

No. 49, S.]

[Published August 11, 1949.

CHAPTER 627.

AN ACT to repeal 20.02 (13), 20.209, 45.355; to amend 66.39 (1), (10), (11) and (13), and to create 20.036 (12), 20.07 (1), 25.36, 45.35 (14), 45.352, 45.353 and 45.354 of the statutes, relating to discontinuing the Wisconsin veterans' authority and transferring its functions to the department of veterans' affairs, a veterans' housing trust fund, veterans' housing loans, incentive grants for veterans' housing and making appropriations.

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

SECTION 1. 20.02 (13) of the statutes is repealed.

SECTION 2. 20.036 (12) of the statutes is created to read:

20.036 (12) VETERANS' HOUSING LOANS. (a) From the veterans' housing trust fund a sum sufficient for the payment of housing loans granted to veterans, veterans' nonprofit housing corporations and veterans' nonprofit co-operative housing associations,

and the payment of expense and other payments as a consequence of being mortgagee or owner under sections 45.352 and 45.353.

(b) From the veterans' housing trust fund on July 1, 1949, \$100,000, and on July 1, 1950, \$100,000 for the execution of the functions of the department under sections 45.35 (14), 45.352, 45.353, 45.354 and 66.39 (1), (10), (11) and (13).

(c) From the veterans' housing trust fund a sum sufficient, but not exceeding the limit prescribed for such purposes under section 25.36, for incentive grants to county, city or village housing authorities to assist such housing authority in providing housing for veterans and their families. Allotments from this appropriation shall not exceed 10 per cent of the total cost to any such housing authority of the land, improvements and dwelling units located thereon as determined by the department. Actual payments of allotments shall be at such times as said department shall determine. All allotments shall be made upon written application in form prescribed by the department.

(d) Notwithstanding the limitation prescribed under section 25.36, if by June 30, 1950, the amount available for veterans under paragraph (a) or the amount available for housing authorities under paragraph (c) is in excess of the amount needed for the purpose, such excess amount or any part thereof shall be transferred to and be available for the other if needed for use in such other appropriation, except that after such transfer the amount available for the purposes of paragraph (c) shall not exceed 40 per cent of the total amount available for the purpose of said paragraphs. Such transfer shall be made only on the finding of the emergency board that such conditions exist, which findings shall be certified by the emergency board to the secretary of state and the director of budget and accounts whereupon the transfer shall be effected.

SECTION 3. 20.07 (1) of the statutes is created to read:

20.07 (1) TRANSFER TO VETERANS' HOUSING TRUST FUND. To the veterans' housing trust fund:

(a) On the effective date of this subsection (1949) an amount, as certified by the state treasurer to the director of budget and accounts, equal to one-half of the tax collected before the effective date of this subsection and after July 24, 1947, under section 139.26 as amended by chapter 412, laws of 1947 (which amendment took effect July 25, 1947), reduced by one-half of such taxes refunded during said period.

(b) Monthly for the ensuing biennium an amount equal to one-half of the tax collected during the preceding month under section 139.26 reduced by one-half of such taxes refunded during the preceding month, but subject to the provisions of section 139.28, as certified by the commissioner of taxation to the director of budget and accounts.

(c) All repayments of loans and payments of interest made on loans under sections 45.352 and 45.353 shall revert to the veterans' rehabilitation trust fund.

SECTION 4. 20.209 of the statutes is repealed.

SECTION 5. 25.36 of the statutes is created to read:

25.36 VETERANS' HOUSING TRUST FUND. (1) All moneys transferred pursuant to section 20.07 (1) and all other moneys appropriated or transferred thereto by law constitute the veterans' housing trust fund which shall be used exclusively for veterans' housing and administered by the Wisconsin department of veterans' affairs. The department shall not allocate to county, city or village housing authorities for veterans' housing purposes amounts aggregating in excess of 20 per cent of the funds appropriated under section 20.07 (1) (a) and (b) to the veterans' housing trust fund.

(2) The moneys received in the veterans' housing trust fund pursuant to section 20.07 (1) (a) and (b) shall be allocated in the several counties as nearly as practicable on the basis of veterans' population.

SECTION 6. 45.35 (14) of the statutes is created to read:

45.35 (14) The department shall, without limitation because of enumeration, also have the following powers, duties and functions:

(a) To assist in the co-ordination of the state, county, municipal and private activities relating to veterans' housing.

(b) To co-operate with any and all federal departments, agencies and independent establishments relating to veterans' housing, materials, priorities and finances.

(c) To assist any housing authority, municipality or other private enterprise engaged in supplying additional veterans' housing in the acquisition of materials, finances, legal aid and compliance with federal rules and regulations.

