



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1490/1
ARG&MES:kjf

2017 SENATE BILL 91

March 2, 2017 - Introduced by Senators HANSEN, RINGHAND, ERPENBACH, BEWLEY, CARPENTER, JOHNSON, C. LARSON, MILLER, RISSER, SHILLING, L. TAYLOR, VINEHOUT and WIRCH, cosponsored by Representatives MASON, KOLSTE, ANDERSON, BARCA, BERCEAU, BILLINGS, BOWEN, BROSTOFF, CONSIDINE, CROWLEY, DOYLE, FIELDS, GENRICH, GOYKE, HEBL, HESSELBEIN, HINTZ, KESSLER, MEYERS, MILROY, OHNSTAD, POPE, RIEMER, SARGENT, SHANKLAND, SINICKI, SPREITZER, STUCK, SUBECK, C. TAYLOR, VRUWINK, WACHS, YOUNG, ZAMARRIPA and ZEPNICK. Referred to Committee on Universities and Technical Colleges.

1 **AN ACT to amend** 13.172 (1), 13.48 (13) (a), 13.62 (2), 13.94 (4) (a) 1., 13.95
2 (intro.), 16.002 (2), 16.004 (4), 16.004 (5), 16.004 (12) (a), 16.045 (1) (a), 16.15
3 (1) (ab), 16.41 (4), 16.417 (1) (b), 16.52 (7), 16.528 (1) (a), 16.53 (2), 16.54 (9) (a)
4 1., 16.765 (1), 16.765 (2), 16.765 (5), 16.765 (6), 16.765 (7) (intro.), 16.765 (7) (d),
5 16.765 (8), 16.85 (2), 16.865 (8), 71.05 (6) (b) 28. (intro.), am. and h., 77.54 (9a)
6 (a), 100.45 (1) (dm) and 230.03 (3); and **to create** 13.94 (1) (dt), 13.94 (1s) (c) 9.,
7 19.42 (10) (t), 19.42 (13) (q), 20.195, 39.28 (7), 39.52, 39.54, 39.56, 40.02 (54) (n),
8 70.11 (38v), 71.05 (6) (b) 28. j., 224.30 (6) and chapter 239 of the statutes;
9 **relating to:** student loans, the individual income tax subtract modification for
10 tuition and student fees, creating an authority to be known as the Wisconsin

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1 Student Loan Refinancing Authority, granting rule-making authority, and
2 making an appropriation.

Analysis by the Legislative Reference Bureau***The Wisconsin Student Loan Refinancing Authority***

This bill creates an authority, which is a public body corporate and politic, to be known as the Wisconsin Student Loan Refinancing Authority (WSLRA). The WSLRA is governed by a board that consists of four members of the legislature, three members who are students of an institution of higher education, and two members with experience in making student loans. The five members of the board who are not members of the legislature are nominated by the governor, and with the advice and consent of the senate appointed, to serve two- or three-year terms. The board appoints the chief executive officer of WSLRA and annually elects the chairperson of the board. The board is given all the powers necessary or convenient to carry out its duties, as well as specific powers to conduct its corporate business, including the power to issue bonds for any corporate purpose.

Under the bill, the board must develop and implement a loan program under which state residents may refinance student loans. Under the program, WSLRA provides a loan to an individual to pay off some or all of his or her outstanding student loan debt. To qualify for the program, an individual must satisfy eligibility requirements established by WSLRA. Under the bill, WSLRA must provide loans under the program at the lowest possible interest rate that is still sufficient to cover the expenses of the program. A loan issued under the program is not dischargeable in a bankruptcy proceeding.

Financial aid information

This bill requires the Department of Financial Institutions to compile data related to private student loans for the purpose of comparing private lending institutions' student loan interest rates and repayment plans. A "private student loan" is a loan issued by a private lending institution for the purpose of paying for or financing higher education expenses, including tuition and fees, books and supplies, and room and board. DFI must create and maintain a list of private lending institutions that provide the lowest rates and best repayment options on student loans. DFI must also compile a list of the top ten best private lending institutions based on rates and policies that are most favorable to the student borrower. DFI must place these lists on DFI's Internet site and update the Internet site monthly to ensure that the student loan information in these lists is current and accurate. DFI's Internet site must also contain information pertaining to lending institutions that do not make the top ten list, including identifying those lending institutions that provide the worst rates and strictest repayment options. DFI may satisfy its duties under the bill through a designee or third-party contractor.

The bill also requires an institution or college campus within the University of Wisconsin System, a technical college within the technical college system, a tribally controlled college, or a private, nonprofit institution of higher education located in

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this state (institution of higher education) to provide to a prospective or newly accepted student and to the student's parents clearly outlined and easy-to-understand information pertaining to all of the following:

1. The total cost of attendance at the institution of higher education.
2. The approximate or, if known, the actual total amount of financial aid that the student would receive from the institution of higher education, and the approximate or, if known, the actual total amount of student loan debt that the student would accumulate, over the course of four years, if the student were to attend the institution of higher education for four years (student loan debt).
3. Student loan rates, repayment plans, default rates, and the actual monthly payment that would be required to pay that student loan debt when the loan becomes due.

Finally, the bill requires an institution of higher education and the Higher Educational Aids Board to create on their Internet sites a link to that portion of DFI's Internet site containing the lists and other information required under the bill.

Student loan counseling

This bill requires any institution of higher education in this state that offers an associate degree or higher to provide loan counseling for its students. Under the bill, before a student enters into a student loan agreement, the institution must provide the student with comprehensive information on the terms and conditions of a loan and the responsibilities the student has with respect to the loan. A lender may not accept an application for a private student loan, or assess any fees for the loan, unless the lender has received certification from the applicant's institution of higher education that the applicant has received such counseling.

The bill also requires an institution of higher education to provide a student with information when the student leaves the institution, whether through graduation, transfer, or otherwise. The information must include available loan repayment plans, debt management strategies, options for prepayment of loans, and the consequences of defaulting on a loan.

Finally, the bill authorizes an institution of higher education to assess a lender a reasonable fee of up to \$50 to defray the cost of the student counseling required under the bill.

Income tax subtraction

Under current law, there is an individual income tax subtraction for amounts paid by a claimant for tuition expenses and mandatory student fees for a student who is the claimant or the claimant's dependent under the Internal Revenue Code, to attend an institution of higher education that is approved by the Educational Approval Board and that is located in Wisconsin, or to attend certain postsecondary schools in Minnesota to which the Minnesota-Wisconsin reciprocity agreement applies. The tuition expenses and fees for which a subtraction may be claimed are calculated based on the amount of tuition charged by the UW System at four-year institutions.

