AN ACT relating to: grant related to the Verso Paper Mill in the city of Wisconsin Rapids and loan guarantee related to the Park Falls Pulp and Paper Mill in the city of Park Falls.

Analysis by the Legislative Reference Bureau

This bill authorizes the Wisconsin Economic Development Corporation award a grant of up to $1,000,000 to an eligible recipient to maintain operations at the Verso Paper Mill in the city of Wisconsin Rapids. The grant is to be upon the terms and conditions determined by WEDC, and WEDC may award the grant only as approved or modified by the Joint Committee on Finance.

The bill also authorizes WEDC to issue a loan guarantee of up to $15,000,000 to an eligible borrower to purchase or make infrastructure improvements to the Park Falls Pulp and Paper Mill in the city of Park Falls. The loan guarantee is to be upon the terms and conditions determined by WEDC, and WEDC may issue the loan guarantee only as approved or modified by the Joint Committee on Finance.

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 1. Nonstatutory provisions.
(1) Definitions.

(a) “Corporation” means the Wisconsin Economic Development Corporation.

(b) “Park Falls Mill” means the Park Falls Pulp and Paper Mill located at 200 1st Avenue North in the city of Park Falls.

(c) “Verso Mill” means the Verso Paper Mill located at 600 4th Avenue North in the city of Wisconsin Rapids.

(2) Administration of programs. The corporation shall administer the economic development programs under this section.

(3) Grant related to the Verso Mill.

(a) Grant. Subject to par. (b), from the appropriation under s. 20.192 (1) (r), of the moneys transferred to the economic development fund under par. (c), the corporation may award a grant of up to $1,000,000 to an eligible recipient for the purpose of maintaining operations at the Verso Mill. The grant shall be upon the terms and conditions determined by the corporation, as approved or modified under par. (b).

(b) Approval of proposed grant. No later than 30 days after the effective date of this paragraph, the corporation shall submit the terms and conditions for a proposed grant under par. (a) to the joint committee on finance. The committee may approve, modify, or deny the proposal. The corporation may not award a grant under par. (a) except as approved or modified by the committee.

(c) Fund transfers.

1. There is transferred from the general fund to the economic development fund $1,000,000 in fiscal year 2021–22. The moneys transferred under this subdivision shall be credited to the appropriation account under s. 20.192 (1) (r), may not be considered expended for purposes of s. 20.192 (1) (a), shall be considered encumbered
for purposes of s. 20.192 (1) (a), and may not be expended other than as provided
under this subsection.

2. If the joint committee on finance denies the proposed grant under par. (b),
no later than 30 days after the date of the denial, the secretary of administration
shall transfer $1,000,000 from the economic development fund to the general fund.

3. If the joint committee on finance approves or modifies a proposed grant under
par. (b), and the corporation does not award the grant before June 30, 2023, the
secretary of administration shall transfer $1,000,000 from the economic
development fund to the general fund on that date.

(4) Loan guarantee related to the Park Falls Mill.

(a) Loan guarantee. Subject to par. (b), from the appropriation under s. 20.192
(1) (r), of the moneys transferred to the economic development fund under par. (c),
the corporation may issue a loan guarantee of up to $15,000,000 to an eligible
borrower to secure financing that is not otherwise readily available for the purpose
of purchasing or making infrastructure improvements to the Park Falls Mill, or both.
The loan guarantee shall be upon the terms and conditions determined by the
corporation, as approved or modified under par. (b).

(b) Approval of loan guarantee. No later than 30 days after the effective date
of this paragraph, the corporation shall submit the terms and conditions for a loan
guarantee under par. (a) to the joint committee on finance. The committee may
approve, modify, or deny the proposal. The corporation may not issue a loan
guarantee under par. (a) except as approved or modified by the committee.

(c) Fund transfers.

1. There is transferred from the general fund to the economic development fund
$15,000,000 in fiscal year 2021–22. The moneys transferred under this subdivision
shall be credited to the appropriation account under s. 20.192 (1) (r), may not be
considered expended for purposes of s. 20.192 (1) (a), shall be considered encumbered
for purposes of s. 20.192 (1) (a), and may not be expended other than as provided
under this subsection.

2. If the joint committee on finance denies the proposed loan guarantee under
par. (b), no later than 30 days after the date of the denial, the secretary of
administration shall transfer $15,000,000 from the economic development fund to
the general fund.

3. If the joint committee on finance approves or modifies a proposed loan
guarantee under par. (b), and the corporation does not issue the loan guarantee
before June 30, 2023, the secretary of administration shall transfer $15,000,000 from
the economic development fund to the general fund on that date.

4. If the joint committee on finance approves or modifies a proposed loan
guarantee under par. (b), and the eligible borrower does not draw upon the full
amount of the loan guarantee before the end date of the term of the loan guarantee,
as approved by the committee, no later than 30 days after that end date, the secretary
of administration shall transfer $15,000,000 less the amount drawn upon from the
economic development fund to the general fund.

(END)