

ENROLLED ACT NO. 29, HOUSE OF REPRESENTATIVES

FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING  
2005 GENERAL SESSION

AN ACT relating to administration of government; providing for guaranteed loan participation and loan guarantees under the Wyoming partnership challenge loan program; providing limitations; 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) by creating a new paragraph (vii), 9-12-302(a), 9-12-304(a)(intro), (b)(i), (ii) and by creating new subsections (e) and (f) are amended to read:

**9-12-301. Definitions.**

(a) As used in this article:

(vii) "Guarantee loan participation" means a provision of financing by the council in which the council participates with a bank 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), whichever is less;

(viii) "Loan guarantee" means a provision of financing by the council in which the council guarantees a portion of a bank loan made to a business.

**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

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otherwise provided under W.S. 9-12-304(c) ~~and (d)~~ through (f), 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 ~~W.S. 9-12-304(c) and (d)~~ subsections (c) through (f) 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, ~~or~~ 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), ~~or~~ 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 if the amount to a business for a loan guarantee does not exceed one hundred thousand dollars

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(\$100,000.00) per loan guaranteed or eighty percent (80%)  
of any net loan loss by the bank, whichever is less;

(ii) If there are sufficient funds in the economic development enterprise account to fully fund it and all other outstanding commitments, ~~and~~ loans, loan guarantees and guarantee loan participations;

(e) Any business may apply to the council for a guarantee loan participation as defined in W.S. 9-12-301(a)(vii). 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. The council shall structure any guarantee loan participation so that in the event of default of any loan which is participated in under this subsection:

(i) Liability shall be shared proportionally between the state and the lending institution in the same percentage as the source of the funding for the loan; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or any other third party.

(f) Any business may apply to the council for a loan guarantee as defined in W.S. 9-12-301(a)(viii). 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. The council shall structure any loan guarantee so that in the event of default of any loan that is guaranteed under this subsection:

(i) Liability to the state under the guarantee shall not exceed one hundred thousand dollars (\$100,000.00)

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per loan guaranteed or eighty percent (80%) of any net loan loss by the bank, whichever is less; and

(ii) The interest of the state and the lending institution shall have priority over any claim of the business receiving the financing or other third party.

**Section 2.** This act is effective July 1, 2005.

(END)

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Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk