

Today
4:30pm

D-NOTE

Rm has
been run

2005 BILL

LPS: Please
check Aarto-Refs.
Thanks.

Regen

1 AN ACT *to create* 16.956, 20.505 (3m) (title), 20.505 (3m) (q), 25.17 (1) (yn) and
2 25.90 of the statutes; **relating to:** creating a window replacement loan program
3 and fund, 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 be used only 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, loan repayments are deposited into 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. 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.

BILL

4 ¹ ~~2~~ ^{INSERT 2A} Allows, but does not require, ~~DOA's~~ ^{the} rules to require a loan applicant to provide security for repayment of a loan.

5 ³ ~~4~~ Prohibits ~~DOA's~~ rules from imposing income eligibility requirements.

6 ⁴ ~~5~~ Requires DOA to contract with a nonprofit corporation to administer the loan program.

7 ⁵ ~~6~~ Requires the Council on Utility Public Benefits to report, no later than two 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 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).

6 (b) "Dwelling" means any structure constructed before 1950, 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) 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 ^{for} 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.

^{INSERT 2-12}

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 purpose 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) into 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

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

4 25.17 (1) (yn) Window replacement fund (s. 25.90);

5 **SECTION 5.** 25.90 of the statutes is created to read:

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

10 **SECTION 6. Nonstatutory provisions.**

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

15 **SECTION 7. Appropriation changes.**

16 (1) There is transferred from the utility public benefits fund to the window
17 replacement fund \$6,000,000 in fiscal year 2006-07. *on July 15 2007*

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 *INSERT 4-18*

(END)

1

INSERT 2A:

✓ 2. Requires the rules to specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.

✓ 3. Requires the rules to allow DOA to make loans that are not due and payable until a dwelling whose windows are replaced is sold by the borrower.

2

INSERT 2-12:

3 that, as determined by the department, are favorable to borrowers. ✓ The rules shall
4 allow the department to make a loan that is not due and payable until a borrower
5 sells a dwelling whose window replacement has been assisted by the loan. The rules
6 shall also specify

7

INSERT 4-18:

8

(1) This act takes effect on July 1, 2007.

9

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

LRB-3117/2dn

MDK: /:....

Wlj

Rep. Wieckert:

This version is identical to the previous version, except for the following:

- ✓ 1. Under this version, DOA's rules must specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.
- ✓ 2. This version allows DOA to make loans that are not due and payable until a dwelling is sold.
- ✓ 3. The effective date of the bill is July 1, 2007.

Mark D. Kunkel
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3117/2dn
MDK:wj:pg

October 13, 2005

Rep. Wieckert:

This version is identical to the previous version, except for the following:

1. Under this version, DOA's rules must specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.
2. This version allows DOA to make loans that are not due and payable until a dwelling is sold.
3. The effective date of the bill is July 1, 2007.

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State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3117/2 e (3)
MDK:wlj:pg

D-NOTE

TUES 11/29
4:30pm

link RM has been run

2005 BILL

LPS: Pls create ARs

Releg

INSERT 1A

vt

1 AN ACT to create 16.956, 20.505 (3m) (title), 20.505 (3m) (q), 25.17 (1) (yn) and
2 25.90 of the statutes; relating to: creating a window replacement loan program
3 and fund, 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 be used only 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, loan repayments are deposited into 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. 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.

BILL

INSEPT 2A

- 2. Requires the rules to specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.
 - 3. Requires the rules to allow DOA to make loans that are not due and payable until a dwelling whose windows are replaced is sold by the borrower.
 - 4. Allows, but does not require, the rules to require a loan applicant to provide security for repayment of a loan.
 - 5. Prohibits the rules from imposing income eligibility requirements.
 - 6. Requires DOA to contract with a nonprofit corporation to administer the loan program.
 - 7. Requires the Council on Utility Public Benefits to report, no later than two 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 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).

