of a percentage of the principal of a loan eligible for a guarantee under sub. (2). The
3 principal amount of an eligible loan that the authority may guarantee may not
4 exceed the borrower's net worth or 25% of the total loan amount, whichever is less,
5 calculated at the time the loan is made.

6 **SECTION 15.** 234.91 (5) (c) of the statutes is repealed.

7 **SECTION 16.** 234.93 (3) (title) of the statutes is amended to read:

8 234.93 (3) (title) ~~INCREASES OR DECREASES IN LOAN~~ LOAN GUARANTEES; INCREASES
9 OR DECREASES.

10 **SECTION 17.** 234.93 (3) of the statutes is renumbered 234.93 (3) (b) and
11 amended to read:

12 234.93 (3) (b) The authority may request the joint committee on finance to take
13 action under s. 13.10 to permit the authority to increase or decrease the total
14 principal amount or total outstanding guaranteed principal amount of loans that it
15 may guarantee under ~~a program~~ the aggregate of the programs guaranteed by the
16 Wisconsin development reserve fund. Included with its request, the authority shall
17 provide a projection, for the next June 30, that compares the amounts required on
18 that date to pay outstanding claims and to fund guarantees under ~~all~~ the aggregate
19 of the programs guaranteed by funds from the Wisconsin development reserve fund,
20 and the balance remaining in the Wisconsin development reserve fund on that date
21 after deducting such amounts, if the increase or decrease is approved, with such
22 amounts and the balance remaining, if the increase or decrease is not approved.

23 **SECTION 18.** 234.93 (3) (a) of the statutes is created to read:

24 234.93 (3) (a) Except as provided in par. (b), the total principal amount or total
25 outstanding guaranteed principal amount of all loans that the authority may

1 guarantee under the aggregate of the programs guaranteed by funds from the
2 Wisconsin development reserve fund, excluding the program under s. 234.935, 1997
3 stats., may not exceed \$62,000,000.

4 **SECTION 19.** 600.01 (1) (b) 8. of the statutes is amended to read:

5 600.01 (1) (b) 8. Guarantees of the Wisconsin Housing and Economic
6 Development Authority under s. 234.68, 1995 stats., s. 234.69, 1995 stats., s.
7 234.765, 1995 stats., s. 234.82, 1995 stats., s. 234.87, 1995 stats., and ss. 234.67,
8 234.83, 234.84, 234.90, ~~234.905~~, 234.907, and 234.91.

9 (END)

D. note

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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****NOTE: This is reconciled s. 234.83 (4) (a).[✓] This SECTION has been affected by drafts with the following LRB numbers: LRB-0878/1 and LRB-0880/4.

(END OF INSERT 4-2)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0878/2dn

PJK: ~~mf~~ jf

Jld

Bill:

This redraft reconciles LRB-0878/1 and LRB-0880/4. Both of these drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

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

LRB-0878/2dn
PJK:jld:cmh

February 7, 2001

Bill:

This redraft reconciles LRB-0878/1 and LRB-0880/4. Both of these drafts should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

Barman, Mike

From: Barman, Mike
Sent: Wednesday, February 07, 2001 10:27 AM
To: James Langdon
Subject: 01-0878/2



01-0878/2



01-0878/2dn

Mike Barman

Mike Barman - Senior Program Assl. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0878/2
PJK:cjs&jld:cmh

DOA:.....Walker – Aggregate the limits for guarantees under the Wisconsin development reserve fund

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

WHEDA administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. Most of the loan guarantee programs are backed by funds in the Wisconsin development reserve fund, although guarantees under the job training loan guarantee program are backed by funds in the Wisconsin job training reserve fund and guarantees under the drinking water loan guarantee program are backed by funds in the Wisconsin drinking water reserve fund.

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fund are paid down, WHEDA may guarantee more loans under any of the programs that are backed by the Wisconsin development reserve fund and is not limited to guaranteeing more loans under the same program under which the loans are being paid down. In addition, WHEDA may request JCF to increase or decrease the overall guarantee limit under the Wisconsin development reserve fund. Under current law, WHEDA may request JCF to increase or decrease the guarantee limit under any individual guarantee loan program.

The bill also removes from the statutes the agricultural production drought assistance loan guarantee program. WHEDA may not guarantee loans under that program after June 30, 1989, and, since no loan guaranteed under the program may extend beyond five years after it was initially granted, no loans are currently outstanding under the program.

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

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

1 **SECTION 1.** 49.855 (7) of the statutes is amended to read:

2 49.855 (7) The department of workforce development may provide a
3 certification under sub. (1) to a state agency or authority under s. 21.49 (2) (e), 36.11
4 (6) (b), 36.25 (14), 36.34 (1), 39.30 (2) (e), 39.38 (2), 39.435 (6), 39.44 (4), 39.47 (2m),
5 45.356 (6), 45.396 (6), 45.74 (6), 145.245 (5m) (b), 234.04 (2), 234.49 (1) (c), 234.59 (3)
6 (c), 234.65 (3) (f), 234.83 (2) (a) 3., 234.90 (3) (d) or (3g) (c), ~~234.905 (3) (d)~~, 281.65 (8)
7 (L), or 949.08 (2) (g).

8 **SECTION 2.** 234.265 (2) of the statutes is amended to read:

9 234.265 (2) Records or portions of records consisting of personal or financial
10 information provided by a person seeking a grant or loan under s. 234.08, 234.49,
11 234.59, 234.61, 234.65, 234.67, 234.83, 234.84, 234.90, ~~234.905~~, 234.907, or 234.91,
12 seeking a loan under ss. 234.621 to 234.626, seeking financial assistance under s.
13 234.66, seeking investment of funds under s. 234.03 (18m), or in which the authority

1 has invested funds under s. 234.03 (18m), unless the person consents to disclosure
2 of the information.

