

**2005 DRAFTING REQUEST**

**Bill**

Received: **05/27/2005**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Steve Wieckert (608) 266-3070**

By/Representing: **John Stolzenberg**

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

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - energy**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Wieckert@legis.state.wi.us**

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Window replacement loans from utility public benefits fund

---

**Instructions:**

See Attached

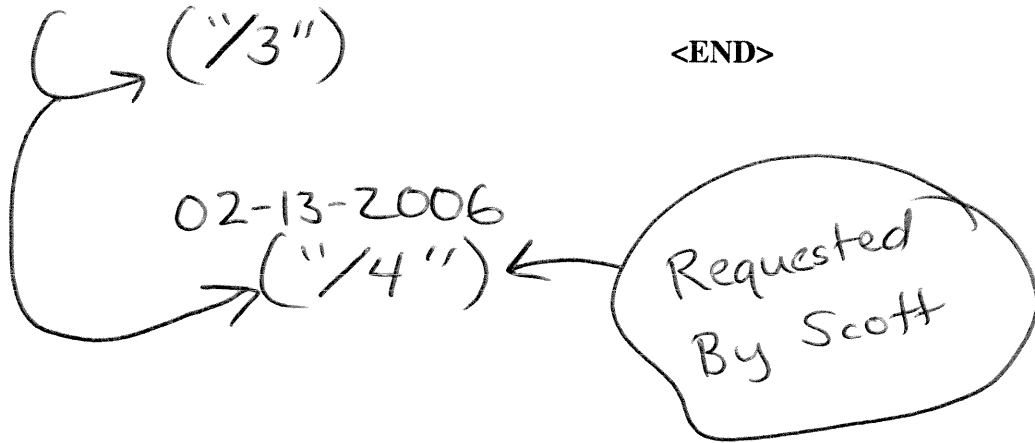
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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	mkunkel 08/18/2005	wjackson 08/19/2005	chaugen 08/19/2005	_____	sbasford 08/19/2005		State
/2	mkunkel 10/13/2005	wjackson 10/13/2005	pgreensl 10/13/2005	_____	sbasford 10/13/2005		State
/3	mkunkel 11/28/2005	lkunkel 11/29/2005	jfrantze 11/29/2005	_____	sbasford 11/29/2005		State

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/4	mkunkel 01/12/2006	lkunkel 01/17/2006	rschluet 01/17/2006	_____	sbasford 01/17/2006	lnorthro 02/02/2006	

FE Sent For: **01/10/2006**, .



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	01/12/2006	01/17/2006	01/17/2006	_____	01/17/2006

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(1/3") ← old version

<END>

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14/mk/17

1176 CH

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

FE Sent For:

<END>

01-10-2006  
("1/3")

Requested  
by Scott B.

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FE Sent For:

*1/3 mk 11/29*  
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FE Sent For:

1/2 WJ 10/13/19/13  
PV  
ps/ch  
<END>



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/?	mkunkel						
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*11 WJ 8/19 ch 829*  
*ch 829*  
*PS*

FE Sent For:

<END>

Public Benefits

Widert - from John Stolzbe

Widow replacement program

- 1 time draw from fund  
to create revolving loan fund  
(loan proceeds  
to make other loans)

- See Commerce Statutes

OOA

~~Widert~~

\$6M

Rules in effect  
(12 months)

- OOA proposed rule  
Submit -

Coordinate w/ BHFS

under <sup>Ch.</sup> 254.

Lead by the auditor  
under subcom

3117

PRELIMINARY DRAFT – NOT READY FOR INTRODUCTION

1 AN ACT *to create* 234.63 of the statutes; **relating to:** window replacement loans.

*Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a later version.

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

2 SECTION 1. 234.63 of the statutes is created to read:

3 **234.63 Window replacement loans. (1)** In this section, "dwelling" means  
4 any structure constructed before 1950, all or part of which is designed or used for  
5 human habitation.

6 (2) The ~~authority~~ may make a loan to the owner of a dwelling or a unit of a  
7 dwelling for the replacement of windows with lead-free, energy-efficient windows.

8 (3) (a) Subject to pars. (b) to (f), the authority shall determine the terms and  
conditions of a loan under this section.

