

1 period begins on the date the residential mortgage loan is closed or, if the loan is not  
2 closed, the date of loan application. If the residential mortgage loan is serviced by  
3 a mortgage banker, the retention period commences on the date that the loan is paid  
4 in full. ~~The mortgage banker or mortgage broker shall make the records available~~  
5 ~~for inspection and copying by the division. If the records are not kept within this~~  
6 ~~state, the mortgage banker or mortgage broker shall, upon request of the division,~~  
7 ~~promptly send exact and complete copies of requested records to the division.~~

8 \***-1896/1.117\*** SECTION 605. 224.75 (3) of the statutes is amended to read:

9 224.75 (3) CONTENTS OF CREDIT AND APPRAISAL REPORTS. (a) *Credit report.* If a  
10 mortgage banker or mortgage broker charges a residential mortgage loan applicant  
11 a separate fee for a credit report, the credit report shall consist, at a minimum, of a  
12 written statement indicating the name of the credit reporting agency which  
13 investigated the credit history of the applicant.

14 (b) *Appraisal report.* If a mortgage banker or mortgage broker charges a  
15 residential mortgage loan applicant a separate fee for an appraisal report, the  
16 appraisal report shall consist, at a minimum, of a written statement indicating the  
17 appraiser's opinion of the value of the property appraised for residential mortgage  
18 loan purposes, the basis for that opinion and the name of the person who conducted  
19 the appraisal. If requested by a residential mortgage loan applicant, a mortgage  
20 banker or mortgage broker shall provide the loan applicant with a copy of any written  
21 appraisal report held by the mortgage banker or mortgage broker, if the loan  
22 applicant paid a fee for the report.

23 \***-1896/1.118\*** SECTION 606. 224.75 (4) of the statutes is amended to read:

24 224.75 (4) RESPONSIBILITY FOR FORMS. A mortgage banker or mortgage broker  
25 is responsible for the preparation and correctness of all entries on forms, documents

1 and records which are under the mortgage banker's or mortgage broker's control and  
2 which are not dependent on information provided by the residential mortgage loan  
3 applicant or a 3rd party.

4 **\*-1896/1.119\* SECTION 607.** 224.75 (6) of the statutes is created to read:

5 224.75 (6) FURNISHING BOOKS AND RECORDS. Upon request by the division, any  
6 licensee under this subchapter, and any other person whom the division has  
7 authority to investigate and examine under s. 224.74 (2), shall make any books and  
8 records requested by the division available for inspection and copying by the division.  
9 If any records are kept at a licensed office not located within this state, the mortgage  
10 banker or mortgage broker shall, upon request of the division, promptly deliver such  
11 documents to any location within this state specified by the division.

12 **\*-1896/1.120\* SECTION 608.** 224.755 (title) of the statutes is repealed and  
13 recreated to read:

14 **224.755 (title) Education and testing requirements for mortgage loan**  
15 **originators.**

16 **\*-1896/1.121\* SECTION 609.** 224.755 of the statutes is renumbered 224.755 (5)  
17 and amended to read:

18 224.755 (5) COMPLIANCE RECORDS. A mortgage loan originator shall keep  
19 records documenting compliance with s. ~~224.72 (7) (d)~~ this section for at least 4 years.  
20 ~~The technical college system board and any professional trade association or other~~  
21 ~~person that administers examinations or provides education under s. 224.72 (7) (d)~~  
22 ~~shall maintain records documenting attendance and examination performance for~~  
23 ~~at least 4 years.~~

24 **\*-1896/1.122\* SECTION 610.** 224.755 (1), (2), (3) and (4) of the statutes are  
25 created to read:

1           **224.755 (1) EDUCATION REQUIREMENTS APPLICABLE PRIOR TO LICENSE ISSUANCE.**

2           Subject to sub. (3) (a) and (c), an applicant for a license under s. 224.725 (1), prior to  
3           the division's issuance of the license, shall complete at least 20 hours of education,  
4           including a minimum of all of the following:

5           (a) Three hours of federal law and regulations.

6           (b) Three hours of ethics, including instruction on fraud, consumer protection,  
7           and fair lending issues.

8           (c) Two hours of training related to lending standards for the nontraditional  
9           mortgage product marketplace.

10           **(2) CONTINUING EDUCATION REQUIREMENTS.** Subject to subs. (3) (a), (c), (d), and  
11           (f), an applicant for renewal of a license under s. 224.725 (5), prior to the division's  
12           renewal of the license, shall annually complete at least 8 hours of education,  
13           including a minimum of all of the following:

14           (a) Three hours of federal law and regulations.

15           (b) Two hours of ethics, including instruction on fraud, consumer protection,  
16           and fair lending issues.

17           (c) Two hours of training related to lending standards for the nontraditional  
18           mortgage product marketplace.

19           **(3) EDUCATION APPROVAL.** (a) No education course may count toward the  
20           requirement under sub. (1) or (2) unless the course has been reviewed and approved  
21           by the nationwide mortgage licensing system and registry based upon reasonable  
22           standards, including review and approval of the course provider.

23           (b) An education course meeting the standard under par. (a) may count toward  
24           the requirements under subs. (1) and (2) even if the course is any of the following:

1           1. Provided by the applicant's or licensee's employer, by an entity affiliated with  
2 the applicant or licensee by an agency contract, or by any subsidiary or affiliate of  
3 such an employer or affiliated entity.

4           2. Offered through the Internet or another online or electronic medium.

5           3. Taken in another state.

6           (c) Subject to any rule promulgated under s. 224.72 (7) (bm) or 224.725 (5) (b),  
7 if an individual was previously registered as a loan originator under s. 224.72, 2007  
8 stats., or previously licensed as a mortgage loan originator under s. 224.725, the  
9 division may not issue or renew a mortgage loan originator license for the individual  
10 under s. 224.725 unless the individual satisfies the requirements under sub. (1) or  
11 (2) or demonstrates to the division's satisfaction that the individual has completed  
12 all education requirements applicable to the individual in the last year in which the  
13 individual's license or registration was valid.

14           (d) Except as provided in any rule promulgated under s. 224.72 (7) (bm), a  
15 licensed mortgage loan originator may receive credit for a continuing education  
16 course only in the year in which the course is taken and may not take the same  
17 approved course in the same or successive years to meet the requirements under sub.  
18 (2).

19           (e) A licensed mortgage loan originator who is an approved instructor of an  
20 approved continuing education course may receive credit for the licensed mortgage  
21 loan originator's own annual continuing education requirement at the rate of 2 hours  
22 of credit for every one hour taught.

23           (f) The division may, by rule, allow an applicant for renewal of a license under  
24 s. 224.725 (5) to make up any deficiency in meeting the requirements specified in sub.  
25 (2).

1           (4) TESTING REQUIREMENTS. (a) An applicant for a license under s. 224.725 (1),  
2 prior to the division's issuance of the license, shall pass a written test meeting the  
3 standards under par. (b). An individual shall answer at least 75 percent of the test  
4 questions correctly to achieve a passing test score.

5           (b) 1. No test may satisfy the requirement under par. (a) unless the test is  
6 developed by the nationwide mortgage licensing system and registry and  
7 administered by a test provider approved by the nationwide mortgage licensing  
8 system and registry based upon reasonable standards.

9           2. A test does not meet the standard under subd. 1. unless the test adequately  
10 measures the applicant's knowledge and comprehension in appropriate subject  
11 areas, including all of the following:

12           a. Ethics.

13           b. Federal and state law, regulations, and rules pertaining to mortgage  
14 origination.

15           c. Federal and state law, regulations, and rules relating to residential mortgage  
16 transactions, including instruction on fraud, consumer protection, the  
17 nontraditional mortgage product marketplace, and fair lending issues.

18           (c) A written test meeting the standards under par. (b) may satisfy the  
19 requirement under par. (a) even if the test is provided at the location of the  
20 applicant's employer, any subsidiary or affiliate of the applicant's employer, or any  
21 entity with which the applicant holds an exclusive arrangement to conduct the  
22 business of a mortgage loan originator.

23           (d) An individual may retake a test 3 consecutive times, with each test retaken  
24 no less than 30 days after the preceding test. If the individual fails 3 consecutive  
25 tests, the individual may not retake a test again for at least 6 months.

**SECTION 610**

1 (e) If an individual previously licensed as a mortgage loan originator fails to  
2 maintain a valid license for a period of 5 years or longer, the individual shall retake  
3 the test under par. (a). For purposes of determining the 5-year period, the division  
4 shall not consider any period during which the individual is exempt from licensing  
5 under s. 224.726 (1).

6 **\*-1896/1.123\* SECTION 611.** 224.76 of the statutes is amended to read:

7 **224.76 Mortgage banker, mortgage loan originator, and mortgage**  
8 **broker trust accounts.** A mortgage banker, mortgage loan originator, or mortgage  
9 broker shall deposit in one or more trust accounts all funds other than nonrefundable  
10 fees which it receives on behalf of any person, pending disbursement of the funds in  
11 accordance with instructions from the person on whose behalf the funds are  
12 deposited. A mortgage banker or mortgage broker shall maintain trust accounts in  
13 a bank, ~~savings bank, savings and loan association or credit union which is~~  
14 ~~authorized to do business in this state or whose accounts are insured by the Federal~~  
15 ~~Deposit Insurance Corporation or the National Credit Union Administration~~  
16 depository institution. The mortgage banker or mortgage broker shall notify the  
17 division of the location of its trust accounts.

18 **\*-1896/1.124\* SECTION 612.** 224.77 (title) of the statutes is amended to read:

19 **224.77 (title) Discipline Prohibited acts and practices, and discipline,**  
20 **of mortgage bankers, mortgage loan originators, and mortgage brokers.**

21 **\*-1896/1.125\* SECTION 613.** 224.77 (1) (intro.) of the statutes is amended to  
22 read:

23 **224.77 (1) PROHIBITED CONDUCT ACTS AND PRACTICES.** (intro.) ~~The division may~~  
24 ~~deny an application submitted to it under s. 224.72, or may revoke, suspend or limit~~  
25 ~~the certificate of registration of a mortgage banker, loan originator or mortgage~~

1 ~~broker, or may reprimand a mortgage banker, loan originator or mortgage broker, if~~  
2 ~~it finds that the No mortgage banker, mortgage loan originator, or mortgage broker~~  
3 ~~did, and no member, officer, director, principal, partner, trustee, or other agent of a~~  
4 ~~mortgage banker or mortgage broker, may do any of the following:~~

5 \*~~1896/1.126~~\* SECTION 614. 224.77 (1) (a) of the statutes is amended to read:

6 224.77 (1) (a) ~~Made~~ Make a material misstatement, or knowingly omit a  
7 material fact, in an a license application for registration, or in other information or  
8 reports furnished to the division, to the nationwide mortgage licensing system and  
9 registry, or to any other governmental agency, including failing to disclose a criminal  
10 conviction or any disciplinary action taken by a state or federal regulatory agency.

