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1 commercial and industrial establishments, recommendations of agencies and any
2 special studies carried on as to the need for any changes in the compensation plan
3 to cover each year of the biennium. The proposal shall also take proper account of
4 prevailing pay rates, costs and standards of living and the state's employment
5 policies.

6 **SECTION 2764bt.** 230.12 (3) (b) of the statutes is amended to read:

7 230.12 (3) (b) *Public hearing on the proposal; adoption of plan.* The director
8 shall submit the proposal for any required changes in the compensation plan to the
9 joint committee on employment relations. The committee shall hold a public hearing
10 on the proposal. The proposal, as may be modified by the joint committee on
11 employment relations together with the unchanged provisions of the current
12 compensation plan shall, for the ensuing fiscal year or until a new or modified plan
13 is adopted under this subsection, constitute the state's compensation plan for
14 positions in the classified service. Any modification of the director's proposed
15 changes in the compensation plan by the joint committee on employment relations
16 may be disapproved by the governor within 10 calendar days. A vote of 6 members
17 of the joint committee on employment relations is required to set aside any such
18 disapproval of the governor.

19 **SECTION 2764c.** 230.12 (3) (e) (title) of the statutes is amended to read:

20 230.12 (3) (e) (title) *University of Wisconsin System senior executives, faculty,*
21 *and academic staff employees; Wisconsin Technical College System senior executives.*

22 **SECTION 2764g.** 230.12 (3) (e) 1. of the statutes is amended to read:

23 230.12 (3) (e) 1. The director, after receiving recommendations from the board
24 of regents and the chancellor of the University of Wisconsin-Madison, shall submit
25 to the joint committee on employment relations a proposal for adjusting

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1 compensation and employee benefits for University of Wisconsin System employees
2 ~~under ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d) who are not included in a~~
3 ~~collective bargaining unit under subch. V or VI of ch. 111 for which a representative~~
4 ~~is certified. The proposal shall include the salary ranges and adjustments to the~~
5 ~~salary ranges for the university senior executive salary groups 1 and 2 established~~
6 ~~under s. 20.923 (4g). The proposal shall be based upon the competitive ability of the~~
7 board of regents to recruit and retain qualified faculty and academic staff, data
8 collected as to rates of pay for comparable work in other public services, universities
9 and commercial and industrial establishments, recommendations of the board of
10 regents and any special studies carried on as to the need for any changes in
11 compensation and employee benefits to cover each year of the biennium. The
12 proposal shall also take proper account of prevailing pay rates, costs and standards
13 of living and the state's employment policies. The proposal for such pay adjustments
14 may contain recommendations for across-the-board pay adjustments, merit or other
15 adjustments and employee benefit improvements. Paragraph (b) and sub. (1) (bf)
16 shall apply to the process for approval of all pay adjustments for such University of
17 Wisconsin System employees ~~under ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d).~~
18 The proposal as approved by the joint committee on employment relations and the
19 governor shall be based upon a percentage of the budgeted salary base for such
20 University of Wisconsin System employees ~~under ss. 20.923 (4g), (5) and (6) (m) and~~
21 ~~230.08 (2) (d).~~ The amount included in the proposal for merit and adjustments other
22 than across-the-board pay adjustments is available for discretionary use by the
23 board of regents.

24 **SECTION 2764n.** 230.143 (intro.) of the statutes is renumbered 230.143 and
25 amended to read:

1 **230.143 Appointment; selective service registration.** A person who is
2 required to register with the selective service system under 50 USC, Appendix,
3 sections 451 to 473, but has not registered, may not receive ~~any of the following an~~
4 original appointment to a position in the classified service during the period that the
5 person is required to register.

6 **SECTION 2764r.** 230.143 (1) of the statutes is repealed.

7 **SECTION 2764w.** 230.143 (2) of the statutes is repealed.

