



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-0916/P2  
MCP:skw

DOA:.....Potts, BB0313 - Eliminate the Land Recycling Loan Program  
**FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*Analysis by the Legislative Reference Bureau*

**ENVIRONMENT**

**HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP**

***Elimination of the land recycling loan program***

Under the environmental improvement fund, the state provides financial assistance to local governmental units for certain projects. The environmental improvement fund is made up of three programs: the clean water fund program; the safe drinking water loan program; and the land recycling (brownfields) loan program, which provides financial assistance for the investigation and remediation of certain contaminated properties.

The bill eliminates the land recycling loan program, which has not provided loans since 2008. Under the bill, current law provisions continue to apply to any outstanding loans under the program that are in repayment. The bill also requires any unallocated balance of moneys appropriated to the land recycling loan program to be transferred to the clean water fund program.

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

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

**SECTION 1.** 13.48 (26) of the statutes is amended to read:

13.48 (26) ENVIRONMENTAL IMPROVEMENT ANNUAL FINANCE PLAN APPROVAL. The building commission shall review the versions of the biennial finance plan and any amendments to the biennial finance plan submitted to it by the department of natural resources and the department of administration under s. 281.59 (3) (bm) and the recommendations of the joint committee on finance and the standing committees to which the versions of the biennial finance plan and any amendments were submitted under s. 281.59 (3) (bm). The building commission shall consider the extent to which that version of the biennial finance plan that is updated to reflect the adopted biennial budget act will maintain the funding for the clean water fund program and the safe drinking water loan program, in the environmental improvement fund, in perpetuity. The building commission shall consider the extent to which the implementation of the clean water fund program, and the safe drinking water loan program ~~and the land recycling loan program~~, as set forth in the biennial finance plan updated to reflect the adopted biennial budget act, implements legislative intent on the clean water fund program, and the safe drinking water loan program ~~and the land recycling loan program~~. The building commission shall, no later than 60 days after the date of enactment of the biennial budget act, either approve or disapprove the biennial finance plan that is updated to reflect the adopted biennial budget act. If the building commission disapproves the version of the biennial finance plan that is updated to reflect the adopted biennial budget act, it must notify the department of natural resources and the department of administration of its reasons for disapproving the plan, and those departments must revise that version of the biennial finance plan and submit the revision to the building commission.

**SECTION 2.** 20.320 (1) (sm) of the statutes is repealed.

**SECTION 3.** 20.370 (4) (mt) of the statutes is amended to read:

20.370 (4) (mt) *General program operations — environmental improvement programs; state funds.* From the environmental improvement fund, the amounts in the schedule for general program operations under s. 281.58, 281.59, ~~281.60~~, 281.61, 281.62, or 283.31 or s. 281.60, 2019 stats.

**SECTION 4.** 20.370 (9) (mt) of the statutes is amended to read:

20.370 (9) (mt) *Aids administration — environmental improvement programs; state funds.* From the environmental improvement fund, the amounts in the schedule for the administration of ss. 281.58, ~~281.60~~, 281.61, 281.62, and 283.31 and s. 281.60, 2019 stats.

**SECTION 5.** 20.505 (1) (v) of the statutes is amended to read:

20.505 (1) (v) *General program operations — environmental improvement programs; state funds.* From the environmental improvement fund, the amounts in the schedule for general program operations under s. 281.58, 281.59, ~~281.60~~ or 281.61 or s. 281.60, 2019 stats.

**SECTION 6.** 20.536 (1) (ka) of the statutes is amended to read:

20.536 (1) (ka) *General program operations; environmental improvement fund.* All moneys received for providing services to the department of administration or the department of natural resources in administering ss. 25.43, 281.58, 281.59, ~~281.60~~, 281.61, and 281.62 and s. 281.60, 2019 stats., for general program operations.

**SECTION 7.** 25.43 (2s) (a) 2. of the statutes is amended to read:

25.43 (2s) (a) 2. The difference between \$20,000,000 and the amount that has been expended under s. 20.320 (1) (sm), 2019 stats., when the agreement is entered into.

**SECTION 8.** 25.43 (3) of the statutes is amended to read:

25.43 (3) Except for the purpose of investment as provided in s. 25.17 (2) (d), the environmental improvement fund may be used only for the purposes authorized under ss. 20.320 (1) (r), (s), ~~(sm)~~, (t), and (x) and (2) (r), (s), and (x), 20.370 (4) (mt), (mx) and (nz), (8) (mr) and (9) (mt), (mx) and (ny), 20.505 (1) (v), (x) and (y), 281.58, 281.59, ~~281.60~~, 281.61, 281.62, and 283.31 and s. 281.60, 2019 stats.

**SECTION 9.** 67.12 (12) (a) of the statutes is amended to read:

67.12 (12) (a) Any municipality may issue promissory notes as evidence of indebtedness for any public purpose, as defined in s. 67.04 (1) (b), including but not limited to paying any general and current municipal expense, and refunding any municipal obligations, including interest on them. Each note, plus interest if any, shall be repaid within 10 years after the original date of the note, except that notes issued under this section for purposes of ss. 119.498, 281.58, 281.59, ~~281.60~~, 281.61, and 292.72 and s. 281.60, 2019 stats., issued to raise funds to pay a portion of the capital costs of a metropolitan sewerage district, or issued by a 1st class city or a county having a population of 750,000 or more, to pay unfunded prior service liability with respect to an employee retirement system, shall be repaid within 20 years after the original date of the note.

**SECTION 10.** 281.59 (1) (as) of the statutes is repealed.

**SECTION 11.** 281.59 (2) (a) of the statutes is amended to read:

281.59 (2) (a) Administer its responsibilities under this section and ss. 281.58, ~~281.60~~ and 281.61 and s. 281.60, 2019 stats.

**SECTION 12.** 281.59 (2) (b) of the statutes is amended to read:

281.59 (2) (b) Cooperate with the department in administering the clean water fund program, and the safe drinking water loan program and the land recycling loan program and in servicing any outstanding loans made under s. 281.60, 2019 stats.

**SECTION 13.** 281.59 (3) (a) 1. of the statutes is amended to read:

281.59 (3) (a) 1. An estimate of the wastewater treatment, and safe drinking water and land recycling project needs of the state for the 4 fiscal years of the next 2 biennia.

**SECTION 14.** 281.59 (3) (a) 5. of the statutes is amended to read:

281.59 (3) (a) 5. The most recent available audited financial statements of the past operations and activities of the clean water fund program, and the safe drinking water loan program and the land recycling loan program, the estimated environmental improvement fund capital available in each of the next 4 fiscal years for the clean water fund program and the safe drinking water loan program, and the projected environmental improvement fund balance for the clean water fund program and the safe drinking water loan program for each of the next 20 years given existing obligations and financial conditions.

**SECTION 15.** 281.59 (3) (j) of the statutes is amended to read:

281.59 (3) (j) No later than November 1 of each odd-numbered year, the department of administration and the department jointly shall submit a report, to the building commission and committees as required under par. (bm), on the operations and activities of the clean water fund program, and the safe drinking water loan program and the land recycling loan program for the previous biennium.

**SECTION 16.** 281.59 (9) (a) of the statutes is repealed.

**SECTION 17.** 281.59 (9) (am) of the statutes is amended to read:

281.59 (9) (am) The department of administration, in consultation with the department, may establish those terms and conditions of a financial assistance agreement that relate to its financial management, including what type of municipal obligation, as set forth under sub. (13f), if applicable, is required for the repayment of the financial assistance. Any terms and conditions established under this paragraph by the department of administration shall comply with the requirements of this section and s. 281.58, ~~281.60~~ or 281.61. In setting the terms and conditions, the department of administration may consider factors that the department of administration finds are relevant, including the type of obligation evidencing the loan, the pledge of security for the obligation and the applicant's creditworthiness.

**SECTION 18.** 281.59 (9) (b) (intro.) of the statutes is amended to read:

281.59 (9) (b) (intro.) As a condition of receiving financial assistance under the clean water fund program, or the safe drinking water loan program ~~or the land recycling loan program~~, an applicant shall do all of the following:

**SECTION 19.** 281.59 (9) (b) 1. of the statutes is amended to read:

281.59 (9) (b) 1. Pledge the security, if any, required by the rules promulgated by the department of administration under this section and s. 281.58, ~~281.60~~ or 281.61.

**SECTION 20.** 281.59 (11) (a) of the statutes is amended to read:

281.59 (11) (a) The department of natural resources and the department of administration may enter into a financial assistance agreement with an applicant for which the department of administration has allocated financial assistance under s. 281.58 (9m), ~~281.60 (8)~~ or 281.61 (8) if the applicant meets the conditions under sub. (9) and the other requirements under this section and s. 281.58, ~~281.60~~ or 281.61.

**SECTION 21.** 281.59 (11) (b) of the statutes is amended to read:

281.59 (11) (b) If a municipality fails to make a principal repayment or interest payment after its due date, the department of administration shall place on file a certified statement of all amounts due under this section and s. 281.58, ~~281.60~~ or 281.61 or s. 281.60, 2019 stats. After consulting the department, the department of administration may collect all amounts due by deducting those amounts from any state payments due the municipality or may add a special charge to the amount of taxes apportioned to and levied upon the county under s. 70.60. If the department of administration collects amounts due, it shall remit those amounts to the fund to which they are due and notify the department of that action.

**SECTION 22.** 281.59 (11) (c) of the statutes is amended to read:

281.59 (11) (c) The department of administration may retain the last payment under a financial assistance agreement until the department of natural resources and the department of administration determine that the project is completed and meets the applicable requirements of this section and s. 281.58, ~~281.60~~ or 281.61 or s. 281.60, 2019 stats., and that the conditions of the financial assistance agreement are met.

**SECTION 23.** 281.59 (13s) of the statutes is amended to read:

281.59 (13s) POWERS. The department of administration may audit, or contract for audits of, projects receiving financial assistance under the clean water fund program, or the safe drinking water loan program and the land recycling loan program or projects that received loans under s. 281.60, 2019 stats.

**SECTION 24.** 281.59 (14) of the statutes is amended to read:

281.59 (14) RULES. The department of administration shall promulgate rules that are necessary for the proper execution of this section and of its responsibilities under ss. 281.58, ~~281.60~~ and 281.61 and s. 281.60, 2019 stats.

**SECTION 25.** 281.60 of the statutes is repealed.

**SECTION 26.** 281.605 of the statutes is created to read:

**281.605 Outstanding loans under the former land recycling loan program.** Section 281.60 (8m), 2019 stats., s. 281.60 (11), 2019 stats., s. 281.60 (11m), 2019 stats., s. 281.60 (13) (c), 2019 stats., s. 281.60 (13) (d), 2019 stats., s. 281.60 (13) (f), 2019 stats., and s. 281.60 (13) (h), 2019 stats., shall continue to apply to any outstanding loans made under the former land recycling loan program under s. 281.60, 2019 stats.

**SECTION 9132. Nonstatutory provisions; Natural Resources.**

(1) TRANSFER OF LAND RECYCLING LOAN PROGRAM BALANCE. All moneys appropriated for the land recycling loan program under s. 281.60, 2019 stats., that are unallocated on the effective date of this subsection shall be transferred to the environmental improvement fund for the clean water fund program under s. 281.58.

(END)