

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: 4/25/2013 Received By: btradewe
Wanted: As time permits Same as LRB:
For: Legislative Fiscal Bureau By/Representing: Bonderud
May Contact: Drafter: btradewe
Subject: Environment - water quality Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Legislative Fiscal Bureau
Carbon copy (CC) to:

Pre Topic:

LFB:.....Bonderud -

Topic:

Present value subsidy for land recycling loan program

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>
/1	btradewe 4/25/2013	jdye 4/26/2013	phenry 4/26/2013	_____	sbasford 4/26/2013		

FE Sent For:

<END>

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/1	btradewe	1 4/26 jld	4/26 pk	x	_____	_____	_____

FE Sent For:

<END>

Tradewell, Becky

From: Bonderud, Kendra
Sent: Thursday, April 25, 2013 2:54 PM
To: Tradewell, Becky
Cc: Hinz, Daryl
Subject: JFC action drafting request - EIF

Becky,

This morning, JFC took budget bill actions on the Environmental Improvement Fund. Could you draft budget bill amendment(s) that include the following:

Paper 270, Alternative 3a:

- Change clean water fund present value subsidy limit to \$61,900,000
- Delete \$42,900,000 in clean water fund general obligation bonding authority. This should change the dollar amount in s. 20.866(2)(tc) to \$740,843,200.
- Delete \$7,400,000 in clean water fund revenue obligation bonding authority. This should change the dollar amount in s.281.59(8)(f) to \$2,708,900,000.

Paper 271, Alternative 3:

- Change safe drinking water loan program present value subsidy limit to \$26,900,000
- Delete \$1,700,000 in safe drinking water general obligation bonding authority. This should change the dollar amount in s.20.866 (2)(td) to \$60,200,000.

Paper 272, Alternative 3:

- Provide a present value subsidy limit for the land recycling loan program of \$300,000 for 2013-15, and \$1,000 for subsequent biennia.

Thanks for your help.

Kendra Bonderud

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Wisconsin Legislative Fiscal Bureau
ph. (608) 266-3847
Kendra.Bonderud@legis.wisconsin.gov*

the potential cumulative cost of the program will be approximately \$35.2 million. It is probable that sites will continue to be cleaned up under the program for the next 10 to 20 years.

9. The DERF is required to make a loan repayment to the LRLP of at least \$1,000 per year, under conditions of approval placed by the U.S. Environmental Protection Agency (EPA) on the memorandum of understanding entered into between DOA and DNR to transfer funds from LRLP to DERF. It is anticipated the loan will not be fully repaid for many years, due to current and anticipated demand for claims. It is possible that the loan repayments will not be satisfied when the dry cleaner fees end in 2032.

10. In December, 2011, the Governor's Dry Cleaner Environmental Response Council submitted a statutorily-required five-year report to the Governor and Legislature with recommendations for changes to the dry cleaner environmental response program, including a recommendation to forgive the loan from the land recycling loan program to the DERF. However, since the loan was made from the reallocation of repayments of clean water fund program loans made with the proceeds of federal grants to the clean water fund, it is subject to EPA regulations for the clean water fund. It is unlikely EPA would permit forgiveness of the loan because it would not meet EPA requirements for the type of projects financed, and would not meet the requirement that the state maintain the balance of loan repayments as a perpetually revolving loan fund.

ALTERNATIVES

1. Approve the Governor's recommendation to maintain the current "present value subsidy limit" of \$1,000 for the land recycling loan program.

2. Maintain the current \$1,000 present value subsidy limit for the land recycling loan program. In addition, increase the maximum amount that can be loaned from the land recycling loan program to the dry cleaner environmental response fund from \$6,200,000 to \$6,500,000 (an increase of \$300,000).

* 3. Provide a present value subsidy limit of \$300,000 for the land recycling loan program for 2013-15, and \$1,000 for subsequent biennia.

Prepared by: Kendra Bonderud



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0036/1

RCT.....

Pr 4/25
LPS-Fix request sheet
Please

JLD

LFB:.....Bonderud – Present value subsidy for land recycling loan program

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 40

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 922, line 22: after that line insert:

3 **“SECTION 2094m.** 281.59 (3m) (b) 1. of the statutes is amended to read:

4 281.59 (3m) (b) 1. Equal to \$2,700,000 \$300,000 during the ~~2009-11~~ 2013-15

5 biennium.

History: 1989 a. 366 ss. 40, 63, 65, 66, 97, 99, 106, 108 to 110, 115; 1991 a. 32, 39, 189, 315; 1993 a. 16; 1995 a. 27; 1995 a. 227 s. 426; Stats. 1995 s. 281.59; 1995 a. 452; 1997 a. 27, 237; 1999 a. 9; 1999 a. 150 s. 374, 672; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28; 2011 a. 32, 146, 261.

6 **SECTION 2094n.** 281.59 (3m) (b) 2. of the statutes is amended to read:

7 281.59 (3m) (b) 2. Equal to \$1,000 for any biennium after the ~~2009-11~~ 2013-15

8 biennium.”

NO
B

History: 1989 a. 366 ss. 40, 63, 65, 66, 97, 99, 106, 108 to 110, 115; 1991 a. 32, 39, 189, 315; 1993 a. 16; 1995 a. 27; 1995 a. 227 s. 426; Stats. 1995 s. 281.59; 1995 a. 452; 1997 a. 27, 237; 1999 a. 9; 1999 a. 150 s. 374, 672; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28; 2011 a. 32, 146, 261.

9

(END)



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0036/1
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