

1999 DRAFTING REQUEST

Bill

Received: 10/6/98

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-1805**

By/Representing: **Gates-Hendrix**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **State Finance - miscellaneous**

Extra Copies:

Topic:

DOA:.....Gates-Hendrix - Fees charged under trust fund loan program

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	champra 10/22/98	gilfokm 10/22/98	jfrantze 10/22/98	_____	lrb_docadmin 10/22/98		
/2	champra 11/18/98	gilfokm 11/18/98	jfrantze 11/19/98	_____	lrb_docadmin 11/19/98		

FE Sent For:

<END>

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/1	champra 10/22/98	gilfokm 10/22/98	jfrantze 10/22/98	_____	lrb_docadmin 10/22/98		

FE Sent For:

12-11-18 King
To 11/19
St/lo
ENDS
11/19

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1?	champra		J 10/22	J/RM 10/22			

FE Sent For:

<END>



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



Date: September 30, 1998 **Priority:** Medium
To: Peter Dykman
Legislative Reference Bureau
From: Sherrie Gates-Hendrix, SBO 6-1805 *Shemie*
Subject: Draft for Governor's 1999-2001 Budget Bill

Please draft the following for inclusion in the Governor's 1999-2001 budget bill.

I am enclosing 5 drafting requests for the Board of Commissioners of Public Lands:

1. Expanded Investment Authority
2. Purchase of Land
3. Rectangular Survey System for Submerged Logs
4. 10% Lapse of Trust Earnings
5. Repayment Penalty for Trust Fund Loan Program

Call me with any questions. Thanks.

Board of Commissioners of Public Lands Drafting Request
to the Legislative Reference Bureau

Rich

■ Draft for 99-01 Budget Bill Introductions

<u>Subject:</u>	Amend 24.63(4) Trust Fund Loan Repayments
<u>Request Date:</u>	In time for inclusion in the 99-01 Budget Bill
<u>Reviewed by:</u>	<i>Stephen P. Gauger</i>
<u>Contact Name:</u>	Stephen Gauger, Deputy Secretary (608) 267-2233

Brief Description of Intent:

The Board of Commissioners of Public Lands, which administers the very popular Trust Fund Loan Program, does not charge clients loan origination or administration fees. From time to time the Board receives requests from clients to close out a loan prior to the first annual payment due date. If the Board accedes to such a request, the costs of issuing the loan are lost to the Trust.

Amending 24.63(4) allows the Board to meet a client's needs without detriment to the Trust.

Related Statute Citations

Amend 24.63(4)

Suggested Language

Any borrower after March 15 and prior to August 1 of any year may repay one or more installments in advance of the due date, and all interest upon such advance payment shall thereupon terminate. Payment of any loan prior to the first annual payment shall be principal and one year's interest on said principal.

*1
S.23 on gross cost
and
2.5M?*

est. cost?

*1-2 hrs loan adjust
w/est here
p. m. / postage*



soon

KSN

DOA:.....Gates-Hendrix - Repayment Penalty under Trust Fund Loan Program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

do not
sum cut.

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

Under current law, the board of commissioners of public lands (BCPL) is authorized to loan moneys from the common school fund, the normal school fund, the university fund and the agricultural college fund to certain local units of government. Current law also provides that any such borrower, after March 15 and prior to August 1 of any year, may prepay any ~~outstanding principal balance~~ of the loan without penalty. This bill provides that if a borrower prepays the outstanding principal balance of the loan before the due date of the first instalment payment, the borrower must be charged a prepayment penalty in the amount of one year's interest on the outstanding principal balance of the loan. part of 2

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

2 SECTION 1. 24.63 (4) of the statutes is renumbered 24.63 (4) (a) and amended

3 to read:

1 24.63 (4) (a) ~~REPAYMENT BEFORE DUE DATE PERMITTED~~ Any Except as provided
2 in par. (b), any borrower after March 15 and prior to August 1 of any year may repay
3 one or more instalments in advance of the due date, and all interest upon such
4 advance payment shall thereupon terminate. *of a state trust fund loan*

5 History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27.

SECTION 2. 24.63 (4) (b) of the statutes is created to read:

6 24.63 (4) (b) *The board shall change a* borrower who pays the outstanding principal balance of any loan
7 in advance of the due date of the first instalment payment *shall be charged a*
8 prepayment penalty in the amount of one year's interest on the outstanding principal
9 balance of the loan. *state trust fund* ?

10 SECTION 9340. *Initial applicability;* public lands, board of
11 commissioners of *renumbering and amendment*

12 (1) STATE TRUST FUND LOANS. The *treatment* of section 24.63 (4) *and* (b) of the
13 statutes first *applies* to state trust fund loans made on the effective date of this
14 subsection. *applies*

15 (END)

*The board shall credit to deposit the
the penalty amount to the fund from which
the loan was made. (14)*

*The creation of
section 24.63
(4)*

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0481/1dn

RAC.....