Also under current law, the subtraction that a claimant may claim for such tuition expenses and mandatory student fees is reduced as the claimant's annual federal adjusted gross income (FAGI) increases until, at a certain point, no

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subtraction may be claimed. Currently, the allowable subtraction phases out, for a single person or a married person filing as a head of household, as the claimant's FAGI increases from \$50,000 to \$60,000. Once such a claimant's FAGI exceeds \$60,000, he or she may not claim the subtraction. For a married person filing a joint return, the phaseout occurs as the married couple's joint FAGI increases from \$80,000 to \$100,000, and no subtraction is allowed once the married couple's joint FAGI exceeds \$100,000. The phaseout for a married person filing a separate return occurs as the claimant's FAGI increases from \$40,000 to \$50,000, and no subtraction is allowed once the claimant's FAGI exceeds \$50,000.

Under this bill, the phase-out provisions do not apply to a taxable year that begins after December 31, 2017.

This bill also expands the definition of tuition expenses to include any amount paid by a claimant in the year to which the claim relates on a student loan, the proceeds of which were used by the claimant to pay the claimant's expenses for tuition, fees, books, room and board, and educational supplies that were directly related to the claimant's attendance at an eligible institution. The bill defines eligible institution as a regionally accredited, nonprofit, postsecondary educational institution.

Student loan debt report

Under current law, HEAB administers certain grant and loan programs for resident students enrolled in institutions of higher education in this state.

This bill requires HEAB to submit an annual report to the Joint Committee on Finance regarding student loan debt incurred in the previous year by resident undergraduate students enrolled in institutions of higher education located in this state. The report must include that information, together with all of the following:

1. The statewide average amount of student loan debt incurred in the previous year by resident undergraduate students enrolled in institutions of higher education located in this state.
2. A comparison of that statewide average to the national average amount of student loan debt incurred in the previous year by undergraduate students enrolled in institutions of higher education in the United States.
3. A comparison of that statewide average to the statewide average amount of student loan debt incurred in the previous year by undergraduate students in the state with the lowest ratio of statewide average student loan debt to the lowest quintile of state per capita income.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the ***state and local*** 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:

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1 **SECTION 1.** 13.172 (1) of the statutes is amended to read:

2 13.172 (1) In this section, “agency” means an office, department, agency,
3 institution of higher education, association, society, or other body in state
4 government created or authorized to be created by the constitution or any law, that
5 is entitled to expend moneys appropriated by law, including the legislature and the
6 courts, and any authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 238,
7 239, or 279.

8 **SECTION 2.** 13.48 (13) (a) of the statutes is amended to read:

9 13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or
10 facility that is constructed for the benefit of or use of the state, any state agency,
11 board, commission or department, the University of Wisconsin Hospitals and Clinics
12 Authority, the Fox River Navigational System Authority, the Wisconsin Student
13 Loan Refinancing Authority, the Wisconsin Economic Development Corporation, or
14 any local professional baseball park district created under subch. III of ch. 229 if the
15 construction is undertaken by the department of administration on behalf of the
16 district, shall be in compliance with all applicable state laws, rules, codes and
17 regulations but the construction is not subject to the ordinances or regulations of the
18 municipality in which the construction takes place except zoning, including without
19 limitation because of enumeration ordinances or regulations relating to materials
20 used, permits, supervision of construction or installation, payment of permit fees, or
21 other restrictions.

22 **SECTION 3.** 13.62 (2) of the statutes is amended to read:

23 13.62 (2) “Agency” means any board, commission, department, office, society,
24 institution of higher education, council, or committee in the state government, or any

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1 authority created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
2 or 279, except that the term does not include a council or committee of the legislature.

3 **SECTION 4.** 13.94 (1) (dt) of the statutes is created to read:

4 13.94 (1) (dt) Biennially, beginning in 2019, conduct a financial audit of the
5 Wisconsin Student Loan Refinancing Authority and a program evaluation audit of
6 the programs administered by the Wisconsin Student Loan Refinancing Authority
7 under ch. 239. The legislative audit bureau shall file a copy of each audit report
8 under this paragraph with the distributees specified in par. (b).

9 **SECTION 5.** 13.94 (1s) (c) 9. of the statutes is created to read:

10 13.94 (1s) (c) 9. The Wisconsin Student Loan Refinancing Authority for the cost
11 of the audit required to be performed under sub. (1) (dt).

12 **SECTION 6.** 13.94 (4) (a) 1. of the statutes is amended to read:

13 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
14 credentialing board, commission, independent agency, council or office in the
15 executive branch of state government; all bodies created by the legislature in the
16 legislative or judicial branch of state government; any public body corporate and
17 politic created by the legislature including specifically the Fox River Navigational
18 System Authority, the Lower Fox River Remediation Authority, the Wisconsin
19 Aerospace Authority, the Wisconsin Student Loan Refinancing Authority, the
20 Wisconsin Economic Development Corporation, a professional baseball park district,
21 a local professional football stadium district, a local cultural arts district, and a
22 long-term care district under s. 46.2895; every Wisconsin works agency under subch.
23 III of ch. 49; every provider of medical assistance under subch. IV of ch. 49; technical
24 college district boards; every county department under s. 51.42 or 51.437; every
25 nonprofit corporation or cooperative or unincorporated cooperative association to

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1 which moneys are specifically appropriated by state law; and every corporation,
2 institution, association or other organization which receives more than 50 percent
3 of its annual budget from appropriations made by state law, including subgrantee or
4 subcontractor recipients of such funds.

5 **SECTION 7.** 13.95 (intro.) of the statutes is amended to read:

6 **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be
7 known as the “Legislative Fiscal Bureau” headed by a director. The fiscal bureau
8 shall be strictly nonpartisan and shall at all times observe the confidential nature
9 of the research requests received by it; however, with the prior approval of the
10 requester in each instance, the bureau may duplicate the results of its research for
11 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director’s
12 designated employees shall at all times, with or without notice, have access to all
13 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the
14 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
15 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
16 Development Corporation, and the Fox River Navigational System Authority, and to
17 any books, records, or other documents maintained by such agencies or authorities
18 and relating to their expenditures, revenues, operations, and structure.

19 **SECTION 8.** 16.002 (2) of the statutes is amended to read:

20 16.002 (2) “Departments” means constitutional offices, departments, and
21 independent agencies and includes all societies, associations, and other agencies of
22 state government for which appropriations are made by law, but not including
23 authorities created in subch. II of ch. 114 or in ch. 231, 232, 233, 234, 237, 238, 239,
24 or 279.