8 **SECTION 2765.** 230.339 of the statutes is created to read:

9 **230.339 Rights of certain employees of the department of safety and**
10 **professional services.** (1) If any of the following employees who hold the position
11 of bureau director in the classified service at the department of commerce on the day
12 before the effective date of this subsection [LRB inserts date], and who have
13 achieved permanent status in class on or before that date are transferred to the
14 position of bureau director in the unclassified service at the department of safety and
15 professional services, that transferred employee shall retain those protections
16 afforded employees in the classified service under ss. 230.34 (1) (a) and 230.44 (1) (c)
17 relating to demotion, suspension, discharge, layoff, or reduction in base pay:

18 (b) Director of the bureau of petroleum environmental cleanup fund
19 administration in the division of environmental and regulatory services.

20 (c) Director of the bureau of petroleum products and tanks in the division of
21 environmental and regulatory services.

22 (d) Director of the bureau of integrated services in the division of safety and
23 buildings.

24 (e) Director of the bureau of program development in the division of safety and
25 buildings.

1 **(2)** Each employee specified under sub. (1) shall also have reinstatement
2 privileges to the classified service as provided under s. 230.33 (1).

3 **SECTION 2766.** 230.34 (1) (ar) of the statutes is amended to read:

4 230.34 **(1)** (ar) Paragraphs (a) and (am) apply to all employees with permanent
5 status in class in the classified service and all employees who have served with the
6 state as an assistant district attorney for a continuous period of 12 months or more,
7 except that for employees specified in s. 111.81 (7) (a) in a collective bargaining unit
8 for which a representative is recognized or certified, or for employees specified in s.
9 111.81 (7) ~~(b)~~ (ar) or (c) in a collective bargaining unit for which a representative is
10 certified, if a collective bargaining agreement is in effect covering employees in the
11 collective bargaining unit, the determination of just cause and all aspects of the
12 appeal procedure shall be governed by the provisions of the collective bargaining
13 agreement.

14 **SECTION 2767m.** 230.48 (3) (b) of the statutes is amended to read:

15 230.48 **(3)** (b) Cash awards, in ~~the~~ an amount equal to 10 percent of the average
16 annual savings that result from the suggestion, with a minimum payment of \$50 and
17 a maximum payment of \$10,000, and payable at the times that the state employees
18 suggestion board determines.

19 **SECTION 2768.** 231.01 (1) of the statutes is renumbered 231.01 (1t).

20 **SECTION 2769.** 231.01 (1m) of the statutes is created to read:

21 231.01 **(1m)** "Affiliate" means an entity that controls, is controlled by, or is
22 under common control with another entity.

23 **SECTION 2770.** 231.01 (4t) of the statutes is created to read:

24 231.01 **(4t)** "Entity" means any person other than a natural person.

25 **SECTION 2771.** 231.01 (5r) of the statutes is amended to read:

1 231.01 (5r) “Participating child care provider” means a child care provider, or
2 an affiliate of a child care provider, that undertakes the financing and construction
3 or acquisition of a project or undertakes the refunding or refinancing of obligations
4 or of a mortgage or of advances as provided in this chapter.

5 **SECTION 2772.** 231.01 (5w) of the statutes is amended to read:

6 231.01 (5w) “Participating educational institution” means ~~a corporation,~~
7 ~~agency or association which is~~ an entity authorized by state law to provide or operate
8 an educational facility, or an affiliate of that entity, and ~~which~~ that undertakes the
9 financing and construction or acquisition of a project or undertakes the refunding or
10 refinancing of obligations or of a mortgage or of advances as provided in this chapter.

11 **SECTION 2773.** 231.01 (6) (intro.) and (a) of the statutes are consolidated,
12 renumbered 231.01 (6) and amended to read:

13 231.01 (6) “Participating health institution” means: ~~(a) A corporation, agency~~
14 ~~or association~~ an entity authorized by state law to provide or operate a health facility,
15 or an affiliate of that entity, and ~~which~~ that undertakes the financing and
16 construction or acquisition of a project or undertakes the refunding or refinancing
17 of obligations or of a mortgage or of advances as provided in this chapter.

