

1985 Wisconsin Act 334

AN ACT to repeal 234.01 (5b) and (5e), 234.03 (31) and 234.80; to renumber and amend 234.01 (4n) (a) 3m and 234.90 (4) (b); to amend 20.143 (1) (h), 234.01 (4n) (a) 6, 234.03 (2m), (11) and (18), 234.03 (20), 234.265 (1) and (2), 234.40 (4), 234.50 (4), 234.60 (2), 234.65 (1) (b), 234.65 (1) (c) and (cm), 234.70 (1) and 234.90 (7m) (a) 2. b; and to create 234.01 (3), 234.01 (4n) (a) 3m. b to d, 7 and 8, 234.03 (18m), 234.65 (3) (a) 4 and 234.90 (4) (b) 2 of the statutes; and to affect 1985 Wisconsin Act 153, section 32 (4g), relating to export loans, economic development loans and investments, authorization for increasing the total principal amount of agricultural production loans, disclosure of investment, grant or loan information, requesting an audit and making an appropriation.

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

SECTION 1. 20.143 (1) (h) of the statutes is amended to read:

20.143 (1) (h) *Economic development operations.* The amounts in the schedule for the department's responsibilities under ss. 234.65, ~~234.80~~ and 560.03 (17). All moneys received under ~~ss. s.~~ 234.65 (1) (f) and ~~234.80~~ (4) shall be credited to this appropriation.

SECTION 2. 234.01 (3) of the statutes is created to read:

234.01 (3) "Business incubator" means a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

(a) Space in the facility is rented at a rate lower than the market rate in the community.

(b) Shared business services are provided in the facility.

(c) Management and technical assistance are available at the facility.

(d) Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

SECTION 3. 234.01 (4n) (a) 3m of the statutes is renumbered 234.01 (4n) (a) 3m. (intro.) and amended to read:

234.01 (4n) (a) 3m. (intro.) Facilities for the retail sale of goods or services to consumers ~~for personal, family or household purposes~~ if ~~each such~~ any of the following applies:

a. The facility is in a tax incremental district or is the subject of an urban development action grant and will result in a net economic benefit to the state.

SECTION 4. 234.01 (4n) (a) 3m. b to d, 7 and 8 of the statutes are created to read:

234.01 (4n) (a) 3m. b. The facility is located in and constitutes not more than 10% of a business incubator.

c. The facility constitutes not more than 10% of any facility described in subs. 1 to 3 or 4 to 6.

d. The facility is more than 50% owned or controlled by women or minorities.

7. Facilities for engaging in the business of operating a railroad.

8. Facilities for recycling as defined in s. 144.794 (1) (h).

SECTION 4m. 234.01 (4n) (a) 6 of the statutes is amended to read:

234.01 (4n) (a) 6. Facilities for the production, packaging, processing or distribution of raw agricultural commodities.

SECTION 5. 234.01 (5b) and (5e) of the statutes are repealed.

SECTION 6. 234.03 (2m), (11) and (18) of the statutes are amended to read:

234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40, 234.50, 234.60, 234.65; and ~~234.70 and 234.80.~~

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

(18) ~~To~~ Except as provided in sub. (18m), to invest any funds held in reserve or sinking funds or any moneys not required for immediate use or disbursement at the discretion of the authority in such investments as may be lawful for fiduciaries in the state, if at least 50% of any funds held in any reserve or sinking fund be invested in obligations of the state or of the United States or agencies or instrumentalities of the United States or obligations, the principal and interest of which are guaranteed by the United States or agencies or instrumentalities of the United States.

SECTION 7. 234.03 (18m) of the statutes is created to read:

234.03 (18m) (a) From the funds described under sub. (18), to invest directly or through a financial intermediary a total of not more than \$1,000,000 of its general funds in business entities having their principal places of business in this state, including their affiliates, which are independently owned and operated

and which employ fewer than 25 full-time employees or have gross annual sales of less than \$2,500,000, to enable those business entities to do any of the following:

1. Market research.
2. Develop, construct a prototype of or test a product.
3. Develop a business plan.
4. Any other activity, relating to research or development or both, to help the business entity develop new products.

(b) To enter into an agreement with a business in which funds are invested under par. (a). Under that agreement, if the business earns a profit as a result of the investment it shall repay the authority, in the form of a royalty or otherwise, all or part of the amount invested plus interest.

(c) To give a preference, when investing in a business entity under par. (a), to a business entity engaging in the sale of a product with a demonstrated potential to be marketed outside this state.

SECTION 8. 234.03 (20) of the statutes is amended to read:

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

SECTION 9. 234.03 (31) of the statutes is repealed.

SECTION 10. 234.265 (1) and (2) of the statutes, as affected by 1985 Wisconsin Act 29, are amended to read:

234.265 (1) Those records relating to pending ~~export loans~~, grants, economic development loans or housing projects which, in the opinion of the authority, must remain confidential to protect the competitive nature of the grant, loan or project.

(2) Records or portions of records consisting of personal or financial information provided by a person seeking a grant or loan under s. 234.08, 234.49 ~~or~~, 234.59, 234.65, 234.70 or 234.90, seeking investment of funds under s. 234.03 (18m) or in which the authority has invested funds under s. 234.03 (18m), unless the person consents to disclosure of the information.

