

SENATE FILE NO. SF0118

Kickstart Wyoming-economic diversification.

Sponsored by: Management Council

A BILL

for

1 AN ACT relating to economic development and
2 diversification; providing for matching funds for the small
3 business innovation research program; creating the Wyoming
4 research and innovation program; creating the
5 "startup:Wyoming" and "kickstart:Wyoming" programs;
6 specifying criteria for newly created and existing programs
7 and initiatives; creating subaccounts within the economic
8 diversification account; authorizing use of funds for
9 approved projects; modifying duties of the Wyoming business
10 council to reflect investment authority in start-up
11 entities and to administer other programs; modifying duties
12 of other economic diversification entities; requiring
13 reports; requiring and otherwise providing for rulemaking;
14 providing appropriations and for continuous appropriations;
15 and providing for an effective date.

16

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

2

3 **Section 1.** W.S. 9-12-408 and 9-12-409 are created to
4 read:

5

6 **9-12-408. Wyoming research and innovation program**
7 **fund created; authorized expenditures from the fund;**
8 **rulemaking.**

9

10 (a) The council shall administer a Wyoming research
11 and innovation program under which matching funds necessary
12 to access federal research and development grant funds or
13 other nonstate funds may be provided as specified in this
14 section. To be eligible to receive funding under the
15 program an entity shall present to the council its proposal
16 to apply for or an existing application for an externally
17 funded grant specific to a priority economic sector
18 identified in the approved twenty (20) year comprehensive
19 economic diversification strategy under W.S.
20 9-12-1402(a)(iv). The entity shall demonstrate that further
21 research funding from nonstate funds is likely to be
22 provided if funding is provided under this section.

23

1 (b) The Wyoming business council, in consultation
2 with the ENDOW executive council and the University of
3 Wyoming shall promulgate rules necessary to carry out the
4 provisions of this section. The rules shall include but not
5 be limited to application procedures, eligibility
6 requirements, the amount of funding which may be provided
7 for any single project, provision for ensuring adequate
8 consideration to the state in exchange for funding any
9 project which does not solely involve a state agency or
10 institution or political subdivision of the state,
11 recapture of funding if the recipient of funds breaches any
12 agreement under the program and prioritization for funding
13 requests.

14

15 (c) The business council shall not accept
16 applications for funding under this section until on or
17 after April 1, 2019, unless the funding application is for
18 a project in which the University of Wyoming or a Wyoming
19 community college has a direct economic interest.

20

21 **9-12-409. Startup-Wyoming investments.**

22

1 (a) The Wyoming business council in coordination with
2 the economically needed diversity options for Wyoming
3 (ENDOW) executive council, shall prepare a proposal under
4 which the business council will invest in high growth
5 startup business entities which provide opportunity to
6 advance the entrepreneurial ecosystem in Wyoming in
7 priority economic sectors identified in the approved twenty
8 (20) year comprehensive economic diversification strategy
9 under W.S. 9-12-1402(a)(iv). The proposal shall be directed
10 to investments for seed stage development or growth stage
11 funding of business entities. The council shall include in
12 the proposal:

13

14 (i) A suggested entity or entities, if any, to
15 oversee the council's investment decisions under this
16 section;

17

18 (ii) The council's determination of whether
19 existing statutory authority is sufficient to implement the
20 program, and if additional statutory authority is required
21 suggested legislation providing that authority;

22

1 (iii) Whether eligibility requirements for
2 investment, beyond those specified in this section, should
3 be provided by law;

4
5 (iv) Whether the council would propose
6 additional rules to implement the program, together with a
7 description of any such rules.

8
9 (b) The proposal shall be submitted to the ENDOW
10 executive council not later than July 1, 2018. The ENDOW
11 executive council shall include the proposal, together with
12 changes recommended by the ENDOW executive council, in the
13 twenty (20) year comprehensive economic diversification
14 strategy plan submitted pursuant to W.S. 9-12-1402(a)(iv).

