

Chapter 13

PARTNERSHIP CHALLENGE LOAN PROGRAM-AMENDMENTS

Original Senate File No. 52

AN ACT relating to the partnership challenge loan program; defining a term; providing for loans of state funds to businesses under certain circumstances; requiring a report; 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 (vi), 9-12-302(a), 9-12-304(a)(intro), (b)(i) and by creating a new subsection (d) and 9-12-306 are amended to read:

9-12-301. Definitions.

(a) As used in this article:

(vi) "Bridge financing" means the provision of financing for that portion of the total project cost which is calculated by subtracting from total project cost the sum of ownership debt and equity. The council shall not consider a proposal in which the bridge financing component exceeds thirty-five percent (35%) of total project cost and the business does not contribute more than fifteen percent (15%) of the total project cost.

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 otherwise provided under W.S. 9-12-304(c) and (d), 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), 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 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 a state development organization does not exceed one million dollars (\$1,000,000.00);

(d) Any business may apply to the council for bridge financing as defined in W.S. 9-12-301(a)(vi). The council shall prescribe the form and contents of such application. The council shall review each application and make a determination as soon as practicable. In the event of a default for any loan made under this subsection, liability shall be shared proportionately between the state and the lending institution in the same percentage as the source of the loan. The interest of the state and the lending institution shall have priority over any claim of the business receiving the bridge financing or any other third party.

9-12-306. Audit; report.

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

(b) On or before July 15 of each year, the council shall submit a written report to the joint minerals, business and economic development interim committee reviewing rules adopted by the council during the reporting period, presenting a portfolio of loans made under the program and presenting a risk analysis of the portfolio of loans prepared by the state banking commissioner.

Section 2. This act is effective July 1, 2001.

Approved February 16, 2001.