

State of Wisconsin



2023 Assembly Bill 267

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2023 WISCONSIN ACT 17

AN ACT *to amend* 234.045 (1) (intro.), 234.045 (1) (a), 234.045 (2) (a) 2., 234.045 (2) (a) 3., 234.045 (2) (b), 234.53 (2), 234.53 (2m), 234.53 (4) and 234.53 (5); *to repeal and recreate* 234.53 (3); and *to create* 234.045 (2) (a) 4. to 8., 234.045 (2) (c), 234.045 (3), 234.53 (1m) and 234.53 (3m) of the statutes; **relating to:** housing rehabilitation loans awarded by the Wisconsin Housing and Economic Development Authority.

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

SECTION 1. 234.045 (1) (intro.) of the statutes is amended to read:

234.045 (1) DEFINITION. (intro.) In this section, “eligible rehabilitation” means an improvement to housing to maintain the housing in a decent, safe, and sanitary condition or to restore it to that condition if the improvement is the removal of lead paint, asbestos, mold, or other internal environmental contamination in accordance with applicable local, state, and federal laws and regulations or constitutes a structural improvement, including any of the following:

SECTION 2. 234.045 (1) (a) of the statutes is amended to read:

234.045 (1) (a) Repairing or replacing a heating system, electrical system, internal plumbing system, interior wall or ceiling, roof, window, or exterior door, or flooring.

SECTION 3. 234.045 (2) (a) 2. of the statutes is amended to read:

234.045 (2) (a) 2. The applicant’s home is a single-family residence that the applicant occupies as the applicant’s primary residence and that was constructed before

1980 at least 40 years prior to the date of the applicant’s loan application.

SECTION 4. 234.045 (2) (a) 3. of the statutes is amended to read:

234.045 (2) (a) 3. The applicant agrees to the terms of the loan, including a requirement to repay the loan by making monthly principal and interest payments so that the loan, including all interest, is fully repaid within the loan term established under subd. 4., a requirement to repay the loan, including all interest, upon the applicant selling or otherwise transferring title to the residence to another person or upon the applicant and his or her family vacating the residence, and all other terms established by the authority.

SECTION 5. 234.045 (2) (a) 4. to 8. of the statutes are created to read:

234.045 (2) (a) 4. The loan term does not exceed 15 years.

5. The amount of the loan does not exceed \$50,000 or 100 percent of the appraised value of the residence after completion of the eligible rehabilitation, whichever is less.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. “Every act and every portion of an act enacted by the legislature over the governor’s partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication.”

6. The applicant does not have another loan under this section pending with the authority at the time of application.

7. The applicant's home has not been the subject of a claim for a state or federal historic rehabilitation tax credit, as determined by the authority.

8. The applicant's home has not received financial assistance from tax increments generated by an active tax incremental district.

SECTION 6. 234.045 (2) (b) of the statutes is amended to read:

234.045 (2) (b) The authority may establish an interest rate for any loan made under par. (a) at or below the market interest rate or may charge no interest.

SECTION 6e. 234.045 (2) (c) of the statutes is created to read:

234.045 (2) (c) If a loan recipient's home contains lead paint, asbestos, or mold, the authority's loan agreement with the recipient shall require the recipient to remediate the hazardous material or condition as required by and in accordance with local, state, and federal laws or regulations.

SECTION 6g. 234.045 (3) of the statutes is created to read:

234.045 (3) POLICIES AND PROCEDURES. The authority shall establish policies and procedures to administer the housing rehabilitation loan fund and the program under this section. The policies and procedures shall, to the extent practicable, do all of the following:

(a) Incorporate the authority's policies and procedures for establishing credit underwriting guidelines.

(b) Establish loan repayment requirements.

SECTION 7. 234.53 (1m) of the statutes is created to read:

234.53 (1m) (a) All of the following shall be credited to the fund:

1. All moneys appropriated to the authority for the fund in the 2023–25 fiscal biennium.

2. All moneys received from the repayment of loans under s. 234.045.

(b) All moneys credited to the fund under par. (a) shall be used for loans awarded under s. 234.045.

(c) Of the amounts credited to the fund under par. (a) 1., the authority shall return to the secretary of administration for deposit in the general fund all such amounts not encumbered or expended for eligible rehabilitation, as defined in s. 234.045 (1), as of the first day of the 8th year beginning after the effective date of this paragraph [LRB inserts date].

SECTION 8. 234.53 (2) of the statutes is amended to read:

234.53 (2) Except as provided in ~~sub. subs. (1m) and~~ (2m) and s. 234.045, the authority shall use moneys in the fund for the purpose of purchasing housing rehabilitation loans or for funding commitments for loans to lenders for housing rehabilitation loans. All disbursements of funds under this subsection for purchasing such loans shall be made payable to an authorized lender, as defined in s. 234.49 (1) (b), or a duly authorized agent thereof.

SECTION 9. 234.53 (2m) of the statutes is amended to read:

234.53 (2m) The Except for moneys credited to the fund under sub. (1m), the authority may use moneys in the fund for the purpose of funding or purchasing loans under any down payment assistance program established by the authority.

SECTION 9g. 234.53 (3) of the statutes is repealed and recreated to read:

234.53 (3) No moneys in the fund may be invested under s. 234.03 (18).

SECTION 9r. 234.53 (3m) of the statutes is created to read:

234.53 (3m) (a) In its discretion, the authority may invest fund moneys that are not required for immediate use or disbursement in all of the following to the extent lawful for fiduciaries in this state:

1. An obligation of the United States or one of its agencies or instrumentalities, or an obligation the principal and interest of which are guaranteed by the United States or one of its agencies or instrumentalities.

2. An obligation of any state, or of any county, city, or other political subdivision of a state, having long-term ratings in the AA category or higher.

3. A certificate of deposit.

4. The state investment fund.

5. A money market mutual fund restricted to one or more investments as provided in subd. 1., 2., 3., or 4.

(b) All investments under par. (a) shall be the exclusive property of the fund. All earnings on or income from such investments shall be credited to the fund.

SECTION 10. 234.53 (4) of the statutes is amended to read:

234.53 (4) The Except for moneys credited to the fund under sub. (1m), the authority may use moneys in the fund to cover actual and necessary expenses incurred in the sale of housing rehabilitation bonds and investment of the proceeds thereof.

SECTION 11. 234.53 (5) of the statutes is amended to read:

234.53 (5) Any Except for moneys credited to the fund under sub. (1m), any moneys not needed for the purposes of the fund shall be transferred to the housing rehabilitation loan program bond redemption fund.