15
16 **Section 2.** W.S. 9-12-105(a)(i), (v), (vi), (viii) and
17 by creating new subsections (b) through (f), 9-12-108 by
18 creating a new subsection (c) and 9-12-1404 are amended to
19 read:

20
21 **9-12-105. Economic development and diversification**
22 **services; kick-start Wyoming grants; small business**
23 **innovation research matching program.**

1

2 (a) It shall be the duty of the council to encourage,
3 stimulate and support the development and expansion of the
4 economy of the state. The council is charged with the
5 following duties and responsibilities:

6

7 (i) To see that there are prepared and carried
8 out effective economic development and diversification
9 marketing and promotional programs;

10

11 (v) To encourage the coordination of the
12 economic development and diversification efforts of public
13 institutions, regions, communities and private industry and
14 collect and maintain data on the development and
15 utilization of economic development and diversification
16 capabilities;

17

18 (vi) To establish such offices within and
19 without the state that are necessary to the expansion and
20 development of industries and trade. The council shall
21 establish economic development and diversification regions
22 and offices within the state based upon socioeconomic and
23 geographic similarities;

1

2 (viii) To advise the University of Wyoming and
3 the Wyoming community college commission in designating
4 technical training and other educational programs in
5 Wyoming's community colleges and the University of Wyoming
6 beneficial to economic development and diversification
7 activities in this state.

8

9 (b) The council, in consultation with the coordinator
10 of economic diversification, shall implement the
11 "startup:Wyoming" program in priority economic sectors
12 identified in the approved twenty (20) year comprehensive
13 economic diversification strategy under W.S.
14 9-12-1402(a) (iv). The program shall:

15

16 (i) Foster connectivity between entrepreneurs,
17 investors and mentors, aligning local entities through
18 coordinated points of contact in participating Wyoming
19 communities. The efforts shall include methods of
20 communication designed to allow interaction between
21 stakeholders on a regular and consistent basis;

22

1 (ii) Provide entrepreneurs with advanced
2 resources to help their business succeed, including
3 mentoring, marketing, legal and other business coaching
4 services;

5
6 (iii) In conjunction with the University of
7 Wyoming, community colleges, localities, chambers of
8 commerce, industrial authorities and other public and
9 private groups, develop incubators, accelerators,
10 co-working spaces, makerspaces and other unique work spaces
11 and equipment to foster entrepreneurialism.

12
13 (c) The council shall administer a
14 "kickstart:Wyoming" program to provide funding to early
15 stage ventures of Wyoming based entrepreneurs. Funding
16 under this subsection shall be provided upon approval of
17 the council. The council shall adopt rules for funding
18 under this subsection in consultation with the coordinator
19 of economic diversification. Funding shall be in amounts
20 ranging from five thousand dollars (\$5,000.00) to fifty
21 thousand dollars (\$50,000.00) and be provided under the
22 following conditions:

23

1 (i) To individuals who reside in Wyoming and to
2 business entities which are, or agree in writing to be,
3 headquartered in Wyoming and organized under the laws of
4 the state of Wyoming and which:

5
6 (A) Have committed to maintaining a
7 meaningful nexus to the state of Wyoming, including after
8 commercialization of a service, product, concept, design or
9 any other marketable asset developed with the assistance of
10 the funds;

11
12 (B) Proposes a service, product, concept,
13 design or any other marketable asset which has a
14 probability of providing an economic return to the state of
15 Wyoming through creation of jobs, expanded tax base and
16 diversification of the state's economy;

17
18 (C) Agree to provide a report to the
19 council on the progress to commercialize the service,
20 product, concept, design or any other marketable asset
21 developed with the assistance of the funds.

22

1 (ii) The recipient of funding meets other
2 requirements established by rule of the council to ensure
3 adequate consideration for the amount of the funding
4 provided.