11 \*~~1896/1.127~~\* SECTION 615. 224.77 (1) (b) of the statutes is repealed and

12 recreated to read:

13 224.77 (1) (b) Make, in any manner, any materially false or deceptive  
14 statement or representation, including engaging in bait and switch advertising or  
15 falsely representing residential mortgage loan rates, points, or other financing terms  
16 or conditions.

17 \*~~1896/1.128~~\* SECTION 616. 224.77 (1) (c) and (d) of the statutes are amended

18 to read:

19 224.77 (1) (c) ~~Made~~ Make a false, deceptive, or misleading promise relating to  
20 the services being offered or that influences, persuades, or induces a client to act to  
21 his or her injury or damage detriment.

22 (d) ~~Pursued~~ Pursue a continued and flagrant course of misrepresentation, or  
23 ~~made~~ make false promises, whether directly or through agents or advertising.

24 \*~~1896/1.130~~\* SECTION 617. 224.77 (1) (e) and (f) of the statutes are amended

25 to read:

1           224.77 (1) (e) ~~Acted~~ Act for more than one party in a transaction without the  
2 knowledge and consent of all parties on whose behalf the mortgage banker, mortgage  
3 loan originator, or mortgage broker is acting.

4           (f) ~~Accepted~~ Accept a commission, money, or other thing of value for performing  
5 an act as a mortgage loan originator unless the payment is from a mortgage banker  
6 or mortgage broker ~~who is registered under s. 224.72 (3) as employing the loan~~  
7 ~~originator with whom the mortgage loan originator's license is associated, as~~  
8 identified in the records of the division at the time the act is performed.

9           \*-1896/1.131\* SECTION 618. 224.77 (1) (fg) of the statutes is created to read:

10           224.77 (1) (fg) As a mortgage banker or mortgage broker, pay a commission,  
11 money, or other thing of value to any person for performing an act as a mortgage loan  
12 originator unless the mortgage loan originator's license is associated with the  
13 mortgage banker or mortgage broker in the records of the division at the time the act  
14 is performed.

15           \*-1896/1.132\* SECTION 619. 224.77 (1) (g) of the statutes is amended to read:

16           224.77 (1) (g) As a mortgage loan originator, ~~represented or attempted~~  
17 ~~represent or attempt~~ to represent a mortgage banker or mortgage broker other than  
18 the mortgage banker ~~who is registered under s. 224.72 (3) as employing the loan~~  
19 ~~originator or mortgage broker with whom the mortgage loan originator's license was~~  
20 associated, as identified in the records of the division at the time the representation  
21 or attempted representation occurs.

22           \*-1896/1.133\* SECTION 620. 224.77 (1) (gd), (gh) and (gp) of the statutes are  
23 created to read:



1           224.77 (1) (gd) As a mortgage banker or mortgage broker, permit a person who  
2 is not licensed under this subchapter to act as a mortgage loan originator on behalf  
3 of the mortgage banker or mortgage broker.

4           (gh) As a mortgage banker or mortgage broker, permit a person whose  
5 mortgage loan originator license is not associated in the records of the division with  
6 the mortgage banker or mortgage broker to act as a mortgage loan originator on  
7 behalf of the mortgage banker or mortgage broker.

8           (gp) As a mortgage banker or mortgage broker, conduct business at or from a  
9 principal office or branch office that is not licensed under this subchapter.

10           \*~~1896/1.134~~\* SECTION 621. 224.77 (1) (h) to (L) of the statutes are amended  
11 to read:

12           224.77 (1) (h) ~~Failed~~ Fail, within a reasonable time, to account for or remit any  
13 moneys coming into the mortgage banker's, mortgage loan originator's, or mortgage  
14 broker's possession ~~which~~ that belong to another person.

15           (i) ~~Demonstrated~~ Demonstrate a lack of competency to act as a mortgage  
16 banker, mortgage loan originator, or mortgage broker in a way ~~which~~ that safeguards  
17 the interests of the public.

18           (j) ~~Paid or offered~~ Pay or offer to pay a commission, money, or other thing of  
19 value to any person for acts or services in violation of this subchapter.

20           (k) ~~Violated~~ Violate any provision of this subchapter, ch. 138, or any federal or  
21 state statute, rule, or regulation ~~which~~ that relates to practice as a mortgage banker,  
22 mortgage loan originator, or mortgage broker.

23           (L) ~~Engaged~~ Engage in conduct ~~which~~ that violates a standard of professional  
24 behavior which, through professional experience, has become established for  
25 mortgage bankers, mortgage loan originators, or mortgage brokers.

## SECTION 622

1           **\*-1896/1.136\* SECTION 622.** 224.77 (1) (m) of the statutes is amended to read:

2           224.77 (1) (m) ~~Engaged~~ Engage in conduct, whether of the same or a different  
3 character than specified elsewhere in this section, ~~which~~ that constitutes improper,  
4 fraudulent, or dishonest dealing.

5           **\*-1896/1.137\* SECTION 623.** 224.77 (1) (o) of the statutes is amended to read:

6           224.77 (1) (o) In the course of practice as a mortgage banker, mortgage loan  
7 originator, or mortgage broker, except in relation to housing designed to meet the  
8 needs of elderly individuals, ~~treated~~ treat a person unequally solely because of sex,  
9 race, color, handicap, sexual orientation, as defined in s. 111.32 (13m), religion,  
10 national origin, age, or ancestry, the person's lawful source of income, or the sex or  
11 marital status of the person maintaining a household.

12           **\*-1896/1.138\* SECTION 624.** 224.77 (1) (p) of the statutes is amended to read:

13           224.77 (1) (p) Intentionally ~~encouraged or discouraged~~ encourage or discourage  
14 any person from purchasing or renting real estate on the basis of race.

15           **\*-1896/1.139\* SECTION 625.** 224.77 (1) (q) of the statutes is amended to read:

16           224.77 (1) (q) Because of the age or location of the property or the race of the  
17 residential mortgage loan applicant, rather than because of the credit worthiness of  
18 the applicant and the condition of the property securing the loan:

19           1. ~~Refused~~ Refuse to negotiate, to offer, or to attempt to negotiate a ~~land~~  
20 ~~contract,~~ residential mortgage loan or commitment for a residential mortgage loan,  
21 or ~~refused~~ refuse to find a residential mortgage loan.

22           2. ~~Found a~~ Find a residential mortgage loan or ~~negotiated a~~ negotiate a  
23 residential mortgage loan on terms less favorable than are usually offered.

24           **\*-1896/1.140\* SECTION 626.** 224.77 (1) (r) of the statutes is repealed.

1           **\*-1896/1.141\* SECTION 627.** 224.77 (1) (s), (t), (tm), (u), (um), (v), (w), (x) and  
2 (y) of the statutes are created to read:

3           224.77 (1) (s) Violate, or fail to comply with, any lawful order of the division.

4           (t) Impede an investigation or examination of the division or deny the division  
5 access to any books, records, or other information which the division is authorized  
6 to obtain under s. 224.74 (2), 224.75 (6), or any other provision of this subchapter.

7           (tm) Make a material misstatement, or knowingly omit a material fact, or  
8 knowingly mutilate, destroy, or secrete any books, records, or other information  
9 requested by the division, in connection with any investigation or examination  
10 conducted by the division or another governmental agency.

11           (u) Solicit or enter into a contract with a borrower that provides in substance  
12 that the mortgage banker, mortgage broker, or mortgage loan originator may earn  
13 a fee or commission through "best efforts" to obtain a residential mortgage loan even  
14 though no residential mortgage loan is actually obtained for the borrower.

15           (um) Solicit, advertise, or enter into a contract for specific interest rates, points,  
16 or other financing terms unless the terms are actually available at the time of  
17 soliciting, advertising, or contracting.

18           (v) Assist, aid, or abet any person in unlawfully conducting business under this  
19 subchapter without a valid license.

20           (w) Fail to make disclosures required under this subchapter or required under  
21 any other applicable state or federal law, rule, or regulation.

22           (x) Withhold any payment or make any payment, threat, or promise, directly  
23 or indirectly, to any person for the purpose of influencing the independent judgment  
24 of the person in connection with a residential mortgage loan, or withhold any  
25 payment or make any payment, threat, or promise, directly or indirectly, to any

1 appraiser of a property for the purpose of influencing the independent judgment of  
2 the appraiser with respect to the value of the property.

3 (y) Cause or require a borrower to obtain property insurance coverage in an  
4 amount exceeding the replacement cost of improvements on the property, as  
5 determined by the property insurer.

6 **\*-1896/1.142\* SECTION 628.** 224.77 (1m) (a) of the statutes is amended to read:

7 224.77 (1m) (a) The division may assess against ~~a person who is registered~~  
8 ~~under this chapter~~ any person who violates this subchapter a forfeiture of not more  
9 than \$2,000 \$25,000 for each violation enumerated under sub. (1) (a) to (e) or (r) and  
10 may further order restitution to any person suffering loss as a result of the violation.

11 **\*-1896/1.143\* SECTION 629.** 224.77 (1m) (b) of the statutes is amended to read:

12 224.77 (1m) (b) A person may contest an assessment of forfeiture, or a  
13 restitution order, under par. (a) by sending, within 10 days after receipt of notice of  
14 the assessment or order under par. (a), a written request for hearing under s. 227.44  
15 to the division of hearings and appeals created under s. 15.103 (1). The  
16 administrator of the division of hearings and appeals may designate a hearing  
17 examiner to preside over the case and recommend a decision to the administrator  
18 under s. 227.46. The decision of the administrator of the division of hearings and  
19 appeals shall be the final administrative decision. The division of hearings and  
20 appeals shall commence the hearing within 30 days after receipt of the request for  
21 hearing and shall issue a final decision within 15 days after the close of the hearing.  
22 Proceedings before the division of hearings and appeals are governed by ch. 227. In  
23 any petition for judicial review of a decision by the division of hearings and appeals,  
24 the party, other than the petitioner, who was in the proceeding before the division of  
25 hearings and appeals shall be the named respondent.

1           \***-1896/1.144\*** SECTION 630. 224.77 (1m) (c) of the statutes is renumbered  
2           224.77 (1m) (c) 1.

3           \***-1896/1.145\*** SECTION 631. 224.77 (1m) (c) 2. of the statutes is created to read:  
4           224.77 (1m) (c) 2. All amounts ordered as restitution shall be paid to the person  
5           suffering loss within 10 days after receipt of notice of the order or, if the restitution  
6           order is contested under par. (b), within 10 days after receipt of the final decision  
7           after exhaustion of administrative review.

