

SENATE FILE NO. SF0015

Large project account modifications.

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

A BILL

for

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

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

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

4
5 **Section 2.**

6
7 (e) The state treasurer shall establish the
8 terms of any loan, loan participation or loan
9 guarantee issued under this section in accordance
10 with the following:

11
12 (ii) ~~The treasurer shall adopt~~
13 ~~interest rates to be charged for~~ Loans under this
14 section as shall bear interest at a fixed or
15 adjustable rate. The interest rate shall be:

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17 (A) Indexed to a rate not less
18 than the rate of the United States treasury note
19 or bond that most closely matches the remaining
20 term of the loan, plus any additional premium
21 determined by the treasurer to be reasonably
22 commensurate with the risk profile of the loan;
23 and

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(B) Approved 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 and principals of the borrower;

(viii) Except as provided in this paragraph, the state treasurer shall secure assure that the lead lender secures a first security interest in the entire project sufficient to adequately protect the investment of loan proceeds or proceeds guaranteed by the state under this section. The security interest shall be shared pro rata with the state in percentage of the loan or loan guarantee. If necessary, the state treasurer may allow the lead lender to accept substitute security which will protect repayment to the state on a basis substantially equivalent to a first security interest on the

1 project. The state treasurer shall insure that any
2 alternate security is sufficient to prudently
3 protect the state's pro rata interest; ~~in the~~
4 ~~entire project and any alternate security places~~
5 ~~the state before any other lender in priority of~~
6 ~~payment on the entire project in the event of~~
7 ~~default;~~ and

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

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14 **Section 2.**

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

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21 (ix) The state treasurer shall charge
22 a loan origination fee or loan guarantee fee of
23 one percent (1.0%) of the total loan or

1 guaranteed loan amount. Funds collected under
2 this paragraph shall be deposited in the large
3 project account within the revolving investment
4 fund or used to pay the costs of experts and
5 service providers retained by the state treasurer
6 pursuant to subsection (h) of this section.

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

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

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22 **Section 2.** In conducting a fiduciary
23 analysis on an economic development project

1 considered for funding ~~under~~ from the large
2 project account pursuant to appropriations made
3 by section 1 of this act, the state treasurer
4 shall perform an economic and fiscal analysis
5 regarding consequential state and local impacts.
6 The analysis shall identify any induced revenues
7 and induced costs associated with a project under
8 consideration for each year for the ten (10)
9 years following completion of the project. A
10 local cost analysis shall consider impacts on
11 public education, public safety, fire protection,
12 public utilities and the courts and shall
13 determine whether projects contribute more in tax
14 revenue than they cost in public funds. Any
15 analysis required by this section shall be
16 conducted by an entity qualified to provide the
17 analysis using nationally accepted econometric
18 modeling techniques. Any analysis required by
19 this section shall be paid for using funds
20 appropriated by this act.
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1 **Section 4.** This act is effective July 1, 2018.

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(END)