SENATE FILE NO. SF0015

Large project account modifications.

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

A BILL

for

AN ACT relating to economic development; providing standards for the state treasurer to set interest rates for specified loans and loan participations made from the large project account; authorizing the state treasurer to require a loan guarantee from the principal of a borrower; authorizing the state treasurer to retain service providers for large project account loans; requiring a borrower to pay specified costs relating to retained experts and service providers; clarifying language relating to the economic analysis requirement for certain economic development projects; and providing for an effective date.

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

Section 1. 2014 Wyoming Session Laws, Chapter 46, Section 2(e)(intro), (ii) and (vii) is amended to read:

Section 2.

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

(ii) ~~The treasurer shall adopt interest rates to be charged for~~ Loans under this section ~~as~~ shall bear interest at a fixed or adjustable rate. The interest rate shall be:

(A) Indexed to a rate not less than the rate of the United States treasury note that most closely matches the term of the loan, plus any additional premium determined by the treasurer to be reasonably commensurate with the risk profile of the loan; and

<u>(B) A</u>pproved by the state loan and investment board pursuant to this act and following consideration by the Wyoming business council;

(vii) When appropriate, the state treasurer may require continuing loan guarantees by affiliates <u>and principals</u> of the borrower;

Section 2. 2014 Wyoming Session Laws, Chapter 46, Section 2(e)(intro), (ix) and (h), as amended by 2016 Wyoming Session Laws, Chapter 41, Section 3, is amended to read:

Section 2.

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

(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 large project account within the revolving investment fund or used to pay the costs of experts and service providers retained by the state treasurer pursuant to subsection (h) of this section.

(h) The state treasurer is authorized to ~~employ~~ retain such experts and service providers as necessary to fully evaluate, ~~and~~ negotiate and implement the terms and conditions of the loan and loan guarantees. ~~The cost of any expert employed~~ If an expert or service provider is retained by the state treasurer under this subsection, any costs incurred which exceed the loan origination fee or loan guarantee fee shall be paid by the applicant.

Section 3. 2017 Wyoming Session Laws, Chapter 150, Section 2, is amended to read:

Section 2. In conducting a fiduciary analysis on an economic development project considered for funding ~~under~~ from the large project account pursuant to appropriations made by section 1 of this act, the state treasurer shall perform an economic and fiscal analysis regarding consequential state and local impacts. The analysis shall identify any induced revenues and induced costs associated with a project under consideration for each year for the ten (10) years following completion of the project. A local cost analysis shall consider impacts on public education, public safety, fire protection, public utilities and the courts and shall determine whether projects contribute more in tax revenue than they cost in public funds. Any analysis required by this section shall be conducted by an entity qualified to provide the analysis using nationally accepted econometric modeling techniques. Any analysis required by this section shall be paid for using funds appropriated by this act.

Section 4. This act is effective July 1, 2018.

(END)