25 **SECTION 9.** 16.004 (4) of the statutes is amended to read:

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1 16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the
2 department as the secretary designates may enter into the offices of state agencies
3 and authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237,
4 238, 239, and 279, and may examine their books and accounts and any other matter
5 that in the secretary's judgment should be examined and may interrogate the
6 agency's employees publicly or privately relative thereto.

7 **SECTION 10.** 16.004 (5) of the statutes is amended to read:

8 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and
9 authorities created under subch. II of ch. 114 and under chs. 231, 233, 234, 237, 238,
10 239, and 279, and their officers and employees, shall cooperate with the secretary
11 and shall comply with every request of the secretary relating to his or her functions.

12 **SECTION 11.** 16.004 (12) (a) of the statutes is amended to read:

13 16.004 (12) (a) In this subsection, "state agency" means an association,
14 authority, board, department, commission, independent agency, institution, office,
15 society, or other body in state government created or authorized to be created by the
16 constitution or any law, including the legislature, the office of the governor, and the
17 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,
18 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
19 Wisconsin Economic Development Corporation, the Wisconsin Student Loan
20 Refinancing Authority, and the Fox River Navigational System Authority.

21 **SECTION 12.** 16.045 (1) (a) of the statutes is amended to read:

22 16.045 (1) (a) "Agency" means an office, department, independent agency,
23 institution of higher education, association, society, or other body in state
24 government created or authorized to be created by the constitution or any law, that
25 is entitled to expend moneys appropriated by law, including the legislature and the

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1 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 232,
2 233, 234, 237, 238, 239, or 279.

3 **SECTION 13.** 16.15 (1) (ab) of the statutes is amended to read:

4 16.15 (1) (ab) “Authority” has the meaning given under s. 16.70 (2), but
5 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox
6 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
7 and the Wisconsin Economic Development Corporation.

8 **SECTION 14.** 16.41 (4) of the statutes is amended to read:

9 16.41 (4) In this section, “authority” means a body created under subch. II of
10 ch. 114 or under ch. 231, 233, 234, 237, 238, 239, or 279.

11 **SECTION 15.** 16.417 (1) (b) of the statutes is amended to read:

12 16.417 (1) (b) “Authority” means a body created under subch. II of ch. 114 or
13 ch. 231, 232, 233, 234, 237, 238, 239, or 279.

14 **SECTION 16.** 16.52 (7) of the statutes is amended to read:

15 16.52 (7) **PETTY CASH ACCOUNT.** With the approval of the secretary, each agency
16 that is authorized to maintain a contingent fund under s. 20.920 may establish a
17 petty cash account from its contingent fund. The procedure for operation and
18 maintenance of petty cash accounts and the character of expenditures therefrom
19 shall be prescribed by the secretary. In this subsection, “agency” means an office,
20 department, independent agency, institution of higher education, association,
21 society, or other body in state government created or authorized to be created by the
22 constitution or any law, that is entitled to expend moneys appropriated by law,
23 including the legislature and the courts, but not including an authority created in
24 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

25 **SECTION 17.** 16.528 (1) (a) of the statutes is amended to read:

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1 16.528 (1) (a) “Agency” means an office, department, independent agency,
2 institution of higher education, association, society, or other body in state
3 government created or authorized to be created by the constitution or any law, that
4 is entitled to expend moneys appropriated by law, including the legislature and the
5 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
6 234, 237, 238, 239, or 279.

7 **SECTION 18.** 16.53 (2) of the statutes is amended to read:

8 16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed
9 invoice, the agency shall notify the sender of the invoice within 10 working days after
10 it receives the invoice of the reason it is improperly completed. In this subsection,
11 “agency” means an office, department, independent agency, institution of higher
12 education, association, society, or other body in state government created or
13 authorized to be created by the constitution or any law, that is entitled to expend
14 moneys appropriated by law, including the legislature and the courts, but not
15 including an authority created in subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238,
16 239, or 279.

17 **SECTION 19.** 16.54 (9) (a) 1. of the statutes is amended to read:

18 16.54 (9) (a) 1. “Agency” means an office, department, independent agency,
19 institution of higher education, association, society or other body in state
20 government created or authorized to be created by the constitution or any law, which
21 is entitled to expend moneys appropriated by law, including the legislature and the
22 courts, but not including an authority created in subch. II of ch. 114 or in ch. 231, 233,
23 234, 237, 238, 239, or 279.

24 **SECTION 20.** 16.765 (1) of the statutes is amended to read:

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1 16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and
2 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
3 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
4 Student Loan Refinancing Authority, the Wisconsin Economic Development
5 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
6 include in all contracts executed by them a provision obligating the contractor not
7 to discriminate against any employee or applicant for employment because of age,
8 race, religion, color, handicap, sex, physical condition, developmental disability as
9 defined in s. 51.01 (5), sexual orientation as defined in s. 111.32 (13m), or national
10 origin and, except with respect to sexual orientation, obligating the contractor to take
11 affirmative action to ensure equal employment opportunities.

12 **SECTION 21.** 16.765 (2) of the statutes is amended to read:

13 16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and
14 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
15 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
16 Student Loan Refinancing Authority, the Wisconsin Economic Development
17 Corporation, and the Bradley Center Sports and Entertainment Corporation shall
18 include the following provision in every contract executed by them: “In connection
19 with the performance of work under this contract, the contractor agrees not to
20 discriminate against any employee or applicant for employment because of age, race,
21 religion, color, handicap, sex, physical condition, developmental disability as defined
22 in s. 51.01 (5), sexual orientation or national origin. This provision shall include, but
23 not be limited to, the following: employment, upgrading, demotion or transfer;
24 recruitment or recruitment advertising; layoff or termination; rates of pay or other
25 forms of compensation; and selection for training, including apprenticeship. Except

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1 with respect to sexual orientation, the contractor further agrees to take affirmative
2 action to ensure equal employment opportunities. The contractor agrees to post in
3 conspicuous places, available for employees and applicants for employment, notices
4 to be provided by the contracting officer setting forth the provisions of the
5 nondiscrimination clause”.

6 **SECTION 22.** 16.765 (5) of the statutes is amended to read:

7 16.765 (5) The head of each contracting agency and the boards of directors of
8 the University of Wisconsin Hospitals and Clinics Authority, the Fox River
9 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
10 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
11 the Wisconsin Economic Development Corporation, and the Bradley Center Sports
12 and Entertainment Corporation shall be primarily responsible for obtaining
13 compliance by any contractor with the nondiscrimination and affirmative action
14 provisions prescribed by this section, according to procedures recommended by the
15 department. The department shall make recommendations to the contracting
16 agencies and the boards of directors of the University of Wisconsin Hospitals and
17 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
18 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
19 Student Loan Refinancing Authority, the Wisconsin Economic Development
20 Corporation, and the Bradley Center Sports and Entertainment Corporation for
21 improving and making more effective the nondiscrimination and affirmative action
22 provisions of contracts. The department shall promulgate such rules as may be
23 necessary for the performance of its functions under this section.

