

State of Misconsin 1995 - 1996 LEGISLATURE

ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 1995 ASSEMBLY BILL 1045

May 1, 1996 - Offered by JOINT COMMITTEE ON FINANCE.

1	An ACT to repeal 234.67, 234.75, 234.76, 234.765, 234.80, 234.82, 234.83 (3) (b),
2	234.905, 234.907 and 234.935; <i>to renumber</i> 234.70, 234.802 and 234.85; <i>to</i>
3	renumber and amend 144.422~(1), 234.83~(2)~(a)~and~234.83~(3)~(a); to amend
4	46.255 (7), 46.28 (3), 46.28 (4), 71.05 (1) (c) 2., 100.45 (4) (intro.), 101.177 (2)
5	(intro.), 101.177 (3) (a) (intro.), 144.422 (2) (intro.), 234.03 (2m), 234.265 (2),
6	234.40 (4), 234.50 (4), 234.60 (2), 234.622 (intro.), 234.65 (1) (b), 234.66 (3) (b),
7	234.83 (title), 234.83 (1) (c), 234.83 (4) (title) and (a), 234.83 (4) (b), 234.93 (2)
8	(a) (intro.), 234.93 (4) (a) 2., 234.94 (intro.), 560.036 (2) (a), 560.835 (1) (d) and
9	600.01 (1) (b) 8.; to repeal and recreate $70.11 (35)$; and to create $100.45 (1)$
10	(dm), 101.177 (1) (d), 144.422 (1) (b), subchapter I (title) of chapter 234 $$
11	[precedes 234.01], 234.01 (4n) (a) 3m. e., subchapter II (title) of chapter 234
12	[precedes 234.83], 234.83 (2) (a) 1. to 4., 234.93 (2) (bm), 234.93 (4) (a) 3. and
13	subchapter III (title) of chapter 234 [precedes 234.94] of the statutes; relating
14	to: loan guarantee programs funded by the Wisconsin development reserve
15	fund; and the ratio of reserve funding to guaranteed outstanding principal for
16	the Wisconsin development reserve fund.

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

1	SECTION 1. 46.255 (7) of the statutes is amended to read:
2	46.255 (7) The department may provide a certification under sub. (1) to a state
3	agency or authority under s. 21.49 (2) (e), 36.11 (6) (b), 36.25 (14), 36.34 (1), 39.30 (2)
4	(e),39.38(2),39.435(6),39.44(4),39.47(2m),45.351(2)(c),45.356(6),45.396(6
5	45.74 (6), 144.25 (8) (L), 145.245 (5m) (b), 234.04 (2), 234.49 (1) (c), 234.59 (3) (c),
6	234.65 (3) (f), <u>234.83 (2) (a) 4.</u> , 234.90 (3) (d) or (3g) (c) , 234.905 (3) (d) or 949.08 (2)
7	(g).
8	SECTION 2. 46.28 (3) of the statutes is amended to read:
9	46.28 (3) The department may authorize the authority to issue revenue bonds
10	under s. <u>234.70</u> <u>234.61</u> to finance any residential facility it approves under sub. (2).
11	SECTION 3. 46.28 (4) of the statutes is amended to read:
12	46.28 (4) The department may charge sponsors for administrative costs and
13	expenses it incurs in exercising its powers and duties under this section and under
14	s. 234.70 <u>234.61</u> .
15	SECTION 4. 70.11 (35) of the statutes is repealed and recreated to read:
16	70.11 (35) CULTURAL AND ARCHITECTURAL LANDMARKS. Real property and
17	improvements designated in an executive order as a valued historical landmark and
18	an architectural masterpiece, or an educational tourist center located adjacent to the
19	real property and improvements designated in an executive order as a valued
20	historical landmark and an architectural masterpiece.
21	SECTION 5. 71.05 (1) (c) 2. of the statutes, as affected by 1995 Wisconsin Act 56,
22	is amended to read:

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71.05 (1) (c) 2. The Wisconsin housing and economic development authority, if
 the bonds are to fund a loan under s. 234.935, 1993 stats.

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SECTION 6. 100.45 (1) (dm) of the statutes is created to read:

"State agency" means any office, department, agency. 4 100.45 (1) (dm) 5 institution of higher education, association, society or other body in state 6 government created or authorized to be created by the constitution or any law which 7 is entitled to expend moneys appropriated by law, including the legislature and the 8 courts, the Wisconsin Housing and Economic Development Authority, the Bradley 9 Center Sports and Entertainment Corporation, the University of Wisconsin 10 Hospitals and Clinics Authority and the Wisconsin Health and Educational 11 **Facilities Authority.**

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SECTION 7. 100.45 (4) (intro.) of the statutes is amended to read:

13 100.45 (4) SERVICING. (intro.) No person, including a state agency, as defined 14 in s. 234.75 (10), may perform motor vehicle repair that releases or may release 15 ozone-depleting refrigerant from a mobile air conditioner or trailer refrigeration 16 equipment or may install or service a mobile air conditioner or trailer refrigeration 17 equipment that contains ozone-depleting refrigerant unless all of the following 18 apply:

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SECTION 8. 101.177 (1) (d) of the statutes is created to read:

20 101.177 (1) (d) "State agency" means any office, department, agency, 21 institution of higher education, association, society or other body in state 22 government created or authorized to be created by the constitution or any law which 23 is entitled to expend moneys appropriated by law, including the legislature and the 24 courts, the Wisconsin Housing and Economic Development Authority, the Bradley 25 Center Sports and Entertainment Corporation, the University of Wisconsin

Hospitals and Clinics Authority and the Wisconsin Health and Educational 1 $\mathbf{2}$ Facilities Authority. 3 **SECTION 9.** 101.177 (2) (intro.) of the statutes is amended to read: 4 101.177 (2) SERVICING. (intro.) No person, including a state agency, as defined 5 in s. 234.75 (10), may install or service a piece of refrigeration equipment that 6 contains ozone-depleting refrigerant unless the person certifies all of the following $\mathbf{7}$ to the department: 8 **SECTION 10.** 101.177 (3) (a) (intro.) of the statutes is amended to read: 9 101.177 (3) (a) (intro.) After December 31, 1991, no person, including a state agency as defined in s. 234.75 (10), may sell used ozone-depleting refrigerant 10 11 removed from refrigeration equipment for reuse unless the person certifies all of the following to the department: 1213**SECTION 11.** 144.422 (1) of the statutes is renumbered 144.422 (1) (intro.) and 14 amended to read: 15**DEFINITION** DEFINITIONS. In this section, 144.422 (1) (title) (intro.) 16 *"ozone-depleting*: 17(a) "Ozone-depleting refrigerant" has the meaning given in s. 100.45 (1) (d). 18 **SECTION 12.** 144.422 (1) (b) of the statutes is created to read: "State agency" means any office, department, agency. 19 144.422 **(1)** (b) 20institution of higher education, association, society or other body in state 21government created or authorized to be created by the constitution or any law which 22is entitled to expend moneys appropriated by law, including the legislature and the 23courts, the Wisconsin Housing and Economic Development Authority, the Bradley

24 Center Sports and Entertainment Corporation, the University of Wisconsin

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Hospitals and Clinics Authority and the Wisconsin Health and Educational
 Facilities Authority.

3 **SECTION 13.** 144.422 (2) (intro.) of the statutes is amended to read: 4 144.422 (2) SALVAGING REFRIGERATION EQUIPMENT. (intro.) After June 30, 1992, 5 except as provided in sub. (2m), no person, including a state agency, as defined in s. 6 234.75 (10), may perform salvaging or dismantling of mechanical vapor compression 7 refrigeration equipment in the course of which ozone-depleting refrigerant is or may 8 be released or removed unless the person certifies all of the following to the 9 department: 10 **SECTION 14.** Subchapter I (title) of chapter 234 [precedes 234.01] of the statutes 11 is created to read: 12CHAPTER 234 13 SUBCHAPTER I 14 GENERAL PROVISIONS; 15HOUSING AND ECONOMIC 16 DEVELOPMENT PROGRAMS **SECTION 15.** 234.01 (4n) (a) 3m. e. of the statutes is created to read: 1718 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined 19 by the authority after considering the factors set out in s. 560.605 (2m) (a) to (h). **SECTION 16.** 234.03 (2m) of the statutes is amended to read: 20 21234.03 (2m) To issue notes and bonds in accordance with ss. 234.08, 234.40, 22234.50, 234.60, <u>234.61</u>, 234.626, 234.65, and 234.66 and <u>234.70</u>. 23**SECTION 17.** 234.265 (2) of the statutes, as affected by 1995 Wisconsin Acts 116 24 and 150, is amended to read:

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1	234.265 (2) Records or portions of records consisting of personal or financial
2	information provided by a person seeking a grant or loan under s. 234.08, 234.49,
3	$234.59, \ \underline{234.61}, \ 234.65, \ \underline{234.67}, \ 234.68, \ 234.69, \ \underline{234.70}, \ \underline{234.765}, \ \underline{234.82}, \ 234.83,$
4	234.84, 234.87, 234.90 , 234.905, 234.907 or 234.91, seeking a loan under ss. 234.621
5	to 234.626, seeking financial assistance under s. 234.66 or under ss. 234.75 to
6	234.802, seeking investment of funds under s. 234.03 (18m) or in which the authority
7	has invested funds under s. 234.03 (18m), unless the person consents to disclosure
8	of the information.
9	SECTION 18. 234.40 (4) of the statutes is amended to read:
10	234.40 (4) The limitations established in s. ss. 234.18 (1) and (2), 234.50,
11	234.60, <u>234.61,</u> 234.65 , <u>and</u> 234.66 or 234.70 are not applicable to bonds issued under
12	the authority of this section. The authority may not have outstanding at any one
13	time bonds for veterans housing loans in an aggregate principal amount exceeding
14	\$61,945,000, excluding bonds being issued to refund outstanding bonds.
15	SECTION 19. 234.50 (4) of the statutes is amended to read:
16	234.50 (4) The limitations established in s. ss. 234.18 (1) and (2), 234.40,
17	234.60, <u>234.61</u> , 234.65 , <u>and</u> 234.66 or 234.70 are not applicable to bonds issued under
18	the authority of this section. The authority may not have outstanding at any one
19	time bonds for housing rehabilitation loans in an aggregate principal amount
20	exceeding \$100,000,000, excluding bonds being issued to refund outstanding bonds.
21	The authority shall consult with and coordinate the issuance of bonds with the
22	building commission prior to the issuance of bonds.
23	SECTION 20. 234.60 (2) of the statutes is amended to read:

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1	234.60 (2) The limitations in ss. 234.18 (1) and (2), 234.40, 234.50, <u>234.61</u> ,
2	234.65, and 234.66 and 234.70 do not apply to bonds or notes issued under this
3	section.
4	SECTION 21. 234.622 (intro.) of the statutes is amended to read:
5	234.622 Definitions. (intro.) In this subchapter <u>ss. 234.621 to 234.626</u> :
6	SECTION 22. 234.65 (1) (b) of the statutes is amended to read:
7	234.65 (1) (b) The limits in ss. 234.18 (1) and (2), 234.40, 234.50, 234.60, <u>234.61</u>
8	and 234.66 and 234.70 do not apply to bonds or notes issued under this section.
9	SECTION 23. 234.66 (3) (b) of the statutes is amended to read:
10	234.66 (3) (b) The limits in ss. 234.18 (1) and (2), 234.40, 234.50, 234.60, <u>234.61</u>
11	and 234.65 and 234.70 do not apply to bonds or notes issued under this section.
12	SECTION 24. 234.67 of the statutes is repealed.
13	SECTION 25. 234.70 of the statutes is renumbered 234.61.
14	SECTION 26. 234.75 of the statutes, as affected by 1995 Wisconsin Act 27, is
15	repealed.
16	SECTION 27. 234.76 of the statutes is repealed.
17	SECTION 28. 234.765 of the statutes is repealed.
18	SECTION 29. 234.80 of the statutes is repealed.
19	SECTION 30. 234.802 of the statutes is renumbered 234.92.
20	SECTION 31. 234.82 of the statutes, as affected by 1995 Wisconsin Act 27, is
21	repealed.
22	SECTION 32. 234.83 (title) of the statutes is amended to read:
23	234.83 (title) Targeted Small business development loan guarantee
24	program.