SECTION 11. 234.40 (4) of the statutes, as affected by 1985 Wisconsin Act 29, is amended to read:

234.40 (4) The limitations established in s. 234.18 (1) and (2), 234.50, 234.60, 234.65, or 234.70 ~~or 234.80~~ are not applicable to bonds issued under the authority of this section. The authority may not have outstanding at any one time bonds for veterans housing loans in an aggregate principal amount exceeding \$61,945,000, excluding bonds being issued to refund outstanding bonds.

SECTION 12. 234.50 (4) of the statutes, as affected by 1985 Wisconsin Act 29, is amended to read:

234.50 (4) The limitations established in s. 234.18 (1) and (2), 234.40, 234.60, 234.65, or 234.70 ~~or 234.80~~

are not applicable to bonds issued under the authority of this section. The authority may not have outstanding at any one time bonds for housing rehabilitation loans in an aggregate principal amount exceeding \$100,000,000, excluding bonds being issued to refund outstanding bonds. The authority shall consult with and coordinate the issuance of bonds with the building commission prior to the issuance of bonds.

SECTION 13. 234.60 (2) of the statutes, as affected by 1985 Wisconsin Act 29, is amended to read:

234.60 (2) The limitations in ss. 234.18 (1) and (2), 234.40, 234.50, 234.65, and 234.70 ~~and 234.80~~ do not apply to bonds or notes issued under this section.

SECTION 14. 234.65 (1) (b) of the statutes, as affected by 1985 Wisconsin Act 29, is amended to read:

234.65 (1) (b) The limits in ss. 234.18 (1) and (2), 234.40, 234.50, 234.60, and 234.70 ~~and 234.80~~ do not apply to bonds or notes issued under this section.

SECTION 15. 234.65 (1) (c) and (cm) of the statutes are amended to read:

234.65 (1) (c) The authority may not issue more than ~~\$95,000,000~~ \$105,000,000 in aggregate principal amount of bonds and notes under this section, excluding bonds and notes issued to refund outstanding bonds or notes issued under this section.

(cm) No bonds or notes may be issued under this section after June 30, ~~1986~~ 1987, or the date of publication of the 1987-89 biennial budget act, whichever is later, except bonds or notes issued to refund outstanding bonds and notes issued under this section.

SECTION 16. 234.65 (3) (a) 4 of the statutes is created to read:

234.65 (3) (a) 4. Subdivisions 1 to 3 do not apply to a person engaged in the business of operating a railroad.

SECTION 17. 234.70 (1) of the statutes, as affected by 1985 Wisconsin Act 29, is amended to read:

234.70 (1) Upon the authorization of the department of health and social services, the authority may issue bonds or notes and make loans for the financing of housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the development costs of those housing projects, if the department of health and social services has approved the residential facilities for financing under s. 46.28 (2). The limitations in ss. 234.18 (1) and (2), 234.40, 234.50, 234.60, and 234.65 ~~and 234.80~~ do not apply to bonds or notes issued under this section. The definition of "nonprofit corporation" in s. 234.01 (9) does not apply to this section.

SECTION 18. 234.80 of the statutes is repealed.

SECTION 19. 234.90 (4) (b) of the statutes, as affected by 1985 Wisconsin Acts 9, 29 and 153, is renumbered 234.90 (4) (b) 1 and amended to read:

234.90 (4) (b) 1. The Except as provided in subd. 2, the total principal amounts of all loans which the authority may guarantee under par. (a) on or after April 8, 1986, may not exceed \$22,000,000.

SECTION 20. 234.90 (4) (b) 2 of the statutes is created to read:

234.90 (4) (b) 2. The authority may request permission from the secretary of administration to increase the total principal amounts of all loans it may guarantee. The secretary of administration may authorize the increase if the secretary determines that the agricultural production loan fund contains sufficient funds to guarantee loans in the requested total principal amount. If the secretary authorizes the increase, the secretary shall notify the joint committee on finance in writing. The authority may proceed with the proposed increase if within 14 working days after notification the committee does not schedule a meeting to review the proposed increase. If the committee schedules a meeting to review the proposed increase, the increase may not take effect unless the committee approves it.

SECTION 21. 234.90 (7m) (a) 2. b of the statutes, as created by 1985 Wisconsin Act 153, is amended to read:

234.90 (7m) (a) 2. b. An amount equal to \$22,000,000 or, if a total principal amount is deter-

mined under sub. (4) (b) 2, equal to that amount, minus the principal amount of all guaranteed loans granted on or after April 8, 1986.

SECTION 22. 1985 Wisconsin Act 153, section 32 (4g) is repealed.

SECTION 23. **Nonstatutory provisions.** The legislative audit bureau is requested to conduct an audit of the small enterprise economic development program administered by the Wisconsin housing and economic development authority. The legislative audit bureau shall complete this audit no later than January 1, 1987. For purposes of conducting the audit, the bureau may exercise the powers granted under section 13.94 (intro.) of the statutes to secure information. Section 13.94 (1m) of the statutes applies to the contracting of independent experts for the audit. The bureau shall provide a statement of recommendations and file a report of its audit in accordance with section 13.94 (1) (dd) and (i) of the statutes.