5
6 (d) The council shall administer a small business
7 innovation research matching program in accordance with
8 this subsection. The program shall match federal funds
9 approved for Wyoming based companies as provided in this
10 subsection. The program shall be administered by the
11 council in consultation with the University of Wyoming
12 research office. The following shall apply to the program
13 under this subsection:

14
15 (i) To be eligible to receive funding, an entity
16 shall:

17
18 (A) Be headquartered in Wyoming and
19 organized under the laws of the state of Wyoming;

20
21 (B) Maintain a meaningful nexus to the
22 state of Wyoming, including for not less than three (3)
23 years after commercialization of a service, product,

1 concept, design or any other marketable asset developed
2 with the assistance of funds from the program;

3
4 (C) Have received funding under the federal
5 small business innovation research and small business
6 technology transfer programs;

7
8 (D) Propose a service, product, concept,
9 design or any other marketable asset which has a
10 probability of providing an economic return to the state of
11 Wyoming through creation of jobs, expanded tax base and
12 diversification of the state's economy;

13
14 (E) Agree to provide a report to the
15 council on or before July 1 of each year in the following
16 manner:

17
18 (I) Prior to commercialization, the
19 entity shall report on the progress of the entity to
20 commercialize the service, product, concept, design or any
21 other marketable asset developed with the assistance of
22 funds from this program;

23

1 (II) If the entity commercializes a
2 service, product, concept, design or any other marketable
3 asset, and continues to market the product, concept or
4 design or asset, the entity shall report for three (3)
5 years on:

6
7 (1) The number of jobs the entity
8 has created;

9
10 (2) A salary range per job;

11
12 (3) The taxable assets of the
13 entity;

14
15 (4) All revenues from sales of
16 the service, product, concept, design or any other
17 marketable asset of the entity.

18
19 (F) Comply with the requirements of rules
20 adopted pursuant to this subsection.

21

1 (ii) Matching funds shall be awarded to
2 recipients as determined by the council in an amount not to
3 exceed:

4
5 (A) For a recipient of a phase I award, a
6 match up to one hundred percent (100%) of the award, not to
7 exceed one hundred thousand dollars (\$100,000.00);

8
9 (B) For a recipient of a phase II award, a
10 match up to one hundred percent (100%) of the award, not to
11 exceed two hundred fifty thousand dollars (\$250,000.00).

12
13 (iii) Matching funds under this subsection shall
14 be awarded to the recipient as soon as practicable after
15 approval of the matching fund application;

16
17 (iv) An entity shall repay all matching funds
18 provided under this subsection plus interest at the rate of
19 four percent (4%) per annum compounded annually from the
20 date the matching funds were granted if:

21
22 (A) The entity commercializes a service,
23 product, concept, design or any other marketable asset

1 developed with the assistance of funds from this program;
2 and

3
4 (B) The entity fails to maintain a
5 significant nexus with the state of Wyoming within three
6 (3) years of commercializing a service, product, concept,
7 design or any other marketable asset developed with the
8 assistance of funds from this program and continues to
9 market the service, product, concept, design or asset.

10
11 (v) The council shall adopt rules for the
12 program in consultation with the coordinator of economic
13 diversification. The rules shall include but not be limited
14 to:

15
16 (A) Application procedures;

17
18 (B) The number of awards and amount of
19 funds available for award in any fiscal year;

20
21 (C) Timing of issuance of funds awarded
22 under the program;

23

1 (D) Eligibility requirements;

2

3 (E) Provision for repayment of matching
4 funds plus interest as provided in this subsection;

5

6 (F) Provision for service, product,
7 concept, design or asset review and requirements under the
8 program consistent with this subsection.

9

10 (e) Not later than October 15, 2019 and every October
11 15 thereafter, the council shall report to the joint
12 minerals, business and economic development interim
13 committee concerning the programs under subsections (c) and
14 (d) of this section. The report shall include:

15

16 (i) A yearly and total summary of the number and
17 amounts of matching funds awarded under each program;

18

19 (ii) A description of an entity and a service,
20 product, concept, design or any other marketable asset
21 developed which was commercialized with the assistance of
22 funds from these programs within the prior three (3) years;

23

1 (iii) The realized economic impact of each
2 program on the state, including jobs created, salary range
3 per job created and potential impact to the local
4 community.

