

SENATE FILE NO. SF0063

Economic development programs-revisions.

Sponsored by: Management Audit Committee

A BILL

for

1 AN ACT relating to economic development; amending
2 requirements for setting interest rates on state
3 investments in industrial development bonds; providing a
4 sunset date as specified; amending terms for loans and loan
5 guarantees made from the large project account within the
6 revolving investment fund; authorizing expenditure of
7 funds; providing applicability; repealing an inconsistent
8 provision; and providing for effective dates.

9

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

11

12 **Section 1.** W.S. 9-4-715(m) (ii) (C) and by creating a
13 new paragraph (viii) is amended to read:

14

15 **9-4-715. Permissible investments.**

16

1 (m) To promote economic development, the state
2 treasurer may invest and keep invested not to exceed three
3 hundred million dollars (\$300,000,000.00) of any state
4 permanent funds through the purchase of industrial
5 development bonds issued by joint powers boards,
6 municipalities or counties under W.S. 15-1-701 through
7 15-1-710 subject to the terms and conditions specified
8 under this subsection. The state treasurer may adopt rules
9 as necessary to carry out his duties under this subsection.
10 By December 31 of each calendar year, the state treasurer
11 and the Wyoming business council shall each provide a
12 report to the joint minerals, business and economic
13 development interim committee on the effectiveness of the
14 investment program authorized by this subsection. The
15 reports shall include the costs incurred by the state to
16 the permanent mineral trust fund, expenditures made from
17 the account created under paragraph (v) of this subsection
18 and the revenue received by the Wyoming business council
19 through fees and businesses who utilized the program:

20

21 (ii) No investment shall be made under this
22 subsection unless:

23

1 (C) The bonds bear interest at a fixed or
2 adjustable rate, indexed to the prime or ten (10) year
3 treasury bill rate as determined by the state treasurer,
4 which is reasonably commensurate with the risk; ~~as~~
5 ~~recommended by the Wyoming business council;~~ and
6

7 (viii) This subsection is repealed effective
8 July 1, 2016.
9

10 **Section 2.** W.S. 9-12-305 is amended to read:

11
12 **9-12-305. Economic development enterprise fund**
13 **account; deposits; continuous appropriation; loans.**
14

15 Except for fees deposited in accordance with W.S.
16 9-12-302(b), all repayments of principal and interest to
17 the state in connection with loans made under this article
18 and other funds as appropriated by the legislature for the
19 challenge loan program shall be deposited into the economic
20 development enterprise account within the revolving
21 investment fund. All funds in the account may be used for
22 and are continuously appropriated for loans authorized to
23 be made under this article. Funds within the account may

1 also be transferred upon direction of the governor to the
2 large project account within the revolving investment fund
3 created by 2014 ~~Senate File 97 as enacted into law, Wyoming~~
4 Session Laws, Chapter 46 if required to meet loans or loan
5 guarantees approved by the state loan and investment board
6 under that law. The total principal balance of outstanding
7 loans shall not exceed the amounts appropriated by the
8 legislature plus interest accrued and collected less any
9 losses of loan principal or interest.

10
11 **Section 3.** 2014 Wyoming Session Laws, Chapter 46,
12 Section 2(d)(ii)(E), (e)(iii), (ix) and (h) is amended to
13 read:

14
15 **Section 2.**

16
17 (d) The governor shall recommend and the
18 state loan and investment board shall only
19 approve the issuance of loan guarantees and loans
20 under this act for projects which meet the
21 following minimum requirements:

1 (ii) Based upon the findings of an
2 independent third party approved by the Wyoming
3 business council, will provide the following
4 minimum public benefits:

5
6 (E) ~~Private~~ Investment in the
7 ~~county or counties in buildings, equipment and~~
8 ~~direct project infrastructure of not less than~~
9 ~~three (3) times the amount of any loan or loan~~
10 ~~guarantee~~ project of at least twenty-five percent
11 (25%) of the total cost of the project is
12 provided from funding sources not provided by the
13 state of Wyoming.

14
15 (e) The state treasurer shall establish the
16 terms of any loan or loan guarantee issued under
17 this section in accordance with the following:

18
19 (iii) The state treasurer shall ensure
20 through certification by the applicant, or any
21 other manner determined to be adequate by the
22 state treasurer, a commitment ~~of private funds in~~
23 ~~an amount which is at least three (3) times the~~

1 ~~requested loan or loan guarantee amount~~ of at
2 least twenty-five percent (25%) of the total cost
3 of the project from funding sources not provided
4 by the state of Wyoming;

5
6 (ix) The state treasurer shall charge
7 a loan origination fee or loan guarantee fee of
8 one percent (1.0%) of the total loan or
9 guaranteed loan amount. Funds collected under
10 this paragraph shall be deposited in the ~~2014~~
11 ~~funding account or used to pay for the costs of~~
12 ~~experts retained by the state treasurer pursuant~~
13 ~~to subsection (h) of this section~~ large project
14 account within the revolving investment fund.

15
16 (h) The state treasurer is authorized to
17 employ such experts as necessary to fully
18 evaluate and negotiate the terms and conditions
19 of the loan and loan guarantees. ~~If experts are~~
20 ~~retained by the state treasurer under paragraph~~
21 ~~(e)(ix) of this section, payment to experts~~
22 ~~retained under this section which exceed the loan~~
23 ~~origination fee or loan guarantee fee shall be~~

1 ~~made by the Wyoming business council~~ The cost of
2 any expert employed under this subsection shall
3 be paid by the applicant.
4

5 **Section 4.** Nothing in this act shall be construed to
6 modify or impair existing contracts or bond issuances of
7 the state of Wyoming executed prior to July 1, 2016.
8

9 **Section 5.** The state treasurer is authorized to
10 transfer funds appropriated by 2014 Wyoming Session Laws,
11 Chapter 46 from the holding account for economic
12 development loans to the large project account within the
13 revolving investment fund as the funds become available
14 beginning on July 1, 2016 and ending June 30, 2019. Funds
15 in the large project account within the revolving
16 investment fund which are not encumbered as of June 30,
17 2019 shall not be expended except upon further act of the
18 legislature.
19

20 **Section 6.** 2014 Wyoming Session Laws, Chapter 46,
21 Section 3(b) is repealed.
22

23 **Section 7.**

1

2 (a) Except as provided in subsection (b) of this
3 section, this act is effective July 1, 2016.

4

5 (b) Section 1 of this act is effective immediately
6 upon completion of all acts necessary for a bill to become
7 law as provided by Article 4, Section 8 of the Wyoming
8 Constitution.

9

10

(END)