Ksh

Sherrie Gates-Hendrix:

1. This draft only addresses the issue of when the state trust fund loan is paid in its entirety before the due date of the first annual instalment payment. Do you also wish to address the situation in which part of the balance is prepaid before the due date of the first annual instalment payment?

2. I provided that this change in law first applies to state trust fund loans made on the effective date of the bill. Is this your intent?

Richard A. Champagne
Legislative Attorney
266-9930

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0481/1dn
RAC:ksh:jf

October 22, 1998

Sherrie Gates-Hendrix:

1. This draft only addresses the issue of when the state trust fund loan is paid in its entirety before the due date of the first annual instalment payment. Do you also wish to address the situation in which part of the balance is prepaid before the due date of the first annual instalment payment?
2. I provided that this change in law first applies to state trust fund loans made on the effective date of the bill. Is this your intent?

Richard A. Champagne
Legislative Attorney
266-9930

11/18/98

Per Sherrie:

Allow BCPL to charge fee to cover
originator + reviewing cost of those loans that
are in any way prepaid



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0481/2

RAC:kshjif

Sean

Fees charged

Redraft note has been run

DOA:.....Gates-Hendrix - Repayment Penalty under Trust Fund Loan Program

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

do not gen-cut

1 AN ACT ...; relating to: the budget.

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STATE GOVERNMENT

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Under current law, the board of commissioners of public lands (BCPL) is authorized to loan moneys from the common school fund, the normal school fund, the university fund and the agricultural college fund to certain local units of government. Current law also provides that any such borrower, after March 15 and prior to August 1 of any year, may prepay any part of the loan without penalty. This bill provides that, if a borrower prepays the outstanding principal balance of the loan before the due date of the first instalment payment, ~~the borrower must be charged a prepayment penalty in the amount of one year's interest on the outstanding principal balance of the loan.~~

Insert Analysis

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

2 SECTION 1. 24.63 (4) of the statutes is renumbered 24.63 (4) (a) and amended
3 to read:

1 24.63 (4) (a) ~~Any Except as provided in par. (b), any borrower after March 15~~
2 ~~and prior to August 1 of any year may repay one or more instalments of a state trust~~
3 ~~fund loan in advance of the due date, and all interest upon such advance payment~~
4 ~~shall thereupon terminate.~~

5 **SECTION 2.** 24.63 (4) (b) of the statutes ~~is created to read:~~

6 24.63 (4) (b) The board shall change a borrower who pays the outstanding
7 principal balance of any state trust fund loan in advance of the due date of the first
8 instalment payment a prepayment penalty in the amount of one year's interest on
9 the outstanding principal balance of the loan. The board shall deposit the penalty
10 amount in the fund from which the loan was made.

11 ~~**SECTION 9340. Initial applicability; public lands, board of**~~
12 ~~**commissioners of.**~~

13 (1) STATE TRUST FUND LOANS. The renumbering and amendment of section 24.63
14 (4) of the statutes and the creation of section 24.63 (4) (b) of the statutes first apply
15 to state trust fund loans made on the effective date of this subsection.

16

(END)

Insert
2-16

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0481/2ins
RAC:ksh:jf

BCPL
Insert Analysis:

board
board may charge the borrower a fee to cover any administrative costs incurred by the board in originating and servicing the loan

Insert 2-16:

SECTION 1. 24.63 (4) of the statutes is amended to read:

24.63 (4) REPAYMENT BEFORE DUE DATE PERMITTED. Any borrower after March 15 and prior to August 1 of any year may repay one or more instalments of a state trust fund loan in advance of the due date, and all interest upon such advance payment shall thereupon terminate. The board may charge a borrower who repays one or more instalments of a loan a fee to cover any administrative costs incurred by the board in originating and servicing the loan.

History: 1975 c. 224, 422; 1979 c. 221; 1981 c. 169; Stats. 1981 s. 24.63; 1983 a. 423; 1985 a. 225; 1987 a. 76; 1995 a. 27.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0481/2
RAC:ksh&kmg:jf

DOA:.....Gates-Hendrix - Fees charged under trust fund loan program
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Under current law, the board of commissioners of public lands (BCPL) is authorized to loan moneys from the common school fund, the normal school fund, the university fund and the agricultural college fund to certain local units of government. Current law also provides that any such borrower, after March 15 and prior to August 1 of any year, may prepay any part of the loan without penalty. This bill provides that, if a borrower prepays the outstanding principal balance of the loan before the due date of the first instalment payment, BCPL may charge the borrower a fee to cover any administrative costs incurred by BCPL in originating and servicing the loan.

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

2 SECTION 1. 24.63 (4) of the statutes is amended to read:

3 24.63 (4) REPAYMENT BEFORE DUE DATE PERMITTED. Any borrower after March 15
4 and prior to August 1 of any year may repay one or more instalments of a state trust

1 fund loan in advance of the due date, and all interest upon such advance payment
2 shall thereupon terminate. The board may charge a borrower who repays one or
3 more instalments of a loan a fee to cover any administrative costs incurred by the
4 board in originating and servicing the loan.

5 (END)