10 (b) The authority may, but is not required to, obtain security for repayment of  
11 a loan under this section.

Change  
authority  
to DOA  
under the  
utility public  
benefits  
program

SECTION 1

~~or occupants~~

1 (c) The authority may not impose income requirements on a loan recipient.

2 → (d) A loan recipient shall use lead-safe work practices, as determined by the  
3 authority.

4 (e) Loan proceeds may not be used to cover the cost of window installation.

5 (f) The loan recipient shall purchase only replacement windows manufactured  
6 in this state.

7 ↘ (4) (a) The authority shall adopt rules and establish procedures under which  
8 applications for loans may be submitted, reviewed, and approved; under which  
9 repayment of loans are to be obtained; under which disputes and claims are to be  
10 settled; and under which records are to be maintained.

11 (b) At any time after an application is filed, the authority <sup>or program administrator</sup> may verify the  
12 correctness of the application and any other information regarding the eligibility of  
13 the applicant or recipient or dwelling or unit.

14 ↘ (c) The authority may charge fees for assistance provided under this section to  
15 cover the administrative costs of the program, including legal fees.

16 (5) The authority may issue bonds or notes to fund the loans under this section.  
17 The authority may not issue more than \$30,000,000 in aggregate principal amount  
18 of bonds or notes under this section, excluding bonds and notes issued to refund  
19 outstanding bonds and notes issued under this section. The limit in s. 234.18 applies  
20 to bonds or notes issued under this section.

21 (6) Not more than 24 months following the effective date of this subsection ....  
22 [revisor inserts date], a committee appointed by the authority and consisting of  
23 dwelling owners and representative of the department of health and family services  
24 and the city of Milwaukee health department shall submit to the authority a report

Replace with 1 time \$6 million from Utility Public Benefits Fund 12 months after effective date to cap, a revolving loan fund

Replace this committee with the Council on Utility Public Benefits

- 1 on the program under this section, including recommendations about improving,  
 2 expanding, or discontinuing the program.  
 3 (END)

Other changes to s. 16.957 + appropriations:

1. Add loans to energy conservation & efficiency & renewable resource programs, in addition to grants (see ss. 16.957(2)(b) 1. (intro) <sup>and</sup> (c) 2. and 20.505(3)(s) and 20.505(3)(s)).
2. Add an appropriation for repayment of the window replacement loans to be used for new window replacement loans. [See 20.143(1)(e)]
3. Create a provision that directs DOA to modify the performance criteria in its contract <sup>under s. 16.957(3)(b)</sup> with the corporation administering the window replacement loan program created by this proposal to account for the energy efficiency of the windows replaced under the proposal.

FY 2007  
FY 2006

## Kunkel, Mark

---

**From:** Stolzenberg, John  
**Sent:** Wednesday, May 25, 2005 2:28 PM  
**To:** Kunkel, Mark  
**Subject:** Lead paint hazards

Mark,

Re the drafting request on replacement of windows as an energy strategy and lead based paint removal strategy we just discussed, I thought you might be interested in some background information. Figure 6 in the attached report shows that the age of a dwelling unit is a good predictor of the likelihood of lead exposure in young children. This is the basis of the provision in the drafting request that requires the dwelling unit in which the replacement window will be placed to be built before 1950.

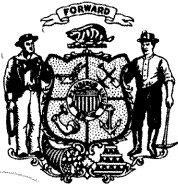
John



WI\_CLP\_Elim\_Plan\_  
073004.pdf

---

John Stolzenberg  
Legislative Council  
266-2988



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-3117/1

MDK:.....

WJ

NOTE

TOMORROW  
4 PM  
8/19

2005 BILL

LPS:  
Please  
check  
AR

Gen

- 1 AN ACT...; relating to: creating a window replacement loan program and fund,
- 2 granting rule-making authority, and making an appropriation.

*Analysis by the Legislative Reference Bureau*

This bill requires the Department of Administration (DOA) to promulgate rules for making loans to owners of dwellings constructed before 1950 to replace windows with lead-free, energy efficient windows. The loan proceeds may only be used for purchasing replacement windows that are manufactured in this state, and may not be used for window installation costs. The source of the loans is a window replacement fund that is created in the bill. The window replacement fund consists of \$6 million that is transferred from the utility public benefits fund. In addition, <sup>to</sup> loan repayments are deposited in the window replacement fund, and may be used for making additional loans. (Under current law, the utility public benefits fund consists of contributions made by electric utilities and fees by electric utility customers, and the utility public benefits fund is used by DOA to make grants for low-income energy assistance, energy conservation and efficiency, environmental research and development, and renewable resource programs.)

