



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1995 ASSEMBLY BILL 601**

January 16, 1996 – Offered by COMMITTEE ON SMALL BUSINESS AND ECONOMIC DEVELOPMENT.

1 **AN ACT to amend** 234.82 (4) (a) and 234.82 (4) (c); and **to create** 234.82 (5) of the
2 statutes; **relating to:** use of loan proceeds under the business improvement
3 loan guarantee program.

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

4 **SECTION 1.** 234.82 (4) (a) of the statutes, as affected by 1995 Wisconsin Act 27,
5 is amended to read:

6 234.82 (4) (a) The borrower uses the loan proceeds for upgrading, renovating
7 or expanding an eligible business under sub. (1) (a) 1. or for start-up costs for an
8 eligible business under sub. (1) (a) 2. Loan proceeds may be used for direct or related
9 expenses associated with the purchase or improvement of land, buildings,
10 machinery, equipment or inventory. ~~Loan~~ Except as provided in sub. (5), loan
11 proceeds may not be used to refinance existing debt or for operating or entertainment
12 expenses.

13 **SECTION 2.** 234.82 (4) (c) of the statutes is amended to read:

1 234.82 (4) (c) The Subject to sub. (5) (d), the loan term does not extend beyond
2 10 years after the date on which the financial institution disburses the loan unless
3 the loan is extended by the authority.

4 **SECTION 3.** 234.82 (5) of the statutes is created to read:

5 234.82 (5) SNOW DROUGHT EMERGENCY. A loan to an eligible borrower that would
6 be an eligible loan under sub. (4) except that it is made for operating expenses of an
7 eligible business may be guaranteed under this section if all of the following apply:

8 (a) The eligible business is located in a county for which the governor has
9 declared a state of emergency because of a lack of snow.

10 (b) The loan is made within 45 days after the governor declares the state of
11 emergency.

12 (c) The eligible business is dependent upon a sufficient amount of snow for a
13 large portion of its revenue at the time of year during which the state of emergency
14 is in effect.

15 (d) The loan term does not extend beyond 2 years after the date on which the
16 financial institution disburses the loan unless the loan is extended by the authority.

17 **(END)**