

SENATE FILE NO. SF0195

Small business emergency bridge loan program.

Sponsored by: Senator(s) Biteman and Representative(s)
Neiman

A BILL

for

1 AN ACT relating to emergency loan programs; establishing an
2 emergency bridge loan program for small businesses during
3 declared natural disasters; specifying eligibility and
4 requirements for the bridge loan program; specifying terms,
5 conditions and obligations for bridge loans; specifying
6 duties; creating an account; requiring reports; providing
7 an appropriation; requiring rulemaking; and providing for
8 effective dates.

9

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

11

12 **Section 1.** W.S. 11-52-101 and 11-52-102 are created
13 to read:

14

15

CHAPTER 52

1 SMALL BUSINESS EMERGENCY BRIDGE LOAN PROGRAM

2

3 **11-52-101. Definitions.**

4

5 (a) As used in this chapter:

6

7 (i) "Office" means the office of state lands and
8 investments;

9

10 (ii) "Financial institution" means a bank or
11 credit union having a place of business within this state
12 and that is chartered under state or federal law;

13

14 (iii) "Program" means the small business
15 emergency bridge loan program created in this chapter.

16

17 **11-52-102. Small business emergency bridge loan**
18 **program; eligibility; requirements; account.**

19

20 (a) The small business emergency bridge loan program
21 is hereby created to provide short-term bridge loans to
22 Wyoming businesses after declared natural disasters.

23

1 (b) The office of state lands and investments shall
2 administer the program. The office shall:

3
4 (i) Promulgate any rules necessary to implement
5 the program;

6
7 (ii) Establish a process by which financial
8 institutions may register to administer and process
9 emergency bridge loans issued under the program;

10
11 (iii) Develop an application for emergency
12 bridge loans, including specifying the documentation
13 required to apply, and provide applications to
14 participating financial institutions for distribution;

15
16 (iv) Review all applications and recommendations
17 from financial institutions to ensure that emergency bridge
18 loans are approved and made in accordance with this
19 chapter;

20
21 (v) Oversee the disbursement and repayment of
22 funds from emergency bridge loans.

23

1 (c) Subject to available funding, small business
2 emergency bridge loans shall be made and disbursed in
3 accordance with all of the following:

4

5 (i) Before bridge loans shall be available under
6 this chapter, the governor shall declare that a natural
7 disaster has occurred and shall designate the counties in
8 which the natural disaster has occurred. For purposes of
9 this paragraph, the governor may declare a natural disaster
10 for purposes of making loans available under this section
11 upon the failure of infrastructure, including but not
12 limited to roads, bridges, dams and irrigation
13 infrastructure. Upon this declaration, businesses located
14 in the designated counties in which the natural disaster
15 has been declared may apply for emergency bridge loans
16 under this chapter;

17

18 (ii) Emergency bridge loans shall be made only
19 to businesses that:

20

21 (A) Are physically located and doing
22 business in Wyoming and are physically located within the

1 area in which the governor has declared that a natural
2 disaster has occurred;

3

4 (B) Were established and in operation
5 before the declared natural disaster occurred;

6

7 (C) Have one (1) or more persons who own
8 not less than fifty percent (50%) of the business, who can
9 apply for the loan and who shall serve as guarantor for the
10 loan. Any person or persons applying for a loan under this
11 chapter for a business shall have a credit score of not
12 less than five hundred fifty (550) and shall not be on
13 probation or parole at the time of application;

14

15 (D) Not be engaged in the business of loan
16 packaging, offering or providing short-term rentals,
17 speculation, multi-sales distribution, gaming, investment
18 or lending or any activity that violates state or federal
19 law.

20

21 (iii) Applications for emergency bridge loans
22 shall be filed with a financial institution registered with
23 the office to participate in the program. Upon receipt of a

1 complete application and all required documentation, the
2 financial institution shall review the application and
3 documentation to determine whether the business qualifies
4 for an emergency bridge loan under this chapter and shall
5 forward a recommendation to the office whether to approve
6 or reject the loan and any terms or conditions that should
7 be included for the loan;

8

9 (iv) Upon receipt of a recommendation from a
10 financial institution, the office shall, not later than
11 five (5) business days after receiving the recommendation,
12 review the recommendation and ensure that the applicant
13 qualifies for a loan. Upon determining that an applicant
14 qualifies under this chapter, the office shall disburse
15 funds from the account created in subsection (f) of this
16 section to the financial institution for disbursement to
17 the loan applicant or, if requested by the loan applicant
18 or if the financial institution is unable to accept the
19 funds, for disbursement directly to the loan applicant, and
20 specify any terms and conditions that shall be included as
21 part of the loan agreement.

