



State of Wisconsin
2019 - 2020 LEGISLATURE

LRBs0076/1
MPG:kjf

**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 121**

July 23, 2019 - Offered by Senator BERNIER.

1 **AN ACT** *to amend* 16.303 (title), 16.303 (1) (c), 16.303 (2) (intro.), 16.304 (1) (a)
2 and 16.304 (1) (c); and *to create* 16.303 (1) (ar) and 16.303 (2r) of the statutes;
3 **relating to:** housing quality standards loans, providing an exemption from
4 emergency rule procedures, and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Administration is required to award grants or loans to persons or families of low or moderate income to defray housing costs, subject to certain conditions and limitations. This bill additionally requires DOA to award loans to owners of rental housing units for purposes of satisfying applicable housing quality standards. Under the bill, a loan recipient must satisfy all applicable housing quality standards for the duration of the loan. Additionally, a loan recipient who rents housing units to persons or families of low or moderate income may have the loan forgiven based on rules promulgated by DOA. Those rules must also limit each loan to \$10,000; limit loan recipients to the receipt of no more than five loans; require, to the extent practicable and subject to certain limitations specified in the bill, an equal distribution of loans throughout the state; and require DOA to publicize the loan program.

Current law authorizes the Joint Committee on Finance to supplement an agency's appropriation that is insufficient only if JCF finds that an emergency exists.

This bill exempts from that requirement any request of DOA in the 2019-21 fiscal biennium for JCF to supplement the appropriation of DOA for housing quality standards loans provided under the bill.

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

1 **SECTION 1.** 16.303 (title) of the statutes is amended to read:

2 **16.303** (title) **Housing cost and housing quality standards grants and**
3 **loans.**

4 **SECTION 2.** 16.303 (1) (ar) of the statutes is created to read:

5 16.303 (1) (ar) Subject to sub. (2r), award loans from the appropriation under
6 s. 20.505 (7) (b) to owners of rental housing units in this state for purposes of
7 satisfying applicable housing quality standards.

8 **SECTION 3.** 16.303 (1) (c) of the statutes is amended to read:

9 16.303 (1) (c) Set minimum standards for housing that is occupied by a person
10 or family of low or moderate income who receives a grant or loan under ~~this section~~
11 par. (a).

12 **SECTION 4.** 16.303 (2) (intro.) of the statutes is amended to read:

13 16.303 (2) (intro.) In connection with grants and loans under sub. (1) (a), the
14 department shall do all of the following:

15 **SECTION 5.** 16.303 (2r) of the statutes is created to read:

16 16.303 (2r) (a) In connection with loans under sub. (1) (ar), all of the following
17 apply:

18 1. The department shall contract with each loan recipient. The contract shall
19 require the loan recipient to satisfy all applicable housing quality standards for the
20 duration of the loan.

1 2. A loan recipient who rents housing units to persons or families of low or
2 moderate income may have the loan forgiven based on the rules promulgated under
3 par. (b).

4 (b) The department shall promulgate rules to administer the loan program
5 under sub. (1) (ar), including rules that do all of the following:

6 1. Establish procedures for selecting loan recipients and for loan forgiveness.

7 2. Limit each loan award to \$10,000.

8 3. Provide that no loan recipient, including all subsidiaries and affiliates, may
9 receive more than a total of 5 loans.

10 4. Require that the department, to the extent practicable based on loan
11 applications, shall distribute loan awards equally among all counties in the state,
12 subject to all of the following:

13 a. At least 50 percent of all loans shall be awarded to recipients located in a
14 rural county, as defined in s. 39.399 (1g) (a).

15 b. No more than 20 percent of all loans may be awarded to recipients located
16 in a county containing a 1st class city.

17 5. Require the department to publicize the loan program, including on the
18 Internet.

19 **SECTION 6.** 16.304 (1) (a) of the statutes is amended to read:

20 16.304 (1) (a) Award grants and loans under s. 16.303 (1) (a) and (2) subject to
21 the approval of the department.

22 **SECTION 7.** 16.304 (1) (c) of the statutes is amended to read:

23 16.304 (1) (c) On terms approved by the department, administer and disburse
24 funds from a grant or loan under s. 16.303 (1) (a) on behalf of the recipient of the grant
25 or loan.

SECTION 9101. Nonstatutory provisions; Administration.

(1) EMERGENCY RULES. Using the procedure under s. 227.24, the department of administration may promulgate rules necessary to implement the housing quality standards loan program under s. 16.303 (1) (ar). Notwithstanding s. 227.24 (1) (a) and (3), the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection. Notwithstanding s. 227.24 (1) (c) and (2), the effective period of a rule promulgated under this subsection is for 2 years after its promulgation, or until permanent rules take effect, whichever is sooner, and the effective period may not be further extended under s. 227.24 (2).

(2) FUNDING. In the 2019-21 fiscal biennium, if the department of administration requests under s. 13.101 (3) that the joint committee on finance supplement the appropriation under s. 20.505 (7) (b) for the purpose of providing housing quality standards loans under s. 16.303 (1) (ar), the committee may supplement that appropriation for that purpose without finding that an emergency exists under s. 13.101 (3) (a) 1.

(END)