

State of Misconsin 2019 - 2020 LEGISLATURE

LRB-0847/1 EVM:kjf

2019 BILL

1 AN ACT to create 24.66 (1) (cg) 5. of the statutes; relating to: applications for

school trust fund loans.

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Analysis by the Legislative Reference Bureau

This bill is explained in the Notes provided by the Joint Legislative Council in the bill.

For further information see the *state and local* 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:

Joint Legislative Council prefatory note: Current law authorizes the Board of Commissioners of Public Lands (BCPL) to make revenue obligation loans to cities, villages, towns, counties, and certain other governmental entities. The loans are secured by a pledge and assignment of the revenue generated by a specific project. Loans may be issued for the purpose of financing or refinancing costs associated with acquisition, leasing, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair, or improvement of land, waters, property, highways, buildings, equipment, or facilities; or for certain expenditures made as part of a project plan for a tax incremental district. Unless the BCPL consents, a borrower may not use money obtained from a loan for any purpose other than a purpose specified in the application for the loan.

This bill requires that an application for a revenue obligation loan must include an affirmation that the borrower will not use money obtained from the loan for a cash grant

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or forgivable loan made by the borrower to an owner, lessee, or developer of land. BCPL may not waive this affirmation. The bill also requires that if the BCPL determines that a borrower has violated the affirmation, the BCPL must require repayment in full of all unpaid principal and interest on the loan by the next scheduled repayment due date. These requirements apply to a loan application submitted on or after the date on which the requirements take effect.

SECTION 1. 24.66 (1) (cg) 5. of the statutes is created to read:

24.66 (1) (cg) 5. An affirmation that money obtained by the borrower from the trust fund loan will not be used for a cash grant or forgivable loan made by the borrower to an owner, lessee, or developer of land. Notwithstanding s. 24.72, the board may not waive this affirmation. If the board determines that the borrower has violated the affirmation under this subdivision, all unpaid principal and interest on the loan shall become due and the board shall include in the next succeeding certified statement of amount due the full unpaid amount of the loan.

SECTION 2. Initial applicability.

(1) This act first applies to a state trust fund loan applied for on the effective date of this subsection.

12 (END)