24 **SECTION 23.** 16.765 (6) of the statutes is amended to read:

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1 16.765 (6) The department may receive complaints of alleged violations of the
2 nondiscrimination provisions of such contracts. The department shall investigate
3 and determine whether a violation of this section has occurred. The department may
4 delegate this authority to the contracting agency, the University of Wisconsin
5 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the
6 Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
7 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
8 Development Corporation, or the Bradley Center Sports and Entertainment
9 Corporation for processing in accordance with the department's procedures.

10 **SECTION 24.** 16.765 (7) (intro.) of the statutes is amended to read:

11 16.765 (7) (intro.) When a violation of this section has been determined by the
12 department, the contracting agency, the University of Wisconsin Hospitals and
13 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin
14 Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin
15 Student Loan Refinancing Authority, the Wisconsin Economic Development
16 Corporation, or the Bradley Center Sports and Entertainment Corporation, the
17 contracting agency, the University of Wisconsin Hospitals and Clinics Authority, the
18 Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the
19 Lower Fox River Remediation Authority, the Wisconsin Student Loan Refinancing
20 Authority, the Wisconsin Economic Development Corporation, or the Bradley Center
21 Sports and Entertainment Corporation shall:

22 **SECTION 25.** 16.765 (7) (d) of the statutes is amended to read:

23 16.765 (7) (d) Direct the violating party to take immediate steps to prevent
24 further violations of this section and to report its corrective action to the contracting
25 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River

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1 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
2 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
3 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
4 and Entertainment Corporation.

5 **SECTION 26.** 16.765 (8) of the statutes is amended to read:

6 16.765 (8) If further violations of this section are committed during the term
7 of the contract, the contracting agency, the Fox River Navigational System Authority,
8 the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the
9 Wisconsin Student Loan Refinancing Authority, the Wisconsin Economic
10 Development Corporation, or the Bradley Center Sports and Entertainment
11 Corporation may permit the violating party to complete the contract, after complying
12 with this section, but thereafter the contracting agency, the Fox River Navigational
13 System Authority, the Wisconsin Aerospace Authority, the Lower Fox River
14 Remediation Authority, the Wisconsin Student Loan Refinancing Authority, the
15 Wisconsin Economic Development Corporation, or the Bradley Center Sports and
16 Entertainment Corporation shall request the department to place the name of the
17 party on the ineligible list for state contracts, or the contracting agency, the Fox River
18 Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox
19 River Remediation Authority, the Wisconsin Student Loan Refinancing Authority,
20 the Wisconsin Economic Development Corporation, or the Bradley Center Sports
21 and Entertainment Corporation may terminate the contract without liability for the
22 uncompleted portion or any materials or services purchased or paid for by the
23 contracting party for use in completing the contract.

24 **SECTION 27.** 16.85 (2) of the statutes is amended to read:

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1 16.85 (2) To furnish engineering, architectural, project management, and other
2 building construction services whenever requisitions therefor are presented to the
3 department by any agency. The department may deposit moneys received from the
4 provision of these services in the account under s. 20.505 (1) (kc) or in the general
5 fund as general purpose revenue — earned. In this subsection, “agency” means an
6 office, department, independent agency, institution of higher education, association,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, which is entitled to expend moneys appropriated by law,
9 including the legislature and the courts, but not including an authority created in
10 subch. II of ch. 114 or in ch. 231, 233, 234, 237, 238, 239, or 279.

11 **SECTION 28.** 16.865 (8) of the statutes is amended to read:

12 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a
13 proportionate share of the estimated costs attributable to programs administered by
14 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department
15 may charge premiums to agencies to finance costs under this subsection and pay the
16 costs from the appropriation on an actual basis. The department shall deposit all
17 collections under this subsection in the appropriation account under s. 20.505 (2) (k).
18 Costs assessed under this subsection may include judgments, investigative and
19 adjustment fees, data processing and staff support costs, program administration
20 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this
21 subsection, “agency” means an office, department, independent agency, institution
22 of higher education, association, society, or other body in state government created
23 or authorized to be created by the constitution or any law, that is entitled to expend
24 moneys appropriated by law, including the legislature and the courts, but not

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1 39.28 (7) The board shall create on its Internet site a link to that portion of the
2 department of financial institutions' Internet site created under s. 224.30 (6) (c) and
3 (d).

4 **SECTION 34.** 39.52 of the statutes is created to read:

5 **39.52 Student loan debt reports. (1)** By January 1 of each year, the Board
6 of Regents of the University of Wisconsin System shall provide to the board the
7 average amount of student loan incurred in the previous year by resident
8 undergraduate students enrolled in each institution within that system, the
9 technical college system board shall provide to the board the average amount of
10 student loan debt incurred in the previous year by resident undergraduate students
11 enrolled in each technical college within that system, each tribally controlled college
12 in this state shall provide to the board the average amount of student loan debt
13 incurred in the previous year by resident undergraduate students enrolled in that
14 tribally controlled college, and the Wisconsin Association of Independent Colleges
15 and Universities or a successor organization shall provide to the board the average
16 amount of student loan debt incurred in the previous year by resident undergraduate
17 students enrolled in each of the private, nonprofit accredited institutions of higher
18 education in this state.

19 **(2)** By March 1 of each year, the board shall do all of the following:

20 (a) Compile the information provided to the board under sub. (1) and, from that
21 information, compute the statewide average amount of student loan debt incurred
22 in the previous year by resident undergraduate students enrolled in the institutions
23 specified in sub. (1).

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1 (b) Compare the amount computed under par. (a) to the national average
2 amount of student loan debt incurred in the previous year by undergraduate
3 students enrolled in institutions of higher education in the United States.

4 (c) Compare the amount computed under par. (a) to the statewide average
5 amount of student loan debt incurred in the previous year by undergraduate
6 students in the state with the lowest ratio of statewide average student loan debt to
7 the lowest quintile of state per capita income.

8 (d) Submit to the joint committee on finance a report regarding student loan
9 debt incurred in the previous year by resident undergraduate students at the
10 institutions specified in sub. (1). The report shall include the information provided
11 to the board under sub. (1), the statewide average amount of student loan debt
12 computed under par. (a), and the comparisons described in pars. (b) and (c).

