

HOUSE BILL NO. HB0346

Wyoming enterprise fund.

Sponsored by: Representative(s) Simpson, Cohee, Luthi and
Quarberg

A BILL

for

1 AN ACT relating to a business enterprise program; creating
2 a loan and business management assistance program;
3 specifying criteria for the program; providing for
4 administration; providing a continuous appropriation of
5 funds; and providing for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 9-12-402 through 9-12-407 are created
10 to read:

11

12 ARTICLE 4

13 WYOMING ENTERPRISE PROGRAM

14

15 **9-12-402. Definitions.**

16

1 (a) As used in this article:

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3 (i) "Administrator" means the person providing
4 professional services under contract with the council to
5 administer the program under this article;

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7 (ii) "Economic development account" means as
8 defined by W.S. 9-12-301(a)(ii).

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10 **9-12-403. Wyoming enterprise program; account**
11 **created; administration of account.**

12

13 (a) There is established a "Wyoming enterprise
14 account" within the economic development account to provide
15 loans and funding for administration of this article.

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17 (b) The council shall establish a Wyoming enterprise
18 loan program and shall contract for necessary professional
19 services to administer the program. The program shall
20 provide for loans and management assistance to businesses
21 unable to obtain conventional credit. Loans and assistance
22 authorized under the program shall be limited to businesses
23 as defined in W.S. 9-12-301(a)(i).

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1 (c) The administrator of the program shall maintain an
2 office in this state. The administrator shall seek federal
3 and private funds to supplement state loan funds made under
4 the program. The council, shall establish interest rates
5 to be charged for loans under the program. Interest rates
6 shall be established in recognition of the repayment
7 abilities and needs of businesses eligible for loans under
8 the program.

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10 **9-12-404. Actions on loan applications.**

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12 All complete applications to participate in the loan
13 program established under this article which are submitted
14 to the administrator and conform with the criteria
15 established by law and rules promulgated under this article
16 shall be considered. The administrator may approve any
17 loan not exceeding twenty-five thousand dollars
18 (\$25,000.00). The council or a loan subcommittee
19 established by the council shall approve any loan in excess
20 of twenty-five thousand dollars (\$25,000.00). The
21 administrator shall establish loan amortization schedules,
22 terms and conditions for each loan approved.

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24 **9-12-405. Criteria for loans.**

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2 (a) Loans or loan commitments or any combination
3 thereof shall be made under this article only:

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5 (i) If there are sufficient funds in the
6 enterprise account to fully fund it and all other
7 outstanding commitments and loans;

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9 (ii) If funds provided by the state are
10 adequately collateralized. The adequacy of the collateral
11 shall be determined by the administrator subject to
12 approval of the council.

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14 **9-12-406. Wyoming enterprise account; deposits;**
15 **continuous appropriation; loans.**

16

17 All repayments of principal and interest of loans under the
18 program shall be redeposited into the Wyoming enterprise
19 account which is continuously appropriated to the council
20 to be expended solely for the purpose of administering this
21 article and loans authorized under it. The total principal
22 balance of outstanding loans shall not exceed the amounts
23 appropriated by the legislature plus interest accrued and
24 collected less any losses of loan principal or interest.

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2 **9-12-407. Audit; report.**

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4 (a) The director of the state department of audit or
5 his designee shall annually examine the loan program
6 created under this article and submit his report of
7 examination to the governor, the legislature and the
8 council. This examination shall include a financial and
9 compliance audit of the council's operations, and such
10 financial audit of borrowers under this article as the
11 examiner deems appropriate. As a condition of any loan
12 under this article, the borrower shall agree to allow the
13 examiner to examine its books and records. The examiner
14 shall treat all proprietary information received in the
15 course of the examination or audit as confidential.

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17 (b) On or before July 15 of each year, the council
18 shall submit a written report to the joint minerals,
19 business and economic development interim committee
20 reviewing rules adopted by the council during the reporting
21 period, presenting a portfolio of loans made under the
22 program and presenting a risk analysis of the portfolio of
23 loans prepared by the state banking commissioner. The
24 report, portfolio of loans and risk analysis required under

1 this subsection shall be public records. The risk analysis
2 prepared by the state banking commissioner shall not be
3 subject to the limitations of W.S. 9-1-512.

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5 **Section 2.** W.S. 9-12-122(a) by creating a new
6 paragraph (v) and 9-12-307 are amended to read:

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8 **9-12-112. Annual report and budget.**

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10 (a) The council shall submit an annual report in the
11 manner provided by W.S. 9-2-1014 and using the benchmarks
12 prescribed in this act. In addition to the requirements of
13 W.S. 9-2-1014, included within the annual report shall be:

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15 (v) A summary of the total investments made by
16 the council under the Wyoming loan program, article 4 of
17 this chapter, including:

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19 (A) The name of each borrower and the
20 amount of each loan;

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22 (B) An evaluation of the loan success in
23 economic development using appropriate performance
24 indicators as identified by the council;

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(C) The cost of the loan program to the people of Wyoming in terms of:

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(I) Forgone interest that could have been obtained if the funds had been invested by the state treasurer with the permanent funds of the state;

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(II) Administrative and other costs associated with the program.

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9-12-307. Penalty.

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Any person who knowingly makes a false statement to the council in connection with an application under this article or ~~who violates W.S. 9-12-302(e)~~ article 4 of this chapter is guilty of a felony punishable by imprisonment for not more than two (2) years, a fine of not more than two thousand dollars (\$2,000.00), or both.

1 **Section 3.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

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6

(END)