8           \***-1896/1.146\*** SECTION 632. 224.77 (1m) (d) of the statutes is amended to read:  
9           224.77 (1m) (d) The attorney general may bring an action in the name of the  
10          state to collect any forfeiture imposed, or amount ordered as restitution, under this  
11          subsection if the forfeiture or restitution amount has not been paid following the  
12          exhaustion of all administrative and judicial reviews. The only issue to be contested  
13          in any such action shall be whether the forfeiture or restitution amount has been  
14          paid.

15          \***-1896/1.147\*** SECTION 633. 224.77 (2) (title) of the statutes is repealed.

16          \***-1896/1.148\*** SECTION 634. 224.77 (2) of the statutes is renumbered 224.77  
17          (2m) (a) 2. and amended to read:

18          224.77 (2m) (a) 2. The division may ~~revoke, suspend or limit a certificate of~~  
19          ~~registration issued under this subchapter or reprimand~~ take any action specified in  
20          subd. 1. against a mortgage banker or mortgage broker registered ~~under this~~  
21          ~~subchapter, if based upon any act or omission described in subd. 1. of a director,~~  
22          officer, trustee, partner, or member of the mortgage banker or mortgage broker or a  
23          person who has a financial interest in or is in any way connected with the operation  
24          of the mortgage banker's or mortgage broker's business ~~is guilty of an act or omission~~

1 ~~which would be cause for refusing to issue a certificate of registration to that~~  
2 ~~individual.~~

3 **\*-1896/1.149\* SECTION 635.** 224.77 (2m) of the statutes is created to read:

4 224.77 (2m) DIVISION ACTION ON LICENSE. (a) 1. In addition to any other  
5 authority provided to the division under this subchapter, if the division finds that a  
6 mortgage banker, mortgage loan originator, or mortgage broker has violated any  
7 provision of this subchapter or any rule promulgated by the division under this  
8 subchapter, the division may do any of the following:

9 a. Deny any application for initial issuance or renewal of a license.

10 b. Revoke, suspend, limit, or condition any license of the mortgage banker,  
11 mortgage loan originator, or mortgage broker.

12 c. Reprimand the mortgage banker, mortgage loan originator, or mortgage  
13 broker.

14 (b) In addition to any other authority provided to the division under this  
15 subchapter, if the division finds that an applicant for initial issuance or renewal of  
16 a license under this subchapter made any material misstatement in the application  
17 or withheld material information, or that the applicant no longer satisfies the  
18 requirements under s. 224.72 or 224.725 for issuance or renewal of the license, the  
19 division may deny the application or, if the license has already been issued, suspend  
20 or revoke the license.

21 **\*-1896/1.150\* SECTION 636.** 224.77 (3) (a) and (b) of the statutes are  
22 consolidated, renumbered 224.77 (3) (a) (intro.) and amended to read:

23 224.77 (3) (a) *Orders to prevent or correct actions.* (intro.) The division may  
24 issue general and special orders necessary, including temporary orders that become  
25 immediately effective, to prevent or correct actions by a mortgage banker, mortgage

1 loan originator, or mortgage broker that constitute cause under this section for  
2 revoking, suspending or limiting a certificate of registration. (b) *Types of special*  
3 *orders.*— Special a violation of any provision of this subchapter or of any rule  
4 promulgated under this subchapter, including special orders may direct that do any  
5 of the following:

6 1. Direct a mortgage banker, mortgage loan originator, or mortgage broker to  
7 cease and desist from engaging in a particular activity or may direct the, from  
8 conducting business, or from otherwise violating any provision of this subchapter or  
9 any rule promulgated under this subchapter.

10 2. Direct a mortgage banker, mortgage loan originator, or mortgage broker to  
11 refund or remit to a residential mortgage loan applicant or borrower amounts that  
12 the mortgage banker, mortgage loan originator, or mortgage broker got from actions  
13 which that constitute cause under this section for revoking, suspending or limiting  
14 a certificate of registration a violation of any provision of this subchapter or of any  
15 rule promulgated under this subchapter.

16 \*-1896/1.151\* SECTION 637. 224.77 (3) (a) 3. and 4. of the statutes are created  
17 to read:

18 224.77 (3) (a) 3. Direct a mortgage banker, mortgage loan originator, or  
19 mortgage broker to cease business under a license issued under this subchapter if  
20 the division determines that the license was erroneously issued or the licensee is  
21 currently in violation of any provision of this subchapter or of any rule promulgated  
22 under this subchapter.

23 4. Direct a mortgage banker, mortgage loan originator, or mortgage broker to  
24 undertake any affirmative action, consistent with the provisions of this subchapter,  
25 that the division deems necessary.

1           \*-1896/1.152\* SECTION 638. 224.77 (3m) of the statutes is amended to read:

2           224.77 (3m) HEARING RIGHTS FOR REGISTRATION LICENSE DENIAL, REVOCATION, OR  
3           SUSPENSION. A person whose ~~certificate of registration~~ license has been denied,  
4           revoked ~~or~~, suspended, limited, or conditioned under this section may request a  
5           hearing under s. 227.44 within 30 days after the date of denial, revocation ~~or~~,  
6           suspension, limitation, or conditioning of the ~~certificate of registration~~ license. The  
7           division may appoint a hearing examiner under s. 227.46 to conduct the hearing.

8           \*-1896/1.153\* SECTION 639. 224.77 (4) of the statutes is amended to read:

9           224.77 (4) PERIOD OF DISCIPLINARY ACTION; LICENSE INELIGIBILITY FOR  
10          REGISTRATION. (a) *Period*. Except as provided in par. (b), the division shall determine  
11          in each case the period that a revocation, suspension ~~or~~, limitation, or condition of  
12          a ~~certificate of registration~~ license is effective.

13          (b) *Ineligibility*. 1. Except as provided in subd. 2., if the division denies or  
14          revokes a ~~certificate of registration~~ license under sub. (1) ~~(2m)~~ (a), the person is not  
15          eligible for a ~~certificate of registration~~ license until the expiration of a period  
16          determined in each case by the division.

17          2. If the division revokes a ~~certificate of registration~~ license under sub. (1) (p)  
18          or (q), the person is not eligible for a ~~certificate of registration~~ license until 5 years  
19          after the effective date of the revocation.

20          \*-1896/1.154\* SECTION 640. 224.77 (5) (a) of the statutes is amended to read:

21          224.77 (5) (a) *Mandatory revocation or suspension*. Notwithstanding sub. ~~(1)~~  
22          ~~(intro.)~~ subs. (2m) (a) and (4), if the division finds that a mortgage banker, mortgage  
23          loan originator, or mortgage broker has violated sub. (1) (p) or (q), the division shall:

24          1. For the first offense, suspend the registration license of the mortgage banker,  
25          mortgage loan originator, or mortgage broker for not less than 90 days.



1           2. For the 2nd offense, revoke the ~~registration~~ license of the mortgage banker,  
2           mortgage loan originator, or mortgage broker.

3           \*-1896/1.155\* SECTION 641. 224.77 (6) (title) of the statutes is repealed.

4           \*-1896/1.156\* SECTION 642. 224.77 (6) of the statutes is renumbered 224.77  
5           (2m) (c) and amended to read:

6           224.77 (2m) (c) The department division shall restrict or suspend the  
7           ~~registration~~ license of a mortgage banker, mortgage loan originator, or mortgage  
8           broker if the ~~registrant~~ licensee is an individual who fails to comply, after  
9           appropriate notice, with a subpoena or warrant issued by the department of children  
10          and families or a county child support agency under s. 59.53 (5) and related to  
11          paternity or child support proceedings or who is delinquent in making court-ordered  
12          payments of child or family support, maintenance, birth expenses, medical expenses,  
13          or other expenses related to the support of a child or former spouse, as provided in  
14          a memorandum of understanding entered into under s. 49.857. ~~A registrant~~ An  
15          individual whose ~~registration~~ license is restricted or suspended under this  
16          subsection is entitled to a notice and hearing only as provided in a memorandum of  
17          understanding entered into under s. 49.857 and is not entitled to any other notice or  
18          hearing under this section.

19          \*-1896/1.157\* SECTION 643. 224.77 (7) (title) of the statutes is repealed.

20          \*-1896/1.158\* SECTION 644. 224.77 (7) of the statutes is renumbered 224.77  
21          (2m) (d) and amended to read:

22          224.77 (2m) (d) The department division shall revoke the ~~certificate~~ of  
23          ~~registration~~ license of a mortgage banker, mortgage loan originator, or mortgage  
24          broker if the department of revenue certifies under s. 73.0301 that the ~~registrant~~  
25          licensee is liable for delinquent taxes. A ~~registrant~~ licensee whose ~~certificate~~ of

1 ~~registration license~~ is revoked under this subsection for delinquent taxes is entitled  
2 to a notice under s. 73.0301 (2) (b) 1. b. and a hearing under s. 73.0301 (5) (a) but is  
3 not entitled to any other notice, hearing or review under this section.

4 **\*-1896/1.159\* SECTION 645.** 224.77 (8) of the statutes is amended to read:

5 224.77 (8) VOLUNTARY SURRENDER. A mortgage banker, mortgage loan  
6 originator, or mortgage broker may voluntarily surrender a registration license to  
7 the division, but the division may refuse to accept the surrender if the division has  
8 an open investigation or examination or received allegations of unprofessional  
9 conduct against the mortgage banker, mortgage loan originator, or mortgage broker.  
10 The division may negotiate stipulations in consideration for accepting the surrender  
11 of registration the license.

12 **\*-1896/1.160\* SECTION 646.** 224.77 (9) of the statutes is created to read:

13 224.77 (9) REPORTING VIOLATIONS. The division shall report regularly violations  
14 of this subchapter or of rules promulgated under this subchapter, as well as  
15 enforcement actions and other relevant information, to the nationwide mortgage  
16 licensing system and registry. Except as provided in s. 224.728 (4) (b) and (c), these  
17 reports shall be confidential.

18 **\*-1896/1.161\* SECTION 647.** 224.78 (title) of the statutes is repealed.

19 **\*-1896/1.162\* SECTION 648.** 224.78 of the statutes is renumbered 224.77 (1)  
20 (jm) and amended to read:

21 224.77 (1) (jm) ~~A mortgage banker, loan originator, or mortgage broker may~~  
22 ~~not pay~~ Pay a person who is not registered licensed under this subchapter a  
23 commission, money, or other thing of value for performing an act as a mortgage  
24 banker, mortgage loan originator, or mortgage broker.

25 **\*-1896/1.164\* SECTION 649.** 224.79 of the statutes is amended to read:

1           **224.79 Consumer mortgage Mortgage brokerage agreements and**  
2           **consumer disclosures. (1) FORM AND CONTENT OF CONSUMER MORTGAGE BROKERAGE**  
3           AGREEMENTS. Every contract between a mortgage broker and ~~a consumer~~ an  
4           individual under which the mortgage broker agrees to provide brokerage services to  
5           the ~~consumer~~ individual relating to a residential mortgage loan shall be in writing,  
6           in the form prescribed by rule of the division, and shall contain all information  
7           required by rule of the division. The division shall promulgate rules to administer  
8           this subsection in consultation with the mortgage loan originator council under s.  
9           15.187 (1). The division shall design these rules to facilitate the comparison of  
10          similar charges and total charges assessed by different mortgage brokers.