The bill also does the following:

1. The bill requires DOA to consult with the Department of Health and Family Services (DHFS) before promulgating the rules. The purpose of the consultation is to ensure, to the extent practicable, that the rules are consistent with DHFS's requirements for reducing lead hazards under current law.
2. The bill allows, but does not require, DOA's rules to require a loan applicant to provide security for repayment of a loan.

**BILL**

3. The bill prohibits DOA's rules from imposing income eligibility requirements.

4. The bill requires DOA to contract with a nonprofit corporation to administer the loan program.

5. The bill requires the Council on Utility Public Benefits to report, no later than 2 years after the bill's effective date, to DOA on the loan program and to make recommendations regarding improving, expanding, or discontinuing the program.

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.** 16.956<sup>↓</sup> of the statutes is created to read:

2           **16.956 Window replacement loan program.** (1) **DEFINITION.** In this  
3 section:

4           (a) "Council" means the council on utility public benefits created under s.  
5 15.107 (17).<sup>↓</sup>

6           (b) "Dwelling" means any structure constructed before 1950,<sup>↓</sup> all or part of which  
7 is designed or used for human habitation.

8           **(2) DEPARTMENT DUTIES.** (a) The department shall promulgate rules that  
9 establish a program for making loans from the appropriation under s. 20.505 (3m)  
10 (q)<sup>↓</sup> to the owners of dwellings or units of dwellings for replacing dwelling windows  
11 with lead-free, energy efficient windows. The rules shall specify the terms and  
12 conditions of the loans and requirements and procedures for applying for loans,  
13 reviewing and approving applications, repaying loans, settling disputes and claims,  
14 and maintaining records. The rules may, but are not required to, require loan  
15 applicants to provide security for repayment of a loan. The rules may not impose  
16 income eligibility requirements on loan applicants.



**BILL**

1 (b) Before promulgating rules under par. (a), the department of administration  
2 shall consult with the department of health and family services for the purposes of  
3 ensuring that, to the extent practicable, the rules are consistent with the  
4 requirements under subch. II of ch. 254 for reducing lead hazards.

5 (c) The department shall deposit all moneys received in repayment of loans  
6 under par. (a) in the window replacement fund.

7 (3) LOAN PROCEEDS. A person who receives a loan under the rules promulgated  
8 under sub. (2) (a) may use the proceeds only for purchasing replacement windows  
9 manufactured in this state and may not use the proceeds for window installation  
10 costs.

11 (4) PROGRAM ADMINISTRATION. (a) The department shall, on the basis of  
12 competitive bids, contract with one or more nonstock, nonprofit corporations  
13 organized under ch. 181 to administer the program established under the rules  
14 promulgated under sub. (2) (a).

15 (b) At any time after a person files an application for a loan under sub. (2) (a),  
16 the department or a corporation specified in par. (a) may verify the correctness of the  
17 application or any other information regarding eligibility for the loan.

18 (5) COUNCIL REPORT. No later than 24 months following the effective date of this  
19 subsection .... [revisor inserts date], the council shall submit to the department a  
20 report on the program under this section, including recommendations about  
21 improving, expanding, or discontinuing the program.

22 **SECTION 2.** 20.505 (3m) (title) of the statutes is created to read:

23 20.505 (3m) (title) WINDOW REPLACEMENT LOAN PROGRAM.