1	SECTION 33. Subchapter II (title) of chapter 234 [precedes 234.83] of the
2	statutes is created to read:
3	CHAPTER 234
4	SUBCHAPTER II
5	LOAN GUARANTEE PROGRAMS
6	SECTION 34. 234.83 (1) (c) of the statutes is amended to read:
7	234.83(1) (c) The lender is a financial institution that enters into an agreement
8	under s. 234.93 (2) (a).
9	SECTION 35. 234.83 (2) (a) of the statutes is renumbered 234.83 (2) (a) (intro.)
10	and amended to read:
11	234.83 (2) (a) (intro.) A business, as defined in s. 560.60 (2), to which all of the
12	following apply:
13	SECTION 36. 234.83 (2) (a) 1. to 4. of the statutes are created to read:
14	234.83 (2) (a) 1. The owner of the business is actively engaged in the business.
15	2. The annual gross revenue of the business does not exceed \$2,500,000.
16	3. The business employs 50 or fewer employes on a full-time basis.
17	4. The authority has not received a certification under s. 46.255 (7) that the
18	owner of the business is delinquent in making child support or maintenance
19	payments.
20	SECTION 37. 234.83 (3) (a) of the statutes is renumbered 234.83 (3), and 234.83
21	(3) (a), (b), (d) and (i), as renumbered, is amended to read:
22	234.83 (3) (a) The borrower uses the loan proceeds for a business development
23	project in a targeted area. Loan proceeds may be used for direct or related expenses
24	associated with the start-up, expansion or acquisition of a business, including

working capital or the purchase or improvement of land, buildings, machinery,
 equipment or inventory.

3 (b) Loan proceeds are not used to refinance existing debt or for operating or
entertainment expenses, real estate investment, expenses related to a septic system,
well or sewer unless associated with a business start-up, expansion or acquisition,
expenses related to the production of an agricultural commodity, as defined in s.
94.67 (2), or expenses related to a community-based residential facility.

8 (d) The loan term does not extend beyond 15 years after the date on which the
9 financial institution disburses the loan unless the loan is extended by the authority
10 agrees to an extension of the loan term.

(i) The authority believes that the loan will have a positive economic impact on
 the targeted area in terms of job creation and retention.

13 SECTION 38. 234.83 (3) (b) of the statutes is repealed.

14 **SECTION 39.** 234.83 (4) (title) and (a) of the statutes are amended to read:

15 234.83 (4) (title) GUARANTEE OF COLLECTION <u>REPAYMENT</u>. (a) Subject to par. (b),
16 the authority shall may guarantee collection repayment of a percentage, not
17 exceeding 90% 80%, of the principal of any loan eligible for a guarantee under sub.
18 (1). The authority shall establish the percentage of the principal of an eligible loan
19 that will be guaranteed, using the procedures described in the agreement under s.
20 234.93 (2) (a). The authority may establish a single percentage for all guaranteed
21 loans or establish different percentages for eligible loans on an individual basis.

22 **SECTION 40.** 234.83 (4) (b) of the statutes is amended to read:

23 234.83 (4) (b) Except as provided in s. 234.93 (3), the total outstanding
24 guaranteed principal amount of all loans that the authority may guarantee under
25 par. (a) may not exceed \$10,000,000 \$27,650,000.

1	SECTION 41. 234.85 of the statutes is renumbered 234.35.
2	SECTION 42. 234.905 of the statutes is repealed.
3	SECTION 43. 234.907 of the statutes is repealed.
4	SECTION 44. 234.93 (2) (a) (intro.) of the statutes is amended to read:
5	234.93 (2) (a) (intro.) The authority shall may enter into a guarantee
6	agreement with any bank, production credit association, credit union, savings bank,
7	savings and loan association or other person who wishes to participate in a loan
8	program guaranteed by the Wisconsin development reserve fund. The authority may
9	determine all of the following, consistent with the terms of the specific loan
10	guarantee program:
11	SECTION 45. 234.93 (2) (bm) of the statutes is created to read:
12	234.93 (2) (bm) A guarantee agreement between the authority and a bank,
13	production credit association, credit union, savings and loan association or other
14	person under par. (a) with respect to a loan guaranteed under s. 234.67, 1993 stats.,
15	s. 234.765, 1993 stats., s. 234.82, 1993 stats., s. 234.83, 1993 stats., s. 234.907, 1993 stats.
16	stats., or s. 234.935, 1993 stats., that is in effect immediately before the effective date
17	of this paragraph [revisor inserts date], shall continue in full force and effect until
18	the termination or expiration of the agreement according to its terms.
19	SECTION 46. 234.93 (4) (a) 2. of the statutes, as affected by 1995 Wisconsin Act
20	5, is amended to read:
21	234.93 (4) (a) 2. To fund guarantees under all of the programs guaranteed by
22	funds from the Wisconsin development reserve fund <u>, except for the program under</u>
23	<u>s. 234.935, 1993 stats.</u> , at a ratio of \$1 of reserve funding to \$4 <u>\$5</u> of total principal
24	and outstanding guaranteed principal that the authority may guarantee under all
25	of those programs.