5
6 (f) As used in this section, "commercialization"
7 means the creation by an entity of commercial processes,
8 products and services derived in whole or in part from
9 research undertaken with matching funds awarded under
10 subsection (c) or (d) of this section, which results in
11 realized revenues to the entity of at least three (3) times
12 the matching funds awarded under this section.

13
14 **9-12-108. Coordination of business permits.**

15
16 (c) The Wyoming business council shall prepare and
17 present to the economically needed diversity options for
18 Wyoming (ENDOW) executive council a proposal under which
19 the business council, by exercising the duties and
20 authority provided in this section, will assist businesses
21 within the state in priority economic sectors identified in
22 the approved twenty (20) year comprehensive economic
23 diversification strategy under W.S. 9-12-1402(a)(iv) in

1 obtaining necessary state, local and federal permits and
2 licenses. The business council shall consult with
3 businesses within Wyoming to identify specific federal,
4 state and local regulations which unduly impede or delay
5 permitting and licensing in the state and shall identify
6 those regulations recommended for review by the entity with
7 jurisdiction to eliminate unnecessary provisions. The
8 business council proposals shall be submitted to the ENDOW
9 executive council not later than July 1, 2018. The ENDOW
10 executive council shall include recommendations for
11 implementation of the business council proposals in its
12 twenty (20) year comprehensive economic diversification
13 strategy plan submitted pursuant to W.S. 9-12-1402(a)(iv)
14 and in its first action plan under W.S. 9-12-1402(a)(v).

15

16 **9-12-1404. Economic diversification account created;**
17 **authorized expenditures.**

18

19 (a) There is created an economic diversification
20 account. All monies in the account are continuously
21 appropriated to the office of the governor to be used
22 ~~solely~~ for the purposes of this article and as otherwise
23 specified by law, including per diem, mileage and other

1 administrative expenses of the ENDOW executive council.
2 Notwithstanding W.S. 9-2-1008 and 9-4-207, funds in the
3 account or subaccounts of the account shall not lapse at
4 the end of the fiscal period. Interest earned on funds in
5 the account shall be deposited to the account or
6 appropriate subaccount. Within the account shall be
7 subaccounts. For accounting and investment purposes only
8 all subaccounts shall be treated as separate accounts.
9 Subaccounts are as follows:

10

11 (i) The Wyoming research and innovation
12 subaccount. Funds within this subaccount may be expended
13 as requested by the Wyoming business council and approved
14 by the governor or his designee to provide funding for
15 agreements entered into pursuant to W.S. 9-12-408;

16

17 (ii) The "startup:Wyoming" subaccount. Funds
18 within this subaccount may be expended as requested by the
19 Wyoming business council and approved by the governor or
20 his designee to provide funding pursuant to W.S.
21 9-12-105(b) through (f).

22

1 (b) The governor may accept, and shall deposit to the
2 account, or to the appropriate subaccount within the
3 account, any gifts, contributions, donations, grants or
4 federal funds specifically designated for purposes of this
5 article or other ENDOW related program.

6
7 **Section 3.**

8
9 (a) There is appropriated from revenues credited to
10 the strategic investments and projects account under W.S.
11 9-4-719(q) and (t) attributable to earnings from the fiscal
12 year beginning July 1, 2018 and ending June 30, 2019:

13
14 (i) Five million dollars (\$5,000,000.00) to the
15 "startup:Wyoming" subaccount created by W.S.
16 9-12-1404(a)(ii);

17
18 (ii) Six million dollars (\$6,000,000.00) to the
19 Wyoming research and innovation subaccount created by W.S.
20 9-12-1404(a)(i).

21
22 (b) Notwithstanding any other provision of law, funds
23 appropriated under this section shall not be transferred or

1 expended for any purpose other than as provided in W.S.
2 9-12-1404.

3

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

8

9

(END)