HOUSE BILL NO. HB0048

State loan and investment board loans.

Sponsored by: Representative(s) Berger, Harshman, Iekel, Landon, Madden, Millin and Petersen and Senator(s) Burns, Coe, Schiffer and Von Flatern

A BILL

for

AN ACT relating to state loan and investment board loans; including the University of Wyoming as an entity authorized to receive certain loans; increasing total loan amount authorized to be made to joint powers boards and other entities; clarifying and specifying limitation on grants made in connection with certain loans; making conforming amendments; and providing for an effective date.

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

Section 1. W.S. 16-1-109(a), (c) and (d)(i) is amended to read:

16-1-109. State loan and investment board loans; amount; interest; security; conditions.

(a) The state loan and investment board may negotiate and make loans to one (1) or more agencies, the University of Wyoming, or joint powers boards presently existing, permitted or created pursuant to the statutes, from the permanent mineral trust funds and other permanent funds of Wyoming not otherwise obligated, not to exceed ~~thirty million dollars ($30,000,000.00)~~ sixty million dollars ($60,000,000.00) including all loans previously made and outstanding, and not to exceed a term of forty (40) years for repayment. The board may set rates of interest on all such loans ~~to joint powers boards~~ according to the current rates of interest for similar securities on the commercial market upon a basis which will not be less than six percent (6%) nor more than twelve percent (12%). For all loans under this section approved after July 1, 1996, a loan origination fee of one percent (1%) of the loan shall be paid to the state loan and investment board by the borrowing agency, university or joint powers board. The revenue produced by this fee shall be credited to the loss reserve account as provided by W.S. 16-1-110. The limitation on legislatively designated investments under W.S. 9-4-712 applies to this investment.

(c) Upon approval of a loan, an agency, the university, participating agencies, or a joint powers board shall transfer title or its interest to the property upon which facilities are to be constructed, including later improvements, to the state loan and investment board, or the state loan and investment board may require the security it deems necessary. The recipient of the loan shall make reasonable annual rental charges or loan payments as specified by the state loan and investment board. Upon repayment of the loan, title to or interest in the property and improvements shall be reconveyed to the appropriate agency, university, participating agencies or joint powers board. Where the transfer of title or interest in the property would preclude the obtaining of federal grants or where transfer of title or interest is prohibited by or would be in violation of existing grant-in-aid agreements, the state loan and investment board may waive the requirements of transfer of title or transfer of any interest in the property, and substitute other security of sufficient value as it deems necessary.

(d) For all loans made prior to July 1, 1979, all tangible personal and real property pledged for the repayment of loans under this section, excluding pledges of revenue or property generating user fees to repay the loans, is released as security for any loans under this section and the state loan and investment board shall have prepared, execute and have filed all necessary instruments to carry out this provision. Effective July 1, 1979, loans under this section shall be made only under the following conditions:

(i) Loans shall be made only for facilities generating user fees only to the extent that the user fees will repay the loan such that the loan can be considered a reasonable and prudent investment of state permanent funds. Any portion of the revenue generating facility unable to be financed by user fees may be financed by a grant under W.S. 9-4-604(g) and (h) to agencies and joint powers boards otherwise authorized to receive grants under those provisions;

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

(END)