18 **SECTION 2774.** 231.01 (6t) of the statutes is amended to read:

19 231.01 (6t) “Participating research institution” means an entity organized
20 under the laws of this state that provides or operates a research facility, or an affiliate
21 of that entity, and that undertakes the financing and construction or acquisition of
22 a project or undertakes the refunding or refinancing of obligations or of a mortgage
23 or of advances as provided in this chapter.

24 **SECTION 2775.** 231.01 (7) (c) of the statutes is amended to read:

1 231.01 (7) (c) “Project” may include more than one project, and it may include
2 any combination of projects undertaken jointly by any participating health
3 institution, participating educational institution, participating research institution,
4 or participating child care provider with one or more other participating health
5 institutions, participating educational institutions, participating research
6 institutions, or participating child care providers.

7 **SECTION 2776.** 231.01 (7) (cg) of the statutes is created to read:

8 231.01 (7) (cg) “Project” includes any project located within or outside of this
9 state.

10 **SECTION 2777.** 231.01 (7) (d) 2. of the statutes is amended to read:

11 231.01 (7) (d) 2. Any office or clinic of a person licensed under ch. 446, 447, 448,
12 449, or 455, or the substantially equivalent laws or rules of another state.

13 **SECTION 2778.** 231.03 (6) (a) 3. c. of the statutes is amended to read:

14 231.03 (6) (a) 3. c. The expenditure, by or on behalf of a hospital, independent
15 practitioner, partnership, unincorporated medical group or service corporation, as
16 defined in s. 180.1901 (2), or the substantially equivalent laws or rules of another
17 state, for clinical medical equipment.

18 **SECTION 2779.** 231.03 (6) (b) of the statutes is amended to read:

19 231.03 (6) (b) Refinance outstanding debt of any participating health
20 institution if the department of health services certifies that refinancing will result
21 in a reduction in the participating health institution’s rates below the rates which
22 would have otherwise prevailed, except that the authority may not refinance any
23 office or clinic of a person licensed under ch. 446, 447, 448, 449 or 455, or the
24 substantially equivalent laws or rules of another state, and except that this
25 certification is not required for the refinancing for a participating health institution

1 that operates a facility as defined under s. 49.45 (6m) (a) 3, or for a participating
2 health institution that is located in another state.

3 **SECTION 2780.** 231.06 of the statutes is amended to read:

4 **231.06 Property acquisition.** The authority may acquire, directly or by and
5 through a participating health institution, participating educational institution,
6 participating research institution, or participating child care provider as its agent,
7 by purchase or by gift or devise, such lands, structures, property, rights,
8 rights-of-way, franchises, easements, and other interests in lands, including lands
9 lying under water and riparian rights, ~~which are located within this state~~ as it deems
10 necessary or convenient for the construction or operation of a project, upon such
11 terms and at such prices as it considers reasonable and can be agreed upon between
12 it and the owner thereof, and take title thereto in the name of the authority or in the
13 name of a health facility, educational facility, research facility, or child care center
14 as its agent.

15 **SECTION 2781.** 231.08 (8) of the statutes is created to read:

16 231.08 (8) The proceeds of a bond issued under this section may be used for a
17 project in this state or any other state, except that if the proceeds of a bond are used
18 for a project located in another state, that project shall include a substantial
19 component located in this state, as determined by the executive director.

20 **SECTION 2782.** 231.20 of the statutes is amended to read:

21 **231.20 Waiver of construction and bidding requirements.** In exercising
22 its powers under s. 101.12, the department of ~~commerce~~ safety and professional
23 services or any city, village, town, or county may, within its discretion for proper
24 cause shown, waive any particular requirements relating to public buildings,
25 structures, grounds, works, and improvements imposed by law upon projects under

1 this chapter; the requirements of s. 101.13 may not be waived, however. If, however,
2 the prospective lessee so requests in writing, the authority shall, through the
3 participating health institution, participating educational institution, participating
4 research institution, or participating child care provider as its agent, call for
5 construction bids in such manner as is determined by the authority with the approval
6 of the lessee.

7 **SECTION 2783.** 231.27 (1) of the statutes is amended to read:

8 231.27 (1) In this section, “minority business”, “minority financial adviser” and
9 “minority investment firm” mean a business, financial adviser and investment firm,
10 respectively, certified by the department of ~~commerce~~ administration under s.
11 ~~560.036~~ 16.287 (2).

