

FISCAL NOTE

Under current law, funds in the Permanent Wyoming Mineral Trust Fund (PWMTF) Reserve Account which exceed 150% of the spending policy amount are credited to the PWMTF corpus. Also under current law, funds in the Common School Permanent Land Fund (CSPLF) Reserve Account which exceed 150% of the spending policy amount are credited to the CSPLF corpus.

This bill would direct funds in the PWMTF Reserve Account which exceed 150% of the spending policy to accounts in specific amounts in a priority order, with each priority to be fully funded prior to distributions under the next priority. These distributions would be made in the following priorities and amounts:

1. To the PWMTF corpus in an amount equal to the severance taxes directed to the PWMTF for the same fiscal year multiplied by the consumer price index (CPI) for the preceding calendar year;
2. To the PWMTF corpus an amount equal to the beginning cost basis of the fund calculated on the first day of the fiscal year, multiplied by the average CPI for the preceding five (5) calendar years;
3. The remainder would be distributed 60% to the PWMTF corpus and 40% to the Legislative Stabilization Reserve Account (LSRA). The State Treasurer would not transfer the 40% to the LSRA if the total available balance in the LSRA exceeds the total appropriations from the General Fund, the Budget Reserve Account and the LSRA for the immediately preceding biennium. If the 40% transfer is not made to the LSRA, these funds would instead be distributed to the PWMTF corpus.

This bill would also direct funds in the CSPLF Reserve Account which exceed 150% of the spending policy to accounts in specific amounts in a priority order, with each priority to be fully funded prior to distributions under the next priority. These distributions would be made in the following priorities and amounts:

1. To the CSPLF corpus in an amount equal to the state royalties directed to the CSPLF for the same fiscal year multiplied by the CPI for the preceding calendar year;
2. To the CSPLF corpus an amount equal to the beginning cost basis of the fund calculated on the first day of the fiscal year, multiplied by the average CPI for the preceding five (5) calendar years;
3. The remainder would be distributed 60% to the CSPLF corpus and 40% to the School Foundation Program Reserve Account (SFPRA). The State Treasurer would not transfer the 40% to the SFPRA if the total available balance in the SFPRA exceeds the total appropriations from the School Foundation Program Account and the SFPRA for the immediately preceding biennium. If the 40% transfer is not made to the SFPRA, these funds would instead be distributed to the CSPLF corpus.

The amounts of these distributions would depend on actual investment earnings from the PWMTF and the CSPLF that exceed 150% of their respective spending policy. The January 2018 CREG forecast projects no investment earnings from either the PWMTF or the CSPLF in excess of their respective 5% spending policy amounts throughout the forecast period.

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