11          (2) ~~CONSUMER DISCLOSURE~~ DISCLOSURE STATEMENT. Before entering into a  
12          contract with ~~a consumer~~ an individual to provide brokerage services relating to a  
13          residential mortgage loan, a mortgage broker shall give the ~~consumer~~ individual a  
14          copy of a ~~consumer~~ disclosure statement, explain the content of the statement, and  
15          ensure that the ~~consumer~~ individual initials or signs the statement, acknowledging  
16          that the ~~consumer~~ individual has read and understands the statement. The  
17          ~~consumer~~ disclosure statement shall contain a brief explanation of the relationship  
18          between the ~~consumer~~ individual and the mortgage broker under the proposed  
19          contract, a brief explanation of the manner in which the mortgage broker may be  
20          compensated under the proposed contract, and any additional information required  
21          by rule of the division. The division shall promulgate rules to administer this  
22          subsection in consultation with the mortgage loan originator council under s. 15.187  
23          (1) and, by rule, shall specify the form and content of the ~~consumer~~ disclosure  
24          statement required under this subsection.

25          \*-1896/1.165\* SECTION 650. 224.80 (1) of the statutes is amended to read:

1           224.80 (1) PENALTIES. A person who violates ~~s. 224.72 (1m)~~ any provision of this  
2 subchapter or any rule promulgated under this subchapter may be fined not more  
3 than ~~\$2,000~~ \$25,000 or imprisoned for not more than 9 months or both. The district  
4 attorney of the county where the violation occurs shall enforce the penalty under this  
5 subsection on behalf of the state.

6           \***-1896/1.166\*** SECTION 651. 224.80 (2) (intro.) of the statutes is amended to  
7 read:

8           224.80 (2) PRIVATE CAUSE OF ACTION. (intro.) A person who is aggrieved by an  
9 act which is committed by a mortgage banker, mortgage loan originator, or mortgage  
10 broker ~~and which is described in s. 224.77 (1)~~ in violation of any provision of this  
11 subchapter or of any rule promulgated under this subchapter may recover all of the  
12 following in a private action:

13           \***-1896/1.167\*** SECTION 652. 224.80 (2) (a) 1. of the statutes is amended to read:

14           224.80 (2) (a) 1. Twice the amount of the cost of loan origination connected with  
15 the transaction, except that the liability under this subdivision may not be less than  
16 \$100 nor greater than ~~\$2,000~~ \$25,000 for each violation.

17           \***-1896/1.168\*** SECTION 653. 224.81 of the statutes is amended to read:

18           **224.81    Limitation on actions for commissions and other**  
19 **compensation.** A person who is engaged in the business or acting in the capacity  
20 of a mortgage banker, mortgage loan originator, or mortgage broker in this state may  
21 not bring or maintain an action in this state to collect a commission, money, or other  
22 thing of value for performing an act as a mortgage banker, mortgage loan originator,  
23 or mortgage broker without alleging and proving that the person was ~~registered~~  
24 licensed under this subchapter as a mortgage banker, mortgage loan originator, or  
25 mortgage broker when the alleged cause of action arose.

1           **\*-1896/1.169\* SECTION 654.** 224.82 of the statutes is amended to read:

2           **224.82 Compensation presumed.** In a prosecution arising from a violation  
3 of this subchapter, proof that a person acted as a mortgage banker, mortgage loan  
4 originator, or mortgage broker is sufficient, unless rebutted, to establish that  
5 compensation was received by, or promised to, that person.

6           **\*-1896/1.170\* SECTION 655.** 224.83 of the statutes is created to read:

7           **224.83 Loan processors and underwriters.** An individual engaging solely  
8 in loan processor or underwriter activities may not represent to the public, through  
9 advertising or another means of communication such as the use of business cards,  
10 stationery, brochures, signs, rate lists, or other promotional items, that the  
11 individual can or will perform any of the activities of a mortgage loan originator.

12           **\*-1890/1.2\* SECTION 656.** 227.01 (13) (rm) of the statutes is created to read:

13           227.01 (13) (rm) Is a form prescribed by the attorney general for an accounting  
14 under s. 846.40 (8) (b) 2.

15           **\*-1896/1.172\* SECTION 657.** 227.01 (13) (zy) of the statutes is created to read:

16           227.01 (13) (zy) Relates to any form prescribed by the division of banking in  
17 the department of financial institutions in connection with the licensing of mortgage  
18 bankers or mortgage brokers under s. 224.72 or the licensing of mortgage loan  
19 originators under s. 224.725.

20           **\*-0377/P10.345\* \*-4294/P1.324\* SECTION 658.** 229.68 (15) of the statutes is  
21 amended to read:

22           229.68 (15) Impose, by the adoption of a resolution, the taxes under subch. V  
23 of ch. 77. A district may not levy any taxes that are not expressly authorized under  
24 subch. V of ch. 77 and that do not receive the affirmative vote of a supermajority of  
25 the district board. If a district adopts a resolution which imposes taxes, it shall

1 deliver a certified copy of the resolution to the secretary of revenue at least 30 120  
2 days before its effective date.

3 **\*-0377/P10.346\* \*-4294/P1.325\* SECTION 659.** 229.824 (15) of the statutes is  
4 amended to read:

5 229.824 (15) Impose, by the adoption of a resolution, the taxes under subch. V  
6 of ch. 77, except that the taxes imposed by the resolution may not take effect until  
7 the resolution is approved by a majority of the electors in the district's jurisdiction  
8 voting on the resolution at a referendum, to be held at the first spring primary or  
9 September primary following by at least 45 days the date of adoption of the  
10 resolution. Two questions shall appear on the ballot. The first question shall be:  
11 "Shall a sales tax and a use tax be imposed at the rate of 0.5% in .... County for  
12 purposes related to football stadium facilities in the .... Professional Football  
13 Stadium District?" The 2nd question shall be: "Shall excess revenues from the 0.5%  
14 sales tax and use tax be permitted to be used for property tax relief purposes in ....  
15 County?" Approval of the first question constitutes approval of the resolution of the  
16 district board. Approval of the 2nd question is not effective unless the first question  
17 is approved. The clerk of the district shall publish the notices required under s. 10.06  
18 (4) (c), (f) and (i) for any referendum held under this subsection. Notwithstanding  
19 s. 10.06 (4) (c), the type A notice under s. 10.01 (2) (a) relating to the referendum is  
20 valid even if given and published late as long as it is given and published prior to the  
21 election as early as practicable. A district may not levy any taxes that are not  
22 expressly authorized under subch. V of ch. 77. The district may not levy any taxes  
23 until the professional football team and the governing body of the municipality in  
24 which the football stadium facilities are located agree on how to fund the  
25 maintenance of the football stadium facilities. The district may not levy any taxes

1 until the professional football team and the governing body of the municipality in  
2 which the football stadium facilities are located agree on how to distribute the  
3 proceeds, if any, from the sale of naming rights related to the football stadium  
4 facilities. If a district board adopts a resolution that imposes taxes and the resolution  
5 is approved by the electors, the district shall deliver a certified copy of the resolution  
6 to the secretary of revenue at least ~~30~~ 120 days before its effective date. If a district  
7 board adopts a resolution that imposes taxes and the resolution is not approved by  
8 the electors, the district is dissolved.

9 **\*-1942/P1.29\* SECTION 660.** 234.01 (4n) (a) 3m. e. of the statutes is amended  
10 to read:

11 234.01 (**4n**) (a) 3m. e. The facility is located in a targeted area, as determined  
12 by the authority after considering the factors set out in s. 560.605 (2m) (c), 2005  
13 stats., s. 560.605 (2m) (d), 2005 stats., s. 560.605 (2m) (e), 2005 stats., s. 560.605 (2m)  
14 (g), 2007 stats., and s. 560.605 (2m) (a), (b), and (f) ~~to, and~~ (h).

15 **\*-1896/1.173\* SECTION 661.** 234.01 (5k) of the statutes is amended to read:

16 234.01 (**5k**) "Financial institution" means a bank, savings bank, savings and  
17 loan association, credit union, insurance company, finance company, mortgage  
18 banker registered licensed under s. 224.72, community development corporation,  
19 small business investment corporation, pension fund or other lender which provides  
20 commercial loans in this state.

21 **\*-1942/P1.30\* SECTION 662.** 234.03 (2m) of the statutes is amended to read:

22 234.03 (**2m**) To issue notes and bonds in accordance with ss. 234.08, 234.40,  
23 234.50, 234.60, 234.61, 234.626, ~~234.63,~~ and 234.65.

24 **\*-1942/P1.31\* SECTION 663.** 234.03 (11) of the statutes is amended to read:

1           234.03 (11) To collect fees and charges on mortgage loans and economic  
2 development loans and airport development loans under s. 234.63 (3), 2007 stats.,  
3 for the purpose of paying all or a portion of authority costs as the authority  
4 determines are reasonable and as approved by the authority.

5           \***-1899/P3.1\*** SECTION 664. 234.04 (2) of the statutes is amended to read:

6           234.04 (2) The authority may make or participate in the making and enter into  
7 commitments for the making of long-term mortgage loans to eligible sponsors of  
8 housing projects for occupancy by persons and families of low and moderate income,  
9 or for the making of homeownership mortgage loans or housing rehabilitation loans  
10 or loans for the refinancing of qualified subprime loans under s. 234.592 to persons  
11 and families of low and moderate income, an applicant under s. 234.59 or 234.592,  
12 or other eligible beneficiaries as defined in s. 234.49. The loans may be made only  
13 upon the determination by the authority that they are not otherwise available from  
14 private lenders upon reasonably equivalent terms and conditions. The authority  
15 may not make a loan to a person whose name appears on the statewide support lien  
16 docket under s. 49.854 (2) (b), unless the person provides to the authority a payment  
17 agreement that has been approved by the county child support agency under s. 59.53  
18 (5) and that is consistent with rules promulgated under s. 49.858 (2) (a). The  
19 authority may employ, for such compensation as it determines, the services of any  
20 financial institution in connection with any loan.