12 **SECTION 2784.** 231.29 (1) of the statutes is amended to read:

13 231.29 (1) In this section, “business,” “financial adviser,” and “investment firm”
14 mean a business, financial adviser, and investment firm certified by the department
15 of ~~commerce~~ administration under s. ~~560.0335~~ 16.283 (3).

16 **SECTION 2785.** 231.35 (6) (a) of the statutes is amended to read:

17 231.35 (6) (a) The authority shall enter into a guarantee agreement with any
18 person who makes loans described under sub. (3) (b) and who wishes to have those
19 loans guaranteed under this section. The guarantee agreement shall comply with
20 the rules promulgated by the department of ~~commerce~~ administration under sub. (7)
21 (b).

22 **SECTION 2786.** 231.35 (6) (b) of the statutes is amended to read:

23 231.35 (6) (b) The authority may use money from the rural hospital loan fund
24 to guarantee loans made for the purposes described in sub. (3) (b), if the authority
25 sets out the terms and conditions of the guarantee in a guarantee agreement that

1 complies with the rules promulgated by the department of ~~commerce~~ administration
2 under sub. (7) (b).

3 **SECTION 2787.** 231.35 (7) (intro.) of the statutes is amended to read:

4 231.35 (7) (intro.) With the advice of the rural health development council, the
5 department of ~~commerce~~ administration shall promulgate rules specifying all of the
6 following:

7 **SECTION 2818.** 234.01 (4n) (a) 3m. e. of the statutes is amended to read:

8 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined
9 by the authority after considering the factors set out in s. 560.605 (2m) (c), 2005
10 stats., s. 560.605 (2m) (d), 2005 stats., s. 560.605 (2m) (e), 2005 stats., s. 560.605 (2m)
11 (g), 2007 stats., and s. 560.605 (2m) (a), (b), (f), and (h), 2009 stats.

12 **SECTION 2819.** 234.02 (1) of the statutes is amended to read:

13 234.02 (1) There is created a public body corporate and politic to be known as
14 the "Wisconsin Housing and Economic Development Authority." The members of the
15 authority shall be the ~~secretary of commerce~~ chief executive officer of the Wisconsin
16 Economic Development Corporation or his or her designee and the secretary of
17 administration or his or her designee, and 6 public members nominated by the
18 governor, and with the advice and consent of the senate appointed, for staggered
19 4-year terms commencing on the dates their predecessors' terms expire. In addition,
20 one senator of each party and one representative to the assembly of each party
21 appointed as are the members of standing committees in their respective houses
22 shall serve as members of the authority. A member of the authority shall receive no
23 compensation for services but shall be reimbursed for necessary expenses, including
24 travel expenses, incurred in the discharge of duties. Subject to the bylaws of the
25 authority respecting resignations, each member shall hold office until a successor

1 has been appointed and has qualified. A certificate of appointment or reappointment
2 of any member shall be filed with the authority and the certificate shall be conclusive
3 evidence of the due and proper appointment.

4 **SECTION 2820.** 234.032 (2) (intro.) of the statutes is amended to read:

5 234.032 (2) (intro.) The authority, in consultation with the ~~department of~~
6 ~~commerce~~ Wisconsin Economic Development Corporation, shall do all of the
7 following for each economic development program administered by the authority:

8 **SECTION 2821.** 234.034 of the statutes is amended to read:

9 **234.034 Consistency with state housing strategy plan.** Subject to
10 agreements with bondholders or noteholders, the authority shall exercise its powers
11 and perform its duties related to housing consistent with the state housing strategy
12 plan under s. ~~560.9802~~ 16.302.

