

State of Wisconsin



2017 Assembly Bill 809

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2017 WISCONSIN ACT 277

AN ACT to repeal 234.01 (6) (b), 234.01 (8) (b), 234.01 (9) (a) 5., 234.13, 234.59 (3) (bc) and 234.60 (3); to consolidate, renumber and amend 234.01 (6) (intro.) and (a) and 234.01 (8) (intro.) and (a); to amend 234.01 (9) (a) (intro.), 234.01 (9) (a) 1., 234.01 (9) (a) 2., 234.01 (9) (a) 3., 234.01 (9) (a) 4., 234.53 (2), 234.55 (1) and 234.65 (1) (c) 2.; and to create 234.135, 234.53 (2m), 234.59 (2) (f), 234.59 (3) (bd) and 234.59 (3) (e) 3m. of the statutes; relating to: notes, bonds, and economic development programs of the Wisconsin Housing and Economic Development Authority, homeownership mortgage loans used to refinance existing mortgages, and uses of the housing rehabilitation loan fund.

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

SECTION 1. 234.01 (6) (intro.) and (a) of the statutes are consolidated, renumbered 234.01 (6) and amended to read:

234.01 (6) "Housing corporation" means a corporation organized under s. 182.004 and whose articles of incorporation, in addition to other requirements of law, provide that: ~~(a) If~~ if the corporation receives any loan or advance from the authority under this chapter, it may enter into an agreement with the authority providing for regulation with respect to rents, profits, dividends, and disposition of property or franchises; ~~and.~~

SECTION 2. 234.01 (6) (b) of the statutes is repealed.

SECTION 3. 234.01 (8) (intro.) and (a) of the statutes are consolidated, renumbered 234.01 (8) and amended to read:

234.01 (8) "Limited-profit entity" means any person or trust ~~which, in its~~ whose articles of incorporation or comparable documents of organization, or ~~by~~ whose written agreement with the authority, provides that: ~~(a) As, as~~ a condition of acceptance of a loan or advance

under this chapter, the limited-profit entity shall enter into an agreement with the authority providing for limitations of rents, profits, dividends, and disposition of property or franchises; ~~and.~~

SECTION 4. 234.01 (8) (b) of the statutes is repealed.

SECTION 5. 234.01 (9) (a) (intro.) of the statutes is amended to read:

234.01 (9) (a) (intro.) A nonprofit corporation incorporated under ch. 181 whose articles of incorporation, in addition to other requirements of law, provide ~~that~~ all of the following:

SECTION 6. 234.01 (9) (a) 1. of the statutes is amended to read:

234.01 (9) (a) 1. The corporation has as its major purpose the providing of housing facilities for persons and families of low and moderate income; ~~.~~

SECTION 7. 234.01 (9) (a) 2. of the statutes is amended to read:

234.01 (9) (a) 2. All income and earnings of the corporation shall be used exclusively for corporation purposes and no part of the net income or net earnings of the

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

corporation shall inure to the benefit or profit of any private person;

SECTION 8. 234.01 (9) (a) 3. of the statutes is amended to read:

234.01 (9) (a) 3. The corporation is in no manner controlled or under the direction or acting in the substantial interest of private persons seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transactions therewith;

SECTION 9. 234.01 (9) (a) 4. of the statutes is amended to read:

234.01 (9) (a) 4. If the corporation receives any loan or advance from the authority, it shall enter into an agreement with the authority, providing for limitations on rents, profits, dividends, and disposition of property or franchises; and

SECTION 10. 234.01 (9) (a) 5. of the statutes is repealed.

SECTION 11. 234.13 of the statutes is repealed.

SECTION 12. 234.135 of the statutes is created to read:

234.135 Same; purchase; cancellation. (1) The authority may purchase any notes or bonds of the authority. The authority may hold or sell, in whole or in part and separately or together with other notes or bonds of the authority, notes or bonds purchased under this subsection.

(2) Subject to such agreements with noteholders or bondholders as may then exist, any notes or bonds purchased and held by the authority under sub. (1), may, upon the affirmative designation of the authority, be canceled, in whole or in part, at the time specified in the authority's designation.

SECTION 13. 234.53 (2) of the statutes is amended to read:

234.53 (2) The Except as provided in sub. (2m), the authority shall use moneys in the fund for the purpose of purchasing housing rehabilitation loans or for funding commitments for loans to lenders for housing rehabilitation loans. All disbursements of funds under this section subsection for purchasing such loans shall be made payable to an authorized lender as defined in s. 234.49 (1) (b) or a duly authorized agent thereof.

SECTION 14. 234.53 (2m) of the statutes is created to read:

234.53 (2m) The authority may use moneys in the fund for the purpose of funding or purchasing loans under any down payment assistance program established by the authority.

SECTION 15. 234.55 (1) of the statutes is amended to read:

234.55 (1) The authority shall establish the housing rehabilitation loan program bond redemption fund. All housing rehabilitation loans purchased with moneys from the housing rehabilitation loan fund or notes evidencing loans to lenders from such fund for housing rehabilitation loans shall be the exclusive property of such

redemption fund. All moneys received from the repayment of such loans, any amounts transferred by the authority to such fund pursuant to s. 234.52 or from other funds or sources, any federal insurance or guarantee payments with respect to such loans, all moneys resulting from the sale of bonds for the purpose of refunding outstanding housing rehabilitation bonds unless credited to the housing rehabilitation loan program capital reserve fund, and any other moneys which may be available to the authority for the purpose of such fund, and all moneys received from the repayment of loans provided under s. 234.53 (2m) shall be deposited into such fund to be used for the repayment of housing rehabilitation bonds issued under the authority of s. 234.50.

SECTION 16. 234.59 (2) (f) of the statutes is created to read:

234.59 (2) (f) May make a loan to a veteran, as defined in 38 USC 101 (2), who has not previously received a homeownership mortgage loan financed by bonds or notes issued under s. 234.60.

SECTION 17. 234.59 (3) (bc) of the statutes is repealed.

SECTION 18. 234.59 (3) (bd) of the statutes is created to read:

234.59 (3) (bd) 1. To the extent required as a condition to maintaining the exclusion from gross income for federal income tax purposes of interest on bonds, notes, or other evidences of indebtedness issued by or on behalf of the authority, a homeownership mortgage loan under this section shall be made to an applicant whose income does not exceed the applicable level specified under 26 USC 143 (f). The authority shall determine an applicant's income in the manner specified under 26 USC 143 (f) and applicable rulings of the Internal Revenue Service.

2. Nothing under this section precludes the authority from imposing income limitations that are more restrictive than the income level determined in the manner specified under 26 USC 143 (f) and applicable rulings of the Internal Revenue Service.

SECTION 19. 234.59 (3) (e) 3m. of the statutes is created to read:

234.59 (3) (e) 3m. A homeownership mortgage loan made in part to finance the acquisition or replacement of an existing mortgage given by an applicant if all of the following apply:

a. The eligible property is located in an area in a 1st class city in which the authority determines there is a high concentration of persons and families of low and moderate income.

b. As determined by the authority, the total amount the applicant owes on the existing mortgage, including principal and interest, plus the amount required for repairs to the eligible property, exceeds the maximum amount the applicant is able to borrow from other lenders given the lenders' loan-to-value ratio requirements.

c. A portion of the loan under this subdivision is used to finance qualified rehabilitation of the eligible property.

SECTION 20. 234.60 (3) of the statutes is repealed.

SECTION 21. 234.65 (1) (c) 2. of the statutes is amended to read:

234.65 (1) (c) 2. If, ~~after the last day of the 3rd fiscal year that begins after April 20, 2012 before July 1, 2018, and before every 4th July 1 thereafter,~~ the authority determines that a continuation of the program under this section will promote significant economic development in this state, the authority may seek approval from the joint committee on finance to issue additional bonds and notes under this section by submitting to the committee a written request that specifies an aggregate principal amount of requested issuance authority and states the reasons supporting the authority's determination that the issuance of additional bonds and notes will promote significant economic development in this state. The written request may be made up to 60 days in advance of the

applicable July 1. If, within 14 working days after the date of that written request, the cochairpersons of the committee do not notify the authority that the committee has scheduled a meeting to review the authority's proposal to issue additional bonds and notes under this section, the authority may proceed to issue ~~not more than \$150,000,000 in aggregate principal bonds and notes under this section as proposed in the authority's written request,~~ excluding bonds and notes issued to refund outstanding bonds or notes issued under this section, ~~in each of the 3 consecutive fiscal years beginning with the fiscal year in which approval is obtained under this subdivision.~~ If, within 14 working days after the date of that written request, the cochairpersons of the committee notify the authority that the committee has scheduled a meeting to review the authority's proposal to issue additional bonds and notes under this section, the authority may issue bonds and notes under this section only upon approval of the committee.