



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2414/1
MPG:amn

2019 SENATE BILL 196

April 30, 2019 - Introduced by Senator HANSEN, cosponsored by Representatives STUCK, GRUSZYNSKI, BOWEN, CONSIDINE, SHANKLAND, SPREITZER, STUBBS, SUBECK, C. TAYLOR and TUSLER. Referred to Committee on Economic Development, Commerce and Trade.

1 **AN ACT** *to amend* 20.490 (1) (title); and *to create* 20.490 (1) (c), 20.490 (1) (cm),
2 234.66 and 234.665 of the statutes; **relating to:** revolving loan funds
3 administered by the Wisconsin Housing and Economic Development Authority
4 for certain activities of paper mills, a paper science grant, and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Wisconsin Housing and Economic Development Authority to do all of the following:

1. Establish a \$30,000,000 revolving loan fund to assist paper mills in this state to transition to the manufacture of paper products other than white paper.
2. Establish a \$30,000,000 revolving loan fund to assist paper mills in this state to modernize facilities, increase energy efficiency, increase the use of renewable and clean energy sources, and reduce harmful by-products and waste.

The bill requires WHEDA to establish policies and procedures implementing the revolving loan fund program under the bill, including job retention requirements. Additionally, under the bill, the revolving loan funds must satisfy all of the following requirements:

1. Each loan must be interest free.
2. No business may receive more than \$5,000,000 in loans from the revolving loan funds combined.
3. Each loan must be repaid on at least a quarterly basis and must be repaid in full over a period of no more than five years.

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4. The five-year or less repayment period for each loan may not begin until after installation of the project funded by the loan is complete, as determined WHEDA.

Finally, the bill requires WHEDA to award a grant of up to \$500,000 to the University of Wisconsin-Stevens Point for its paper science program.

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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

			2019-20	2020-21
20.490 Wisconsin Housing and Economic				
Development Authority				
(1) FACILITATION OF CONSTRUCTION AND OTHER				
ASSISTANCE				
(c) Paper mills revolving loan fund				
program	GPR	C	60,000,000	-0-
(cm) Paper science program grant	GPR	C	500,000	-0-

10 **SECTION 2.** 20.490 (1) (title) of the statutes is amended to read:

11 20.490 (1) (title) FACILITATION OF CONSTRUCTION AND OTHER ASSISTANCE.

12 **SECTION 3.** 20.490 (1) (c) of the statutes is created to read:

13 20.490 (1) (c) *Paper mills revolving loan fund program.* As a continuing
14 appropriation, the amounts in the schedule for the paper mill revolving loan fund
15 program under s. 234.66.

16 **SECTION 4.** 20.490 (1) (cm) of the statutes is created to read:

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1 20.490 (1) (cm) *Paper science program grant*. As a continuing appropriation,
2 the amounts in the schedule for the grant to the University of Wisconsin-Stevens
3 Point under s. 234.665.

4 **SECTION 5.** 234.66 of the statutes is created to read:

5 **234.66 Paper mills revolving loan funds. (1)** The authority shall establish
6 a \$30,000,000 revolving loan fund to assist paper mills in this state to transition to
7 the manufacture of paper products other than white paper.

8 **(2)** The authority shall establish a \$30,000,000 revolving loan fund to assist
9 paper mills in this state to do all of the following:

10 (a) Modernize facilities and make technology upgrades.

11 (b) Increase energy efficiency.

12 (c) Increase the use of renewable and clean energy sources.

13 (d) Reduce harmful by-products and waste generated by the paper mill.

14 **(3)** The revolving loan funds under subs. (1) and (2) shall satisfy all of the
15 following requirements:

16 (a) Each loan made from the revolving loan funds shall be interest free.

17 (b) No business may receive more than a total of \$5,000,000 in loans from the
18 revolving loan funds combined.

19 (c) Each loan made from the revolving loan funds shall be repaid on at least a
20 quarterly basis and shall have an amortization period of no more than 5 years.

21 (d) The amortization period under par. (c) may not begin until after installation
22 of the project funded by the loan is complete, as determined by the authority.

23 **(4)** The authority shall establish policies and procedures implementing the
24 revolving loan program under this section. The policies and procedures shall include
25 job retention requirements for the revolving loan funds under subs. (1) and (2).

