SENATE FILE NO. SF0022

Wyoming Economic Development Act.

Sponsored by: Joint Minerals, Business and Economic Development Interim Committee

A BILL

for

AN ACT relating to the Wyoming Economic Development Act; providing amendments to the partnership challenge loan program; increasing bridge financing limits; increasing guarantee loan participation loans limits; providing for Wyoming main street loan participation under the Wyoming partnership challenge loan program; and providing for an effective date.

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

Section 1. W.S. 9-12-301(a)(vi), (vii) and by creating a new paragraph (ix), 9-12-302(a) and 9-12-304(a)(intro), (b)(i) and by creating a new subsection (g) are amended to read:

9-12-301. Definitions.

(a) As used in this article:

(vi) "Bridge financing" means the provision of financing for that portion of the total project cost which is calculated by subtracting from total project cost the sum of ownership debt and equity. The council shall not consider a proposal in which the bridge financing component exceeds thirty-five percent (35%) of total project cost or five hundred thousand dollars ($500,000.00), whichever is less, and the business does not contribute more than fifteen percent (15%) of the total project cost;

(vii) "Guarantee loan participation" means a provision of financing by the council in which the council participates with a ~~bank~~ lender that has secured a federal guaranteed loan to guarantee repayment of a loan made to a business. The maximum participation by the council shall be fifty percent (50%) of the loan or ~~five hundred thousand dollars ($500,000.00)~~ one million dollars ($1,000,000.00), whichever is less;

(ix) "Wyoming main street loan participation" means a provision of financing by the council in which the council participates with a lender that has made a loan to a business for building improvements. The maximum participation by the council shall be seventy-five percent (75%) of the loan or one hundred thousand dollars ($100,000.00), whichever is less.

9-12-302. Wyoming partnership challenge loan program; creation; rulemaking; administration account.

(a) The council shall establish and administer a partnership challenge loan program under this article and may contract for necessary professional services. Loans authorized under the program shall be limited, except as otherwise provided under W.S. 9-12-304(c) through ~~(f)~~ (g), to community development organizations and state development organizations and made in accordance with the provisions of W.S. 9-12-304. Any community development organization or state development organization may submit an application to the council to participate in the program on forms prescribed by and subject to rules promulgated by the council.

9-12-304. Criteria for loans.

(a) Except as otherwise provided under subsections (c) through ~~(f)~~ (g) of this section, loans under this article may only be made by the council to community development organizations and state development organizations which meet the following eligibility criteria:

(b) Loans, loan commitments or loan guarantees or any combination thereof shall be made under this article only:

(i) If the total amount to a single community development organization, or to a business for an economic disaster loan as provided under subsection (c) of this section or to a business for bridge financing as provided under subsection (d) of this section, does not exceed ~~two hundred fifty thousand dollars ($250,000.00)~~ five hundred thousand dollars ($500,000.00), if the total amount to state development organizations does not exceed three million five hundred thousand dollars ($3,500,000.00), if the amount to a business for a federally guaranteed loan as provided under subsection (e) of this section does not exceed ~~five hundred thousand dollars ($500,000.00) or~~ one million dollars ($1,000,000.00), if the amount to a business for a loan guarantee does not exceed one hundred thousand dollars ($100,000.00) per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less or if the amount to a business for a Wyoming main street loan participation as provided under subsection (g) of this section does not exceed one hundred thousand dollars ($100,000.00);

(g) Any business may apply to the council for a Wyoming main street loan participation as defined in W.S. 9-12-301(a)(ix). The council shall prescribe the form and contents of the application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lender in the same percentage as the source of the loan. The interest of the state and the lender shall have priority over any claim of the business receiving the main street revolving loan participation or any other third party.

Section 2. W.S. 9-12-1104(b)(vi) is repealed.

Section 3. This act is effective July 1, 2009.

(END)