

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 the department of agriculture;  
2 establishing an emergency bridge loan program for small  
3 businesses during declared natural disasters; specifying  
4 eligibility and requirements for the bridge loan program;  
5 specifying terms, conditions and obligations for bridge  
6 loans; specifying duties; creating an account; requiring  
7 reports; providing an appropriation; requiring rulemaking;  
8 and providing for 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) "Department" means the Wyoming department of  
8 agriculture;

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 department of agriculture shall administer  
2 the program. The department 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. Upon this  
9 declaration, businesses located in the designated counties  
10 in which the natural disaster has been declared may apply  
11 for emergency bridge loans under this chapter;

12

13           (ii) Emergency bridge loans shall be made only  
14 to businesses that:

15

16           (A) Are physically located and doing  
17 business in Wyoming and are physically located within the  
18 area in which the governor has declared that a natural  
19 disaster has occurred;

20

21           (B) Were established and in operation  
22 before the declared natural disaster occurred;

23

1                   (C) Have a person who owns not less than  
2 fifty percent (50%) of the business, who can apply for the  
3 loan and who shall serve as guarantor for the loan. Any  
4 person applying for a loan under this chapter for a  
5 business shall have a credit score of not less than five  
6 hundred fifty (550) and shall not be on probation or parole  
7 at the time of application;

8

9                   (D) Not be engaged in the business of loan  
10 packaging, offering or providing short-term rentals,  
11 speculation, multi-sales distribution, gaming, investment  
12 or lending or any activity that violates state or federal  
13 law.

14

15                   (iii) Applications for emergency bridge loans  
16 shall be filed with a financial institution registered with  
17 the department to participate in the program. Upon receipt  
18 of a complete application and all required documentation,  
19 the financial institution shall review the application and  
20 documentation to determine whether the business qualifies  
21 for an emergency bridge loan under this chapter and shall  
22 forward a recommendation to the department whether to

1 approve or reject the loan and any terms or conditions that  
2 should be included for the loan;

3

4 (iv) Upon receipt of a recommendation from a  
5 financial institution, the department shall, not later than  
6 twenty-four (24) hours after receiving the recommendation,  
7 review the recommendation and ensure that the applicant  
8 qualifies for a loan. Upon determining that an applicant  
9 qualifies under this chapter, the department shall disburse  
10 funds from the account created in subsection (f) of this  
11 section to the financial institution for disbursement to  
12 the loan applicant or, if requested by the loan applicant  
13 or if the financial institution is unable to accept the  
14 funds, for disbursement directly to the loan applicant, and  
15 specify any terms and conditions that shall be included as  
16 part of the loan agreement.

17

18 (d) Emergency bridge loans issued under this chapter  
19 shall:

20

21 (i) Require an origination fee of two percent  
22 (2%) of the loan amount, to be distributed to the financial  
23 institution for processing the loan. The department shall

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

11

12 (ii) Not exceed one million five hundred  
13 thousand dollars (\$1,500,000.00) for each business applying  
14 under this chapter;

15

16 (iii) Be secured by insurance proceeds that the  
17 business will receive as a result of the natural disaster  
18 or other land, equipment or assets owned by the business;

19

20 (iv) Be expended only for any business purposes,  
21 which may include fencing repair, the replacement of  
22 livestock, the replacement of buildings or shelters, farm  
23 vehicles, ranch vehicles and equipment damaged or destroyed

1 in the natural disaster, the leasing of land for livestock  
2 grazing, necessary trucking and transportation expenses and  
3 temporary facilities for the business to operate;

4

5 (v) Not be expended to expand the business's  
6 operations or to purchase additional property or equipment  
7 that the business did not have before the natural disaster;

8

9 (vi) Contain repayment terms, provided that:

10

11 (A) Full repayment shall occur not later  
12 than three (3) years after the issuance of the loan;

13

14 (B) Interest shall be charged on the loan  
15 at a rate not to exceed zero percent (0%) plus the interest  
16 rate earned on pooled fund investments in the previous  
17 fiscal year. The interest rate specified in this  
18 subparagraph shall be reduced to account for investment  
19 earnings and the rate of return on investments of the small  
20 business emergency bridge loan account created in  
21 subsection (f) of this section.

22



1           (e) Each business receiving a loan under this chapter  
2 shall make repayments to the department. Upon receiving  
3 payments, the department shall deposit the funds received,  
4 including interest, in the small business emergency bridge  
5 loan account created in subsection (f) of this section.

6

7           (f) There is created the small business emergency  
8 bridge loan account. Funds within the account shall be used  
9 only to provide emergency bridge loans under this chapter,  
10 origination fees specified in this chapter and any  
11 administrative costs associated with operating the program.  
12 The state treasurer shall invest funds within the account  
13 in accordance with law, and all earnings from the account  
14 shall be deposited in the account. The department may  
15 accept grants, gifts or other funds for deposit in the  
16 account. Any grants, gifts or other funds accepted under  
17 this subsection shall first be expended to reduce, on a pro  
18 rata basis, the interest that applicants are required to  
19 pay under this section. Funds in the account are  
20 continuously appropriated to the department to be expended  
21 only in accordance with this chapter.

22

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

9

10           **Section 2.** There is appropriated fifty million  
11 dollars (\$50,000,000.00) from the general fund to the small  
12 business emergency bridge loan account, as created by  
13 section 1 of this act. Funds in the account shall be  
14 expended in accordance with W.S. 11-52-102, as created by  
15 section 1 of this act. Notwithstanding W.S. 9-2-1008,  
16 9-2-1012(e) and 9-4-207, this appropriation shall not  
17 revert except upon further legislative action. It is the  
18 intent of the legislature that this appropriation not be  
19 included in the standard budget of the department of  
20 agriculture for the immediately succeeding fiscal biennium.

21

22           **Section 3.** The department of agriculture shall  
23 promulgate all rules necessary to implement this act.