13 **SECTION 2822.** 234.06 (1) of the statutes is amended to read:

14 234.06 (1) The authority may, as authorized in the state housing strategy plan
15 under s. ~~560.9802~~ 16.302, use the moneys held in the housing development fund to
16 make temporary loans to eligible sponsors, with or without interest, and with such
17 security for repayment, if any, as the authority determines reasonably necessary and
18 practicable, solely from the housing development fund, to defray development costs
19 for the construction of proposed housing projects for occupancy by persons and
20 families of low and moderate income. No temporary loan may be made unless the
21 authority may reasonably anticipate that satisfactory financing may be obtained by
22 the eligible sponsor for the permanent financing of the housing project.

23 **SECTION 2823.** 234.06 (3) of the statutes is amended to read:

24 234.06 (3) The authority may, as authorized in the state housing strategy plan
25 under s. ~~560.9802~~ 16.302, use the moneys held in the housing development fund to

1 establish and administer programs of grants to counties, municipalities, and eligible
2 sponsors of housing projects for persons of low and moderate income, to pay
3 organizational expenses, administrative costs, social services, technical services,
4 training expenses, or costs incurred or expected to be incurred by counties,
5 municipalities, or sponsors for land and building acquisition, construction,
6 improvements, renewal, rehabilitation, relocation, or conservation under a plan to
7 provide housing or related facilities, if the costs are not reimbursable from other
8 private or public loan, grant, or mortgage sources.

9 **SECTION 2824.** 234.08 (5) of the statutes is amended to read:

10 234.08 (5) This section does not supersede or impair the power of the
11 ~~department of commerce~~ Wisconsin Economic Development Corporation to carry out
12 its program responsibilities relating to economic development which are funded by
13 bonds or notes issued under this section.

14 **SECTION 2825.** 234.08 (6) of the statutes is amended to read:

15 234.08 (6) The authority may reimburse the ~~department of commerce~~
16 Wisconsin Economic Development Corporation its operating costs to carry out its
17 program responsibilities relating to economic development which are funded by
18 bonds or notes issued under this section.

19 **SECTION 2826.** 234.165 (2) (b) 2. of the statutes is amended to read:

20 234.165 (2) (b) 2. Annually before August 31 the authority shall submit to the
21 governor a plan for expending or encumbering the actual surplus reported under
22 subd. 1. The part of the plan related to housing shall be consistent with the state
23 housing strategy plan under s. ~~560.9802~~ 16.302. The plan submitted under this
24 subdivision may be attached to and submitted as a part of the report filed under subd.

25 1.

1 **SECTION 2827.** 234.25 (1) (e) of the statutes is amended to read:

2 234.25 (1) (e) An evaluation of its progress in implementing within its own
3 housing programs the goals, policies, and objectives of the state housing strategy
4 plan under s. ~~560.9802~~ 16.302, and recommendations for legislation to improve its
5 ability to carry out its programs consistent with the state housing strategy plan.

6 **SECTION 2828.** 234.255 (title) of the statutes is amended to read:

7 **234.255 (title) Economic development assistance coordination and**
8 **reporting.**

9 **SECTION 2829.** 234.255 of the statutes is renumbered 234.255 (2) and amended
10 to read:

11 **234.255 (2)** Annually, no later than October 1, the authority shall submit to the
12 joint legislative audit committee and to the appropriate standing committees of the
13 legislature under s. 13.172 (3) a comprehensive report assessing economic
14 development programs, as defined in s. 234.032 (1), administered by the authority.
15 The report shall include all of the information required under s. ~~560.01 (2) (am)~~
16 238.07 (2). The authority shall collaborate with the ~~department of commerce~~
17 Wisconsin Economic Development Corporation to make readily accessible to the
18 public on an Internet-based system the information required under this section.

19 **SECTION 2830.** 234.255 (1) of the statutes is created to read:

20 234.255 (1) The authority shall coordinate any economic development
21 assistance with the Wisconsin Economic Development Corporation.

22 **SECTION 2831.** 234.35 (1) of the statutes is amended to read:

23 234.35 (1) In this section, “minority business”, “minority financial adviser” and
24 “minority investment firm” mean a business, financial adviser and investment firm,

1 respectively, certified by the department of ~~commerce~~ administration under s.
2 ~~560.036~~ 16.287 (2).

