

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

SENATE FILE NO. _____

Wyoming Economic Development Act.

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

A BILL

for

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

8

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

10

11 **Section 1.** W.S. 9-12-301(a)(vi) and (vii) and by
12 creating a new paragraph (ix), 9-12-302(a),

1 9-12-304(a)(intro), (b)(i) and by creating a new subsection
2 (g) are amended to read:

3

4 **9-12-301. Definitions.**

5

6 (a) As used in this article:

7

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

17

18 (vii) "Guarantee loan participation" means a
19 provision of financing by the council in which the council
20 participates with a ~~bank~~-lender that has secured a federal
21 guaranteed loan to guarantee repayment of a loan made to a
22 business. The maximum participation by the council shall
23 be fifty percent (50%) of the loan or ~~five hundred thousand~~

1 ~~dollars (\$500,000.00)~~ one million dollars (\$1,000,000.00),
2 whichever is less;

3

4 (ix) "Wyoming main street loan participation"
5 means a provision of financing by the council in which the
6 council participates with a lender that has made a loan to
7 a business for building improvements. The maximum
8 participation by the council shall be seventy five percent
9 (75%) of the loan or one hundred thousand dollars
10 (\$100,000.00), whichever is less;

11

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

14

15 (a) The council shall establish and administer a
16 partnership challenge loan program under this article and
17 may contract for necessary professional services. Loans
18 authorized under the program shall be limited, except as
19 otherwise provided under W.S. 9-12-304(c) through ~~(f)~~ (g),
20 to community development organizations and state
21 development organizations and made in accordance with the
22 provisions of W.S. 9-12-304. Any community development
23 organization or state development organization may submit

1 an application to the council to participate in the program
2 on forms prescribed by and subject to rules promulgated by
3 the council.

4

5 **9-12-304. Criteria for loans.**

6

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

13

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

16

17 (i) If the total amount to a single community
18 development organization, or to a business for an economic
19 disaster loan as provided under subsection (c) of this
20 section or to a business for bridge financing as provided
21 under subsection (d) of this section, does not exceed ~~two~~
22 ~~hundred fifty thousand dollars (\$250,000.00)~~ five hundred
23 thousand dollars (\$500,000.00), if the total amount to

1 state development organizations does not exceed three
2 million five hundred thousand dollars (\$3,500,000.00), if
3 the amount to a business for a federally guaranteed loan as
4 provided under subsection (e) of this section does not
5 exceed ~~five hundred thousand dollars (\$500,000.00)~~ one
6 million dollars (\$1,000,000.00), ~~or~~ if the amount to a
7 business for a loan guarantee does not exceed one hundred
8 thousand dollars (\$100,000.00) per loan guaranteed or
9 eighty percent (80%) of any net loan loss by the bank,
10 whichever is less or if the amount to a business for a
11 Wyoming main street loan participation as provided under
12 subsection (g) of this section does not exceed one hundred
13 thousand dollars (\$100,000.00);

14
15 (g) Any business may apply to the council for a
16 Wyoming main street loan participation as defined in W.S.
17 9-12-301(a)(ix). The council shall prescribe the form and
18 contents of the application. The council shall review each
19 application and make a determination as soon as
20 practicable. In the event of a default for any loan made
21 under this subsection, liability shall be shared
22 proportionately between the state and the lender in the
23 same percentage as the source of the loan. The interest of

1 the state and the lender shall have priority over any claim
2 of the business receiving the main street revolving loan
3 participation or any other third party.

4

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

6

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

8

9

(END)