1	SECTION 47. 234.93 (4) (a) 3. of the statutes is created to read:
2	234.93 (4) (a) 3. To fund guarantees under the program under s. 234.935, 1993
3	stats., at a ratio of \$1 of reserve funding to \$4 of total principal and outstanding
4	guaranteed principal that the authority may guarantee under that program.
5	SECTION 48. 234.935 of the statutes is repealed.
6	SECTION 49. 234.94 (intro.) of the statutes is amended to read:
7	234.94 (title) Community development finance company Definitions.
8	(intro.) In ss. 234.94 to 234.98 <u>this subchapter</u> :
9	SECTION 50. Subchapter III (title) of chapter 234 [precedes 234.94] of the
10	statutes is created to read:
11	CHAPTER 234
12	SUBCHAPTER III
13	COMMUNITY DEVELOPMENT
14	FINANCE COMPANY
15	SECTION 51. 560.036 (2) (a) of the statutes is amended to read:
16	560.036(2) (a) For the purposes of ss. $16.75(3m)$, $16.855(10m)$, $16.87(2)$, 18.16 ,
17	$18.64, 18.77, 25.185, 66.911, 119.495$ (2), $231.27, \underline{234.35}$ and 234.65 (6) and $\underline{234.85}$,
18	the department shall establish and periodically update a list of certified minority
19	businesses, minority financial advisers and minority investment firms. Any
20	business, financial adviser or investment firm may apply to the department for
21	certification. For purposes of this paragraph, unless the context otherwise requires,
22	a "business" includes a financial adviser or investment firm.
23	SECTION 52. 560.835 (1) (d) of the statutes is amended to read:
24	560.835(1)(d) The expansion, improvement or development of a diaper service,
25	as defined in s. 234.67 (1) (am) <u>business that supplies and launders cloth diapers</u> .

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SECTION 53. 600.01 (1) (b) 8. of the statutes, as affected by 1995 Wisconsin Acts
 116 and 150, is amended to read:

600.01 (1) (b) 8. Guarantees of the Wisconsin housing and economic
development authority under ss. s. 234.67, <u>1993 stats., s.</u> 234.68, <u>s.</u> 234.69, <u>s.</u>
234.765, <u>1993 stats., s.</u> 234.82, <u>1993 stats., s.</u> 234.83, <u>s.</u> 234.84, <u>s.</u> 234.87, <u>s.</u> 234.90,
234.905, s. 234.907, <u>1993 stats., and s.</u> 234.91.

7

SECTION 65. Nonstatutory provisions.

8 MEMORANDUM OF UNDERSTANDING. The department of commerce and the (1)9 Wisconsin Housing and Economic Development Authority shall enter into a 10 memorandum of understanding that establishes standards for the economic 11 development activities of, and the economic development programs administered by, 12the department and the authority. The standards shall be established to ensure that 13the department does not duplicate the functions and efforts of the authority, and that 14the authority does not duplicate the functions and efforts of the department, with 15respect to the economic development activities and programs, and the intended 16 beneficiaries of the economic development activities and programs, of each agency. 17The memorandum of understanding shall include sufficiently detailed descriptions 18 of the department's and authority's activities and programs, and the intended beneficiaries of each, as to permit a clear delineation of which agency has principal 19 20responsibility for which specific economic development activities and programs. A 21copy of the memorandum of understanding, signed by the secretary of commerce and 22the executive director of the Wisconsin Housing and Economic Development 23Authority, shall be submitted to the cochairpersons of the joint committee on finance $\mathbf{24}$ no later than 6 months after the effective date of this subsection.

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(END)