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

INSEAT 2-11

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) to the owners of dwellings or units of dwellings for replacing dwelling windows
11 with lead-free, energy efficient windows. The rules shall specify terms and
12 conditions for the loans that, as determined by the department, are favorable to
13 borrowers. The rules shall allow the department to make a loan that is not due and
14 payable until a borrower sells a dwelling whose window replacement has been

BILL

1 assisted by the loan. The rules shall also specify requirements and procedures for
2 applying for loans, reviewing and approving applications, repaying loans, settling
3 disputes and claims, and maintaining records. The rules may, but are not required
4 to, require loan applicants to provide security for repayment of a loan. The rules may
5 not impose income eligibility requirements on loan applicants.

6 (b) Before promulgating rules under par. (a), the department of administration
7 shall consult with the department of health and family services for the purpose of
8 ensuring that, to the extent practicable, the rules are consistent with the
9 requirements under subch. II of ch. 254 for reducing lead hazards.

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

12 (3) LOAN PROCEEDS. A person who receives a loan under the rules promulgated
13 under sub. (2) (a) may use the proceeds only for purchasing replacement windows
14 *manufactured in this state* and may not use the proceeds for window installation
15 costs.

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

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

23 (5) COUNCIL REPORT. No later than 24 months following the effective date of this
24 subsection [revisor inserts date], the council shall submit to the department a

BILL**INSERT 4-3**

1 report on the program under this section, including recommendations about
 2 improving, expanding, or discontinuing the program.

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

4 20.505 (3m) (title) WINDOW REPLACEMENT LOAN PROGRAM.

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

6 20.505 (3m) (q) *Loans.* From the window replacement fund, a sum sufficient
 7 for making loans under the rules promulgated under s. 16.956 (2) (a).

8 **SECTION 4.** 25.17 (1) (yn) of the statutes is created to read:

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

10 **SECTION 5.** 25.90 of the statutes is created to read:

11 **25.90 Window replacement fund.** There is established a separate
 12 nonlapsible trust fund designated as the window replacement fund, consisting of
 13 moneys transferred under 2005 Wisconsin Act (this act), section 7 (1), and deposits
 14 of loan repayments by the department of administration under s. 16.956 (2) (c).

15 **SECTION 6. Nonstatutory provisions.**

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

20 **SECTION 7. Appropriation changes.**

21 (1) There is transferred from the utility public benefits fund to the window
 22 replacement fund \$6,000,000 on July 1, 2007.

23 **SECTION 8. Effective date.**

24 (1) This act takes effect on July 1, 2007.

25 (END)

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3117/3ins
MDK:.....

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NOA

INSERT 1A:

In addition, no borrower may receive more than \$20,000 in loans under the bill. ✓

INSERT 2A:

8. Provides that the amount transferred from the utility public benefits fund is deducted from the amount appropriated from that fund for energy conservation and renewable energy programs, rather than from the amounts appropriated for low-income energy assistance programs. ✓

NOA

INSERT 2-11:

No borrower may receive more than \$20,000 in loans under this paragraph. ✓

INSERT 4-3:

SECTION 1. 20.505 (3) (s) of the statutes is amended to read:

20.505 (3) (s) *Energy conservation and efficiency and renewable resource grants.* From the utility public benefits fund, a sum sufficient, less the amount transferred to the window replacement fund under 2005 Wisconsin Act ... (this act), section 7 (1), for energy conservation and efficiency and renewable resource grants under s. 16.957 (2) (b) 1. and to make the transfer to the air quality improvement fund under s. 16.958 (2) (a).

