

State of Misconsin 2011 - 2012 LEGISLATURE



September 2011 Special Session

## **SENATE BILL 20**

October 18, 2011 – Introduced by COMMITTEE ON SENATE ORGANIZATION, by request of Governor Scott Walker, Senator Schultz, and Representative Nerison. Referred to Committee on Agriculture, Forestry, and Higher Education.

1 AN ACT to repeal 234.90 (3m); and to amend 234.90 (2) (b) and 234.90 (2) (h)

2 of the statutes; **relating to:** changes to agricultural production loan 3 guarantees administered by the Wisconsin Housing and Economic 4 Development Authority.

## Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) administers loan guarantees for agricultural production loans that meet certain conditions (agricultural production loan guarantees). Annually, WHEDA establishes the maximum loan principal amount for which a borrower may receive agricultural production loan guarantees. Currently, WHEDA may set that maximum amount at not less than \$30,000 nor more than \$100,000. This bill changes that range to not less than \$2,000 nor more than \$150,000.

Also under current law, the term of a loan eligible for an agricultural production loan guarantee may not extend past March 31 of the calendar year following the year in which the loan was made, subject to an extension until June 30 of the calendar year following the year in which the loan was made. The bill deletes those specific date limitations and provides that the term of a loan eligible for an agricultural production loan guarantee may not extend beyond 12 months after the date the loan is made.

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

| 1  | <b>SECTION 1.</b> 234.90 (2) (b) of the statutes is amended to read:                     |
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| 2  | 234.90 (2) (b) In order to maximize the benefits of the program under this               |
| 3  | section, the total outstanding principal amount of all loans to the borrower that are    |
| 4  | guaranteed under this section will not exceed an amount set annually, no later than      |
| 5  | December 1, by the authority that is not less than \$30,000 <u>\$2,000</u> nor more than |
| 6  | \$100,000 <u>\$150,000</u> . For purposes of adjusting the total outstanding principal   |
| 7  | amount of all loans to a borrower under this paragraph, the authority shall consider     |
| 8  | changes in the index of prices paid by farmers published by the federal department       |
| 9  | of agriculture.  |
| 10 | <b>SECTION 2.</b> 234.90 (2) (h) of the statutes is amended to read:                     |
| 11 | 234.90 (2) (h) The term of the loan does not extend beyond 12 months after               |

March 31 of the calendar year following the calendar year in the date on which the 1213participating lender granted the loan.

- SECTION 3. 234.90 (3m) of the statutes is repealed. 14
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(END)