13 **SECTION 35.** 39.54 of the statutes is created to read:

14 **39.54 Student lending transparency. (1)** In this section, “institution of
15 higher education” means an institution or college campus within the University of
16 Wisconsin System, a technical college within the technical college system, a tribally
17 controlled college, or a private, nonprofit institution of higher education located in
18 this state that provides an educational program for which the institution awards an
19 associate degree or higher or provides a program that is acceptable toward such a
20 degree.

21 **(2)** Each institution of higher education shall provide to a prospective or newly
22 accepted student and to the student’s parents clearly outlined and
23 easy-to-understand information pertaining to all of the following:

24 (a) The total cost of attendance at the institution of higher education.

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1 (b) The approximate or, if known, the actual total amount of financial aid that
2 the student would receive from the institution of higher education, and the
3 approximate or, if known, the actual total amount of student loan debt that the
4 student would accumulate, over the course of 4 years if the student were to attend
5 the institution of higher education for 4 years.

6 (c) Student loan rates, repayment plans, default rates, and the actual monthly
7 payment that would be required to pay the student loan debt described in par. (b)
8 when the loan becomes due.

9 **(3)** Each institution of higher education shall create on its Internet site a link
10 to that portion of the department of financial institutions' Internet site created under
11 s. 224.30 (6) (c) and (d).

12 **SECTION 36.** 39.56 of the statutes is created to read:

13 **39.56 Loan counseling. (1) DEFINITION.** In this section, "institution of higher
14 education" means an institution or college campus within the University of
15 Wisconsin System, a technical college under ch. 38, or any private, nonprofit,
16 educational institution located in this state that provides an educational program for
17 which it awards an associate degree or higher.

18 **(2) APPLICABILITY.** This section applies to any student loan offered by an
19 institution of higher education or a private lender or recommended to a student by
20 an institution of higher education, other than a federally funded, federally insured,
21 or federally guaranteed loan for which counseling is required by 20 USC 1092.

22 **(3) ENTRANCE COUNSELING.** (a) Before a student enters into a student loan
23 agreement, an institution of higher education shall provide the student with
24 comprehensive information on the terms and conditions of a loan and the
25 responsibilities the student has with respect to the loan. The institution shall

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1 provide the information during a counseling session conducted in person, on a
2 written form provided to the student that the student signs and returns, or online,
3 with the student acknowledging receipt of the information. The information
4 provided shall include all of the following:

5 1. To the extent practicable, the effect of accepting the loan to be disbursed on
6 the eligibility of the borrower for other forms of student financial assistance.

7 2. How interest accrues and is capitalized during periods when the interest is
8 not paid by the borrower.

9 3. The definitions of full-time and half-time enrollment at the institution of
10 higher education, during regular terms and intersession terms, if applicable, and the
11 consequences of not maintaining full-time or half-time enrollment.

12 4. The importance of contacting the appropriate office at the institution of
13 higher education if the borrower withdraws before completing his or her program of
14 study so that the institution can provide counseling under sub. (4).

15 5. Sample monthly repayment amounts, based on a range of levels of
16 indebtedness.

17 6. The obligation of the borrower to repay the full amount of the loan,
18 irrespective of whether the borrower completes his or her program of study at the
19 institution.

20 7. The likely consequences of default on the loan, including adverse credit
21 reports, delinquent debt collection procedures, and litigation.

22 8. Whether the student has reached the limit on his or her federal student loan
23 opportunities.

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1 9. The name of, and contact information for, an individual the borrower may
2 contact if he or she has any questions about the borrower's rights and responsibilities
3 or the terms and conditions of the loan.

4 10. How a student or any member of the public may file a complaint about a
5 lender with the federal Consumer Financial Protection Bureau by calling a toll-free
6 telephone number, or by completing a complaint form, which may be obtained on the
7 bureau's Internet site. The institution of higher education shall also include the
8 toll-free telephone number and Internet site address of the bureau.

9 (b) In conjunction with providing information under par. (a), the institution of
10 higher education shall also do all of the following:

11 1. Clearly distinguish private loans from federal loans in individual financial
12 aid awards by stating, for any private loans included by the institution as part of the
13 institution's award package, all of the following:

14 a. Whether the rate is fixed or variable.

15 b. An explanation that private student loan lenders can offer variable interest
16 rates that can increase or decrease over time, depending on market conditions.

17 c. An explanation that private student loans have a range of interest rates and
18 fees and students should determine the interest rate of, and any fees associated with,
19 the private student loan included in their financial aid award package before
20 accepting the loan.

21 d. An explanation that students should contact the lender of the private
22 student loan or their institution's financial aid office if they have any questions about
23 a private student loan.

24 e. An explanation that the interest rate on a private student loan may depend
25 on the borrower's credit rating.

SENATE BILL 91**SECTION 36**

1 2. If the institution of higher education provides a private loan lender list,
2 provide general information about the loans available through the lender and
3 disclose the basis for each lender's inclusion on the list. The institution shall also
4 disclose with the list that the student may choose any lender.

5 (c) 1. A lender may not accept a final and complete application for a private
6 student loan from an applicant, or assess any fees upon an applicant, without first
7 receiving certification from the applicant's institution of higher education that the
8 applicant has received counseling from the institution under pars. (a) and (b) and
9 that the counseling was conducted in person, unless the certification specified that
10 the applicant elected to receive the counseling in a manner other than in person.

11 2. The certification required by subd. 1. shall be signed by the applicant and
12 the institutional counselor, and shall include the date of the counseling and the
13 name, address, and telephone number of both the counselor and the applicant. An
14 electronic facsimile copy of the counseling certification satisfies the requirement
15 under this subdivision. The lender shall maintain the certification in an accurate,
16 reproducible, and accessible format for the term of the student loan.

17 **(4) EXIT COUNSELING.** (a) As close as practicable to the date that a student
18 graduates from, transfers from, withdraws from, or otherwise completes his or her
19 program of study at the institution of higher education, the institution shall provide
20 the student with information relating to all of the following:

21 1. Repayment plans that are available, including a description of the different
22 features of each plan and sample information showing the average anticipated
23 monthly payments, and the difference in interest paid and total payments, under
24 each plan.

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1 2. Debt management strategies designed to facilitate the repayment of
2 indebtedness.

3 3. The options to prepay each loan, pay each loan on a shorter schedule, or
4 change repayment plans.

5 4. The likely consequences of default on the loan, including adverse credit
6 reports, delinquent debt collection procedures, and litigation.

7 5. The effects of consolidation on a borrower's underlying loan benefits.