(d) To utilize the services and facilities of existing state departments and boards and county veterans' service officers.

(e) To employ such assistants as it may deem necessary to carry out its functions under this section without regard to the provisions of chapter 16.

(f) To receive money from federal agencies for the purpose of providing veterans' housing in localities throughout the state.

(g) To perform such other duties as specifically set forth in other sections of the statutes.

SECTION 7. 45.352 of the statutes is created to read:

45.352 VETERANS' HOUSING LOANS. (1) "Veteran" as used in this section and sections 45.353 and 45.354 shall have the same meaning as defined in section 45.35 (5a) and "department" means the Wisconsin department of veterans' affairs.

(2) The department may loan not to exceed 20 per cent of the value of the housing accommodation for which it is made, including land, buildings, and improvements, to any veteran making application therefor and establishing his qualifications and right to such loan under this section to the satisfaction of the department. Subject to such limitation the amount of each loan shall be fixed by the department with due regard to the conditions and requirements of the applicant. Loans granted under this section shall be paid out of the appropriation in section 20.036 (12) (a). All receipts of interest and principal on such loans, payments of losses by insurers, and any other collections shall be deposited in the veterans' rehabilitation trust fund.

(3) Applications for loans shall be made to the department and shall be in such form and set forth such material information as the department shall prescribe. Each application for loan shall be signed by the veteran applying. The department shall pass upon the merits of each application and may disallow the loan applied for or grant it in whole or in part. Whenever the application and other information given by an applicant is not deemed sufficient or satisfactory for making a determination thereon, the department may use such means of availing itself of the facts as it may deem practical.

(4) A loan under this section shall be granted only to a veteran who:

(a) Requires the loan, in addition to his own and other funds available therefor, for the purchase, improvement or construction of a home for himself or family.

(b) Can show to the satisfaction of the department that the total cost of such home, including land, does not exceed \$10,000.

(c) Has available for application on the cost of such home an amount equivalent to 5 per cent of such total cost. Such amount may consist of money and other assets, including land to be used for the construction, which land may be taken at its assessed valuation for taxation purposes.

(d) Is financially able, with the aid of such loan, to conclude the purchase, improvement or construction of such home.

(5) Each loan made under this section shall be repaid to the department in equal monthly instalments commencing upon occupancy by the veteran, and over a period of not to exceed 20 years, with the option to pay additional sums on any instalment paying day. Such loan shall bear interest at the rate of 2 per cent per annum on unpaid balances of principal and shall be evidenced by a promissory, instalment note payable to the department and executed by the veteran to whom the loan is made. The department is authorized to obtain guarantees for such loans under the provisions of section 505 of the servicemen's readjustment act. The note shall be secured by a mortgage on the real estate in respect to which the loan is granted. Such mortgage shall be substantially in the form, contain the covenants and be executed in the manner prescribed in chapter 235 and shall provide for adequate insurance against loss by fire and wind and that the premises therein described are free and clear of all encumbrances whatsoever. But any such mortgage may be junior and subject to one prior mortgage, and in such case shall include an exception as to such prior mortgage, giving a description thereof.

(6) The department may accept when necessary to protect a mortgage loan, a quitclaim deed or warranty deed to the mortgaged property in full satisfaction of the mortgage debt (and thereupon to satisfy the same), and to manage, operate, lease, exchange, sell and convey, by land contract, quitclaim deed or warranty deed and to grant easements in any real property acquired by the department.

(7) The department shall have and exercise the rights, as the case may be, of owners or mortgagees generally; and any payments or expenses necessary to be made to protect the state's interest shall be made from the appropriation made by section 20.036 (12) (a).

(8) The department shall make such necessary rules and regulations, not inconsistent with law, for the effective and efficient administration of its powers, duties and functions under this section.

(9) The department shall be represented by the attorney-general in all actions and proceedings arising by virtue of the provisions of this section and the rules and regulations made by the department.

(10) (a) Whenever any instalment of principal, interest or other charge payable under the terms of a note or mortgage given under this section shall become delinquent, the department may, upon application of the mortgagor and recommendation of his county veterans' service officer as hereinafter provided, by agreement in writing duly

executed by the parties, extend the time within which the obligation under such note and mortgage or any part thereof shall be paid, reduce the amount of monthly instalments and provide such other terms and conditions relative to the time and manner of repaying the obligation, not inconsistent with this section, as the department shall deem necessary and reasonable in view of all the circumstances of the case. If the department shall find an application is made without sufficient cause to justify granting relief under this subsection it may deny the same.

