

2005 ASSEMBLY BILL 593

1 **AN ACT** *to repeal* 234.18 (3), 234.49 (1) (d) 2., 234.49 (1) (d) 4., 234.49 (1) (d) 6.,
2 234.49 (1) (e) 1., 234.59 (1) (g), 234.59 (3) (a), 234.59 (3) (b) 2. and 234.83 (3) (e);
3 **to renumber** 234.59 (3) (e); **to renumber and amend** 234.18 (1), 234.49 (1)
4 (d) (intro.), 234.49 (1) (f) (intro.), 234.49 (1) (f) 2. and 234.59 (3) (b) 1.; **to**
5 **consolidate, renumber and amend** 234.49 (1) (e) (intro.) and 2.; **to amend**
6 101.143 (4) (em) 2., 234.01 (7m), 234.03 (15), 234.265 (2), 234.40 (4), 234.49 (1)
7 (c) 2., 234.49 (1) (g), 234.50 (4), 234.59 (1) (d) 4., 234.60 (2), 234.61 (1), 234.65
8 (1) (b), 234.66 (3) (b), 234.83 (3) (b) and 234.91 (5) (b); and **to create** 234.59 (3)
9 (d) of the statutes; **relating to:** various modifications to housing loan programs
10 and loan guarantee programs, increasing the bonding authority of the

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1 Wisconsin Housing and Economic Development Authority (WHEDA), and
2 removing limitations on WHEDA's authority to acquire property.

Analysis by the Legislative Reference Bureau

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

3 **SECTION 1.** 101.143 (4) (em) 2. of the statutes is amended to read:

4 101.143 (4) (em) 2. The department shall issue the award under this paragraph
5 without regard to fault for each home oil tank system in an amount equal to 75% of
6 the amount of the eligible costs, except that, if the home oil tank system is owned by
7 a nonprofit organization that provides housing assistance to families with incomes
8 below 80% of the median family income, as ~~defined in s. 234.49 (1) (g)~~ determined
9 annually by the U.S. department of housing and urban development for each county
10 in the state, of the county in which the home oil tank system is located, then the
11 award shall equal 100% of the amount of the eligible costs. The department shall
12 recalculate any award made to such a nonprofit organization under this paragraph
13 before May 7, 1994, based on 100% of eligible costs and shall issue an award for the
14 difference between the award as recalculated and the award issued before May 7,
15 1994.

16 **SECTION 2.** 234.01 (7m) of the statutes is amended to read:

17 234.01 (7m) "Housing rehabilitation loan" means a low interest housing
18 rehabilitation loan as defined in s. 234.49 (1) (f) and (fm).

19 **SECTION 3.** 234.03 (15) of the statutes is amended to read:

20 234.03 (15) To acquire or contract to acquire from any person by grant,
21 purchase, or otherwise, leaseholds, real, or personal property or any interest therein,

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1 ~~only when the authority finds that low- or moderate-income housing cannot be~~
2 ~~developed privately without an acquisition by the authority, or when the authority~~
3 ~~acquires property by reason of default by a sponsor of a residential facility, as defined~~
4 ~~in s. 46.28 (1) (d) and (e), or by an eligible sponsor; ; and to own, hold, clear, improve,~~
5 ~~and rehabilitate and to sell, assign, exchange, transfer, convey, lease, mortgage, or~~
6 ~~otherwise dispose of or encumber the same. Nothing in this chapter shall be deemed~~
7 ~~to impede the operation and effect of local zoning, building, and housing ordinances~~
8 ~~or ordinances relating to subdivision control, land development, fire prevention, or~~
9 ~~other ordinances having to do with housing or housing development.~~

10 **SECTION 4.** 234.18 (1) of the statutes is renumbered 234.18 and amended to
11 read:

12 **234.18 Limit on amount of outstanding bonds and notes.** The authority
13 shall ~~may~~ not have outstanding at any one time issue notes and bonds for any of its
14 corporate purposes in an that are secured by a capital reserve fund to which s. 234.15
15 (4) applies if, upon issuance, the total aggregate outstanding principal amount
16 exceeding \$325,000,000, excluding of notes and bonds that are secured by a capital
17 reserve fund to which s. 234.15 (4) applies would exceed \$600,000,000. This section
18 does not apply to bonds and notes issued to refund outstanding notes and bonds.

19 **SECTION 5.** 234.18 (3) of the statutes is repealed.

20 **SECTION 6.** 234.265 (2) of the statutes is amended to read:

21 234.265 (2) Records or portions of records consisting of personal or financial
22 information provided by a person seeking a grant or loan under s. 234.04, 234.08,
23 234.49, 234.59, 234.61, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or
24 234.91, seeking a loan under ss. 234.621 to 234.626, seeking financial assistance
25 under s. 234.66, seeking investment of funds under s. 234.03 (18m), or in which the

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1 authority has invested funds under s. 234.03 (18m), unless the person consents to
2 disclosure of the information.