24 **SECTION 3.** 20.505 (3m) (q) of the statutes is created to read:

**BILL**

**SECTION 3**

1           20.505 (3m) (q) *Loans*. From the window replacement fund, a sum sufficient  
2 for making loans under the rules promulgated under s. 16.956 (2) (a). ✓

3           **SECTION 4.** 25.90 of the statutes is created to read:

4           **25.90 Window replacement fund.** There is established a separate  
5 nonlapsible trust fund designated as the window replacement fund, consisting of  
6 moneys transferred under 2005 Wisconsin Act ... (this act), section 6 (1) and deposits  
7 of loan prepayments by the department of administration under s. 16.956 (2) (c). ✓

*This one will move up*

ARA  
ARB

8           **SECTION 5.** 25.17 (1) (yn) of the statutes is created to read:

9           25.17 (1) (yn) Window replacement fund (s. 25.90); ✓

10          **SECTION 6. Appropriation changes.**

11          (1) There is transferred from the utility public benefits fund to the window  
12 replacement fund \$6,000,000 in fiscal year 2006-07.

ARA  
ARB

13          **SECTION 7. Nonstatutory provisions.**

14          (1) The department of administration shall submit in proposed form the  
15 rules required under section 16.956 (2) (a) of the statutes, as created by this act, to  
16 the legislative council staff under section 227.15 (1) of the statutes no later than the  
17 first day of the 7th month beginning after the effective date of this subsection.

*Move*

18          **SECTION 8. Effective date.**

19          (1) The treatment of sections 16.956 and 20.505 (3m) (title) and (q) of the  
20 statutes takes effect on the first day of the 13th month beginning after publication. ✓

21

(END)

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

LRB-3117/1dn

MDK:.....

Wij

Rep. Wieckert:

Please note the following about this bill:

1. Because I created a new section in ch. 16, rather than including the bill's requirements in s. 16.957, it isn't necessary to make any changes to DOA's contracting authority under s. 16.957 (3) (b). (John Stolzenberg had raised an issue regarding the performance criteria in DOA's contracts under s. 16.957 (3) (b).)
2. The bill requires DOA to contract with nonprofit corporations to administer the loan program. However, the bill does not address payment of the corporations' expenses. How do you want to address this issue?
3. In general, the bill has a delayed effective date of approximately one year. However, DOA must submit proposed rules to Legislative Council approximately 6 months before the delayed effective date. Also, the transfer from the Utility Public Benefits fund takes place in fiscal year 2006-07 (which begins July 1, 2006). As a result, the money should be transferred and available by the time the rules are in effect. Are these provisions okay?

Mark D. Kunkel  
Senior Legislative Attorney  
Phone: (608) 266-0131  
E-mail: mark.kunkel@legis.state.wi.us

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

LRB-3117/1dn  
MDK:wlj:ch

August 19, 2005

Rep. Wieckert:

Please note the following about this bill:

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2. The bill requires DOA to contract with nonprofit corporations to administer the loan program. However, the bill does not address payment of the corporations' expenses. How do you want to address this issue?
3. In general, the bill has a delayed effective date of approximately one year. However, DOA must submit proposed rules to Legislative Council approximately six months before the delayed effective date. Also, the transfer from the utility public benefits fund takes place in fiscal year 2006-07 (which begins July 1, 2006). As a result, the money should be transferred and available by the time the rules are in effect. Are these provisions okay?

Mark D. Kunkel  
Senior Legislative Attorney  
Phone: (608) 266-0131  
E-mail: mark.kunkel@legis.state.wi.us

## Emery, Lynn

---

**From:** Emery, Lynn  
**Sent:** Monday, August 22, 2005 11:26 AM  
**To:** Becher, Scott  
**Subject:** LRB 05-3117/1 (attached as requested)

**Attachments:** 05-3117/1



05-31171.pdf (22  
KB)

Lynn Emery  
Program Assistant  
Legislative Reference Bureau  
(608) 266-3561

## Emery, Lynn

---

**From:** Emery, Lynn  
**Sent:** Tuesday, September 13, 2005 1:00 PM  
**To:** Becher, Scott  
**Subject:** LRB 05-3117/1 (attached)

**Attachments:** 05-3117/1



05-31171.pdf (22  
KB)

Lynn Emery  
Program Assistant  
Legislative Reference Bureau  
(608) 266-3561

**Kunkel, Mark**

---

**From:** Becher, Scott  
**Sent:** Monday, October 03, 2005 1:38 PM  
**To:** Kunkel, Mark  
**Subject:** FW: Followup to yesterday's meeting  
**Attachments:** PB loan language.doc

Mark-

Can you look this over this proposal to LRB 3117 and give me your honest opinion of it.

