



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0540/P3
MLJ&MPG:cjs&amn

DOA:.....Stinebrink, BB0020 - Program 3 Elimination

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

VETERANS

1. Elimination of the veterans housing loan program

This bill eliminates the veterans housing loan program. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

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. 16.848 (2) (g) of the statutes is amended to read:

16.848 (2) (g) Subsection (1) does not apply to property that is subject to sale by the department of veterans affairs under s. 45.32 (7), 2017 stats.

SECTION 2. 18.04 (5) (c) of the statutes is repealed.

SECTION 3. 18.04 (5) (d) of the statutes is amended to read:

18.04 (5) (d) To acquire public debt contracted for any of the purposes under pars. (a) ~~to (e)~~ and (b).

SECTION 4. 18.04 (6) (b) of the statutes is amended to read:

18.04 (6) (b) The commission may direct that moneys resulting from any public debt contracted under this section be deposited in the funds or accounts created or designated by resolution of the commission ~~or established by resolution under s. 45.37 (7)~~, including escrow accounts established under refunding escrow agreements that are authorized by the commission.

SECTION 5. 18.04 (6) (c) of the statutes is amended to read:

18.04 (6) (c) Notwithstanding s. 25.17, moneys deposited or held in funds or accounts under par. (b) ~~and all other moneys received under s. 45.37 (7) (a) (intro.)~~ may be invested in any obligations, either through cash purchase or exchange, as specified by resolution of the commission.

SECTION 6. 20.485 (2) (yn) of the statutes is amended to read:

20.485 (2) (yn) *Veterans trust fund loans and expenses.* Biennially, the amounts in the schedule for the purpose of providing loans under s. 45.42 and for the payment of expenses and other payments as a consequence of being a mortgagee or owner under home improvement loans made under s. 45.79 (7) (c), 1997 stats., or under s. 45.351 (2), 1995 stats., s. 45.352, 1971 stats., s. 45.356, 2003 stats., s. 45.80, 1989 stats., and s. 45.42. All moneys received under ~~ss. 45.37 (7) (e) and s. 45.42 (8) (a) and (b)~~ for the purpose of providing loans under the personal loan program under s. 45.42 shall be credited to this appropriation account. All payments of interest and repayments of principal for loans made under s. 45.351 (2), 1995 stats., s. 45.352,

1971 stats., s. 45.356, 2003 stats., s. 45.79 (7) (c), 1997 stats., s. 45.80, 1989 stats., and s. 45.42 shall revert to the veterans trust fund.

SECTION 7. 20.485 (2) (yo) of the statutes is amended to read:

20.485 (2) (yo) *Debt payment.* A sum sufficient for the payment of obligations incurred for moneys received under s. 45.42 (8) ~~(a) and~~ (b).

SECTION 8. 20.485 (3) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 9. 20.866 (1) (u) of the statutes is amended to read:

20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1) (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e), 20.255 (1) (d), 20.285 (1) (d), (gj), and (je), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs), (ct), (ea), (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko) and (3) (e) and (fm), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), ~~(3) (t)~~ and (4) (qm), 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bj), (bL), (bm), (bn), (bq), (br), (bt), (bu), (bv), (bw), (bx), (cb), (cd), (cf), (ch), (cj), (cq), (cr), (cs), (g), (h), (i), (kd), and (q) for the payment of principal, interest, premium due, if any, and payment due, if any, under an agreement or ancillary arrangement entered into under s. 18.06 (8) (a) relating to any public debt contracted under subchs. I and IV of ch. 18.

SECTION 10. 20.866 (2) (zn) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 11. 20.866 (2) (zo) of the statutes is amended to read:

20.866 (2) (zo) *Veterans affairs; refunding bonds.* From the funds and accounts under s. 18.04 (6) (b), a sum sufficient for the department of veterans affairs to fund, refund, or acquire the whole or any part of public debt as set forth in s. 18.04 (5). The building commission may contract public debt in an amount not to exceed \$1,015,000,000 for these purposes, exclusive of any amount issued to fund public debt contracted under ~~par. s. 20.866 (2) (zn), 2017 stats.~~

SECTION 12. 20.867 (4) (q) of the statutes is amended to read:

20.867 (4) (q) *Funding in lieu of borrowing.* As a continuing appropriation, all interest earnings of the capital improvement fund accrued after September 30, 1983, except interest earnings arising from the investment of proceeds of public debt contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after March 24, 1985, to permit funding in lieu of borrowing for the purposes for which the contracting of public debt is authorized under s. 20.866 (2) before March 24, 1985, and under s. 20.866 (2) (s) to (zm) and (zz) on and after March 24, 1985, and under s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to (zm) and (zz) on and after August 9, 1989; and to permit funding for the purposes for which the contracting of public debt is authorized under s. 20.866 (2) (u) and (uu), regardless of the borrowing limits under s. 20.866 (2) (u) and (uu), on and after August 9, 1989. Expenditures from this appropriation for each purpose under s. 20.866 (2) (s) to (zm) and (zz) may not exceed the net interest earnings attributable to the corresponding account created under s. 18.08 (1) (b). Net interest earnings shall be allocated quarterly to accounts created under s. 18.08 (1) (b), on the basis of the average daily balance of each account during the quarter, except that accounts with a negative average daily balance shall not receive any interest earnings for that quarter. Balances attributable to accounts created under s. 18.08 (1) (b) may temporarily be utilized to support the expenditures

of other accounts, pending the sale of public debt to provide funds for the program purposes of other accounts. Notwithstanding s. 20.866 (2) (s) to (zm) and (zz) or any nonstatutory state building program project enumeration, this appropriation may be used in lieu of borrowing under s. 20.866 (2) (s) to (zm) and (zz) on and after March 25, 1985, and in lieu of borrowing under s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to (zm) and (zz) on and after August 9, 1989; and may be used regardless of the borrowing limits under s. 20.866 (2) (u) and (uu) on and after August 9, 1989.

SECTION 13. 20.867 (4) (r) of the statutes is amended to read:

20.867 (4) (r) *Interest on veterans obligations.* As a continuing appropriation, all interest earnings arising from the investment of proceeds of public debt contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after March 24, 1985 and all amounts transferred under [1985 Wisconsin Act 6](#), section 27, to permit the payment of debt service on the public debt.

SECTION 14. 25.17 (1) (xp) of the statutes is repealed.

SECTION 15. 25.36 (1) of the statutes is amended to read:

25.36 (1) Except as provided in sub. (2), all moneys appropriated or transferred by law shall constitute the veterans trust fund which shall be used for the lending of money to the mortgage loan repayment fund under s. 45.37 (5) (a) 12. and for the veterans programs under ss. 20.485 (2) (m), (tm), (u), and (z), and (5) (mn), (v), (vo), and (zm), 45.03 (19), 45.07, 45.20, 45.21, 45.40 (1m), 45.41, 45.42, 45.43, and 45.82 and administered by the department of veterans affairs, including all moneys received from the federal government for the benefit of veterans or their dependents, and for the veteran grant jobs pilot program under s. 38.31 administered by the technical college system board; all moneys paid as interest on and repayment of loans under the post-war rehabilitation fund; soldiers rehabilitation fund, veterans

housing funds as they existed prior to July 1, 1961; all moneys paid as interest on and repayment of loans under this fund; all moneys paid as expenses for, interest on, and repayment of veterans trust fund stabilization loans under s. 45.356, 1995 stats.; all moneys paid as expenses for, interest on, and repayment of veterans personal loans; the net proceeds from the sale of mortgaged properties related to veterans personal loans; all mortgages issued with the proceeds of the 1981 veterans home loan revenue bond issuance purchased with moneys in the veterans trust fund; all moneys received from the state investment board under s. 45.42 (8) (b); ~~all moneys received from the veterans mortgage loan repayment fund under s. 45.37 (7) (a) and (e);~~ and all gifts of money received by the board of veterans affairs for the purposes of this fund.

SECTION 16. 45.03 (15) of the statutes is amended to read:

45.03 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS. When a veteran or a member of the veteran's family makes application for deferment of payment of monthly installments and waiver of interest charges on veterans loans made under this chapter, showing that the ability of the veteran to make payment is materially and adversely affected by reason of military service, the department may, with the approval of the board, defer payment of monthly installments and waive interest charges on veterans loans made under this chapter for the duration of any period of service in the armed forces of the United States during a national emergency or in time of war or under P.L. [87-117](#) and 6 months from date of discharge or separation and the time for payment may be extended for the same period. ~~However, when funds estimated to be received in the veterans mortgage loan repayment fund to pay debt service on public debt contracted under s. 20.866 (2) (zn) and (zo) are less than the funds estimated to be required for the payment of the debt service, the board may~~

~~grant deferral of payments and interest on loans provided under s. 45.37 only when so required by federal law.~~

SECTION 17. 45.03 (16) (c) 2. (intro.) of the statutes is amended to read:

45.03 (16) (c) 2. (intro.) The department shall declare immediately due and payable any loan made after July 29, 1979, under a program administered by the department under s. 45.40 ~~or subch. III~~, if it finds that the loan was granted to an ineligible person due to any of the following circumstances:

SECTION 18. 45.03 (16) (c) 3. (intro.) of the statutes is amended to read:

45.03 (16) (c) 3. (intro.) Loan application forms processed by the department for programs administered under s. 45.40 ~~or subch. III~~ shall do all of the following:

SECTION 19. 45.03 (16) (c) 4. of the statutes is amended to read:

45.03 (16) (c) 4. The department shall incorporate the payment acceleration requirements of subd. 2. in all loan documents for programs administered by the department under s. 45.40 ~~or subch. III~~.

SECTION 20. Subchapter III of chapter 45 [precedes 45.30] of the statutes is repealed.

SECTION 21. 45.42 (4) of the statutes is amended to read:

45.42 (4) The department may execute necessary instruments, collect interest and principal, compromise indebtedness, sue and be sued, post bonds, and write off indebtedness that it considers uncollectible. If a loan under this section is secured by a real estate mortgage, the department may exercise the rights of owners and mortgagees generally and the rights and powers set forth in s. 45.32, 2017 stats. The department shall pay all interest and principal repaid on the loan into the veterans trust fund.

SECTION 22. 45.42 (8) (a) of the statutes is repealed.

SECTION 23. 45.42 (8) (b) of the statutes is renumbered 45.42 (8).

SECTION 24. 45.57 of the statutes is amended to read:

45.57 Veterans homes; transfer of funding. The department may transfer all or part of the unencumbered balance of any of the appropriations under s. 20.485 (1) (g), (gd), (gk), or (i) to the veterans trust fund ~~or to the veterans mortgage loan repayment fund~~. The department shall notify the joint committee on finance in writing of any balance transferred under this section.

SECTION 25. 70.11 (1) of the statutes is amended to read:

70.11 (1) PROPERTY OF THE STATE. Property owned by this state except land contracted to be sold by the state. This exemption shall not apply to land conveyed after September, 1933, to this state or for its benefit while the grantor or others for the grantor's benefit are permitted to occupy the land or part thereof in consideration for the conveyance; nor shall it apply to land devised to the state or for its benefit while another person is permitted by the will to occupy the land or part thereof. This exemption shall not apply to any property acquired by the department of veterans affairs under s. 45.32 (5) and (7), 2017 stats., or to the property of insurers undergoing rehabilitation or liquidation under ch. 645. Property exempt under this subsection includes general property owned by the state and leased to a private, nonprofit corporation that operates an Olympic ice training center, regardless of the use of the leasehold income.

SECTION 26. 186.113 (14) (a) of the statutes is repealed.

SECTION 27. 186.113 (14) (b) of the statutes is renumbered 186.113 (14).

SECTION 28. 215.21 (2) of the statutes is amended to read:

215.21 (2) LENDING AREA. Except for loans made under s. 45.37, 2017 stats., the lending area of an association is limited to that area within a radius of 100 miles of the association's office.

SECTION 29. 234.03 (13m) of the statutes is amended to read:

234.03 (13m) To purchase and enter into commitments for the purchase of veterans housing loans made pursuant to s. 45.37, 2017 stats.

SECTION 30. 234.40 (1) of the statutes is amended to read:

234.40 (1) The authority shall issue its negotiable bonds in such principal amount and length of maturity as to provide sufficient funds for veterans housing loans to be made pursuant to s. 45.37, 2017 stats.

SECTION 31. 234.40 (3) of the statutes is amended to read:

234.40 (3) It is the intent of the legislature that the authority be used to finance the veterans housing program. ~~Nothing in this chapter shall be construed to supersede the powers vested by subch. III of ch. 45 in the department of veterans affairs for carrying out program responsibilities for which debt has been incurred by the authority.~~

SECTION 32. 234.41 (1) of the statutes is amended to read:

234.41 (1) There is established under the jurisdiction of the authority a veterans housing loan fund. All moneys resulting from the sale of bonds for the purpose of veterans housing pursuant to s. 45.37, 2017 stats., unless credited to the veterans capital reserve fund, shall be credited to the fund.

SECTION 33. 234.41 (2) of the statutes is amended to read:

234.41 (2) The authority shall use moneys in the fund for the purpose of purchasing loans representing veterans housing loans pursuant to s. 45.37, 2017 stats. All disbursements of funds under this section for purchasing mortgage loans

shall be made payable to authorized lenders as defined in s. 45.31 (3), 2017 stats., and eligible persons as defined in s. 45.31 (5), 2017 stats.

SECTION 34. 234.43 (2) (c) of the statutes is amended to read:

234.43 (2) (c) For repayment of advances from the state made through s. 20.485 (3) (b), 2017 stats.;

SECTION 35. 706.11 (4) of the statutes is amended to read:

706.11 (4) Subsection (1) does not apply to a 2nd mortgage assigned to or executed to the department of veterans affairs under s. 45.80 (4) (a) 1., 1989 stats., or s. 45.37 (3), 2017 stats.

SECTION 36. Chapter VA 4 of the administrative code is repealed.

SECTION 9148. Nonstatutory provisions; Veterans Affairs.

(1) **ELIMINATION OF THE VETERANS MORTGAGE LOAN REPAYMENT FUND.** On the effective date of this subsection, the assets and liabilities of the veterans mortgage loan repayment fund become the assets and liabilities of the veterans trust fund.

(END)