8 6. Grace periods, loan forgiveness, cancellation, and deferment opportunities.

9 7. The borrower benefit programs of different lenders.

10 8. The tax benefits that may be available to borrowers.

11 9. How to enroll in income-based repayment.

12 (b) With respect to a student who leaves an institution of higher education
13 without the knowledge of the institution, the institution shall attempt to provide the
14 information described in par. (a) to the student in writing.

15 **(5) FEE.** An institution of higher education may assess a reasonable fee to the
16 lender to defray the cost of counseling under this section in an amount not exceeding
17 \$50. The higher educational aids board and the department of financial institutions
18 shall jointly promulgate rules to implement and administer this subsection.

19 **SECTION 37.** 40.02 (54) (n) of the statutes is created to read:

20 40.02 **(54)** (n) The Wisconsin Student Loan Refinancing Authority.

21 **SECTION 38.** 70.11 (38v) of the statutes is created to read:

22 70.11 **(38v)** WISCONSIN STUDENT LOAN REFINANCING AUTHORITY. All property
23 owned by the Wisconsin Student Loan Refinancing Authority, provided that use of
24 the property is primarily related to the purposes of the Wisconsin Student Loan
25 Refinancing Authority.

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1 **SECTION 39.** 71.05 (6) (b) 28. (intro.), am. and h. of the statutes are amended
2 to read:

3 71.05 **(6)** (b) 28. (intro.) An amount paid by a claimant for tuition expenses,
4 including any amount paid by a claimant in the year to which the claim relates on
5 a loan, the proceeds of which were used by the claimant to pay the claimant's
6 expenses for tuition, fees, books, room and board, and educational supplies that were
7 directly related to the claimant's attendance at an eligible educational institution,
8 as defined in s. 18.81 (2), and mandatory student fees for a student who is the
9 claimant or who is the claimant's child and the claimant's dependent who is claimed
10 under section 151 (c) of the Internal Revenue Code, to attend any university, college,
11 technical college or a school approved under s. 38.50, that is located in Wisconsin or
12 to attend a public vocational school or public institution of higher education in
13 Minnesota under the Minnesota-Wisconsin reciprocity agreement under s. 39.47,
14 calculated as follows:

15 am. Notwithstanding subd. 28. a., for taxable years beginning after December
16 31, 2008, the department of revenue and the Board of Regents of the University of
17 Wisconsin System shall continue making the calculation described under subd. 28.

18 a. Notwithstanding subd. 28. a., once this calculation exceeds \$6,000, the deduction
19 for tuition expenses, including any amount paid by a claimant in the year to which
20 the claim relates on a loan, the proceeds of which were used by the claimant to pay
21 the claimant's expenses for tuition, fees, books, room and board, and educational
22 supplies that were directly related to the claimant's attendance at an eligible
23 educational institution, as defined in s. 18.81 (2), and mandatory student fees, as
24 described in subd. 28. (intro.), shall be based on an amount equal to not more than
25 twice the average amount charged by the Board of Regents of the University of

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1 Wisconsin System at 4-year institutions for resident undergraduate academic fees
2 for the most recent fall semester, as determined by the Board of Regents by
3 September 1 of that semester, per student for each year to which the claim relates,
4 and the deduction that may be claimed under this subd. 28. am. first applies to
5 taxable years beginning on the January 1 after the calculation of the Board of
6 Regents, that must occur by September 1, exceeds \$6,000.

7 h. No modification may be claimed under this subdivision for an amount paid
8 for tuition expenses, including any amount paid by a claimant in the year to which
9 the claim relates on a loan, the proceeds of which were used by the claimant to pay
10 the claimant's expenses for tuition, fees, books, room and board, and educational
11 supplies that were directly related to the claimant's attendance at an eligible
12 educational institution, as defined in s. 18.81 (2), and mandatory student fees, as
13 described under this subdivision, if the source of the payment is an amount
14 withdrawn from a college savings account, as described in s. 16.641 or from a college
15 tuition and expenses program, as described in s. 16.64, and if the owner of the
16 account or a parent, grandparent, great-grandparent, aunt, or uncle of the
17 beneficiary, who contributed to the account, has claimed a deduction under subd. 32.
18 or 33. that relates to such an amount.

19 **SECTION 40.** 71.05 (6) (b) 28. j. of the statutes is created to read:

20 71.05 (6) (b) 28. j. The provisions of subd. 28. b., c., d., and g. do not apply to
21 a taxable year that begins after December 31, 2017.

22 **SECTION 41.** 77.54 (9a) (a) of the statutes is amended to read:

23 77.54 (9a) (a) This state or any agency thereof, the University of Wisconsin
24 Hospitals and Clinics Authority, the Wisconsin Aerospace Authority, the Wisconsin

SENATE BILL 91**SECTION 41**

1 Economic Development Corporation, the Wisconsin Student Loan Refinancing
2 Authority, and the Fox River Navigational System Authority.

3 **SECTION 42.** 100.45 (1) (dm) of the statutes is amended to read:

4 100.45 (1) (dm) "State agency" means any office, department, agency,
5 institution of higher education, association, society, or other body in state
6 government created or authorized to be created by the constitution or any law which
7 is entitled to expend moneys appropriated by law, including the legislature and the
8 courts, the Wisconsin Housing and Economic Development Authority, the Bradley
9 Center Sports and Entertainment Corporation, the University of Wisconsin
10 Hospitals and Clinics Authority, the Wisconsin Health and Educational Facilities
11 Authority, the Wisconsin Aerospace Authority, the Wisconsin Economic
12 Development Corporation, the Wisconsin Student Loan Refinancing Authority, and
13 the Fox River Navigational System Authority.

14 **SECTION 43.** 224.30 (6) of the statutes is created to read:

15 224.30 (6) STUDENT LENDING TRANSPARENCY. (a) In this subsection:

16 1. "Higher education expenses" includes all of the following:

17 a. Tuition and fees.

18 b. Books and supplies

19 c. Room and board.

20 2. "Private student loan" means a loan issued by a private lending institution
21 for the purpose of paying for or financing higher education expenses.

22 3. "Private lending institution" means any private entity that itself or through
23 an affiliate makes available student loans to pay for or finance higher education
24 expenses.

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1 4. “Student borrower” means any individual who borrows money from a private
2 lending institution to finance higher education expenses.

3 (b) The department shall compile data related to private student loans for the
4 purpose of comparing private lending institutions’ student loan interest rates and
5 repayment plans, including all of the following:

6 1. Policies relating to deferment and forbearance.

7 2. Loan default policies and penalties.

