2021 SENATE BILL 481

August 5, 2021 – Introduced by Senator BEWLEY, cosponsored by Representatives B. MEYERS, MILROY, SHANKLAND, CONLEY, VRUWINK, CONSIDINE, SUBECK, SHELTON and SPREITZER. Referred to Committee on Economic and Workforce Development.

AN ACT relating to: loan related to the Verso Paper Mill in the city of Wisconsin Rapids; loan related to the Park Falls Pulp and Paper Mill in the city of Park Falls; funding for the University of Wisconsin System; special education funding and making an appropriation.

Analysis by the Legislative Reference Bureau
This bill authorizes the Wisconsin Economic Development Corporation to award a loan of up to $50,000,000 to the Consolidated Cooperative or other eligible borrower in relation to the Verso Paper Mill in the city of Wisconsin Rapids. The loan may be used for any or all of the following:
1. Purchase of the Mill.
2. Improvements to infrastructure related to the Mill.
3. Equipment upgrades at the Mill.

The loan is to be for the term and upon the conditions as may be agreed upon between the parties, except that the loan contract must provide WEDC with a security interest in the Mill to secure repayment of the loan. Under the bill, WEDC may establish an interest rate for the loan that is below the market rate, and at the corporation’s discretion, the loan may be forgivable. Additionally, the bill provides that before awarding the loan WEDC may determine that substantial additional funding for the purposes specified above has been secured from both nonstate revenue sources and in the form of a loan issued by the Board of Commissioners of Public Lands to an entity eligible for the loan.
The bill also authorizes WEDC to award a loan of up to $15,000,000 to the Park Falls Mill Multi-Stakeholder Cooperative or other eligible borrower in relation to the Park Falls Pulp and Paper Mill in the city of Park Falls. The loan may be used for any or all of the following:

1. Purchase of the Mill.
2. Improvements to infrastructure related to the Mill.
3. Equipment upgrades at the Mill.

The loan is to be for the term and upon the conditions as may be agreed upon between the parties, except that the loan contract must provide WEDC with a security interest in the Mill to secure repayment of the loan. Under the bill, WEDC may establish an interest rate for the loan that is below the market rate, and at the corporation's discretion, the loan may be forgivable. Additionally, the bill provides that before awarding the loan WEDC may determine that substantial additional funding for the purposes specified above has been secured from both nonstate revenue sources and in the form of a loan issued by the Board of Commissioners of Public Lands to an entity eligible for the loan.

If the loans described above are awarded, the bill also provides additional funding for the University of Wisconsin System under its general program operations appropriation and additional funding for special education aid the Department of Public Instruction pays to school districts, independent charter schools, cooperative educational service agencies, and county children with disabilities education boards.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 9149. Nonstatutory provisions; Wisconsin Economic Development Corporation.

(1) Loan related to the Verso Paper Mill in Wisconsin Rapids.

(a) In this subsection, “Verso Mill” means the Verso Paper Mill located at 600 4th Avenue North in the city of Wisconsin Rapids.

(b) No later than the first day of the 25th month beginning after the effective date of this paragraph, from the appropriations under s. 20.192 (1) (a) and (r), the Wisconsin Economic Development Corporation may award a loan of up to $50,000,000 to the Consolidated Cooperative or other eligible borrower for the
purposes specified in par. (c). The loan shall be for the term and upon the conditions as may be agreed upon between the parties, except that the loan contract shall provide the corporation with a security interest in the Verso Mill to secure repayment of the loan. The corporation may establish an interest rate for the loan that is below the market rate, as determined by the corporation. At the corporation’s discretion, the loan may be forgivable. The loan is not subject to s. 238.124, and the corporation may award the loan notwithstanding the limitations under s. 20.192 (1) (a).

(c) The loan awarded under par. (b) may be used for one or more of the following purposes:

1. The purchase of the Verso Mill.
2. Improvements to infrastructure related to the Verso Mill.
3. Equipment upgrades at the Verso Mill.

(d) Before awarding the loan under par. (b), the Wisconsin Economic Development Corporation may determine that substantial additional funding for the purposes specified in par. (c) has been secured from both nonstate revenue sources and in the form of a loan issued by the board of commissioners of public lands to an entity eligible for the loan.

(2) Loan related to the Park Falls Pulp and Paper Mill in Park Falls.

(a) In this subsection, “Park Falls Mill” means the Park Falls Pulp and Paper Mill located at 200 1st Avenue North in the city of Park Falls.

(b) No later than the first day of the 25th month beginning after the effective date of this paragraph, from the appropriations under s. 20.192 (1) (a) and (r), the Wisconsin Economic Development Corporation may award a loan of up to $15,000,000 to the Park Falls Mill Multi-Stakeholder Cooperative or other eligible borrower for the purposes specified in par. (c). The loan shall be for the term and upon
the conditions as may be agreed upon between the parties, except that the loan contract shall provide the corporation with a security interest in the Park Falls Mill to secure repayment of the loan. The corporation may establish an interest rate for the loan that is below the market rate, as determined by the corporation. At the corporation's discretion, the loan may be forgivable. The loan is not subject to s. 238.124, and the corporation may award the loan notwithstanding the limitations on expenditures under s. 20.192 (1) (a).

(c) The loan awarded under par. (b) may be used for one or more of the following purposes:

1. The purchase of the Park Falls Mill.
2. Improvements to infrastructure related to the Park Falls Mill.
3. Equipment upgrades at the Park Falls Mill.

(d) Before awarding the loan under par. (b), the Wisconsin Economic Development Corporation may determine that substantial additional funding for the purposes specified in par. (c) has been secured from both nonstate revenue sources and in the form of a loan issued by the board of commissioners of public lands to an entity eligible for the loan.

SECTION 9234. Fiscal changes; Public Instruction.

(1) SPECIAL EDUCATION AID; VERSO PAPER MILL LOAN. In the schedule under s. 20.005 (3) for the appropriation to the department of public instruction under s. 20.255 (2) (b), if the loan under Section 9149 (1) (b) of this act is awarded, the dollar amount is increased by $32,000,000 for the fiscal year in which the loan is awarded to increase funding for aids for special education under s. 115.88.

(2) SPECIAL EDUCATION AID; PARK FALLS PULP AND PAPER MILL LOAN. In the schedule under s. 20.005 (3) for the appropriation to the department of public
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instruction under s. 20.255 (2) (b), if the loan under Section 9149 (2) (b) of this act is awarded, the dollar amount is increased by $10,000,000 for the fiscal year in which the loan is awarded to increase funding for aids for special education under s. 115.88.

SECTION 9247. Fiscal changes; University of Wisconsin System

(1) UW SYSTEM, general program operations; Verso Paper Mill loan. In the schedule under s. 20.005 (3) for the appropriation to the Board of Regents of the University of Wisconsin System under s. 20.285 (1) (a), if the loan under Section 9149 (1) (b) of this act is awarded, the dollar amount is increased by $8,000,000 for the fiscal year in which the loan is awarded to increase funding for the purpose for which the appropriation is made.

(2) UW SYSTEM, general program operations; Park Falls Pulp and Paper Mill loan. In the schedule under s. 20.005 (3) for the appropriation to the Board of Regents of the University of Wisconsin System under s. 20.285 (1) (a), if the loan under Section 9149 (2) (b) of this act is awarded, the dollar amount is increased by $3,000,000 for the fiscal year in which the loan is awarded to increase funding for the purpose for which the appropriation is made.

(END)