



2019 ASSEMBLY BILL 125

March 25, 2019 - Introduced by Representatives PRONSCHINSKE, STEINEKE, RODRIGUEZ, SNYDER, KURTZ, PLUMER, DITTRICH, JAMES, TITTL, MURSAU, FELZKOWSKI, ROHRKASTE, SPIROS, STEFFEN, ALLEN, DUCHOW, KULP, PETRYK, PETERSEN, THIESFELDT, EDMING, KITCHENS, TUSLER, SCHRAA, MURPHY, KRUG and SUBECK, cosponsored by Senators BERNIER and CARPENTER. Referred to Committee on Housing and Real Estate.

1 **AN ACT** *to create* 16.3075, 20.505 (7) (fp) and 20.505 (7) (hp) of the statutes;
2 **relating to:** housing quality standards loans, granting rule-making authority,
3 and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill authorizes the Department of Administration 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, subject to certain limitations specified in the bill, an equal distribution of loans throughout the state, to the extent practicable, and require DOA to publicize the loan 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:

4 **SECTION 1.** 16.3075 of the statutes is created to read:

ASSEMBLY BILL 125**SECTION 1**

1 **16.3075 Housing quality standards loans. (1) LOANS.** (a) From the
2 appropriations under s. 20.505 (7) (fp) and (hp), the department may award loans to
3 owners of rental housing units in this state for purposes of satisfying applicable
4 housing quality standards.

5 (b) The department's contract with each loan recipient under par. (a) shall
6 require the loan recipient to satisfy all applicable housing quality standards for the
7 duration of the loan.

8 (c) A loan recipient under par. (a) who rents housing units to persons or families
9 of low or moderate income may have the loan forgiven based on the rules
10 promulgated under sub. (2).

11 **(2) RULES.** The department shall promulgate rules to administer this section,
12 including all of the following:

13 (a) Establish procedures for selecting loan recipients and for loan forgiveness.

14 (b) Limit each loan award to \$10,000.

15 (c) Provide that no loan recipient, including all subsidiaries and affiliates, may
16 receive more than a total of 5 loans.

17 (d) Require that the department, to the extent practicable based on loan
18 applications, shall distribute loan awards equally among all counties in the state,
19 subject to all of the following:

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

22 2. No more than 20 percent of all loans may be awarded to recipients
23 headquartered in a county containing a 1st class city.

24 (e) Require the department to publicize the loan program, including on the
25 Internet.

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

2019-20 2020-21

20.505 Administration, department of

(7) HOUSING AND COMMUNITY DEVELOPMENT

(fp) Housing quality standards loans GPR C 1,000,000 -0-

SECTION 3. 20.505 (7) (fp) of the statutes is created to read:

20.505 (7) (fp) *Housing quality standards loans.* As a continuing appropriation, the amounts in the schedule for housing quality standards loans under s. 16.3075 (1) (a).

SECTION 4. 20.505 (7) (hp) of the statutes is created to read:

20.505 (7) (hp) *Housing quality standards loan repayments.* All moneys received from the repayment of loans made under s. 16.3075 (1) (a), to be used for housing quality standards loans under s. 16.3075 (1) (a).

SECTION 5. Nonstatutory provisions.

(1) Using the procedure under s. 227.24, the department of administration may promulgate rules necessary to implement this act. 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).

1 **SECTION 6. Effective date.**

2 (1) This act takes effect on the day after publication, or on the 2nd day after
3 publication of the 2019 biennial budget act, whichever is later.

4 (END)