8 3. Any other information that the department deems relevant for the purpose
9 of creating a list of private lending institutions that provide the lowest rates and best
10 repayment options on student loans.

11 (c) 1. Using the data compiled under par. (b), the department shall create and
12 maintain a list of private lending institutions that provide the lowest rates and best
13 repayment options on student loans.

14 2. In addition to the list under subd. 1., the department shall compile a list of
15 the 10 best private lending institutions based on rates and policies that are most
16 favorable to the student borrower. The department may also consider the private
17 lending institutions’ policies for allowing a student borrower to borrow more than 10
18 percent over the student borrower’s total cost of higher education expenses when
19 determining if a private lending institution should be placed on this list.

20 (d) The department shall place the lists created and compiled under par. (c) at
21 an easily accessible location on the department’s Internet site. The department shall
22 update its Internet site on a monthly basis to ensure that the student loan
23 information in these lists is current and accurate. Information pertaining to lending
24 institutions that do not make the list compiled under par. (c) 2. shall also be posted

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1 on the department's Internet site and those lending institutions that provide the
2 worst rates and strictest repayment options shall be clearly indicated.

3 (e) The department shall make any list or other data under this subsection that
4 appears on the department's Internet site available to be linked as provided in ss.
5 39.28 (7) and 39.54 (3).

6 (f) The department may satisfy its duties under this subsection through a
7 designee or 3rd-party contractor.

8 **SECTION 44.** 230.03 (3) of the statutes is amended to read:

9 230.03 (3) "Agency" means any board, commission, committee, council, or
10 department in state government or a unit thereof created by the constitution or
11 statutes if such board, commission, committee, council, department, unit, or the
12 head thereof, is authorized to appoint subordinate staff by the constitution or
13 statute, except the Board of Regents of the University of Wisconsin System, a
14 legislative or judicial board, commission, committee, council, department, or unit
15 thereof or an authority created under subch. II of ch. 114 or under ch. 231, 232, 233,
16 234, 237, 238, 239, or 279. "Agency" does not mean any local unit of government or
17 body within one or more local units of government that is created by law or by action
18 of one or more local units of government.

19 **SECTION 45.** Chapter 239 of the statutes is created to read:

CHAPTER 239**WISCONSIN STUDENT LOAN****REFINANCING AUTHORITY**

23 **239.01 Definitions.** In this chapter:

24 (1) "Authority" means the Wisconsin Student Loan Refinancing Authority.

25 (2) "Board" means the governing board of the authority.

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1 (3) “Qualified education loan” has the meaning given in 26 USC 221 (d).

2 **239.02 Creation and organization of authority.** (1) (a) There is created an
3 authority, which is a public body corporate and politic, to be known as the “Wisconsin
4 Student Loan Refinancing Authority.” The members of the board shall consist of all
5 of the following:

6 1. One member of the majority party in each house of the legislature.

7 2. One member of the minority party in each house of the legislature.

8 3. One undergraduate student enrolled at least half-time and in good academic
9 standing at an institution within the University of Wisconsin System who is at least
10 18 years old and a resident of this state.

11 4. One student enrolled at least half-time and in good academic standing at a
12 technical college who is at least 18 years old and a resident of this state.

13 5. One undergraduate student enrolled at least half-time and in good academic
14 standing at a private, nonprofit institution of higher education located in this state
15 who is at least 18 years old and a resident of this state.

16 6. Two members who have at least 10 years experience in making qualified
17 education loans or loan refinancing, but any person having a financial interest in or
18 whose employer is primarily engaged in the business of making qualified education
19 loans is not eligible for appointment under this subdivision, and any member
20 appointed under this subdivision who acquires such an interest while serving as a
21 member shall resign from the board.

22 (b) 1. The members specified in par. (a) 1. and 2. shall be appointed as are the
23 members of standing committees in their respective houses.

24 2. The members specified in par. (a) 3. to 5. shall be nominated by the governor,
25 and with the advice and consent of the senate appointed, for 2-year terms.

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1 3. The members specified in par. (a) 6. shall be nominated by the governor, and
2 with the advice and consent of the senate appointed, for 3-year terms.

3 **(2)** If a student member of the board appointed under sub. (1) (a) 3. to 5. loses
4 his or her student status upon which the appointment was based, he or she ceases
5 to be a member of the board upon the appointment of a qualified successor to the
6 board. A student member who loses his or her student status solely because he or
7 she graduates from an institution of higher education may complete his or her
8 current term on the board.

9 **(3)** The members of the board shall annually elect a chairperson and may elect
10 other officers as they consider appropriate. A majority of the members of the board
11 constitutes a quorum for the purpose of conducting its business and exercising its
12 powers and for all other purposes, notwithstanding the existence of any vacancies.
13 Action may be taken by the board upon a vote of a majority of the voting members
14 present.

15 **(4)** A member of the board may not be compensated for his or her services but
16 shall be reimbursed for actual and necessary expenses, including travel expenses,
17 incurred in the performance of his or her duties.

18 **(5)** No cause of action of any nature may arise against and no civil liability may
19 be imposed upon a member of the board for any act or omission in the performance
20 of his or her powers and duties under this chapter, unless the person asserting
21 liability proves that the act or omission constitutes willful misconduct.

22 **(6)** The board shall appoint a chief executive officer who shall not be a member
23 of the board and who shall serve at the pleasure of the board. The chief executive
24 officer shall receive such compensation as the board fixes. The chief executive officer
25 or other person designated by resolution of the board shall keep a record of the

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1 proceedings of the authority and shall be custodian of all books, documents, and
2 papers filed with the authority, the minute book or journal of the authority, and its
3 official seal. The chief executive officer or other person may cause copies to be made
4 of all minutes and other records and documents of the authority and may give
5 certificates under the official seal of the authority to the effect that such copies are
6 true copies, and all persons dealing with the authority may rely upon such
7 certificates.

8 **239.03 Powers of board.** The board shall have all the powers necessary or
9 convenient to carry out the purposes and provisions of this chapter. In addition to
10 all other powers granted the board under this chapter, the board may specifically:

11 (1) Adopt, amend, and repeal any bylaws, policies, and procedures for the
12 regulation of its affairs and the conduct of its business.

13 (2) Have a seal and alter the seal at pleasure.

14 (3) Maintain an office.

15 (4) Sue and be sued.

16 (5) Accept gifts, grants, loans, or other contributions from private or public
17 sources.

18 (6) Establish the authority's annual budget and monitor the fiscal
19 management of the authority.

20 (7) Execute contracts and other instruments required for the operation of the
21 authority.

22 (8) Employ any officers, agents, and employees that it may require and
23 determine their qualifications, duties, and compensation.