History: 1971 c. 108, 125, 215; 1971 c. 270 s. 104; 1973 c. 90 and supp., 157, 305; 1975 c. 39 ss. 179 to 184f, 735 (5); 1975 Ex. Order No. 24; 1975 c. 224, 397; 1977 c. 29; 1977 c. 196 ss. 70, 131; 1977 c. 377 s. 30; 1977 c. 418 s. 929 (1), (55); 1979 c. 32 s. 92 (5); 1979 c. 34, 175, 221; 1979 c. 355 s. 241; 1979 c. 361; 1981 c. 20 ss. 400b to 421, 2202 (57) (b); 1981 c. 44 s. 3; 1981 c. 62, 121; 1981 c. 202 s. 23; 1981 c. 314, 374, 391; 1983 a. 27 ss. 439 to 456, 2202 (1); 1983 a. 36, 187, 282, 371, 393; 1985 a. 29, 31, 57, 120, 296, 297, 332; 1987 a. 27 ss. 296n, 296q, 297b, 297d, 299a to 299r, 300a, 301a, 418 to 432; 1987 a. 142, 147, 342, 399; 1989 a. 31, 56, 107, 122, 336, 339, 345, 366; 1991 a. 39 s. 469, 593q to 614; 1991 a. 105, 269, 315; 1993 a. 16 ss. 470g, 470m, 470r, 488 to 506m; 1993 a. 33, 75, 193, 349, 358, 374, 414, 437, 477, 491; 1995 a. 27, 56, 201, 216, 225, 227, 370, 403; 1997 a. 3; 1997 a. 27 ss. 199, 227 to 229m, 233, 666g to 692, 9456 (3m); 1997 a. 237, 283; 1999 a. 5; 1999 a. 9 ss. 508 to 587d, 9401 (2zt), (2zu); 1999 a. 24, 52, 105, 113, 148, 185; 2001 a. 16 ss. 684d, 685d, 800 to 905; 2001 a. 104 ss. 21, 141; 2001 a. 109; 2003 a. 33 ss. 364d, 365d, 369d, 370d, 374d, 376d, 378d, 380d to 384d, 567 to 615f, 639, 640, 642d to 644, 2811 to 2813; 2003 a. 48 ss. 10, 11; 2003 a. 84; 2003 a. 139 ss. 9 to 12; 2003 a. 206 s. 23; 2003 a. 326; 2005 a. 25 ss. 389 to 429m, 2493, 2494, 2495, 9401, 9409.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3117/3dn

MDK:.....

mk

(date)

Rep. Wieckert: ✓

This version makes the following changes to the previous version: ✓

1. This version eliminates the requirement that replacement windows must be manufactured in this state. ✓
2. This version deducts the amount transferred to the new windows fund from the amount appropriated for energy conservation and renewable resource programs. The low-income assistance appropriation is not affected. ✓
3. This version imposes a \$20,000 limit on the amount that a borrower can receive in loans. ✓

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

LRB-3117/3dn
MDK:lmk:jf

November 29, 2005

Rep. Wieckert:

This version makes the following changes to the previous version:

1. This version eliminates the requirement that replacement windows must be manufactured in this state.
2. This version deducts the amount transferred to the new windows fund from the amount appropriated for energy conservation and renewable resource programs. The low-income assistance appropriation is not affected.
3. This version imposes a \$20,000 limit on the amount that a borrower can receive in loans.

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Northrop, Lori

To: Becher, Scott
Subject: LRB 05-3117/3 and 3117/3dn attached as requested

Attachments: 05-3117/3; 05-3117/3dn



05-31173.pdf



05-31173dn.pdf

*Lori Northrop
Program Assistant
State of WS Legislative Reference Bureau
1 East Main Suite 200
Madison, W.S., 53703
Phone 266-3561 fax 264-6948*

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-3117/3	Introduction Number	
Description Creating a window replacement loan program and fund, granting rule-making authority, and making an appropriation		
Fiscal Effect		
State:		
<input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DHFS/ Ellen Hadidian (608) 266-8155	Andy Forsaith (608) 266-7684	1/17/2006

Copy to Rep. Wiedert
 01-18-2006
 → FE is for old "1/3" version
 → draft is now a "1/4"

Fiscal Estimate Narratives

DHFS 1/18/2006

LRB Number 05-3117/3	Introduction Number	Estimate Type Original
Description Creating a window replacement loan program and fund, granting rule-making authority, and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes a loan fund for the replacement of windows in pre-1950 dwellings by lead-free, energy efficient windows. The loan program is to be administered by the Department of Administration (DOA). The bill requires DOA to consult with the Department before promulgating the rules for this program so that the rules of the new program are consistent with the Department's requirements for reducing lead hazards under current law.

This bill will have no fiscal effect on the Department.

Long-Range Fiscal Implications

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-3117/3	Introduction Number	
Description Creating a window replacement loan program and fund, granting rule-making authority, and making an appropriation		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s.20.505(3)		
Affected Ch. 20 Appropriations		
Agency/Prepared By		
DOA/ Nancy Foss (608) 266-5877		Authorized Signature
		Martha Kerner (608) 266-1359
Date		1/22/2006

copy to Rep. Wiedert
 01-23-2006
 ↪ FE is for old "1/3" version
 ↪ draft is now a "1/4"

Fiscal Estimate Narratives

DOA 1/23/2006

LRB Number 05-3117/3	Introduction Number	Estimate Type	Original
Description Creating a window replacement loan program and fund, granting rule-making authority, and making an appropriation			

Assumptions Used in Arriving at Fiscal Estimate

The proposed bill would require the Department of Administration to promulgate rules that establish a program for making loans to owners of dwellings constructed before 1950 for replacement of windows with lead-free, energy efficient windows. DOA would be required to contract with a nonprofit corporation to administer the loan program.

The Department estimates that a half-time position would be needed to promulgate the required rules, coordinate with the Department of Health and Family Services on the issue of lead hazards, and administer the contract with the nonprofit corporation. The annual cost of this position is estimated at \$37,900.

There would also be an increase in the workload of the Department's accounting staff. The Window Replacement Fund would require separate accounting and reporting. At this time, the accounting workload could be absorbed by the Department.

As no new revenues have been identified in the proposed bill, creation of the new fund would result in \$6 million less dollars for the Public Benefits energy efficiency program and would delay or reduce funding for existing programs including New Construction for Business, Apartment and Condo Efficiency, and Appliance Turn-In.

Long-Range Fiscal Implications

The long-range effects would be the additional workload and permanent need for the half-time position. Other potential implications are unknown at this time.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3117/3		Introduction Number	
Description Creating a window replacement loan program and fund, granting rule-making authority, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$28,400	
	(FTE Position Changes)		
	State Operations - Other Costs	9,500	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$37,900	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	37,900	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$37,900	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DOA/ Nancy Foss (608) 266-5877		Martha Kerner (608) 266-1359	1/22/2006

keep

4

RM
has been
run

2005 BILL

by TUES
11/17

INSERT 1A

ReCom

vt

1 AN ACT *to amend* 20.505 (3) (s); and *to create* 16.956, 20.505 (3m) (title), 20.505
 2 (3m) (g), 25.17 (1) (yn) and 25.90 of the statutes; **relating to:** creating a window
 3 replacement loan program and fund, granting rule-making authority, and
 4 making an appropriation.

\$10

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 be used only for purchasing replacement windows, and may not be used for window installation costs. In addition, ~~no borrower may receive more than \$20,000 in loans under the bill.~~ 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, loan repayments are deposited into 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. 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,

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to the extent practicable, that the rules are consistent with DHFS's requirements for reducing lead hazards under current law.

2. Requires the rules to specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.

3. Requires ~~the rules to allow~~ DOA to make loans that are not due and payable until a dwelling whose windows are replaced is sold by the borrower.

4. Allows, but does not require, the rules to require a loan applicant to provide security for repayment of a loan.

5. Prohibits the rules from imposing income eligibility requirements.

6. Requires DOA to contract with a nonprofit corporation to administer the loan program.

7. Requires ~~the Council on Utility Public Benefits~~ ^{DOA} to report, no later than two years after the bill's effective date, to ~~DOA~~ ^{the legislature} on the loan program and to make recommendations regarding improving, expanding, or discontinuing the program.

8. Provides that the amount transferred from the utility public benefits fund is deducted from the amount appropriated from that fund for energy conservation and renewable energy programs, rather than from the amounts appropriated for low-income energy assistance programs.

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

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2 A

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

1 SECTION 1. 16.956 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).

6 (b) "Dwelling" ^{NO FF} means any structure constructed before 1950, 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) to the owners of dwellings or units of dwellings for replacing dwelling windows
11 with lead-free, energy efficient windows. ~~No borrower may receive more than~~

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1 ~~\$20,000 in loans under this paragraph.~~ The rules shall specify terms and conditions
2 for the loans that, as determined by the department, are favorable to borrowers. The
3 rules shall ~~allow~~ ^{require} the department to make ~~a~~ ^{loans} loan that ~~is~~ ^{is or are} not due and payable until a
4 borrower sells a dwelling whose window replacement has been assisted by the loan.
5 The rules shall also specify requirements and procedures for applying for loans,
6 reviewing and approving applications, repaying loans, settling disputes and claims,
7 and maintaining records. The rules may, but are not required to, require loan
8 applicants to provide security for repayment of a loan. The rules may not impose
9 income eligibility requirements on loan applicants.

10 (b) Before promulgating rules under par. (a), the department of administration
11 shall consult with the department of health and family services for the purpose of
12 ensuring that, to the extent practicable, the rules are consistent with the
13 requirements under subch. II of ch. 254 for reducing lead hazards.

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

16 (3) LOAN PROCEEDS. A person who receives a loan under the rules promulgated
17 under sub. (2) (a) may use the proceeds only for purchasing replacement windows
18 and may not use the proceeds for window installation costs. *INSERT 3-19*

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

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

Legislature in the manner provided under s. 13.172 (3)

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

SECTION 2. 20.505 (3) (s) of the statutes is amended to read:

20.505 (3) (s) *Energy conservation and efficiency and renewable resource grants.* From the utility public benefits fund, a sum sufficient, less the amount transferred to the window replacement fund under 2005 Wisconsin Act (this act), section 8 (1), for energy conservation and efficiency and renewable resource grants under s. 16.957 (2) (b) 1. and to make the transfer to the air quality improvement fund under s. 16.958 (2) (a).

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

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

SECTION 4. 20.505 (3m) (q) of the statutes is created to read:

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

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

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

SECTION 6. 25.90 of the statutes is created to read:

25.90 Window replacement fund. There is established a separate nonlapsible trust fund designated as the window replacement fund, consisting of moneys transferred under 2005 Wisconsin Act (this act), section 8 (1), and deposits of loan repayments by the department of administration under s. 16.956 (2) (c).

SECTION 7. **Nonstatutory provisions.**

appropriate standing committees of the

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LRB-3117/4ins
MDK:.....

1 **INSERT 1A:**

2 the rules must require DOA to determine, based on demand for the loans, the
3 maximum amount that a borrower may receive in loans. ✓

4 **INSERT 1B:**

5 in fiscal year 2007-08 and \$10 million that is transferred in fiscal year 2008-09 ✓

6 **INSERT 2A:**

7 The corporation must be a corporation with whom DOA has entered into a contract
8 to administer energy conservation and efficiency, environmental research and
9 development, or renewable resource programs under current law. ✓

10 **INSERT 2-11:**

11 The rules shall require the department to determine, based on aggregate demand for
12 loans by applicants, the maximum amount that a borrower may receive in loans
13 under this paragraph. ✓

14 **INSERT 3-19:**

15 To administer the program established under the rules promulgated under sub. (2)
16 (a), the department shall contract with a corporation with whom the department has
17 entered into a contract to administer a program under s. 16.957 (3) (b). ✓

18 **INSERT 5-7:**

19 \$10,000,000 in fiscal year 2007-08 and \$10,000,000 in fiscal year 2008-09 ✓

Basford, Sarah

From: Field, Adam
Sent: Thursday, February 02, 2006 9:06 AM
To: LRB.Legal
Subject: LRB 3117

Please Jacket LRB 3117 for introduction. Thanks.

Adam Field

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