



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1285/P2
MPG:ahe

DOA:.....Quinn, BB0176 - WEDC Loan Limitations

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

This bill repeals the prohibition that, with the exception of the technology development loan program, WEDC may not originate any new loan after June 30, 2017. Instead, the bill places the following limitations on each loan WEDC originates after that date:

1. Except for a loan issued under WEDC's technology development loan program, the loan may not be funded from any appropriation to the corporation and must be funded only from repayments to WEDC of other loans.
2. The loan may not be forgivable in whole or in part upon the loan recipient's achievement of one or more conditions or goals.

The bill also requires each new lending program the corporation implements or administers to adhere as closely as practicable to commonly accepted commercial lending practices. WEDC must adopt policies and procedures to implement that requirement.

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SECTION 1. 238.123 of the statutes is repealed.

SECTION 2. 238.124 of the statutes is created to read:

238.124 Loan limitations. (1) Each loan the corporation originates is subject to all of the following limitations:

(a) Except for a loan issued under the corporation's technology development loan program as that program was constituted on January 1, 2015, the loan may not be funded from any appropriation to the corporation and shall be funded only from repayments of other loans.

(b) The loan may not be forgivable in whole or in part upon the loan recipient's achievement of one or more conditions or goals.

(2) Each new lending program the corporation implements or administers shall adhere as closely as practicable to commonly accepted commercial lending practices. The corporation shall adopt policies and procedures implementing this subsection.

SECTION 9350. Initial applicability; Wisconsin Economic Development Corporation.

(1) **NEW LOANS.** The treatment of section 238.124 (1) of the statutes first applies to a loan the Wisconsin Economic Development Corporation originates on the effective date of this subsection.

(END)