22

1 (d) Emergency bridge loans issued under this chapter
2 shall:

3
4 (i) Require an origination fee of two percent
5 (2%) of the loan amount, to be distributed to the financial
6 institution for processing the loan. The office shall pay
7 one percent (1%) of the origination fee from funds
8 available in the account created in subsection (f) of this
9 section. The loan applicant shall pay the remaining one
10 percent (1%) of the origination fee from loan proceeds. For
11 purposes of this paragraph, the office may require an
12 additional origination fee to be paid by the applicant for
13 deposit in the account created by subsection (f) of this
14 section if the additional fee is necessary to account for a
15 decreased amount of investment earnings as a result of the
16 emergency bridge loan program;

17

18 (ii) Not exceed seven hundred fifty thousand
19 dollars (\$750,000.00) for each business applying under this
20 chapter;

21

1 (iii) Be secured by insurance proceeds that the
2 business will receive as a result of the natural disaster
3 or other land, equipment or assets owned by the business;
4

5 (iv) Be expended only for any business purposes,
6 which may include fencing repair, the replacement of
7 livestock, the replacement of buildings or shelters, farm
8 vehicles, ranch vehicles and equipment damaged or destroyed
9 in the natural disaster, the leasing of land for livestock
10 grazing, necessary trucking and transportation expenses and
11 temporary facilities for the business to operate;
12

13 (v) Not be expended to expand the business's
14 operations or to purchase additional property or equipment
15 that the business did not have before the natural disaster;
16

17 (vi) Contain repayment terms, provided that:

18
19 (A) Full repayment shall occur not later
20 than three (3) years after the issuance of the loan;
21

22 (B) Interest shall be charged on the loan
23 at a rate not to exceed zero percent (0%) plus the interest

1 rate earned on pooled fund investments in the previous
2 fiscal year. The interest rate specified in this
3 subparagraph shall be reduced to account for investment
4 earnings and the rate of return on investments of the small
5 business emergency bridge loan account created in
6 subsection (f) of this section.

7

8 (e) Each business receiving a loan under this chapter
9 shall make repayments to the office. Upon receiving
10 payments, the office shall deposit the funds received,
11 including interest, in the small business emergency bridge
12 loan account created in subsection (f) of this section.

13

14 (f) There is created the small business emergency
15 bridge loan account. Funds within the account shall be used
16 only to provide emergency bridge loans under this chapter,
17 origination fees specified in this chapter and any
18 administrative costs associated with operating the program.
19 The state treasurer shall invest funds within the account
20 in accordance with law, and all earnings from the account
21 shall be deposited in the account. The office may accept
22 grants, gifts or other funds for deposit in the account.
23 Any grants, gifts or other funds accepted under this

1 subsection shall first be expended to reduce, on a pro rata
2 basis, the interest that applicants are required to pay
3 under this section. Funds in the account are continuously
4 appropriated to the office to be expended only in
5 accordance with this chapter.

6

7 (g) Not later than October 1 of each year, the office
8 shall annually review the program and report to the joint
9 appropriations committee and the joint agriculture, state
10 and public lands and water resources interim committee on
11 the loans made under the program, all outstanding loan
12 commitments, repayments received and the balance of the
13 account created in subsection (f) of this section.

14

15 **Section 2.** There is appropriated twenty-five million
16 dollars (\$25,000,000.00) from the general fund to the small
17 business emergency bridge loan account, as created by
18 section 1 of this act. Funds in the account shall be
19 expended in accordance with W.S. 11-52-102, as created by
20 section 1 of this act. Notwithstanding W.S. 9-2-1008,
21 9-2-1012(e) and 9-4-207, this appropriation shall not
22 revert except upon further legislative action. It is the
23 intent of the legislature that this appropriation not be

