SENATE FILE NO. SF0063

Economic development programs-revisions.

Sponsored by: Management Audit Committee

A BILL

for

AN ACT relating to economic development; amending requirements for setting interest rates on state investments in industrial development bonds; providing a sunset date as specified; amending terms for loans and loan guarantees made from the large project account within the revolving investment fund; authorizing expenditure of funds; providing applicability; repealing an inconsistent provision; and providing for an effective date.

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

Section 1. W.S. 9-4-715(m)(ii)(C) and by creating a new paragraph (viii) and 9-12-305 are amended to read:

9-4-715. Permissible investments.

(m) To promote economic development, the state treasurer may invest and keep invested not to exceed three hundred million dollars ($300,000,000.00) of any state permanent funds through the purchase of industrial development bonds issued by joint powers boards, municipalities or counties under W.S. 15-1-701 through 15-1-710 subject to the terms and conditions specified under this subsection. The state treasurer may adopt rules as necessary to carry out his duties under this subsection. By December 31 of each calendar year, the state treasurer and the Wyoming business council shall each provide a report to the joint minerals, business and economic development interim committee on the effectiveness of the investment program authorized by this subsection. The reports shall include the costs incurred by the state to the permanent mineral trust fund, expenditures made from the account created under paragraph (v) of this subsection and the revenue received by the Wyoming business council through fees and businesses who utilized the program:

(ii) No investment shall be made under this subsection unless:

(C) The bonds bear interest at a fixed or adjustable rate, indexed to the prime or ten (10) year treasury bill rate as determined by the state treasurer, which is reasonably commensurate with the risk; ~~, as recommended by the Wyoming business council;~~ and

(viii) This subsection is repealed effective July 1, 2016.

9-12-305. Economic development enterprise fund account; deposits; continuous appropriation; loans.

Except for fees deposited in accordance with W.S. 9-12-302(b), all repayments of principal and interest to the state in connection with loans made under this article and other funds as appropriated by the legislature for the challenge loan program shall be deposited into the economic development enterprise account within the revolving investment fund. All funds in the account may be used for and are continuously appropriated for loans authorized to be made under this article. Funds within the account may also be transferred upon direction of the governor to the large project account within the revolving investment fund created by 2014 ~~Senate File 97 as enacted into law,~~ Wyoming Session Laws, Chapter 46 if required to meet loans or loan guarantees approved by the state loan and investment board under that law. The total principal balance of outstanding loans shall not exceed the amounts appropriated by the legislature plus interest accrued and collected less any losses of loan principal or interest.

Section 2. 2014 Wyoming Session Laws, Chapter 46, Section 2(d)(ii)(E), (e)(iii), (ix) and (h) is amended to read:

Section 2.

(d) The governor shall recommend and the state loan and investment board shall only approve the issuance of loan guarantees and loans under this act for projects which meet the following minimum requirements:

(ii) Based upon the findings of an independent third party approved by the Wyoming business council, will provide the following minimum public benefits:

(E) ~~Private~~ Investment in the ~~county or counties in buildings, equipment and direct project infrastructure of not less than three (3) times the amount of any loan or loan guarantee~~ project of at least twenty-five percent (25%) of the total cost of the project is provided from funding sources not provided by the state of Wyoming.

(e) The state treasurer shall establish the terms of any loan or loan guarantee issued under this section in accordance with the following:

(iii) The state treasurer shall ensure through certification by the applicant, or any other manner determined to be adequate by the state treasurer, a commitment ~~of private funds in an amount which is at least three (3) times the requested loan or loan guarantee amount~~ of at least twenty-five percent (25%) of the total cost of the project from funding sources not provided by the state of Wyoming;

(ix) The state treasurer shall charge a loan origination fee or loan guarantee fee of one percent (1.0%) of the total loan or guaranteed loan amount. Funds collected under this paragraph shall be deposited in the ~~2014 funding account or used to pay for the costs of experts retained by the state treasurer pursuant to subsection (h) of this section~~ large project account within the revolving investment fund.

(h) The state treasurer is authorized to employ such experts as necessary to fully evaluate and negotiate the terms and conditions of the loan and loan guarantees. ~~If experts are retained by the state treasurer under paragraph (c)(ix) of this section, payment to experts retained under this section which exceed the loan origination fee or loan guarantee fee shall be made by the Wyoming business council~~ The cost of any expert employed under this subsection shall be paid by the applicant.

Section 3. Nothing in this act shall be construed to modify or impair existing contracts or bond issuances of the state of Wyoming executed prior to July 1, 2016.

Section 4. The state treasurer is authorized to transfer funds appropriated by 2014 Wyoming Session Laws, Chapter 46 from the holding account for economic development loans to the large project account within the revolving investment fund as the funds become available beginning on July 1, 2016 and ending June 30, 2019. Funds in the large project account within the revolving investment fund which are not encumbered as of June 30, 2019 shall not be expended except upon further act of the legislature.

Section 5. 2014 Wyoming Session Laws, Chapter 46, Section 3(b) is repealed.

Section 6. This act is effective July 1, 2016.

(END)