

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB1)

Received: **03/11/2002**

Received By: **traderc**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Schug**

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

Drafter: **traderc**

May Contact:

Addl. Drafters:

Subject: **Agriculture - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Schug -

Topic:

Proposal for rural finance authority

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	traderc 03/12/2002	gilfokm 03/12/2002	jfrantze 03/12/2002	_____	lrb_docadmin 03/12/2002		

FE Sent For:

<END>

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/?	traderc	<i>3/12 Kmg</i>	<i>3/12</i>	<i>3/12</i>			

FE Sent For:

<END>

Schuy

Working Group Recommendation: Require the Department of Commerce to work with the Department of Administration, the Department of Agriculture, Trade and Consumer Protection and the Wisconsin Housing and Economic Development Authority to develop a proposal to be included in Commerce's biennial budget submittal to the Governor for 2003-05, that would request the creation of a Wisconsin Rural Finance Authority. Specify the agencies consider proposing that the authority be created to offer low interest loans to Wisconsin agricultural producers. In addition, specify that the proposal include a governing board to head the authority and to consider the feasibility of an 11-member board consisting of three producers, three commercial bankers, two citizens appointed by the Governor, the Secretaries (or designees) of the Departments of Commerce and Agriculture, Trade and Consumer Protection and the Executive Director (or designee) of WHEDA. Require that the Commerce budget request consider including programs such as: (a) farm and seller assisted loans to finance real estate purchases; (b) a beginning bond program to purchase animals, machinery and real estate; (c) an agricultural improvement program to finance the physical improvements of a farm operation; (d) a livestock modernization program to finance technological improvements; and (e) a value added stock loan program to finance producer purchases of stock in a value-added cooperative. In addition, require that the agencies to consider the consolidation of WHEDA's current CROP, FARM and Agribusiness programs into the Wisconsin Rural Finance Authority.

Budget Amendments 2002

Legislator: Ott

Statement of Intent: Rep. Ott's intent is to create a new Rural Finance Authority that would offer low interest loans to modernize WI agricultural operations, to increase economic investment and activity, and to increase state tax revenues. The proposal would also centralize existing WHEDA loan guarantees into this new Authority for efficiency and effectiveness.

Legislator:
Legislator:
Legislator:
Staff Contact: Beata Kalies
Agency:

Amendment:
Pass or Fail:
Call:
Withdraw:
Package:

Summary: Directs the Dept. of Commerce to work with DOA, DATCP and WHEDA to prepare a biennial budget request for a new WI Rural Finance Authority ("Authority") that would be created to offer low interest loans to WI agricultural producers and that would be governed by an eleven member board. The Authority would offer the following low interest loan programs to WI producers: (1) Basic Farm and Seller Assisted Loans to finance real estate purchases, (2) Aggie Bond Beginning Farmer Program to purchase animals, machinery and real estate, (3) Agricultural Improvement Program to finance physical improvements to a farm operation, (4) Livestock Modernization to finance state of the art improvements to farm operation, and (5) Value added stock loan program to finance producer purchases of stock in a sale of general obligation or revenue bonds and the authority could finance up to 45% of the first mortgage up to designated limits. Board membership would include three producers, three commercial bankers, and two citizens appointed by the Governor, the Secretaries of the Department of Commerce and Agriculture, Trade & Consumer Protection, and the Executive Director of WHEDA. This proposal would also consolidate WHEDA's existing farm guarantee programs into the new Authority.

Fiscal Impact: There would be a cost to prepare the budget submission but could be done with existing staff.

Staff Analyst:

Revised: 296

Working Group Modification: See next page.

Thursday, March 07, 2002



State of Wisconsin
2001 - 2002 LEGISLATURE

January 2002 Special Session

SO ON

LRBb2392/1

RCT: King

LFB:.....Schug – Proposal for rural finance authority

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

1 At the locations indicated, amend the substitute amendment as follows:

2 ✓ 1. Page 353, line 16: after that line insert:

3 (1) PROPOSAL FOR RURAL FINANCE AUTHORITY. The department of commerce shall
4 work with the department of administration, the department of agriculture, trade
5 and consumer protection, and the Wisconsin housing and economic development
6 authority to develop a proposal, to be included in the department of commerce's
7 budget request that is submitted to the department of administration, for the
8 2003-05 biennium for the creation of a rural finance authority. In developing the
9 proposal, the departments and the authority shall do all of the following:

Noted

1 (a) Consider proposing that the rural finance authority be created to offer
2 low-interest loans to agricultural producers in this state.

3 (b) Include a governing board to head the authority and consider the feasibility
4 of an 11-member board consisting of 3 agricultural producers; 3 commercial bankers;
5 2 other members appointed by the governor; the secretary of commerce and the
6 secretary of agriculture, trade and consumer protection or their designees; and the
7 executive director of the Wisconsin housing finance authority or his or her designee.

8 (c) Consider including programs such as farm purchase assistance loans,
9 including seller assisted loans; beginning farmer loans for ^{the} purchase of animals,
10 machinery, and real estate; an agricultural improvement program to finance
11 physical improvements of farm operations; a livestock modernization program; and
12 a program to finance purchases by agricultural producers of stock in cooperatives
13 that engage in agricultural processing.

14 (d) Consider transferring agricultural programs administered by the
15 Wisconsin housing finance authority to the rural finance authority.”.

16 (END)

*and Economic
Development*



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2392/1
RCT:kmg:jf

LFB:.....Schug – Proposal for rural finance authority

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

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2 1. Page 353, line 16: after that line insert:

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7 commerce’s budget request that is submitted to the department of administration,
8 for the 2003–05 biennium for the creation of a rural finance authority. In developing
9 the proposal, the departments and the authority shall do all of the following:

1 (a) Consider proposing that the rural finance authority be created to offer
2 low-interest loans to agricultural producers in this state.

3 (b) Include a governing board to head the authority and consider the feasibility
4 of an 11-member board consisting of 3 agricultural producers; 3 commercial bankers;
5 2 other members appointed by the governor; the secretary of commerce and the
6 secretary of agriculture, trade and consumer protection or their designees; and the
7 executive director of the Wisconsin Housing and Economic Development Authority
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10 including seller assisted loans; beginning farmer loans for the purchase of animals,
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13 a program to finance purchases by agricultural producers of stock in cooperatives
14 that engage in agricultural processing.

15 (d) Consider transferring agricultural programs administered by the
16 Wisconsin Housing and Economic Development Authority to the rural finance
17 authority.”.

18

(END)