Scott Becher  
Rep. Wieckert

---

**From:** Mike Mokler [mailto:mmokler@moklerproperties.com]  
**Sent:** Wednesday, September 14, 2005 2:03 PM  
**To:** Becher, Scott  
**Subject:** Fw: Followup to yesterday's meeting

Scott

This is a suggestion this gentlemen made. I don't know that it has anything to do with the bill we are talking about, but it is an interesting idea.

Thanks

Mike Mokler  
----- Original Message -----  
**From:** Bair, Norman  
**To:** 'mmokler@moklerproperties.com'  
**Sent:** Wednesday, September 14, 2005 11:42 AM  
**Subject:** Followup to yesterday's meeting

<<PB loan language.doc>>

Mike--As requested following yesterday's meeting, here is draft language for a loan program that is more comprehensive.

Should you like to discuss this, please call me.

Norman

Norman Bair  
Policy and Planning Analyst  
Division of Energy  
Wisconsin Department of Administration  
PO Box 7868  
Madison, WI 53707-7868  
608-266-5827  
fax 608-267-6931

10/03/2005

norman.bair@doa.state.wi.us  
<http://www.doa.state.wi.us/>  
<http://www.focusonenergy.com/>



**Wis. Stats. 16.957 (2)**

**(2) DEPARTMENT DUTIES.** In consultation with the council, the department shall do all of the following:

(a) *Low-income programs.* After holding a hearing, establish programs to be administered by the department for awarding grants from the appropriation under s. 20.505 (3) (r) to provide low-income assistance. In each fiscal year, the amount awarded under this paragraph shall be sufficient to ensure that an amount equal to 47% of the sum of the following is spent for weatherization and other energy conservation services:

1. All moneys received from the federal government under 42 USC 6861 to 6873 and 42 USC 8621 to 8629 in a fiscal year.
2. All moneys spent in a fiscal year for low-income programs established under s. 196.374.
3. All moneys spent in a fiscal year on programs established under this paragraph.
4. Fifty percent of the moneys collected in public benefits fees under sub. (5).

(b) *Energy conservation and efficiency and renewable resource programs.* 1. Subject to subd. 2., after holding a hearing, establish programs for awarding grants from the appropriation under s. 20.505 (3) (s) for each of the following:

a. Proposals for providing energy conservation or efficiency services. In awarding grants under this subd. 1. a., the department shall give priority to proposals directed at the sectors of energy conservation or efficiency markets that are least competitive and at promoting environmental protection, building occupants' health, exceeding building codes, electric system reliability, or rural economic development. In each fiscal year, 1.75% of the appropriation under s. 20.505 (3) (s) shall be awarded in grants for research and development proposals regarding the environmental impacts of the electric industry. Loan programs established under this subd. 1.a. shall be used for energy conservation and efficiency improvements that include air sealing, insulation, windows, doors, lighting, heating, cooling, and water heating and renewable energy systems for heating, cooling or electricity that include wind, solar and biomass. In each fiscal year, any amount above \$45,000,000.00 of the appropriation under s. 20.505 (3) (s) shall be used for loan programs. At least 20 percent of the appropriation under s. 20.505 (3) (s) to be used for loans shall be for rental property loan programs including deferred payment loans that are repaid on sale of a property.

b. Proposals for encouraging the development or use of customer applications of renewable resources, including educating customers or members about renewable resources or encouraging uses of renewable resources by customers or members or encouraging research technology transfers. In each fiscal year, the department shall ensure that 4.5% of the appropriation under s. 20.505 (3) (s) is awarded in grants under this subd. 1. b.

2. For each fiscal year after fiscal year 2003-04, determine whether to continue, discontinue or reduce any of the programs

*— Amt in excess of \$45 M above the appropriation — in 20.505(3)(s)*  
*— 20% of 20.505(3)(s)*

established under subd. 1. and determine the total amount necessary to fund the programs that the department determines to continue or reduce under this subdivision. The department shall notify the commission if the department determines under this subdivision to reduce funding by an amount that is greater than the portion of the public benefits fee specified in sub. (4) (c) 2. The notice shall specify the portion of the reduction that exceeds the amount of public benefits fees specified in sub. (4) (c) 2.