3 **SECTION 2832.** 234.36 (1) of the statutes is amended to read:

4 234.36 (1) In this section, “business,” “financial adviser,” and “investment firm”
5 mean a business, financial adviser, and investment firm certified by the department
6 of ~~commerce~~ administration under s. ~~560.0335~~ 16.283 (3).

7 **SECTION 2832g.** 234.622 (4) of the statutes is renumbered 234.622 (4) (intro.)
8 and amended to read:

9 234.622 (4) (intro.) “Participant” means ~~a~~ all of the following:

10 (a) A natural person 65 years of age or older who has been accepted into the
11 program.

12 **SECTION 2832r.** 234.622 (4) (b) of the statutes is created to read:

13 234.622 (4) (b) A veteran, as defined in s. 45.01 (12) (a) to (f), who has been
14 accepted into the program.

15 **SECTION 2833.** 234.65 (1) (a) of the statutes is amended to read:

16 234.65 (1) (a) With the consent of the ~~department of commerce~~ Wisconsin
17 Economic Development Corporation and subject to par. (f), the authority may issue
18 its negotiable bonds and notes to finance its economic development activities
19 authorized or required under this chapter, including financing economic
20 development loans.

21 **SECTION 2834.** 234.65 (1) (f) of the statutes is amended to read:

22 234.65 (1) (f) The authority may not issue bonds or notes under par. (a) unless
23 it has contracted to reimburse the ~~department of commerce~~ Wisconsin Economic
24 Development Corporation a sum certain for the ~~department's~~ corporation's operating
25 costs in carrying out its responsibilities to effectuate and promote the economic

1 development programs created with the bonding authority in this chapter and its
2 responsibilities under s. ~~560.03 (17)~~ 238.25.

3 **SECTION 2835.** 234.65 (1m) of the statutes is amended to read:

4 234.65 (1m) The ~~department of commerce~~ Wisconsin Economic Development
5 Corporation shall, in consultation with the authority, ~~promulgate rules and adopt~~
6 ~~rules and procedures, in accordance with the procedures under ch. 227,~~ to implement
7 sub. (3).

8 **SECTION 2836.** 234.65 (3) (a) of the statutes is amended to read:

9 234.65 (3) (a) The business that will receive the loan, at least 30 days prior to
10 signing of the loan contract, has given notice of intent to sign the contract, on a form
11 prescribed under s. ~~560.034~~ 238.11 (1), to the ~~department of commerce~~ Wisconsin
12 Economic Development Corporation and to any collective bargaining agent in this
13 state with whom the person has a collective bargaining agreement.

14 **SECTION 2837.** 234.65 (3) (am) of the statutes is amended to read:

15 234.65 (3) (am) The authority has received an estimate issued under s. ~~560.034~~
16 238.11 (5) (b), and the ~~department of commerce~~ Wisconsin Economic Development
17 Corporation has estimated whether the project that the authority would finance
18 under the loan is expected to eliminate, create, or maintain jobs on the project site
19 and elsewhere in this state and the net number of jobs expected to be eliminated,
20 created, or maintained as a result of the project.

21 **SECTION 2838.** 234.65 (3m) of the statutes is amended to read:

22 234.65 (3m) An economic development loan may not be made unless the
23 ~~department of commerce~~ Wisconsin Economic Development Corporation complies
24 with sub. (1m) and certifies that each loan complies with sub. (3).

25 **SECTION 2839.** 234.65 (3r) of the statutes is amended to read:

1 234.65 (3r) Any economic development loan ~~which~~ that a business receives
2 from the authority under this section to finance a project shall require the business
3 to submit to the ~~department of commerce~~ Wisconsin Economic Development
4 Corporation within 12 months after the project is completed or 2 years after a loan
5 is issued to finance the project, whichever is sooner, on a form prescribed under s.
6 ~~560.034~~ 234.11 (1), the net number of jobs eliminated, created, or maintained on the
7 project site and elsewhere in this state as a result of the project. This subsection does
8 not apply to an economic development loan to finance an economic development
9 project described under s. 234.01 (4n) (c).