21           \***-1942/P1.32\*** SECTION 665. 234.08 (1) of the statutes is amended to read:

22           234.08 (1) The authority may issue its negotiable notes and bonds in such  
23 principal amount, as, in the opinion of the authority, is necessary to provide sufficient  
24 funds for achieving its corporate purposes, including the purchase of certain  
25 mortgages and securities and the making of secured loans for low- and



1 moderate-income housing, for the rehabilitation of existing structures and for the  
2 construction of facilities appurtenant thereto as provided in this chapter; for the  
3 making of secured loans to assist eligible elderly homeowners in paying property  
4 taxes and special assessments; for the payment of interest on notes and bonds of the  
5 authority during construction; ~~for the awarding of airport development loans under~~  
6 ~~s. 234.63(3)~~; for the establishment of reserves to secure such notes and bonds; for the  
7 provision of moneys for the housing development fund in order to make temporary  
8 loans to sponsors of housing projects as provided in this chapter; and for all other  
9 expenditures of the authority incident to and necessary or convenient to carry out its  
10 corporate purposes and powers.

11 \***-1899/P3.2\*** SECTION 666. 234.265 (2) of the statutes is amended to read:

12 234.265 (2) Records or portions of records consisting of personal or financial  
13 information provided by a person seeking a grant or loan under s. 234.63, 2007 stats.,  
14 or s. 234.04, 234.08, 234.49, 234.59, 234.592, 234.61, 234.63, 234.65, 234.67, 234.83,  
15 234.84, 234.90, 234.905, 234.907, or 234.91, seeking a loan under ss. 234.621 to  
16 234.626, seeking financial assistance under s. 234.66, 2005 stats., seeking  
17 investment of funds under s. 234.03 (18m), or in which the authority has invested  
18 funds under s. 234.03 (18m), unless the person consents to disclosure of the  
19 information.

20 \***-1942/P1.34\*** SECTION 667. 234.40 (4) of the statutes is amended to read:

21 234.40 (4) The limitations established in ss. 234.18, 234.50, 234.60, 234.61,  
22 234.63, and 234.65 are not applicable to bonds issued under the authority of this  
23 section. The authority may not have outstanding at any one time bonds for veterans  
24 housing loans in an aggregate principal amount exceeding \$61,945,000, excluding  
25 bonds being issued to refund outstanding bonds.

1           **\*-1896/1.174\* SECTION 668.** 234.49 (2) (a) 4. of the statutes is amended to read:

2           234.49 (2) (a) 4. To designate as an authorized lender the authority or any local  
3 government agency, housing authority under s. 59.53 (22), 61.73, 66.1201 or 66.1213,  
4 bank, savings bank, savings and loan institution, mortgage banker ~~registered~~  
5 licensed under s. 224.72 or credit union, if the designee has a demonstrated history  
6 or potential of ability to adequately make and service housing rehabilitation loans.

7           **\*-1942/P1.35\* SECTION 669.** 234.50 (4) of the statutes is amended to read:

8           234.50 (4) The limitations established in ss. 234.18, 234.40, 234.60, 234.61,  
9 234.63, and 234.65 are not applicable to bonds issued under the authority of this  
10 section. The authority may not have outstanding at any one time bonds for housing  
11 rehabilitation loans in an aggregate principal amount exceeding \$100,000,000,  
12 excluding bonds being issued to refund outstanding bonds. The authority shall  
13 consult with and coordinate the issuance of bonds with the building commission prior  
14 to the issuance of bonds.

15           **\*-1896/1.175\* SECTION 670.** 234.59 (1) (h) of the statutes is amended to read:

16           234.59 (1) (h) "Mortgage banker" means a mortgage banker ~~registered~~ licensed  
17 under s. 224.72, but does not include a person licensed under s. 138.09.

18           **\*-1899/P3.3\* SECTION 671.** 234.59 (1) (j) of the statutes is amended to read:

19           234.59 (1) (j) "Principal residence" means ~~an eligible~~ residential real property  
20 in this state ~~which~~ that an applicant maintains as a full-time residence, but does not  
21 use as a vacation home or for trade or business purposes.

22           **\*-1899/P3.4\* SECTION 672.** 234.59 (2) (intro.) of the statutes is amended to  
23 read:

24           234.59 (2) POWERS AND DUTIES OF THE AUTHORITY. (intro.) The authority shall  
25 establish and administer a homeownership mortgage loan program to encourage

1 homeownership and to facilitate the acquisition or rehabilitation of eligible property  
2 by applicants. To implement the program, the authority:

3 **\*-1899/P3.5\* SECTION 673.** 234.59 (3) (c) of the statutes is amended to read:

4 234.59 (3) (c) The authority shall notify an eligible authorized lender if a  
5 person's name appears on the statewide support lien docket under s. 49.854 (2) (b).  
6 An eligible authorized lender may not make a loan to an applicant if it receives  
7 notification under this paragraph concerning the applicant, unless the applicant  
8 provides to the lender a payment agreement that has been approved by the county  
9 child support agency under s. 59.53 (5) and that is consistent with rules promulgated  
10 under s. 49.858 (2) (a).

11 **\*-1899/P3.6\* SECTION 674.** 234.592 of the statutes is created to read:

12 **234.592 Qualified subprime loan refinancing. (1) DEFINITIONS.** In this  
13 section:

14 (a) "Authorized lender" has the meaning given in s. 234.59 (1) (a).

15 (b) "Eligible property" has the meaning given in s. 234.59 (1) (d) 1.

16 (c) "Principal residence" has the meaning given in s. 234.59 (1) (j).

17 (d) "Qualified subprime loan" means an adjustable rate single-family  
18 residential mortgage loan made after December 31, 2001, and before January 1,  
19 2008.

20 **(2) POWERS AND DUTIES OF THE AUTHORITY.** The authority shall establish and  
21 administer a qualified subprime loan refinancing program to encourage  
22 homeownership and to facilitate the retention of eligible property by applicants. To  
23 implement the program, the authority:

1 (a) May finance the acquisition or replacement of a qualified subprime loan and  
2 may enter into contracts permitting an authorized lender to finance the acquisition  
3 or replacement of a qualified subprime loan or both.

4 (b) Shall maintain a current list of authorized lenders.

5 (c) May enter into agreements to insure or provide additional security for loans  
6 or bonds or notes issued under s. 234.60.

7 **(3) LOAN CONDITIONS.** (a) Except as provided in par. (b), the authority may  
8 finance the acquisition or replacement of or enter into contracts permitting an  
9 authorized lender to finance the acquisition or replacement of an existing mortgage  
10 given by an applicant on an eligible property only if all of the following conditions are  
11 satisfied:

12 1. The eligible property is and will remain the principal residence of the  
13 applicant.

14 2. The existing mortgage was originally financed through a qualified subprime  
15 loan and has not subsequently been refinanced.

16 3. The authority makes a determination that the mortgage described in subd.  
17 2. will be reasonably likely to cause financial hardship to the applicant if not  
18 refinanced.

19 4. The term of any refinancing agreement entered into under this paragraph  
20 does not exceed 30 years.

21 5. The monthly payments to be made by an applicant under an agreement  
22 entered into under this paragraph include principal, interest, property taxes, and  
23 insurance. In this subdivision, "insurance" includes mortgage insurance,  
24 homeowner's insurance, and, if applicable, flood insurance.

1           6. The authority complies with special rules for subprime refinancing  
2 established under 26 USC 143 (k) (12).

3           (b) The authority may not enter into an agreement under this subsection if the  
4 applicant's name appears on the statewide support lien docket under s. 49.854 (2) (b),  
5 unless the applicant provides to the authority a payment agreement that has been  
6 approved by the county child support agency under s. 59.53 (5) and that is consistent  
7 with rules promulgated under s. 49.858 (2) (a).

8           \*-1899/P3.7\* SECTION 675. 234.60 (title) of the statutes is amended to read:

9           **234.60 (title) Bonds for homeownership mortgage loans and qualified**  
10 **subprime loan refinancing.**

11           \*-1899/P3.8\* SECTION 676. 234.60 (1) of the statutes is amended to read:

12           234.60 (1) The authority may issue its bonds or notes to fund homeownership  
13 mortgage loans or the refinancing of qualified subprime loans under s. 234.592.

14           \*-1942/P1.36\* SECTION 677. 234.60 (2) of the statutes is amended to read:

15           234.60 (2) The limitations in ss. 234.18, 234.40, 234.50, 234.61, 234.63, and  
16 234.65 do not apply to bonds or notes issued under this section.

17           \*-1899/P3.9\* SECTION 678. 234.60 (5) (c) of the statutes is created to read:

18           234.60 (5) (c) The secretary of administration shall determine the date after  
19 which no bond or note may be issued under this section for the purpose of financing  
20 the acquisition or replacement of an existing mortgage under s. 234.592.

21           \*-1899/P3.10\* SECTION 679. 234.60 (9) of the statutes is amended to read:

22           234.60 (9) The executive director of the authority shall make every effort to  
23 encourage participation in the homeownership mortgage loan program and the  
24 qualified subprime loan refinancing program by women and minorities.

25           \*-1942/P1.37\* SECTION 680. 234.61 (1) of the statutes is amended to read:

1           234.61 (1) Upon the authorization of the department of health services, the  
2 authority may issue bonds or notes and make loans for the financing of housing  
3 projects which are residential facilities as defined in s. 46.28 (1) (d) and the  
4 development costs of those housing projects, if the department of health services has  
5 approved the residential facilities for financing under s. 46.28 (2). The limitations  
6 in ss. 234.18, 234.40, 234.50, 234.60, 234.63, and 234.65 do not apply to bonds or  
7 notes issued under this section. The definition of "nonprofit corporation" in s. 234.01  
8 (9) does not apply to this section.

9           \*~~1942/P1.38~~\* SECTION 681. 234.63 of the statutes is repealed.

10           \*~~1896/1.176~~\* SECTION 682. 321.60 (1) (a) 12. of the statutes is amended to  
11 read:

12           321.60 (1) (a) 12. A license or certificate of registration issued by the  
13 department of financial institutions, or a division of it, under ss. 138.09, 138.12,  
14 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, or 224.93 or  
15 subch. IV of ch. 551.

16           \*~~1896/1.177~~\* SECTION 683. 422.501 (2) (b) 8. of the statutes is amended to  
17 read:

18           422.501 (2) (b) 8. A person registered licensed as a mortgage banker, mortgage  
19 loan originator, or mortgage broker under s. 224.72 or 224.725 if the person is acting  
20 within the course and scope of ~~that registration~~ the license.

21           \*~~1896/1.178~~\* SECTION 684. 428.202 (6) of the statutes is renumbered 428.202  
22 (9) and amended to read:

23           428.202 (9) "Loan Mortgage loan originator" has the meaning given in s. 224.71  
24 (~~1r~~) (6).

1           \***-1896/1.179\*** SECTION 685. 428.203 (9) (title) of the statutes is amended to  
2 read:

3           428.203 (9) (title) ~~UNREGISTERED~~ UNLICENSED MORTGAGE BANKERS AND BROKERS.

