

2001 DRAFTING REQUEST

Bill

Received: 10/20/2000

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-7329

By/Representing: Walker

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - bus. dev.

Extra Copies:

Pre Topic:

DOA:.....Walker -

Topic:

Change ratio for reserves in the Wisconsin development reserve fund to 5.5

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>
/?	kahlepj 10/25/2000	gilfokm 10/31/2000					State
/P1			martykr 11/01/2000		lrb_docadmin 11/01/2000		State
/1	kahlepj 02/06/2001	gilfokm 02/06/2001	pgreensl 02/06/2001		lrb_docadmin 02/07/2001		

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/P1		1- 2/Kmg 16-01	PS martykr 11/01/2000	Self	lrb_docadmin 11/01/2000		

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1/?	kahlepj	Pl-10/31 Kmg	Km 11/1	Pg 11 Km 1			

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<END>

William Walker S-7329
DOA request for budget

3. Change s. 234.93(4)(a)2. to require a guarantee level of 5.5 to 1 rather than 4.5 to one.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0774

PJK.....

PI
mg

DOA:.....Walker - Change ratio for reserves in the Wisconsin development reserve fund to 5.5

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

SOON
(10-25)
D-vote

do not
go out

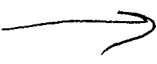
1 AN ACT relating to: the budget.

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

The Wisconsin Housing and Economic Development Authority (WHEDA) administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. The guarantees are backed by funds in the Wisconsin development reserve fund (reserve fund). Under current law, WHEDA is required to ensure that the cash balance in the reserve fund is maintained at a ratio of \$1 of reserve funding to \$4.50 of outstanding principal that WHEDA may guarantee under all its loan guarantee programs, except the cultural and architectural landmark loan guarantee program, under which WHEDA is no longer guaranteeing new loans. The bill changes the ratio at which WHEDA must maintain the reserve fund to \$1 of reserve funding to \$5.50 of outstanding principal that WHEDA may guarantee under all the programs guaranteed from the fund, except the cultural and architectural landmark loan guarantee program. The reserve funding ratio for that program remains at \$1 of reserve funding to \$4 of outstanding guaranteed principal.



guarantees

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0774/dn

PJK.....

PI
img

Bill:

A possible problem with s. 234.93 (4m) was brought to my attention recently. That subsection requires WHEDA to ensure that the cash balance in the reserve fund is sufficient for the purposes specified in s. 234.93 (4) (a) 1. and 2. Would you like me to add subd. 3. (s. 234.93 (4) (a) 3.) also? I have done so in this preliminary draft for your review.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0774/P1dn
PJK:kmg:km

November 1, 2000

Bill:

A possible problem with s. 234.93 (4m) was brought to my attention recently. That subsection requires WHEDA to ensure that the cash balance in the reserve fund is sufficient for the purposes specified in s. 234.93 (4) (a) 1. and 2. Would you like me to add subd. 3. (s. 234.93 (4) (a) 3.) also? I have done so in this preliminary draft for your review.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

Kahler, Pam

From: Walker, William
Sent: Wednesday, December 06, 2000 4:56 PM
To: Kahler, Pam
Subject: FW: WHEDA Statutory Question

An answer to one of your WHEDA questions.

-----Original Message-----

From: James.Langdon@wheda.com [mailto:James.Langdon@wheda.com]
Sent: Wednesday, December 06, 2000 4:37 PM
To: Walker, William
Subject: Re: WHEDA Statutory Question

Bill,

I can't find a record of response to your message below. If I did, forgive the repetition. If not, forgive my delay. But yes, you are correct that this subd. 3 should be added to 234.93 (4m). I don't believe it was ever the Legislature's intent to exclude the Taliesin guarantee from WHEDA's cash balance calculations.

However, please note that this would become moot if the reserve ratio on Taliesin is revised to 4.5:1 as we discussed. At that point, 234.93 (4) 2 would be amended and 234.93 (4) 3 would be repealed.

Thanks,

Jim Langdon
Executive Assistant
Wisconsin Housing and Economic Development Authority
(608) 266-3529
(608) 267-1099 FAX

"Walker, William"
<William.Walker@doa.state.wi.us>
To: "Langdon, James" <james.langdon@wheda.com>
cc: Subject: WHEDA Statutory Question
11/01/2000 04:57 PM

Jim,

Here is a copy of the Taliesin question that I called about. Comments?
Should the section be changed?

Bill:
A possible problem with s. 234.93 (4m) was brought to my attention recently. That subsection requires WHEDA to ensure that the cash balance in the reserve fund is sufficient for the purposes specified in s. 234.93 (4) (a) 1. and 2. Would

774

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Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us

Bill Walker
Executive Policy and Budget Analyst
Department of Administration
(608) 266-7329



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0774/1

PJK:kmg:km

Wisconsin

DOA:.....Walker - Change ratio for reserves in the Wisconsin development reserve fund to 5.5

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

*SOON
(2-6)
D-note*

*do not
gen cost*

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

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

WHEDA administers a number of loan guarantee programs under which WHEDA guarantees repayment of a percentage of the outstanding principal amounts of loans made by private lenders to qualified borrowers for various business and agricultural purposes. The guarantees are backed by funds in the Wisconsin development reserve fund (reserve fund). Under current law, WHEDA is required to ensure that the cash balance in the reserve fund is maintained at a ratio of \$1 of reserve funding to \$4.50 of outstanding principal that WHEDA may guarantee under all of its loan guarantee programs, except the cultural and architectural landmark loan guarantee program, under which WHEDA no longer guarantees new loans. The bill changes the ratio at which WHEDA must maintain the reserve fund to \$1 of reserve funding to \$5.50 of outstanding principal that WHEDA may guarantee under all of the programs guaranteed from the fund, except the cultural and architectural landmark loan guarantee program. The reserve funding ratio for that program remains at \$1 of reserve funding to \$4 of outstanding guaranteed principal.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

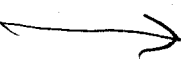
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 234.93 (4) (a) 2. of the statutes is amended to read:

2 234.93 (4) (a) 2. To fund guarantees under all of the programs guaranteed by
3 funds from the Wisconsin development reserve fund, except for the program under
4 s. 234.935, 1997 stats., at a ratio of \$1 of reserve funding to ~~\$4.50~~ \$5.50 of total
5 outstanding principal and outstanding guaranteed principal that the authority may
6 guarantee under all of those programs.

7 **SECTION 2.** 234.93 (4m) of the statutes is amended to read:

8 234.93 (4m) **LIMITATION ON LOAN GUARANTEES.** The authority shall regularly
9 monitor the cash balance in the Wisconsin development reserve fund. The authority
10 shall ensure that the cash balance in the fund is sufficient for the purposes specified
11 in sub. (4) (a) 1. and 2., and 3.



~~draft~~ ~~**NOTE: Would you like this subsection to be amended in this manner in this~~

12

(END)

D-note

This redraft removes the
embedded ~~***~~ ^{CS} NOTE.

PJK

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

LRB-0774/1dn
PJK:kmg:pg

February 6, 2001

This redraft removes the embedded ****NOTE.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us



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