10 **SECTION 2840.** 234.65 (5) (intro.) of the statutes is amended to read:

11 234.65 (5) (intro.) On or before July 1, 1985, and every July 1 thereafter, the
12 ~~department of commerce~~ Wisconsin Economic Development Corporation shall
13 submit to the chief clerk of each house of the legislature, for distribution to the
14 appropriate standing committees under s. 13.172 (3), a report ~~which shall address~~
15 that addresses the effects of lending under this section in the following areas:

16 **SECTION 2840m.** 234.75 of the statutes is created to read:

17 **234.75 Public affairs network loan guarantee program. (1) DEFINITION.**

18 In this section, “public affairs network” means a nonprofit corporation organized
19 under the laws of this state that has as its primary purpose the broadcast of
20 proceedings of the legislature, including legislative committee meetings, and the
21 reporting of events and activities related to politics in this state, through television,
22 radio, the Internet, or similar communications media.

23 **(2) GUARANTEE REQUIREMENTS.** The authority may use money from the
24 Wisconsin development reserve fund to guarantee the unpaid principal of a loan
25 under sub. (5) if all of the following apply:

1 (a) The borrower applies for a loan guarantee on a form provided by the
2 authority.

3 (b) The loan is eligible for a guarantee under sub. (3), and any applicable
4 requirements under sub. (5) are met.

5 (c) The lender is the authority or a financial institution that enters into an
6 agreement under s. 234.93 (2) (a).

7 **(3) ELIGIBLE LOANS.** A loan is eligible for guarantee of collection under sub. (5)
8 from the Wisconsin development reserve fund if all of the following apply:

9 (a) The loan principal equals \$5,000,000 or less.

10 (b) The authority determines that the borrower is a public affairs network.

11 (c) The borrower certifies that loan proceeds will be used for the borrower's
12 operating expenses or expenses related to a capital project.

13 (d) The borrower certifies that loan proceeds will not be used to refinance
14 existing debt or for entertainment expenses.

15 (e) The loan term is not less than 13 years, and the borrower is not required to
16 to pay any principal or interest on the loan within the first 3 years after the loan is
17 made.

18 (f) The terms of the loan authorize the lender to obtain a security interest in
19 the real or personal property of the borrower to secure repayment of the loan.

20 **(4) AUTHORITY LOAN.** The authority may make a loan to a public affairs network
21 if the loan meets the eligibility requirements under sub. (3), except that the total
22 principal amount of all loans that the authority makes under this subsection may not
23 exceed \$5,000,000. Recognizing its moral obligation to do so, the legislature
24 expresses its expectation and aspiration that, if ever called upon to do so, it shall

1 make an appropriation to make the authority whole for defaults on loans issued
2 under this subsection.

3 (5) GUARANTEE OF REPAYMENT. (a) Subject to par. (b), the authority may
4 guarantee collection of all or part of the unpaid principal of a loan eligible for
5 guarantee under sub. (3). If the authority guarantees all or part of a loan under this
6 subsection, the authority shall establish the amount of the unpaid principal of an
7 eligible loan that will be guaranteed using the procedures described in the guarantee
8 agreement under s. 234.93 (2) (a).

9 (b) A loan guarantee under this subsection is subject to all of the following:

10 1. The total principal amount of all loans guaranteed under this subsection
11 may not exceed \$5,000,000.

12 2. Before the authority guarantees a loan under this subsection, the authority
13 shall demonstrate to the satisfaction of the secretary of administration that there are
14 sufficient moneys in the Wisconsin development reserve fund to guarantee the loan,
15 or that there are sufficient moneys in the housing rehabilitation loan program
16 administration fund that may be transferred under par. (c) to guarantee the loan.

17 (c) Notwithstanding s. 234.51 (2), the authority may transfer moneys from the
18 housing rehabilitation loan program administration fund to the Wisconsin
19 development reserve fund for a loan guarantee under this subsection if all of the
20 following conditions are met:

21 1. The authority determines that the transfer is necessary to secure the loan
22 guarantee.

23 2. The transfer of moneys does not exceed \$5,000,000.