3 **SECTION 3.** 234.67 (1) (f) of the statutes is amended to read:

4 234.67 (1) (f) "Percentage of guarantee" means the percentage established by
5 the authority under sub. (3) (a).

6 **SECTION 4.** 234.67 (3) (a) of the statutes is renumbered 234.67 (3) and amended
7 to read:

8 234.67 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority
9 shall guarantee collection of a percentage, not exceeding 90%, of the principal of any
10 loan eligible for a guarantee under sub. (2). The authority shall establish the
11 percentage of the unpaid principal of an eligible loan that will be guaranteed, using
12 the procedures described in the guarantee agreement under s. 234.93 (2) (a). The
13 authority may establish a single percentage for all guaranteed loans or establish
14 different percentages for eligible loans on an individual basis.

15 **SECTION 5.** 234.67 (3) (b) of the statutes is repealed.

16 **SECTION 6.** 234.83 (4) (a) of the statutes is renumbered 234.83 (4) and amended
17 to read:

18 234.83 (4) GUARANTEE OF REPAYMENT. ~~Subject to par. (b), the~~ The authority may
19 guarantee repayment of a portion of the principal of any loan eligible for a guarantee
20 under sub. ~~(1)~~ (1m). That portion may not exceed 80% of the principal of the loan or
21 \$200,000, whichever is less. The authority shall establish the portion of the principal
22 of an eligible loan that will be guaranteed, using the procedures described in the
23 agreement under s. 234.93 (2) (a). The authority may establish a single portion for
24 all guaranteed loans that do not exceed \$250,000 and a single portion for all
25 guaranteed loans that exceed \$250,000 or establish on an individual basis different

1 portions for eligible loans that do not exceed \$250,000 and different portions for
2 eligible loans that exceed \$250,000.

****NOTE: This is reconciled s. 234.83 (4) (a). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0878/1 and LRB-0880/4.

3 **SECTION 7.** 234.83 (4) (b) of the statutes is repealed.

4 **SECTION 8.** 234.90 (4) (a) of the statutes is renumbered 234.90 (4) and amended
5 to read:

6 234.90 (4) GUARANTEE. ~~Except as provided in par. (b), the~~ The authority shall
7 guarantee repayment of 90% of the principal of any agricultural production loan
8 eligible for guarantee under sub. (2) made to a farmer eligible for a guaranteed loan
9 under sub. (3) or (3g).

10 **SECTION 9.** 234.90 (4) (b) of the statutes is repealed.

11 **SECTION 10.** 234.905 of the statutes is repealed.

12 **SECTION 11.** 234.907 (1) (f) of the statutes is amended to read:

13 234.907 (1) (f) "Percentage of guarantee" means the percentage established by
14 the authority under sub. (3) ~~(a)~~.

15 **SECTION 12.** 234.907 (3) (a) of the statutes is renumbered 234.907 (3) and
16 amended to read:

17 234.907 (3) GUARANTEE OF COLLECTION. ~~Subject to par. (b), the~~ The authority
18 shall guarantee collection of a percentage, not exceeding 90%, of the principal of any
19 loan eligible for a guarantee under sub. (2). The authority shall establish the
20 percentage of the unpaid principal of an eligible loan that will be guaranteed, using
21 the procedures described in the guarantee agreement under s. 234.93 (2) (a). The
22 authority may establish a single percentage for all guaranteed loans or establish
23 different percentages for eligible loans on an individual basis.

1 **SECTION 13.** 234.907 (3) (b) of the statutes is repealed.

2 **SECTION 14.** 234.91 (5) (a) of the statutes is amended to read:

3 234.91 (5) (a) ~~Subject to par. (c), the~~ The authority shall guarantee collection
4 of a percentage of the principal of a loan eligible for a guarantee under sub. (2). The
5 principal amount of an eligible loan that the authority may guarantee may not
6 exceed the borrower's net worth or 25% of the total loan amount, whichever is less,
7 calculated at the time the loan is made.

8 **SECTION 15.** 234.91 (5) (c) of the statutes is repealed.

9 **SECTION 16.** 234.93 (3) (title) of the statutes is amended to read:

10 234.93 (3) (title) ~~INCREASES OR DECREASES IN LOAN~~ LOAN GUARANTEES; INCREASES
11 OR DECREASES.

12 **SECTION 17.** 234.93 (3) of the statutes is renumbered 234.93 (3) (b) and
13 amended to read:

14 234.93 (3) (b) The authority may request the joint committee on finance to take
15 action under s. 13.10 to permit the authority to increase or decrease the total
16 principal amount or total outstanding guaranteed principal amount of loans that it
17 may guarantee under ~~a program~~ the aggregate of the programs guaranteed by the
18 Wisconsin development reserve fund. Included with its request, the authority shall
19 provide a projection, for the next June 30, that compares the amounts required on
20 that date to pay outstanding claims and to fund guarantees under ~~all the aggregate~~
21 of the programs guaranteed by funds from the Wisconsin development reserve fund,
22 and the balance remaining in the Wisconsin development reserve fund on that date
23 after deducting such amounts, if the increase or decrease is approved, with such
24 amounts and the balance remaining, if the increase or decrease is not approved.

25 **SECTION 18.** 234.93 (3) (a) of the statutes is created to read:

