



2003 ASSEMBLY BILL 993

March 11, 2004 - Introduced by Representatives WIECKERT and MORRIS, cosponsored by Senators MOORE and STEPP. Referred to Committee on Housing.

1 **AN ACT to amend** 234.03 (2m), 234.265 (2), 234.40 (4), 234.50 (4), 234.60 (2),
2 234.61 (1), 234.65 (1) (b) and 234.66 (3) (b); and **to create** 234.63 of the statutes;
3 **relating to:** a loan program for lead-based paint abatement.

Analysis by the Legislative Reference Bureau

The Wisconsin Housing and Economic Development Authority (WHEDA) is authorized to issue bonds and notes to fund various types of housing programs that it administers, including a program under which WHEDA makes loans to eligible persons 60 years of age or older for payment of property taxes, and a program under which WHEDA makes loans to finance projects for residential facilities for elderly or disabled persons, children with long-term care needs, homeless persons, and victims of domestic abuse.

Under this bill, WHEDA is authorized to issue up to \$10,000,000 in bonds or notes to finance loans for lead-based paint removal. An owner of a dwelling, which is defined as a structure used for human habitation, or an owner of a unit of a dwelling may receive a loan from WHEDA for activities related to the removal of lead-based paint from the dwelling or unit. A loan may not exceed \$2,000, and the aggregate outstanding principal amount of all loans may not exceed \$10,000,000 at any time. Interest on a loan may be lower than market rates, but may not be less than

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one percent. WHEDA may not require repayment of the loan principal until the dwelling or unit is sold by the owner who received the loan.

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

1 **SECTION 1.** 234.03 (2m) of the statutes is amended to read:

2 234.03 **(2m)** To issue notes and bonds in accordance with ss. 234.08, 234.40,
3 234.50, 234.60, 234.61, 234.626, 234.63, 234.65, and 234.66.

4 **SECTION 2.** 234.265 (2) of the statutes is amended to read:

5 234.265 **(2)** Records or portions of records consisting of personal or financial
6 information provided by a person seeking a grant or loan under s. 234.08, 234.49,
7 234.59, 234.61, 234.65, 234.67, 234.83, 234.84, 234.90, 234.905, 234.907, or 234.91,
8 seeking a loan under ss. 234.621 to 234.626 or under s. 234.63, seeking financial
9 assistance under s. 234.66, seeking investment of funds under s. 234.03 (18m), or in
10 which the authority has invested funds under s. 234.03 (18m), unless the person
11 consents to disclosure of the information.

12 **SECTION 3.** 234.40 (4) of the statutes is amended to read:

13 234.40 **(4)** The limitations established in ss. 234.18 (1), 234.50, 234.60, 234.61,
14 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of
15 this section. The authority may not have outstanding at any one time bonds for
16 veterans housing loans in an aggregate principal amount exceeding \$61,945,000,
17 excluding bonds being issued to refund outstanding bonds.

18 **SECTION 4.** 234.50 (4) of the statutes is amended to read:

19 234.50 **(4)** The limitations established in ss. 234.18 (1), 234.40, 234.60, 234.61,
20 234.63, 234.65, and 234.66 are not applicable to bonds issued under the authority of
21 this section. The authority may not have outstanding at any one time bonds for

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1 housing rehabilitation loans in an aggregate principal amount exceeding
2 \$100,000,000, excluding bonds being issued to refund outstanding bonds. The
3 authority shall consult with and coordinate the issuance of bonds with the building
4 commission prior to the issuance of bonds.

5 **SECTION 5.** 234.60 (2) of the statutes is amended to read:

6 234.60 (2) The limitations in ss. 234.18 (1), 234.40, 234.50, 234.61, 234.63,
7 234.65, and 234.66 do not apply to bonds or notes issued under this section.

8 **SECTION 6.** 234.61 (1) of the statutes is amended to read:

9 234.61 (1) Upon the authorization of the department of health and family
10 services, the authority may issue bonds or notes and make loans for the financing of
11 housing projects which are residential facilities as defined in s. 46.28 (1) (d) and the
12 development costs of those housing projects, if the department of health and family
13 services has approved the residential facilities for financing under s. 46.28 (2). The
14 limitations in ss. 234.18 (1), 234.40, 234.50, 234.60, 234.63, 234.65, and 234.66 do not
15 apply to bonds or notes issued under this section. The definition of “nonprofit
16 corporation” in s. 234.01 (9) does not apply to this section.

17 **SECTION 7.** 234.63 of the statutes is created to read:

18 **234.63 Lead-bearing paint removal loans. (1)** In this section:

19 (a) “Dwelling” has the meaning given in s. 254.11 (5).

20 (b) “Lead hazard abatement” has the meaning given in s. 254.11 (8j).

21 (2) (a) The authority may make a loan not exceeding \$2,000 to the owner of a
22 dwelling or a unit of a dwelling. Loan proceeds may be used only for lead hazard
23 abatement at the dwelling or unit. The authority may establish additional eligibility
24 criteria for receipt of a loan.

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1 (b) The aggregate outstanding principal amount of all loans under this section
2 may not exceed \$10,000,000 at any time.

3 **(3)** (a) Subject to pars. (c) and (d), the authority shall determine the terms and
4 conditions of any loan under this section.

5 (b) The authority shall enter into a loan agreement with the loan recipient and
6 shall obtain security for repayment of the loan.

7 (c) The authority may charge interest on a loan under this section at a lower
8 rate than the market rate, but the interest rate for any loan may not be less than 1
9 percent.

10 (d) Repayment of the principal of a loan under this section may not be required
11 until the loan recipient transfers ownership of the dwelling or unit for which the loan
12 was made.

13 **(4)** (a) The authority shall adopt rules and establish procedures under which
14 applications for loans may be submitted, reviewed, and approved; under which
15 repayment of loans are to be obtained; under which disputes and claims are to be
16 settled; and under which records are to be maintained.

17 (b) At any time after an application is filed, the authority may verify the
18 correctness of the application and any other information regarding the eligibility of
19 the applicant or recipient or dwelling or unit.

20 (c) The authority may charge fees for assistance provided under this section to
21 cover the administrative costs of the program, including legal fees.

22 **(5)** (a) The authority may issue bonds or notes to fund the loans under this
23 section. The authority may not issue more than \$10,000,000 in aggregate principal
24 amount of bonds or notes under this section, excluding bonds and notes issued to
25 refund outstanding bonds and notes issued under this section.