24 (9) Issue notes, bonds, and any other obligations.

25 (10) Make loans and provide grants.

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1 (11) Incur debt.

2 (12) Procure liability insurance.

3 **239.04 Duties of board.** The board shall develop and implement a program
4 under which state residents may refinance qualified education loans. The board
5 shall develop the program to include all of the following:

6 (1) The authority shall provide a loan to an eligible individual to pay all or part
7 of the individual's qualified education loans.

8 (2) The authority may only issue loans under the program that satisfy the
9 exception to discharge under 11 USC 523 (a) (8).

10 (3) The authority shall establish eligibility criteria to participate in the
11 program.

12 (4) The board shall set the interest rate on loans made under the program to
13 be as low as possible but still sufficient to fully pay all expenses of the program and
14 to provide necessary reserves, as determined by the board.

15 (5) The authority shall establish policies governing the ability of borrowers to
16 defer loan payments or to enter into forbearances.

17 **239.05 Issuance of bonds.** (1) The authority may issue bonds for any
18 corporate purpose. All bonds are negotiable for all purposes, notwithstanding their
19 payment from a limited source.

20 (2) Except as otherwise expressly provided by the authority, every issue of its
21 notes or bonds shall be general obligations of the authority payable out of any
22 revenues or moneys of the authority, subject only to any agreements with the holders
23 of particular notes or bonds pledging any particular receipts or revenues.

24 (3) All bonds issued by the authority are negotiable investment securities
25 under ch. 408.

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1 (4) The authority may not issue bonds unless the issuance is first authorized
2 by a bond resolution. Bonds shall bear the dates, mature at the times not exceeding
3 50 years from their dates of issue, bear interest at the rates, be payable at the times,
4 be in the denominations, be in the form, carry the registration and conversion
5 privileges, be executed in the manner, be payable in lawful money of the United
6 States at the places, and be subject to the terms of redemption, that the bond
7 resolution provides. The bonds shall be executed by the manual or facsimile
8 signatures of the officers of the authority designated by the board. The bonds may
9 be sold at public or private sale at the price, in the manner, and at the time
10 determined by the board. Pending preparation of definitive bonds, the authority may
11 issue interim receipts or certificates that shall be exchanged for the definitive bonds.

12 (5) The board may include in bond resolution provisions, which shall be a part
13 of the contract with the holders of the bonds that are authorized by the bond
14 resolution, regarding any of the following:

15 (a) Pledging or assigning specified assets or revenues of the authority.

16 (b) Setting aside reserves or sinking funds, and the regulation, investment, and
17 disposition of these funds.

18 (c) Limitations on the purpose to which or the investments in which the
19 proceeds of the sale of any issue of bonds may be applied.

20 (d) Limitations on the issuance of additional bonds, the terms upon which
21 additional bonds may be issued and secured, and the terms upon which additional
22 bonds may rank on a parity with, or be subordinate or superior to, other bonds.

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

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

4 (g) Defining the acts or omissions to act that constitute a default in the duties
5 of the authority to the bondholders, and providing the rights and remedies of the
6 bondholders in the event of a default.

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

8 **(6)** Neither the members of the board nor any person executing the bonds is
9 liable personally on the bonds or subject to any personal liability or accountability
10 by reason of the issuance of the bonds, unless the personal liability or accountability
11 is the result of willful misconduct.

12 **239.06 Bond security.** The authority may secure bonds by a trust agreement,
13 trust indenture, indenture of mortgage, or deed of trust by and between the authority
14 and one or more corporate trustees. A bond resolution providing for the issuance of
15 bonds so secured shall mortgage, pledge, assign, or grant security interests in some
16 or all of the revenues to be received by, and property of, the authority and may contain
17 those provisions for protecting and enforcing the rights and remedies of the
18 bondholders that are reasonable and proper and not in violation of law. A bond
19 resolution may contain other provisions determined by the board to be reasonable
20 and proper for the security of the bondholders.

21 **239.07 Bonds not public debt. (1)** The state is not liable on bonds, and the
22 bonds are not a debt of the state. All bonds shall contain a statement to this effect
23 on the face of the bond. A bond issue does not, directly, indirectly, or contingently,
24 obligate the state or a political subdivision of the state to levy any tax or make any

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1 appropriation for payment of the bonds. Nothing in this section prevents the
2 authority from pledging its full faith and credit to the payment of bonds.

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

13 **239.08 State pledge.** The state pledges to and agrees with the bondholders,
14 and persons that enter into contracts with the authority under this chapter, that the
15 state will not limit or alter the rights vested in the authority by this chapter before
16 the authority has fully met and discharged the bonds, and any interest due on the
17 bonds, and has fully performed its contracts, unless adequate provision is made by
18 law for the protection of the bondholders or those entering into contracts with the
19 authority.

20 **239.09 Liability limited.** Neither the state nor any political subdivision of
21 the state, nor any officer, employee, or agent of the state or a political subdivision of
22 the state who is acting within the scope of employment or agency, is liable for any
23 debt, obligation, act, or omission of the authority.

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1 **239.10 Annual report.** (1) Annually, the board shall submit to the chief clerk
2 of each house of the legislature, for distribution to the legislature under s. 13.172 (2),
3 a report on the activities of the authority, including all of the following:

4 (a) Its operations, accomplishments, goals, and objectives.

5 (b) A statement of income and expenses for the fiscal year.

6 (c) Its assets and liabilities at the end of its fiscal year.

7 (d) A schedule of its bonds and notes outstanding at the end of its fiscal year,
8 together with a statement of the amounts redeemed and incurred during such fiscal
9 year.

10 (2) The authority, annually on January 15, shall file with the department of
11 administration and the joint legislative council a complete and current listing of all
12 forms, reports, and papers required by the authority to be completed by any person,
13 other than a governmental body, as a condition of obtaining the approval of the
14 authority or for any other reason. The authority shall attach a blank copy of each
15 such form, report, or paper to the listing.

16 **SECTION 46. Nonstatutory provisions.**

17 (1) STAGGERED TERMS. Notwithstanding the length of terms specified for the
18 members of the board of the Wisconsin Student Loan Refinancing Authority under
19 section 239.02 of the statutes, of the 5 members appointed under section 239.02 (1)

20 (a) 3. to 6. of the statutes, one of the initial members shall be appointed for a term
21 expiring on July 1, 2019, 2 of the initial members shall be appointed for terms
22 expiring on July 1, 2020, and the remaining 2 initial members shall be appointed for
23 terms expiring on July 1, 2021.

24 **SECTION 47. Initial applicability.**