(b) An application under this subsection shall be in writing, subscribed and sworn to by the applicant, set forth the reasons for making the application and such other information as the department may require. Forms for such applications shall be prescribed and furnished by the department. The application shall be accompanied by a statement subscribed by the applicant's county veterans' service officer setting forth that he has read the application and after investigation believes it does or does not merit consideration and his reasons for such belief.

SECTION 8. 45.353 of the statutes is created to read:

45.353 VETERANS' CO-OPERATIVE AND NONPROFIT HOUSING CORPORATION. The department may make loans to veterans' nonprofit housing corporations and veterans' nonprofit co-operative housing associations subject to the same provisions applicable to loans under section 45.352 except that section 45.352 (4) (a) shall not apply and the limitations of section 45.352 (4) (b) shall apply only to the cost per dwelling unit.

SECTION 9. 45.354 of the statutes is created to read:

45.354 VETERANS' HOUSING INCENTIVE GRANTS. (1) TO WHOM MADE. As state aid to assist in providing housing for veterans and their families the department shall, as provided in this section and such rules and regulations not inconsistent therewith as it may prescribe, allot the funds appropriated by section 20.036 (12) (c) for that purpose as incentive grants to county, city or village housing authorities.

(2) APPLICATION FOR AND DETERMINATION. (a) The incentive grant for the dwelling units of any project constructed by a county, city or village housing authority, shall not exceed 10 per cent of the total cost of the land, improvements and dwelling unit or units located thereon as determined by the department, and actual payments of allotments shall be made at such time as the department shall determine.

(b) All allotments shall be made upon written application in form prescribed by the department.

(3) DATE OF APPLICATION. No allotment shall be made under this section unless an application therefor shall be made to the department on or before March 1, 1950.

SECTION 10. 45.355 of the statutes is repealed and the Wisconsin veterans' housing authority abolished.

SECTION 11. 66.39 (1), (10), (11) and (13) of the statutes are amended to read:

66.39 (1) In addition to all the other powers, any housing authority created under sections 66.40 to 66.409 may, within its area of operation, either by itself or in co-operation with the Wisconsin * * * department of veterans' affairs, undertake and carry out studies and analyses of veterans' housing needs and of the meeting of such needs and make the results of such studies available to the public and the building, housing and supply industries.

(10) Every authority which receives an allotment under section * * * 20.036 (12) (c) or 45.354 shall on or before February 15 in each year file with the Wisconsin * * * department of veterans' affairs a report of its activities for the preceding year in the form prescribed and on blanks furnished by the * * * department. The local authority shall at the same time file a duplicate of such report with the governing body of the sponsoring county or municipality.

(11) It is declared to be the policy of this state that each housing authority shall * * * operate * * * in an efficient manner so as to provide veterans with permanent housing at the lowest possible cost and that no housing authority shall * * * realize any profit on its operations. * * * Any veteran who occupies a single dwelling unit shall have an option to purchase such unit within 5 years from the date of occupancy at an amount not to exceed the total costs to the housing authority of the land on which said * * * dwelling unit is located, the improvements and the dwelling unit, less a proportionate amount for such allotment as may be received by the authority under * * * sections 20.036 (12) and 45.354. The purchase contract shall be in such form and on such terms as may be prescribed by the Wisconsin * * * department of veterans' affairs. If said veteran occupant desires to exercise his option to purchase he shall notify the housing authority of his intention to exercise that option in writing and he shall be allowed a credit on said purchase price of an amount equal to that portion of the monthly rentals for said unit paid by him that has been credited to or expended for capital retirement or repayment of the principal amount of any mortgage indebtedness, bond in-

debtedness, or any other indebtedness incurred for the purpose of acquiring the land, improving the land, or constructing the dwelling unit. * * *

(13) All tenants selected for veterans' housing projects shall be honorably discharged veterans of wars of the United States of America. Selection between veterans shall be made in accordance with rules and regulations promulgated and adopted by the Wisconsin * * * *department of veterans' affairs* which regulation said * * * *department* is authorized to make and from time to time change as it deems proper. Such rules and regulations, however, shall give veterans of World War II preference over veterans of all other wars. Notwithstanding such rules and regulations or any law to the contrary a veteran shall not be entitled to or be granted any benefits under sections 66.39 to 66.404 from a housing authority unless such veteran was at the time of his induction into military service a resident of the state * * *.

SECTION 12. All outstanding rules and regulations of the Wisconsin veterans' housing authority on the effective date of this section shall continue as the rules and regulations of the department of veterans' affairs except insofar as the same may be rescinded, altered, or amended by the department of veterans' affairs.

SECTION 13. On the effective date of this act all books, records, documents, papers and equipment in the possession or under the control of the Wisconsin veterans' housing authority shall automatically be transferred to and become the property of the Wisconsin department of veterans' affairs.

Approved August 5, 1949.
