



2005 SENATE BILL 622

February 22, 2006 – Introduced by Senators COGGS, PLALE, CARPENTER, ERPENBACH, TAYLOR, ROESSLER, HANSEN and MILLER, cosponsored by Representatives WIECKERT, F. LASEE, TURNER, YOUNG, GRIGSBY, FIELDS, OTT, MOLEPSKE, OWENS, SHERIDAN, KREIBICH, VOS, TOLES, LEHMAN and SINICKI. Referred to Committee on Housing and Financial Institutions.

1 **AN ACT** *to amend* 20.505 (3) (s); and *to create* 16.956, 20.505 (3m) (title), 20.505
2 (3m) (q), 25.17 (1) (yn) and 25.90 of the statutes; **relating to:** creating a window
3 replacement loan program and fund, granting rule-making authority, and
4 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Administration (DOA) to promulgate rules for making loans to owners of dwellings constructed before 1950 to replace windows with lead-free, energy efficient windows. The loan proceeds may be used only for purchasing replacement windows, and may not be used for window installation costs. In addition, the rules must require DOA to determine, based on demand for the loans, the maximum amount that a borrower may receive in loans. The source of the loans is a window replacement fund that is created in the bill. The window replacement fund consists of \$10 million that is transferred from the utility public benefits fund in fiscal year 2007-08 and \$10 million that is transferred in fiscal year 2008-09. In addition, loan repayments are deposited into the window replacement fund, and may be used for making additional loans. (Under current law, the utility public benefits fund consists of contributions made by electric utilities and fees by electric utility customers, and the utility public benefits fund is used by DOA to make grants for low-income energy assistance, energy conservation and efficiency, environmental research and development, and renewable resource programs.)

The bill also does the following:

SENATE BILL 622

1. Requires DOA to consult with the Department of Health and Family Services (DHFS) before promulgating the rules. The purpose of the consultation is to ensure, to the extent practicable, that the rules are consistent with DHFS's requirements for reducing lead hazards under current law.

2. Requires the rules to specify terms and conditions for the loans that, as determined by DOA, are favorable to borrowers.

3. Requires DOA to make loans that are not due and payable until a dwelling whose windows are replaced is sold by the borrower.

4. Allows, but does not require, the rules to require a loan applicant to provide security for repayment of a loan.

5. Prohibits the rules from imposing income eligibility requirements.

6. Requires DOA to contract with a nonprofit corporation to administer the loan program. The corporation must be a corporation with whom DOA has entered into a contract to administer energy conservation and efficiency, environmental research and development, or renewable resource programs under current law.

7. Requires DOA to report, no later than two years after the bill's effective date, to the legislature on the loan program and to make recommendations regarding improving, expanding, or discontinuing the program.

8. Provides that the amount transferred from the utility public benefits fund is deducted from the amount appropriated from that fund for energy conservation and renewable energy programs, rather than from the amounts appropriated for low-income energy assistance programs.

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:

1 **SECTION 1.** 16.956 of the statutes is created to read:

2 **16.956 Window replacement loan program. (1) DEFINITION.** In this
3 section, "dwelling" means any structure constructed before 1950, all or part of which
4 is designed or used for human habitation.

5 **(2) DEPARTMENT DUTIES.** (a) The department shall promulgate rules that
6 establish a program for making loans from the appropriation under s. 20.505 (3m)
7 (q) to the owners of dwellings or units of dwellings for replacing dwelling windows
8 with lead-free, energy efficient windows. The rules shall require the department to
9 determine, based on aggregate demand for loans by applicants, the maximum

SENATE BILL 622

1 amount that a borrower may receive in loans under this paragraph. The rules shall
2 specify terms and conditions for the loans that, as determined by the department, are
3 favorable to borrowers. The rules shall require the department to make loans that
4 are not due and payable until a borrower sells a dwelling whose window replacement
5 has been assisted by the loan. The rules shall also specify requirements and
6 procedures for applying for loans, reviewing and approving applications, repaying
7 loans, settling disputes and claims, and maintaining records. The rules may, but are
8 not required to, require loan applicants to provide security for repayment of a loan.
9 The rules may not impose income eligibility requirements on loan applicants.

10 (b) Before promulgating rules under par. (a), the department of administration
11 shall consult with the department of health and family services for the purpose of
12 ensuring that, to the extent practicable, the rules are consistent with the
13 requirements under subch. II of ch. 254 for reducing lead hazards.

14 (c) The department shall deposit all moneys received in repayment of loans
15 under par. (a) into the window replacement fund.

16 **(3) LOAN PROCEEDS.** A person who receives a loan under the rules promulgated
17 under sub. (2) (a) may use the proceeds only for purchasing replacement windows
18 and may not use the proceeds for window installation costs.

19 **(4) PROGRAM ADMINISTRATION.** (a) To administer the program established under
20 the rules promulgated under sub. (2) (a), the department shall contract with a
21 corporation with whom the department has entered into a contract to administer a
22 program under s. 16.957 (3) (b).

23 (b) At any time after a person files an application for a loan under sub. (2) (a),
24 the department or a corporation specified in par. (a) may verify the correctness of the
25 application or any other information regarding eligibility for the loan.

SENATE BILL 622

1 **(5) REPORT.** No later than 24 months following the effective date of this
2 subsection [revisor inserts date], the department shall submit to the appropriate
3 standing committees of the legislature in the manner provided under s. 13.172 (3)
4 a report on the program under this section, including recommendations about
5 improving, expanding, or discontinuing the program.

6 **SECTION 2.** 20.505 (3) (s) of the statutes is amended to read:

7 20.505 **(3)** (s) *Energy conservation and efficiency and renewable resource*
8 *grants.* From the utility public benefits fund, a sum sufficient, less the amount
9 transferred to the window replacement fund under 2005 Wisconsin Act ... (this act),
10 section 8 (1), for energy conservation and efficiency and renewable resource grants
11 under s. 16.957 (2) (b) 1. and to make the transfer to the air quality improvement fund
12 under s. 16.958 (2) (a).

13 **SECTION 3.** 20.505 (3m) (title) of the statutes is created to read:

14 20.505 **(3m)** (title) WINDOW REPLACEMENT LOAN PROGRAM.

15 **SECTION 4.** 20.505 (3m) (q) of the statutes is created to read:

16 20.505 **(3m)** (q) *Loans.* From the window replacement fund, a sum sufficient
17 for making loans under the rules promulgated under s. 16.956 (2) (a).

18 **SECTION 5.** 25.17 (1) (yn) of the statutes is created to read:

19 25.17 **(1)** (yn) Window replacement fund (s. 25.90);

20 **SECTION 6.** 25.90 of the statutes is created to read:

21 **25.90 Window replacement fund.** There is established a separate
22 nonlapsible trust fund designated as the window replacement fund, consisting of
23 moneys transferred under 2005 Wisconsin Act (this act), section 8 (1), and deposits
24 of loan repayments by the department of administration under s. 16.956 (2) (c).

25 **SECTION 7. Nonstatutory provisions.**