4           \***-1896/1.180\*** SECTION 686. 428.204 of the statutes is amended to read:

5           **428.204 False statements.** No lender, licensed lender, mortgage loan  
6 originator, mortgage banker, or mortgage broker may knowingly make, propose, or  
7 solicit fraudulent, false, or misleading statements on any document relating to a  
8 covered loan.

9           \***-1896/1.181\*** SECTION 687. 428.206 of the statutes is amended to read:

10          **428.206 Recommending default.** No lender, licensed lender, mortgage loan  
11 originator, mortgage banker, or mortgage broker may recommend or encourage an  
12 individual to default on an existing loan or other obligation before and in connection  
13 with the making of a covered loan that refinances all or any portion of that existing  
14 loan or obligation.

15          \***-1896/1.182\*** SECTION 688. 452.01 (3) (g) of the statutes is amended to read:

16          452.01 (3) (g) A person ~~registered~~ licensed as a mortgage banker under s.  
17 224.72 who does not engage in activities described under sub. (2).

18          \***-1949/P1.5\*** SECTION 689. 560.205 (1) (intro.) of the statutes is amended to  
19 read:

20          560.205 (1) ANGEL INVESTMENT TAX CREDITS. (intro.) The department shall  
21 implement a program to certify businesses for purposes of s. 71.07 (5d). A business  
22 desiring certification shall submit an application to the department in each taxable  
23 year for which the business desires certification. The business shall specify in its  
24 application the investment amount it wishes to raise and the department may certify  
25 the business and determine the amount that qualifies for purposes of s. 71.07 (5d).

1 Unless otherwise provided under the rules of the department, a business may be  
2 certified under this subsection, and may maintain such certification, only if the  
3 business satisfies all of the following conditions:

4 **\*-1949/P1.6\* SECTION 690.** 560.205 (1) (f) of the statutes is repealed and  
5 recreated to read:

6 560.205 (1) (f) It has the potential for increasing jobs in this state, increasing  
7 capital investment in this state, or both, and any of the following apply:

8 1. It is engaged in, or has committed to engage in, innovation in any of the  
9 following:

10 a. Manufacturing, biotechnology, nanotechnology, communications,  
11 agriculture, or clean energy creation or storage technology.

12 b. Processing or assembling products, including medical devices,  
13 pharmaceuticals, computer software, computer hardware, semiconductors, any  
14 other innovative technology products, or other products that are produced using  
15 manufacturing methods that are enabled by applying proprietary technology.

16 c. Services that are enabled by applying proprietary technology.

17 2. It is undertaking pre-commercialization activity related to proprietary  
18 technology that includes conducting research, developing a new product or business  
19 process, or developing a service that is principally reliant on applying proprietary  
20 technology.

21 **\*-1949/P1.7\* SECTION 691.** 560.205 (1) (g) of the statutes is amended to read:

22 560.205 (1) (g) It is not primarily engaged in real estate development,  
23 insurance, banking, lending, lobbying, political consulting, professional services  
24 provided by attorneys, accountants, business consultants, physicians, or health care  
25 consultants, wholesale or retail trade, leisure, hospitality, transportation, or



1 construction, except construction of power production plants that derive energy from  
2 a renewable resource, as defined in s. 196.378 (1) (h).

3 **\*-1949/P1.9\* SECTION 692.** 560.205 (1) (k) of the statutes is amended to read:

4 560.205 (1) (k) ~~It~~ For taxable years beginning before January 1, 2008, it has  
5 not received more than \$1,000,000 in investments that have qualified for tax credits  
6 under s. 71.07 (5d).

7 **\*-1949/P1.10\* SECTION 693.** 560.205 (1) (kn) of the statutes is created to read:

8 560.205 (1) (kn) For taxable years beginning after December 31, 2007 and  
9 before January 1, 2011, it has not received more than \$4,000,000 in investments that  
10 have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and  
11 76.638.

12 **SECTION 694.** 560.205 (1) (L) of the statutes is created to read:

13 560.205 (1) (L) For taxable years beginning after December 31, 2010, it has not  
14 received more than \$8,000,000 in investments that have qualified for tax credits  
15 under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

16 **SECTION 695.** 560.205 (2) of the statutes is amended to read:

17 560.205 (2) EARLY STAGE SEED INVESTMENT TAX CREDITS. The department shall  
18 implement a program to certify investment fund managers for purposes of ss. 71.07  
19 (5b), 71.28 (5b), and, 71.47 (5b), and 76.638. An investment fund manager desiring  
20 certification shall submit an application to the department. The investment fund  
21 manager shall specify in the application the investment amount that the manager  
22 wishes to raise and the department may certify the manager and determine the  
23 amount that qualifies for purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638.

24 In determining whether to certify an investment fund manager, the department  
25 shall consider the investment fund manager's experience in managing venture

1 capital funds, the past performance of investment funds managed by the applicant,  
2 the expected level of investment in the investment fund to be managed by the  
3 applicant, and any other relevant factors. The department may certify only  
4 investment fund managers that commit to consider placing investments in  
5 businesses certified under sub. (1).

6 **\*-1949/P1.11\* SECTION 696.** 560.205 (3) (d) of the statutes is amended to read:

7 560.205 (3) (d) *Rules.* The department of commerce, in consultation with the  
8 department of revenue, shall promulgate rules to administer this section. The rules  
9 shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1.  
10 The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may  
11 be claimed for investments in businesses certified under sub. (1) at \$3,000,000 per  
12 calendar year for calendar years beginning after December 31, 2004, and before  
13 January 1, 2008, \$5,500,000 per calendar year for calendar years beginning after  
14 December 31, 2007, and before January 1, 2011, and \$18,000,000 per calendar year  
15 for calendar years beginning after December 31, 2010. The rules shall also limit the  
16 aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b), and 71.47 (5b),  
17 and 76.638 that may be claimed for investments paid to fund managers certified  
18 under sub. (2) at \$3,500,000 per calendar year for calendar years beginning after  
19 December 31, 2004, and before January 1, 2008, \$6,000,000 per calendar year for  
20 calendar years beginning after December 31, 2007, and before January 1, 2011, and  
21 \$18,500,000 per calendar year for calendar years beginning after December 31, 2010.  
22 The rules shall also provide that, for calendar years beginning after December 31,  
23 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), ~~or~~ 71.47  
24 (5b), or 76.638 unless the person's investment is kept in a certified business, or with  
25 a certified fund manager, for no less than 3 years.

1           **\*-1949/P1.12\* SECTION 697.** 560.205 (3) (e) of the statutes is created to read:

2           560.205 (3) (e) *Transfer.* A person who is eligible to claim a credit under s. 71.07  
3 (5b), 71.28 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit to  
4 another person who is subject to the taxes or fees imposed under s. 71.02, 71.23,  
5 71.47, or subch. III of ch. 76, if the person receives prior authorization from the  
6 investment fund manager and the manager then notifies the department of  
7 commerce and the department of revenue of the transfer and submits with the  
8 notification a copy of the transfer documents. No person may sell or otherwise  
9 transfer a credit as provided in this paragraph more than once. The department may  
10 charge any person selling or otherwise transferring a credit under this paragraph a  
11 fee equal to 1 percent of the credit amount sold or transferred. The department shall  
12 deposit all fees collected under this paragraph in the appropriation account under  
13 s. 20.143 (1) (gm).

14           **\*-1947/P1.33\* SECTION 698.** 560.207 (1) of the statutes is amended to read:

15           560.207 (1) The department of commerce shall implement a program to certify  
16 taxpayers, including taxpayers who are members of dairy cooperatives, as eligible  
17 for the dairy manufacturing facility investment credit under ss. 71.07 (3p), 71.28  
18 (3p), and 71.47 (3p).

19           **\*-1947/P1.34\* SECTION 699.** 560.207 (2) of the statutes is amended to read:

20           560.207 (2) If the department of commerce certifies a taxpayer under sub. (1),  
21 the department of commerce shall determine the amount of credits to allocate to that  
22 taxpayer. The total amount of dairy manufacturing facility investment credits  
23 allocated to taxpayers in fiscal year 2007-08 may not exceed \$600,000 and the total  
24 amount of dairy manufacturing facility investment credits allocated to taxpayers  
25 who are not members of dairy cooperatives in fiscal year 2008-09, and in each fiscal

## SECTION 699

1 year thereafter, may not exceed \$700,000. The total amount of dairy manufacturing  
2 facility investment credits allocated to taxpayers who are members of dairy  
3 cooperatives in fiscal year 2009-10 may not exceed \$600,000 and the total amount  
4 of dairy manufacturing facility investment credits allocated to taxpayers who are  
5 members of dairy cooperatives in fiscal year 2010-11, and in each fiscal year  
6 thereafter, may not exceed \$700,000.

7 **\*-1948/P1.15\* SECTION 700.** 560.208 of the statutes is created to read:

8 **560.208 Meat processing facility investment credit. (1)** The department  
9 of commerce shall implement a program to certify taxpayers as eligible for the meat  
10 processing facility investment credit under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

11 **(2)** If the department of commerce certifies a taxpayer under sub. (1), the  
12 department of commerce shall determine the amount of credits to allocate to that  
13 taxpayer. The total amount of meat processing facility investment credits allocated  
14 to taxpayers in fiscal year 2009-10 may not exceed \$300,000 and the total amount  
15 of meat processing facility investment credits allocated to taxpayers in fiscal year  
16 2010-11, and in each fiscal year thereafter, may not exceed \$700,000.

17 **(3)** The department of commerce shall inform the department of revenue of  
18 every taxpayer certified under sub. (1) and the amount of credits allocated to the  
19 taxpayer.

20 **(4)** The department of commerce, in consultation with the department of  
21 revenue, shall promulgate rules to administer this section.

22 **\*-1508/3.1\* SECTION 701.** 560.25 (4) of the statutes is amended to read:

23 **560.25 (4) LIMIT ON GRANTS.** Beginning with fiscal year ~~2004-05~~ 2009-10, the  
24 department may award \$1,500,000 in grants under this section in each fiscal year.

25 **\*-1942/P1.39\* SECTION 702.** 560.605 (2m) (g) of the statutes is repealed.

1           \*-1942/P1.40\* SECTION 703. 560.605 (7) (e) of the statutes is repealed.

2           \*-1942/P1.41\* SECTION 704. Subchapter VI (title) of chapter 560 [precedes  
3 560.70] of the statutes is repealed and recreated to read:

4                                   **CHAPTER 560**

5                                   **SUBCHAPTER VI**

6                                   **TAX INCENTIVES FOR BUSINESS**

7                                   **DEVELOPMENT IN WISCONSIN**

8           \*-1942/P1.42\* SECTION 705. 560.70 (2g) of the statutes is created to read:

9           560.70 (2g) "Eligible activity" means an activity described under s. 560.702.

