

**2019 DRAFTING REQUEST****Assembly Amendment (AA-AB56)**

For: **Legislative Fiscal Bureau** Drafter: **mgallagh**  
 By: **Tikalsky** Secondary Drafters:  
 Date: **6/10/2019** May Contact:

Same as LRB:

Submit via email: **YES**  
 Requester's email:  
 Carbon copy (CC) to: **michael.gallagher@legis.wisconsin.gov**  
**Rory.tikalsky@legis.wisconsin.gov**  
**paul.ferguson@legis.wisconsin.gov**

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**Pre Topic:**

LFB:.....Tikalsky -

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**Topic:**

Adjust WHEDA's capital reserve fund limit

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 6/10/2019	swinder 6/10/2019			
/P1			lparisi 6/10/2019		

FE Sent For: **<END>**

## Gallagher, Michael

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**From:** Gallagher, Michael  
**Sent:** Friday, June 07, 2019 3:32 PM  
**To:** Tikalsky, Rory  
**Subject:** Re: WHEDA Drafting

Will do.

Sent from my iPhone

On Jun 7, 2019, at 3:25 PM, Tikalsky, Rory <[Rory.Tikalsky@legis.wisconsin.gov](mailto:Rory.Tikalsky@legis.wisconsin.gov)> wrote:

Hi Mike,

I'm wrapping up a few budget drafting items and I've realized I overlooked WHEDA. On May 16 the Committee opted to modify the capital reserve fund limit (see attached motion). Would you please pull together a draft for me to reflect this change? I think all we need is a small modification of Section 1859 of the bill to say \$800,000,000 instead of \$1,000,000,000. Please let me know if you have questions.

Thanks,  
Rory

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**Rory Tikalsky**  
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*Wisconsin Legislative Fiscal Bureau*  
(608) 266-3847 | [Rory.Tikalsky@legis.wi.gov](mailto:Rory.Tikalsky@legis.wi.gov)

<64.pdf>

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Capital Reserve Fund Bonding Authorization (Item #1)

Motion:

Move to increase the limit of outstanding bonds backed by WHEDA's capital reserve fund from \$600 million to \$800 million.

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Note:

Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of December 31, 2018, \$398.7 million in outstanding bonds were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient; no such deficiency has ever occurred.

The Governor's proposal increases the reserve to \$1 billion. WHEDA reports the proposal is intended to support increased demand for bonding prompted by creation of the state low-income housing tax credit under 2017 Wisconsin Act 176. Under the law, developments applying for state tax credits must be financed with tax-exempt bonds, which are issued by WHEDA.



191  
LRBb0340/?  
MPLG skw + JGF

LFB:.....Tikalsky - Adjust WHEDA's capital reserve fund limit

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION  
ASSEMBLY AMENDMENT ,  
TO ASSEMBLY BILL 56**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 951, line 1: delete "\$1,000,000,000" and substitute "\$800,000,000".

3 (END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0340/P1  
MPG:skw&kjf

LFB:.....Tikalsky - Adjust WHEDA's capital reserve fund limit

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