



1995 ASSEMBLY BILL 601

October 5, 1995 - Introduced by Representatives HANDRICK, HUTCHISON, PROSSER, JENSEN, OURADA, LINTON, BOYLE, OLSEN, ZUKOWSKI, MUSSER, LADWIG, DOBYNS and GREEN, cosponsored by Senator BRESKE. Referred to Committee on Small Business and Economic Development.

1 **AN ACT to amend** 234.82 (4) (a); and **to create** 234.82 (5) of the statutes; **relating**
2 **to:** use of loan proceeds under the business improvement loan guarantee
3 program.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Housing and Economic Development Authority guarantees loans under its business improvement loan guarantee program. To be eligible for a guarantee under the program, a loan must be made to a business that is engaged in or that derives a substantial percentage of its revenue from furnishing goods, services, lodging or recreation or amusement facilities to tourists. Additionally, a loan must be used for upgrading, renovating or expanding the business and may not be used for refinancing debt or for operating expenses. This bill provides that a loan that is eligible in all other respects may be guaranteed under the program even if it is made to refinance debt or for operating expenses if the loan is made to a business that is located in a county for which the governor has declared a state of emergency because of a lack of snow, the loan is made during the state of emergency and the business is dependent upon a sufficient amount of snow for a large portion of its revenue at that time of year.

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

4 **SECTION 1.** 234.82 (4) (a) of the statutes, as affected by 1995 Wisconsin Act 27,
5 is amended to read:
6 234.82 (4) (a) The borrower uses the loan proceeds for upgrading, renovating
7 or expanding an eligible business under sub. (1) (a) 1. or for start-up costs for an

1 eligible business under sub. (1) (a) 2. Loan proceeds may be used for direct or related
2 expenses associated with the purchase or improvement of land, buildings,
3 machinery, equipment or inventory. ~~Loan~~ Except as provided in sub. (5), loan
4 proceeds may not be used to refinance existing debt or for operating or entertainment
5 expenses.

6 **SECTION 2.** 234.82 (5) of the statutes is created to read:

7 234.82 (5) SNOW DROUGHT EMERGENCY. A loan to an eligible borrower that would
8 be an eligible loan under sub. (4) except that it is made for the purpose of refinancing
9 debt or for operating expenses of an eligible business may be guaranteed under this
10 section if all of the following apply:

11 (a) The eligible business is located in a county for which the governor has
12 declared a state of emergency because of a lack of snow.

13 (b) The loan is made during the state of emergency.

14 (c) The eligible business is dependent upon a sufficient amount of snow for a
15 large portion of its revenue at the time of year during which the state of emergency
16 is in effect.

17 (END)