10          \*-1942/P1.43\* SECTION 706. 560.70 (2m) of the statutes is renumbered 560.70  
11 (2m) (a) and amended to read:

12           560.70 (2m) (a) "~~Full~~ Except as provided in par. (b), "full-time job" means a  
13 regular, nonseasonal full-time position in which an individual, as a condition of  
14 employment, is required to work at least 2,080 hours per year, including paid leave  
15 and holidays, and for which the individual receives pay that is equal to at least 150%  
16 of the federal minimum wage and benefits that are not required by federal or state  
17 law. "Full-time job" does not include initial training before an employment position  
18 begins.

19          \*-1942/P1.44\* SECTION 707. 560.70 (2m) (b) of the statutes is created to read:

20           560.70 (2m) (b) The department may by rule specify circumstances under  
21 which the department may grant exceptions to the requirement under par. (a) that  
22 a full-time job means a job in which an individual, as a condition of employment, is  
23 required to work at least 2,080 hours per year, but under no circumstances may a  
24 full-time job mean a job in which an individual, as a condition of employment, is  
25 required to work less than 37.5 hours per week.

1           **\*-1942/P1.45\* SECTION 708.** 560.70 (4m) of the statutes is created to read:

2           560.70 (4m) "Member of a targeted group" means a person who resides in an  
3 area designated by the federal government as an economic revitalization area, a  
4 person who is employed in an unsubsidized job but meets the eligibility requirements  
5 under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who  
6 is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay  
7 project position under s. 49.147 (3m), a person who is eligible for child care assistance  
8 under s. 49.155, a person who is a vocational rehabilitation referral, an economically  
9 disadvantaged youth, an economically disadvantaged veteran, a supplemental  
10 security income recipient, a general assistance recipient, an economically  
11 disadvantaged ex-convict, a dislocated worker, as defined in 29 USC 2801 (9), or a  
12 food stamp recipient, if the person has been certified in the manner under 26 USC  
13 51 (d) (13) (A) by a designated local agency, as defined in 26 USC 51 (d) (12).

14           **\*-1942/P1.46\* SECTION 709.** 560.70 (7) (a) of the statutes is amended to read:

15           560.70 (7) (a) Except as provided in pars. (b) ~~and~~, (c), and (d), "tax benefits"  
16 means the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx),  
17 and 76.636.

18           **\*-1942/P1.47\* SECTION 710.** 560.70 (7) (d) of the statutes is created to read:

19           560.70 (7) (d) In ss. 560.701 to 560.706, "tax benefits" means the economic  
20 development tax credit under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637.

21           **\*-1942/P1.48\* SECTION 711.** 560.701 of the statutes is created to read:

22           **560.701 Certification for tax benefits. (1) APPLICATION.** Any person may  
23 apply to the department on a form prepared by the department for certification under  
24 this section. The application shall include all of the following:

25           (a) The name and address of the person.

1 (b) The federal tax identification number of the person.

2 (c) The names and addresses of the locations where the person conducts  
3 business and a description of the business activities conducted at those locations.

4 (d) A description of each eligible activity conducted or proposed to be conducted  
5 by the person.

6 (e) Other information required by the department or the department of  
7 revenue.

8 **(2) CERTIFICATION.** (a) The department may certify a person who submits an  
9 application under sub. (1) if, after conducting an investigation, the department  
10 determines that the person is conducting or intends to conduct at least one eligible  
11 activity.

12 (b) The department shall provide a person certified under this section and the  
13 department of revenue with a copy of the certification.

14 **(3) CONTRACT.** A person certified under this section shall enter into a written  
15 contract with the department. The contract shall include provisions that detail all  
16 of the following:

17 (a) A description of each eligible activity being conducted or proposed to be  
18 conducted by the person.

19 (b) Whether any of the eligible activities will occur in an economically  
20 distressed area, as designated by the department under s. 560.704 (1).

21 (c) Whether any of the eligible activities will benefit members of a targeted  
22 group, as determined by the department under s. 560.704 (2).

23 (d) A compliance schedule that includes a sequence of anticipated actions to be  
24 taken or goals to be achieved by the person before the person may receive tax benefits  
25 under s. 560.703.

1 (e) The reporting requirements with which the person must comply.

2 (f) If feasible, a determination of the tax benefits the person will be authorized  
3 to claim under s. 560.703 (2) if the person fulfills the terms of the contract.

4 **\*-1942/P1.49\* SECTION 712.** 560.702 of the statutes is created to read:

5 **560.702 Eligible activities.** A person who conducts or proposes to conduct  
6 any of the following may be certified under s. 560.701 (2):

7 (1) **JOB CREATION PROJECT.** A project that creates and maintains for a period of  
8 time established by the department by rule full-time jobs in addition to any existing  
9 full-time jobs provided by the person.

10 (2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant  
11 investment of capital, as defined by the department by rule under s. 560.706 (2) (b),  
12 by the person in new equipment, machinery, real property, or depreciable personal  
13 property.

14 (3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments  
15 in the training or reeducation of employees, as defined by the department by rule  
16 under s. 560.706 (2) (c), by the person for the purpose of improving the productivity  
17 or competitiveness of the business of the person.

18 (4) **PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN.**  
19 A project that will result in the location or retention of a person's corporate  
20 headquarters in Wisconsin or that will result in the retention of employees holding  
21 full-time jobs in Wisconsin if the person's corporate headquarters are located in  
22 Wisconsin.

23 **\*-1942/P1.50\* SECTION 713.** 560.703 of the statutes is created to read:

24 **560.703 Limits on tax benefits and claiming tax benefits. (1) LIMITS.** (a)  
25 Except as provided in par. (b), the total tax benefits available to be allocated by the



1 department under ss. 560.701 to 560.706 may not exceed the sum of the tax benefits  
2 remaining to be allocated under ss. 560.71 to 560.785, 560.797, 560.798, 560.7995,  
3 and 560.96 on the effective date of this paragraph .... [LRB inserts date].

4 (b) The department may submit to the joint committee on finance a request in  
5 writing to exceed the total tax benefits specified in par. (a). The department shall  
6 submit with its request a justification for seeking an increase under this paragraph.  
7 The joint committee on finance, following its review, may approve or disapprove an  
8 increase in the total tax benefits available to be allocated under ss. 560.701 to  
9 560.706.

10 (2) AUTHORITY TO CLAIM TAX BENEFITS. The department may authorize a person  
11 certified under s. 560.701 (2) to claim tax benefits only after the person has submitted  
12 a report to the department that documents to the satisfaction of the department that  
13 the person has complied with the terms of the contract under s. 560.701 (3) and the  
14 requirements of any applicable rules promulgated under s. 560.706 (2).

15 (3) NOTICE OF ELIGIBILITY. The department shall provide to the person and to  
16 the department of revenue a notice of eligibility to receive tax benefits that reports  
17 the amount of tax benefits for which the person is eligible.

18 \*-1942/P1.51\* SECTION 714. 560.704 of the statutes is created to read:

19 **560.704 Eligible activities in economically distressed areas and**  
20 **benefiting members of targeted groups.** The department may authorize a  
21 person certified under s. 560.701 (2) to claim additional tax benefits under s. 560.703  
22 if, after conducting an investigation, the department determines any of the  
23 following:

24 (1) The person conducts at least one eligible activity in an area designated by  
25 the department as economically distressed. In designating an area as economically

1 distressed under this subsection, the department shall follow the methodology  
2 established by rule under s. 560.706 (2) (e).

3 (2) The person conducts at least one eligible activity that benefits, creates,  
4 retains, or significantly upgrades full-time jobs for, that trains, or that reeducates,  
5 members of a targeted group.

6 \*-1942/P1.52\* SECTION 715. 560.705 of the statutes is created to read:

7 **560.705 Revocation of certification.** The department shall revoke the  
8 certification of a person who does any of the following:

9 (1) Supplies false or misleading information to obtain certification under s.  
10 560.701 (2).

11 (2) Supplies false or misleading information to obtain tax benefits under s.  
12 560.703.

13 (3) Leaves the state to conduct substantially the same business outside of the  
14 state.

15 (4) Ceases operations in the state and does not renew operation of the business  
16 or a similar business within 12 months.

17 \*-1942/P1.53\* SECTION 716. 560.706 of the statutes is created to read:

18 **560.706 Responsibilities of the department.** The department shall do all  
19 of the following:

20 (1) ACCOUNTABILITY. (a) Annually verify information submitted to the  
21 department of revenue under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637 by  
22 persons certified under s. 560.701 (2) and eligible to receive tax benefits under s.  
23 560.703.

24 (b) Notify and obtain written approval from the secretary for any certification  
25 under sub. (2) (j).

1           (2) RULES. Establish by rule all of the following:

2           (a) A schedule of hourly wage ranges to be paid, and health insurance benefits  
3 to be provided, to an employee by a person certified under s. 560.701 (2) and the  
4 corresponding per employee tax benefit for which a person certified under s. 560.701  
5 (2) may be eligible.

6           (b) A definition of "significant investment of capital" for purposes of s. 560.702  
7 (2), together with a corresponding schedule of tax benefits for which a person who is  
8 certified under s. 560.701 (2) and who conducts a project described in s. 560.702 (2)  
9 may be eligible. The department shall include in the definition required under this  
10 paragraph a schedule of investments that takes into consideration the size or nature  
11 of the business.

12           (c) A definition of "significant investments in the training or reeducation of  
13 employees" for purposes of s. 560.702 (3), together with a corresponding schedule of  
14 tax benefits for which a person who is certified under s. 560.701 (2) and who conducts  
15 a project under s. 560.702 (3) may be eligible.

16           (d) A schedule of tax benefits for which a person who is certified under s.  
17 560.701 (2) and who conducts a project that will result in the location or retention  
18 of a person's corporate headquarters in Wisconsin may be eligible.

19           (e) The methodology for designating an area as economically distressed under  
20 s. 560.704 (1). The methodology under this paragraph shall require the department  
21 to consider the most current data available for the area and for the state on the  
22 following indicators:

23           1. Unemployment rate.

24           2. Percentage of families with incomes below the poverty line established under  
25 42 USC 9902 (2).

1           3. Median family income.

2           4. Median per capita income.

3           5. Average annual wage.

4           6. Real property values.

5           7. Other significant or irregular indicators of economic distress, such as a  
6 natural disaster.

7           (f) A schedule of additional tax benefits for which a person who is certified  
8 under s. 560.701 (2) and who conducts an eligible activity described under s. 560.704  
9 may be eligible.

10           (g) Reporting requirements, minimum benchmarks, and outcomes expected of  
11 a person certified under s. 560.701 (2) before that person may receive tax benefits  
12 under s. 560.703.

13           (h) Policies, criteria, and methodology for allocating a portion of the tax benefits  
14 available under s. 560.703 to rural areas.

15           (i) Policies, criteria, and methodology for allocating a portion of the tax benefits  
16 available under s. 560.703 to small businesses.