3 **SECTION 7.** 234.40 (4) of the statutes is amended to read:

4 234.40 (4) The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,
5 234.65, and 234.66 are not applicable to bonds issued under the authority of this
6 section. The authority may not have outstanding at any one time bonds for veterans
7 housing loans in an aggregate principal amount exceeding \$61,945,000, excluding
8 bonds being issued to refund outstanding bonds.

9 **SECTION 8.** 234.49 (1) (c) 2. of the statutes is amended to read:

10 234.49 (1) (c) 2. A family who or which falls within the income limits specified
11 in par. (f) (fm).

12 **SECTION 9.** 234.49 (1) (d) (intro.) of the statutes is renumbered 234.49 (1) (d)
13 and amended to read:

14 234.49 (1) (d) “Eligible rehabilitation” means additions, alterations, or repairs
15 of to housing to maintain it in a decent, safe, and sanitary condition or to restore it
16 to that condition, to reduce the cost of owning or occupying dwelling units, to
17 conserve energy, and to extend the economic or physical life of structures, “Eligible
18 rehabilitation” includes the purchase of home appliances that satisfy the energy
19 efficiency criteria established by the federal environmental protection agency for the
20 energy star designation, as determined by the authority, but does not include any of
21 the following: construction of fireplaces, except for necessary repairs or the addition
22 of permanently attached energy-efficient equipment to an existing fireplace.

23 **SECTION 10.** 234.49 (1) (d) 2. of the statutes is repealed.

24 **SECTION 11.** 234.49 (1) (d) 4. of the statutes is repealed.

25 **SECTION 12.** 234.49 (1) (d) 6. of the statutes is repealed.

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1 **SECTION 13.** 234.49 (1) (e) (intro.) and 2. of the statutes are consolidated,
2 renumbered 234.49 (1) (e) and amended to read:

3 234.49 (1) (e) “Housing” means a residential structure having not more than
4 4 dwelling units in which at least one unit is occupied by the owner as a principal
5 residence and: ~~2. The, if a housing rehabilitation loan is granted for the property~~
6 ~~to implement energy conservation improvements, the~~ structure is not subject to rules
7 adopted under s. 101.63, 101.73, or 101.973, ~~if a housing rehabilitation loan is~~
8 ~~granted for the property to implement energy conservation improvements.~~

9 **SECTION 14.** 234.49 (1) (e) 1. of the statutes is repealed.

10 **SECTION 15.** 234.49 (1) (f) (intro.) of the statutes is renumbered 234.49 (1) (f)
11 and amended to read:

12 234.49 (1) (f) “Housing rehabilitation loan” means a loan to finance eligible
13 rehabilitation or a property tax deferral loan. ~~The maximum amount of a housing~~
14 ~~rehabilitation loan, except a property tax deferral loan, is \$17,500. The term of any~~
15 ~~housing rehabilitation loan, except a property tax deferral loan, the repayment of~~
16 ~~which is made in monthly or other periodic installments, may not exceed 15 years.~~
17 Housing rehabilitation loans, except property tax deferral loans, include: low
18 interest loans.

19 **SECTION 16.** 234.49 (1) (f) 2. of the statutes is renumbered 234.49 (1) (fm) and
20 amended to read:

21 234.49 (1) (fm) “Low interest loans” ~~which are~~ means loans that meet or exceed
22 the rate of interest required to pay the costs incurred by the authority for making and
23 servicing such loans, but do not exceed the rate of interest specified in sub. (2) (a) 6.
24 No low interest or other loan may be made to a person or family whose income exceeds
25 120% of the median income for a family of 4 ~~in the person’s or family’s county of~~

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1 residence, except that in a designated reinvestment neighborhood or area as defined
2 in s. 66.1107 no low interest loan at the highest rate of interest authorized by this
3 ~~subdivision paragraph~~ may be made to a person or family whose income exceeds
4 140% of the median income for a family of 4 ~~in the person's or family's county of~~
5 residence, and except that the authority may increase or decrease the income limit
6 for low interest loans by no more than 10% of the limit for each person more or less
7 than 4.

8 **SECTION 17.** 234.49 (1) (g) of the statutes is amended to read:

9 234.49 (1) (g) "Median income" means the median family income as determined
10 annually by the U.S. department of housing and urban development for the area in
11 which the residence is located or the median family income for each county in the
12 state, whichever is greater.

13 **SECTION 18.** 234.50 (4) of the statutes is amended to read:

14 234.50 (4) The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,
15 234.65, and 234.66 are not applicable to bonds issued under the authority of this
16 section. The authority may not have outstanding at any one time bonds for housing
17 rehabilitation loans in an aggregate principal amount exceeding \$100,000,000,
18 excluding bonds being issued to refund outstanding bonds. The authority shall
19 consult with and coordinate the issuance of bonds with the building commission prior
20 to the issuance of bonds.

21 **SECTION 19.** 234.59 (1) (d) 4. of the statutes is amended to read:

22 234.59 (1) (d) 4. A residential structure having 2 dwelling units, if one of the
23 units will be the principal residence of an applicant ~~and if the structure is a new~~
24 ~~dwelling and a targeted area residence.~~

25 **SECTION 20.** 234.59 (1) (g) of the statutes is repealed.

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1 **SECTION 21.** 234.59 (3) (a) of the statutes is repealed.

2 **SECTION 22.** 234.59 (3) (b) 1. of the statutes is renumbered 234.59 (3) (bc), and
3 234.59 (3) (bc) 1., as renumbered, is amended to read:

4 234.59 (3) (bc) 1. Except as provided in subd. ~~1. c.~~ 3., a homeownership
5 mortgage loan may not be made to an applicant if the applicant's income combined,
6 except as provided in subd. 1. b., with the income from all sources of all persons who
7 intend to occupy the same dwelling unit as that applicant, exceeds 110% of the
8 median income of the county where the eligible property is located if the eligible
9 property is not a targeted area residence or exceeds 140% of the median income of
10 the county where the eligible property is located if the eligible property is a targeted
11 area residence exceeds the applicable level specified under 26 USC 143 (f).

12 **SECTION 23.** 234.59 (3) (b) 2. of the statutes is repealed.

13 **SECTION 23d.** 234.59 (3) (d) of the statutes is created to read:

14 234.59 (3) (d) The authority may not make, buy, or assume a home ownership
15 mortgage loan for an individual who does not have a social security number.

16 **SECTION 24.** 234.59 (3) (e) of the statutes is renumbered 234.59 (3) (d).

17 **SECTION 25.** 234.60 (2) of the statutes is amended to read:

18 234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.65, and
19 234.66 do not apply to bonds or notes issued under this section.

20 **SECTION 26.** 234.61 (1) of the statutes is amended to read:

21 234.61 (1) Upon the authorization of the department of health and family
22 services, the authority may issue bonds or notes and make loans for the financing of
23 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the
24 development costs of those housing projects, if the department of health and family
25 services has approved the residential facilities for financing under s. 46.28 (2). The

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1 limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.65, and 234.66 do not apply
2 to bonds or notes issued under this section. The definition of “nonprofit corporation”
3 in s. 234.01 (9) does not apply to this section.

4 **SECTION 27.** 234.65 (1) (b) of the statutes is amended to read:

5 234.65 (1) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, and
6 234.66 do not apply to bonds or notes issued under this section.

7 **SECTION 28.** 234.66 (3) (b) of the statutes is amended to read:

8 234.66 (3) (b) The limits in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.61, and
9 234.65 do not apply to bonds or notes issued under this section.

10 **SECTION 29.** 234.83 (3) (b) of the statutes is amended to read:

11 234.83 (3) (b) Loan proceeds are not used to refinance existing debt or for
12 entertainment expenses, expenses related to the production of an agricultural
13 commodity, as defined in s. 94.67 (2), or expenses related to a community-based
14 residential facility, except that loan proceeds may be used to refinance existing debt
15 if the borrower also expands an existing business.

16 **SECTION 30.** 234.83 (3) (e) of the statutes is repealed.

17 **SECTION 31.** 234.91 (5) (b) of the statutes is amended to read:

18 234.91 (5) (b) The term of a loan guarantee ~~for a loan made to finance the~~
19 ~~acquisition of machinery, equipment or livestock, or the cost of improvements to~~
20 ~~facilities or land, may not exceed 5 years. The term of a loan guarantee for a loan~~
21 ~~made to finance the acquisition of facilities or land~~ under this section may not exceed
22 10 years.

23 **SECTION 32. Initial applicability.**

24 (1) HOUSING REHABILITATION LOANS. The treatment of sections 234.01 (7m) and
25 234.49 (1) (c) 2., (d) (intro.), 2., 4., and 6., (e) (intro.), 1., and 2., (f) (intro.) and 2., and

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1 (g) of the statutes first applies to housing rehabilitation loans for which application
2 is made on the effective date of this subsection.

3 (2) BONDING LIMIT. The repeal of section 234.18 (3) of the statutes and the
4 renumbering and amendment of section 234.18 (1) of the statutes first apply to notes
5 and bonds issued on the effective date of this subsection.

6 (3) HOMEOWNERSHIP MORTGAGE LOANS. The treatment of section 234.59 (1) (d)
7 4. and (3) (a), (b) 1. and 2., and (d) of the statutes first applies to homeownership
8 mortgage loans for which application is made on the effective date of this subsection.

9 (4) SMALL BUSINESS DEVELOPMENT LOAN GUARANTEE PROGRAM. The treatment of
10 section 234.83 (3) (b) and (e) of the statutes first applies to loan guarantees for which
11 application is made on the effective date of this subsection.

12 (5) FARM ASSETS REINVESTMENT MANAGEMENT LOAN GUARANTEE PROGRAM. The
13 treatment of section 234.91 (5) (b) of the statutes first applies to loan guarantees for
14 which application is made on the effective date of this act.

15 (END)