



1995 ENGROSSED ASSEMBLY BILL 56

April 4, 1995 — Printed by direction of SENATE CHIEF CLERK.

1 **AN ACT to repeal** 234.90 (3m) (b); **to renumber and amend** 234.90 (3m) (a); **to**
2 **amend** 234.90 (2) (intro.), 234.90 (2) (d), 234.90 (3) (intro.), 234.90 (3g) (intro.),
3 234.90 (4) (a), 234.90 (5) and 234.93 (4) (a) 2.; and **to create** 234.90 (3j) and
4 234.93 (4m) of the statutes; **relating to:** extending the agricultural production
5 loan guarantee program, changing the interest subsidy, authorizing the use of
6 different eligibility criteria in emergencies and requesting an audit of
7 administrative assessments against the Wisconsin development reserve fund.

Analysis by the Legislative Reference Bureau

Engrossment information:

The text of Engrossed 1995 Assembly Bill 56 consists of the following documents adopted in the assembly on February 28, 1995: Assembly Substitute Amendment 1 as affected by Assembly Amendments 1 and 3 (as affected by chief clerk's correction).

These amendments both affect s. 234.90 (2) (d). Assembly Amendment 1 moves the repeal of s. 234.90 (2) (d) from SECTION 1 to SECTION 1b. Assembly Amendment 3 deletes the repeal of s. 234.90 (2) (d) and substitutes an amendment of that section. This bill reflects the effect of Assembly Amendment 3.

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

8 **SECTION 1.** 234.90 (2) (intro.) of the statutes is amended to read:

1 234.90 (2) ELIGIBLE LOANS. (intro.) ~~An~~ Except as provided in sub. (3j), an
2 agricultural production loan made by a participating lender is eligible for guarantee
3 of collection from the Wisconsin development reserve fund under s. 234.93 if all of the
4 following apply:

5 **SECTION 1am.** 234.90 (2) (d) of the statutes is amended to read:

6 234.90 (2) (d) ~~The~~ If the rate of interest on the loan equals or exceeds 10%, the
7 rate of interest on the loan for which the borrower is obligated, including any
8 origination fees or other charges relating to the loan, does not exceed the rate
9 determined under par. (c), minus 2%.

10 **SECTION 1c.** 234.90 (3) (intro.) of the statutes is amended to read:

11 234.90 (3) ELIGIBLE FARMERS. (intro.) ~~Except as provided under sub. subs.~~ (3g)
12 and (3j), a farmer is eligible for a guaranteed loan if all of the following apply:

13 **SECTION 1e.** 234.90 (3g) (intro.) of the statutes is amended to read:

14 234.90 (3g) ELIGIBLE DAIRY FARMER. (intro.) ~~A~~ Except as provided in sub. (3j),
15 a farmer is eligible for a guaranteed loan under this subsection if all of the following
16 apply:

17 **SECTION 1g.** 234.90 (3j) of the statutes is created to read:

18 234.90 (3j) EMERGENCY ELIGIBILITY CRITERIA. The authority may guarantee a
19 loan to a farmer using eligibility criteria determined by the authority that differ from
20 the criteria under subs. (2) to (3g) if all of the following apply:

21 (a) The governor has determined that an emergency situation exists and that
22 the criteria under subs. (2) to (3g) prevent the authority from making an adequate
23 response to the emergency situation.

24 (b) The authority has submitted to the joint committee on finance for review
25 under s. 13.10 the emergency eligibility criteria that it proposes to use, and the joint

1 committee on finance has approved the use of the criteria for the emergency
2 situation.

3 **SECTION 2.** 234.90 (3m) (a) of the statutes is renumbered 234.90 (3m) and
4 amended to read:

5 234.90 (3m) EXTENSION. ~~Except as provided in par. (b), a~~ A participating lender
6 may extend the term of a loan until no later than June 30 of the calendar year
7 following the calendar year in which the participating lender granted the loan.

8 **SECTION 3.** 234.90 (3m) (b) of the statutes is repealed.

9 **SECTION 4.** 234.90 (4) (a) of the statutes is amended to read:

10 234.90 (4) (a) Except as provided in par. (b), the authority shall guarantee
11 repayment of 90% of the principal of any agricultural production loan eligible for
12 guarantee under sub. (2) made to a farmer eligible for a guaranteed loan under sub.
13 (3) or (3g) ~~during the period beginning on January 1, 1993, and ending on December~~
14 ~~31, 1994.~~

15 **SECTION 5.** 234.90 (5) of the statutes is amended to read:

16 234.90 (5) INTEREST REDUCTION. ~~The~~ If the rate of interest on a guaranteed loan
17 at the time of origination or extension equals or exceeds 10%, the authority shall pay,
18 from the moneys in the Wisconsin development reserve fund, to each the
19 participating lender making the loan, an amount equal to 2% of the principal amount
20 of any agricultural production the loan guaranteed under sub. (4).

21 **SECTION 6.** 234.93 (4) (a) 2. of the statutes is amended to read:

22 234.93 (4) (a) 2. To fund guarantees under all of the programs guaranteed by
23 funds from the Wisconsin development reserve fund at a ratio of \$1 of reserve funding
24 to \$4 of total principal and outstanding guaranteed principal that the authority may
25 guarantee under all of those programs.