17           (j) Policies and criteria for certifying a person who may be eligible for tax  
18 benefits greater than or equal to \$3,000,000.

19           (k) Procedures for implementing ss. 560.701 to 560.706.

20           **(3) REPORTING.** Annually, 6 months after the report has been submitted under  
21 s. 560.01 (2) (am), submit to the joint legislative audit committee and to the  
22 appropriate standing committees of the legislature under s. 13.172 (3) a  
23 comprehensive report assessing the program under ss. 560.701 to 560.706. The  
24 report under this subsection shall update the applicable information provided in the  
25 report under s. 560.01 (2) (am).

1           **\*-1942/P1.54\* SECTION 717.** 560.71 (4) of the statutes is created to read:  
2           560.71 (4) No development zone may be designated under this section after the  
3           effective date of this subsection .... [LRB inserts date].

4           **\*-1942/P1.55\* SECTION 718.** 560.737 (4) of the statutes is created to read:  
5           560.737 (4) No premises of a business incubator may be designated as part of  
6           a development zone under this section after the effective date of this subsection ....  
7           [LRB inserts date].

8           **\*-1942/P1.56\* SECTION 719.** 560.74 (1) of the statutes is amended to read:  
9           560.74 (1) At Except as provided under sub. (6), at any time after a  
10          development zone is designated by the department, a local governing body may  
11          submit an application to change the boundaries of the development zone. If the  
12          boundary change reduces the size of a development zone, the local governing body  
13          shall explain why the area excluded should no longer be in a development zone. The  
14          department may require the local governing body to submit additional information.

15          **\*-1942/P1.57\* SECTION 720.** 560.74 (6) of the statutes is created to read:  
16          560.74 (6) The department may not accept any applications under sub. (1) to  
17          change the boundaries of a development zone designated under s. 560.71 on or after  
18          the effective date of this subsection .... [LRB inserts date].

19          **\*-1942/P1.58\* SECTION 721.** 560.745 (1) (b) of the statutes is amended to read:  
20          560.745 (1) (b) The local governing body may apply to the department for one  
21          60-month extension of the designation. The department shall promulgate rules  
22          establishing criteria for approving an extension of a designation of an area as a  
23          development zone under this subsection. No applications may be accepted by the  
24          department under this paragraph on or after the effective date of this paragraph ....  
25          [LRB inserts date].

1           **\*-1942/P1.59\* SECTION 722.** 560.745 (2) (am) of the statutes is amended to  
2 read:

3           560.745 (2) (am) Notwithstanding par. (a), the department may increase the  
4 established limit for tax benefits for a development zone. The department may not  
5 increase the limit for tax benefits established for any development zone designated  
6 under s. 560.71 on or after the effective date of this paragraph .... [LRB inserts date].

7           **\*-1942/P1.60\* SECTION 723.** 560.78 (1m) of the statutes is created to read:

8           560.78 (1m) No person may be certified under s. 560.765 (3) on or after the  
9 effective date of this subsection .... [LRB inserts date].

10          **\*-1942/P1.61\* SECTION 724.** 560.78 (3) (a) of the statutes is amended to read:

11          560.78 (3) (a) Except as provided in ~~par.~~ pars. (b) and (c), if the economic activity  
12 for which a person is seeking certification under s. 560.765 (3) is the relocation of a  
13 business into a development zone from a location that is outside the development  
14 zone but within the limits of a city, village, town or federally recognized American  
15 Indian reservation in which that development zone is located, the local governing  
16 body that nominated that area as a development zone under s. 560.72 shall  
17 determine whether sub. (2) (a) or (b) applies.

18          **\*-1942/P1.62\* SECTION 725.** 560.78 (3) (c) of the statutes is created to read:

19          560.78 (3) (c) No local governing body may make any determination under this  
20 subsection on or after the effective date of this paragraph .... [LRB inserts date].

21          **\*-1942/P1.63\* SECTION 726.** 560.785 (1) (intro.) of the statutes is amended to  
22 read:

23          560.785 (1) (intro.) For the development zone program under ss. 560.70 and  
24 560.71 to 560.78, the development opportunity zone program under s. 560.795 and  
25 the enterprise development zone program under s. 560.797, the department shall

1 promulgate rules that further define a person's eligibility for tax benefits. The rules  
2 shall do at least all of the following:

3 **\*-1942/P1.64\* SECTION 727.** 560.797 (2) (a) (intro.) of the statutes is amended  
4 to read:

5 560.797 (2) (a) (intro.) Subject to pars. (c) ~~and~~, (d), and (e), the department may  
6 designate an area as an enterprise development zone for a project if the department  
7 determines all of the following:

8 **\*-1942/P1.65\* SECTION 728.** 560.797 (2) (bg) (intro.) of the statutes is amended  
9 to read:

10 560.797 (2) (bg) (intro.) Notwithstanding par. (a) and subject to pars. (c) ~~and~~,  
11 (d), and (e), the department may designate an area as an enterprise development  
12 zone for a project if the department determines all of the following:

13 **\*-1942/P1.66\* SECTION 729.** 560.797 (2) (e) of the statutes is created to read:

14 560.797 (2) (e) The department may not designate any area as an enterprise  
15 development zone on or after the effective date of this paragraph .... [LRB inserts  
16 date].

17 **\*-1942/P1.67\* SECTION 730.** 560.797 (3) (c) of the statutes is created to read:

18 560.797 (3) (c) The department may not accept or approve any applications or  
19 project plans submitted under par. (a) on or after the effective date of this paragraph  
20 .... [LRB inserts date].

21 **\*-1942/P1.68\* SECTION 731.** 560.797 (4) (a) of the statutes is amended to read:

22 560.797 (4) (a) If Except as provided in par. (h), if the department approves a  
23 project plan under sub. (3) and designates the area in which the person submitting  
24 the project plan conducts or intends to conduct the project as an enterprise

1 development zone under the criteria under sub. (2), the department shall certify the  
2 person as eligible for tax benefits.

3 **\*-1942/P1.69\* SECTION 732.** 560.797 (4) (h) of the statutes is created to read:  
4 560.797 (4) (h) No person may be certified under this subsection on or after the  
5 effective date of this paragraph .... [LRB inserts date].

6 **\*-1942/P1.70\* SECTION 733.** 560.798 (2) (a) of the statutes is amended to read:  
7 560.798 (2) (a) The Except as provided under par. (c), the department may  
8 designate one area in the state as an agricultural development zone. The area must  
9 be located in a rural municipality. An agricultural business that is located in an  
10 agricultural development zone and that is certified by the department under sub. (3)  
11 is eligible for tax benefits as provided in sub. (3).

12 **\*-1942/P1.71\* SECTION 734.** 560.798 (2) (c) of the statutes is created to read:  
13 560.798 (2) (c) No area may be designated as an agricultural development zone  
14 on or after the effective date of this paragraph .... [LRB inserts date].

15 **\*-1942/P1.72\* SECTION 735.** 560.798 (3) (a) of the statutes is amended to read:  
16 560.798 (3) (a) The Except as provided under par. (c), the department may  
17 certify for tax benefits in an agricultural development zone a new or expanding  
18 agricultural business that is located in the agricultural development zone. In  
19 determining whether to certify a business under this subsection, the department  
20 shall consider, among other things, the number of jobs that will be created or retained  
21 by the business.

22 **\*-1942/P1.73\* SECTION 736.** 560.798 (3) (c) of the statutes is created to read:  
23 560.798 (3) (c) No business may be certified under this subsection on or after  
24 the effective date of this paragraph .... [LRB inserts date].



1           **\*-1942/P1.74\* SECTION 737.** 560.7995 (2) (a) (intro.) of the statutes is amended  
2 to read:

3           560.7995 (2) (a) (intro.) Subject to ~~par. pars.~~ (c) and (e), the department may  
4 designate an area as an airport development zone if the department determines all  
5 of the following:

6           **\*-1942/P1.75\* SECTION 738.** 560.7995 (2) (d) of the statutes is amended to  
7 read:

8           560.7995 (2) (d) Notwithstanding pars. (a) to (c), and except as provided in par.  
9 (e), the department shall designate as an airport development zone the area within  
10 the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade, Lincoln,  
11 Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Taylor,  
12 Waupaca, Waushara, Winnebago, Wood, and Vilas counties.

13           **\*-1942/P1.76\* SECTION 739.** 560.7995 (2) (e) of the statutes is created to read:

14           560.7995 (2) (e) No area may be designated as an airport development zone  
15 under this subsection on or after the effective date of this paragraph .... [LRB inserts  
16 date].

17           **\*-1942/P1.77\* SECTION 740.** 560.7995 (4) (ar) of the statutes is created to read:

18           560.7995 (4) (ar) The department may not accept or approve any applications  
19 or business plans submitted under par. (a) on or after the effective date of this  
20 paragraph .... [LRB inserts date].

21           **\*-1942/P1.78\* SECTION 741.** 560.7995 (4) (b) of the statutes is renumbered  
22 560.7995 (4) (b) 1. and amended to read:

23           560.7995 (4) (b) 1. If Except as provided in subd. 2., if the department approves  
24 a business plan under par. (a) or (am), the department shall certify the person as

1 eligible for tax benefits. The department shall notify the department of revenue  
2 within 30 days of certifying a person under this paragraph.

3 **\*-1942/P1.79\* SECTION 742.** 560.7995 (4) (b) 2. of the statutes is created to  
4 read:

5 560.7995 (4) (b) 2. No person may be certified under this paragraph on or after  
6 the effective date of this subdivision ... [LRB inserts date].

7 **\*-1942/P1.80\* SECTION 743.** 560.84 (2) (c) 2. of the statutes is amended to read:

8 560.84 (2) (c) 2. A development zone designated under s. 560.71, a development  
9 opportunity zone designated under s. 560.795 or an enterprise development zone  
10 designated under s. 560.797.

11 **\*-1942/P1.81\* SECTION 744.** 560.96 (2) (a) of the statutes is amended to read:

12 560.96 (2) (a) The Except as provided in par. (c), the department may designate  
13 up to 8 areas in the state as technology zones. A business that is located in a  
14 technology zone and that is certified by the department under sub. (3) is eligible for  
15 a tax credit as provided in sub. (3).

16 **\*-1942/P1.82\* SECTION 745.** 560.96 (2) (c) of the statutes is created to read:

17 560.96 (2) (c) No area may be designated as a technology zone under this  
18 subsection on or after the effective date of this paragraph ... [LRB inserts date].

19 **\*-1942/P1.83\* SECTION 746.** 560.96 (3) (a) (intro.) of the statutes is amended  
20 to read:

21 560.96 (3) (a) (intro.) The Except as provided in par. (e), the department may  
22 certify for tax credits in a technology zone a business that satisfies all of the following  
23 requirements:

24 **\*-1942/P1.84\* SECTION 747.** 560.96 (3) (e) of the statutes is created to read: