

HOUSE BILL NO. HB0346

Wyoming enterprise fund.

Sponsored by: Representative(s) Simpson, Cohee, Luthi and Quarberg

A BILL

for

1 AN ACT relating to a business enterprise program; creating
2 a loan and business management assistance program;
3 specifying criteria for the program; providing for
4 administration; providing an appropriation and a continuous
5 appropriation of funds; and providing for an effective
6 date.

7

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

9

10 **Section 1.** W.S. 9-12-402 through 9-12-407 are created
11 to read:

12

13

ARTICLE 4

14

WYOMING ENTERPRISE PROGRAM

15

16 **9-12-402. Definitions.**

1

2 (a) As used in this article:

3

4 (i) "Administrator" means the certified
5 community development financial institution providing
6 professional services under contract with the council to
7 administer the program under this article;

8

9 (ii) "Certified community development financial
10 institution" means a nongovernmental organization certified
11 by the United States department of treasury whose purpose
12 is community development and which engages in financing and
13 development activities, such as training and technical
14 assistance for businesses;

15

16 (iii) "Economic development account" means as
17 defined by W.S. 9-12-301(a)(ii).

18

19 **9-12-403. Wyoming enterprise program; account**
20 **created; administration of account.**

21

22 (a) There is established a "Wyoming enterprise
23 account" within the economic development account to provide
24 loans under this article.

1

2 (b) The council shall establish and oversee a Wyoming
3 enterprise loan program and shall contract for necessary
4 professional services to administer the program. In
5 contracting for administration of the program, the council
6 shall establish a range of interest rates and other terms
7 allowable to be established in administration of the
8 program. The program shall provide for loans and
9 management assistance to businesses unable to obtain
10 conventional credit. Loans and assistance authorized under
11 the program shall be limited to businesses as defined in
12 W.S. 9-12-301(a)(i). The range of interest rates and other
13 terms allowable shall be established in recognition of the
14 economic development purposes of the program and repayment
15 abilities and needs of businesses eligible for loans under
16 the program.

17

18 (c) The administrator of the program shall maintain an
19 office in this state. The administrator shall seek federal
20 and private funds to supplement state loan funds made under
21 the program.

22

23 **9-12-404. Actions on loan applications.**

24

1 All complete applications to participate in the loan
2 program established under this article which are submitted
3 to the administrator and conform with the criteria
4 established by law and rules promulgated under this article
5 shall be considered. The administrator shall establish an
6 application process, a loan approval process, loan
7 amortization schedules, terms and conditions for each loan
8 approved, interest rates, and other pertinent policies and
9 procedures all of which shall take into account the
10 economic development purposes of the program and repayment
11 abilities and needs of businesses eligible for loans under
12 the program.

13

14 **9-12-405. Criteria for loans.**

15

16 (a) Loans or loan commitments or any combination
17 thereof shall be made under this article only:

18

19 (i) If there are sufficient funds in the
20 enterprise account to fully fund it and all other
21 outstanding commitments and loans;

22

23 (ii) If funds provided by the state are
24 adequately collateralized or risks are sufficiently

1 mitigated. The adequacy of the collateral policy shall be
2 determined by the administrator subject to approval of the
3 council.

4

5 **9-12-406. Wyoming enterprise account; deposits;**
6 **continuous appropriation; loans.**

7

8 The administrator shall receive funding under the program
9 designated to be used only for loans and other funds for
10 costs of administration and management assistance to
11 businesses. All repayments of principal and interest of
12 loans under the program shall be made directly to the
13 administrator who shall be responsible for collections.
14 The Wyoming enterprise account is continuously appropriated
15 to the council to be expended solely for the purpose of
16 providing loans under this article. At the end of the
17 contract period, the council shall collect all loan
18 repayments received by the administrator under the program
19 and deposit those funds into the Wyoming enterprise
20 account. The total principal balance of outstanding loans
21 shall not exceed the amounts appropriated by the
22 legislature plus interest accrued and collected less any
23 losses of loan principal or interest.

24

1 **9-12-407. Audit; report.**

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3 (a) The director of the state department of audit or
4 his designee shall annually examine the loan program
5 created under this article and submit his report of
6 examination to the governor, the legislature and the
7 council. This examination shall include a financial and
8 compliance audit of the council's operations, and such
9 financial audit of borrowers under this article as the
10 examiner deems appropriate. As a condition of any loan
11 under this article, the borrower shall agree to allow the
12 examiner to examine its books and records. The examiner
13 shall treat all proprietary information received in the
14 course of the examination or audit as confidential.

15

16 (b) On or before July 15 of each year, the council
17 shall submit a written report to the joint minerals,
18 business and economic development interim committee
19 reviewing rules adopted by the council during the reporting
20 period, presenting a portfolio of loans made under the
21 program and presenting a risk analysis of the portfolio of
22 loans prepared by the state banking commissioner. The
23 report, portfolio of loans and risk analysis required under
24 this subsection shall be public records. The risk analysis

1 prepared by the state banking commissioner shall not be
2 subject to the limitations of W.S. 9-1-512.

3

4 **Section 2.** W.S. 9-12-122(a) by creating a new
5 paragraph (v) and 9-12-307 are amended to read:

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7 **9-12-112. Annual report and budget.**

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9 (a) The council shall submit an annual report in the
10 manner provided by W.S. 9-2-1014 and using the benchmarks
11 prescribed in this act. In addition to the requirements of
12 W.S. 9-2-1014, included within the annual report shall be:

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14 (v) A summary of the total investments made by
15 the council under the Wyoming enterprise loan program,
16 article 4 of this chapter, including:

17

18 (A) The name of each borrower and the
19 amount of each loan;

20

21 (B) An evaluation of the loan success in
22 economic development using appropriate performance
23 indicators as identified by the council;

24

1 (C) The cost of the loan program to the
2 people of Wyoming in terms of:

3

4 (I) Forgone interest that could have
5 been obtained if the funds had been invested by the state
6 treasurer with the permanent funds of the state;

7

8 (II) Administrative and other costs
9 associated with the program.

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11 **9-12-307. Penalty.**

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13 Any person who knowingly makes a false statement to the
14 council in connection with an application under this
15 article or ~~who violates W.S. 9-12-302(e)~~ article 4 of this
16 chapter is guilty of a felony punishable by imprisonment
17 for not more than two (2) years, a fine of not more than
18 two thousand dollars (\$2,000.00), or both.

19

20 **Section 3.** There is appropriated from the general
21 fund to the Wyoming business council two hundred ninety-
22 four thousand five hundred dollars (\$294,500.00) for
23 administration of the Wyoming enterprise loan program
24 created by this act.

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

5

6

(END)