



## 2019 SENATE BILL 219

1     **AN ACT** *to amend* 234.907 (1) (d), 234.907 (1) (f), 234.907 (2) (cm), 234.907 (2) (f)  
2             and 234.907 (3); and *to create* 234.907 (2m) and 234.907 (4) of the statutes;  
3             **relating to:** agricultural development loan guarantee program administered  
4             by the Wisconsin Housing and Economic Development Authority.

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*Analysis by the Legislative Reference Bureau*

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

5             **SECTION 1.** 234.907 (1) (d) of the statutes is amended to read:  
6             234.907 (1) (d) “Guaranteed loan” means a loan on which the authority  
7             guarantees collection under sub. (3) or (4).  
8             **SECTION 2.** 234.907 (1) (f) of the statutes is amended to read:  
9             234.907 (1) (f) “Percentage of guarantee” means the percentage established by  
10            the authority under sub. (3) or (4).

**SENATE BILL 219****SECTION 3**

1           **SECTION 3.** 234.907 (2) (cm) of the statutes is amended to read:

2           234.907 (2) (cm) The total guarantee amount of all loans to the borrower that  
3 are guaranteed under this section and that are made for working capital or an item  
4 necessary to, or used to, commercially harvest whitefish from Lake Superior will not  
5 exceed \$100,000. This subsection does not apply to a loan guaranteed under sub. (4).

6           **SECTION 4.** 234.907 (2) (f) of the statutes is amended to read:

7           234.907 (2) (f) The term of the authority's guarantee under this section is not  
8 longer than 15 10 years for land and buildings, 5 years for inventory, equipment, and  
9 machinery, and 2 years for working capital and marketing expenses. This paragraph  
10 does not apply to a loan that is part of a loan workout agreement.

11           **SECTION 5m.** 234.907 (2m) of the statutes is created to read:

12           234.907 (2m) ORIGINATION FEES. The authority may charge a guarantee  
13 origination fee on every loan guaranteed under this section. The amount of the fee  
14 may not exceed 1.5 percent of a loan's guaranteed principal. The participating lender  
15 shall collect the fee and remit it to the authority. The authority shall deposit all fees  
16 received under this subsection in the Wisconsin development reserve fund.

17           **SECTION 5s.** 234.907 (3) of the statutes is amended to read:

18           234.907 (3) GUARANTEE OF COLLECTION. The authority may guarantee collection  
19 of up to 90 percent of the disbursed principal of any loan eligible for a guarantee  
20 under sub. (2). The authority shall establish the percentage of the unpaid principal  
21 of an eligible loan that will be guaranteed, using the procedures described in the  
22 guarantee agreement under s. 234.93 (2) (a). The authority may establish a single  
23 percentage for all guaranteed loans or establish different percentages for eligible  
24 loans on an individual basis.

25           **SECTION 6.** 234.907 (4) of the statutes is created to read:

