

**FISCAL NOTE**

This bill would repeal three accounts: (1) the Budget Reserve Account (BRA); (2) the Strategic Investments and Project Account (SIPA); and (3) the Permanent Wyoming Mineral Trust Fund Reserve Account (PWMTF RA) effective July 1, 2020, after the end of the FY 2019-2020 biennium. Balances in the accounts at that time would be transferred and revenue streams currently directed to those accounts in law would be re-directed to other accounts, principally the General Fund (GF) and Legislative Stabilization Reserve Account (LSRA). Importantly, the magnitude of the transfers is dependent upon (1) appropriations made during the 2019 General Session, (2) appropriations that are effective immediately during the 2020 Budget Session, and (3) actual revenues. All transfers and redirections of revenue occur outside of the current FY 2019-2020 biennium.

Based on the January 2019 CREG report and the Governor’s supplemental budget recommendations, the account transfers on July 1, 2020 under this bill are estimated to be:

- BRA to the GF: \$99,565,000
- PWMTF to the LSRA: \$302,268,180
- SIPA to LSRA: \$1,273,433

	FY 2020	FY 2021	FY 2022
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
GENERAL FUND	\$0	\$384,300,000	\$391,700,000
BUDGET RESERVE ACCOUNT	(\$0)	(\$384,300,000)	(\$391,700,000)
LEGISLATIVE STABILIZATION RES. ACCT.	\$0	\$1,950,000	\$2,450,000
STRATEGIC INVESTMENTS & PROJECTS ACCT.	(\$0)	(\$1,950,000)	(\$2,450,000)

Source of revenue increase(decrease):

Elimination of BRA, with severance tax and federal mineral royalty (FMR) revenues re-directed from the BRA to the GF; Elimination of the SIPA with investment income re-directed to the LSRA.

Assumptions:

The permanent redirection of severance taxes and FMRs from the BRA to the GF will permanently increase total GF revenues, beginning in FY 2021. Redirection of investment income directed to the SIPA under current law would flow to the LSRA.

The above estimate reflects the severance taxes and FMRs to be distributed to the BRA, as projected in the January 2019 CREG forecast.

This bill has an effective date of July 1, 2020. Therefore, these permanent diversions would begin in FY 2021.

	FY 2020	FY 2021	FY 2022
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure			
increase/(decrease)			
GENERAL FUND	(\$0)	(\$19,215,000)	(\$19,585,000)
LEGISLATIVE STABILIZATION RES. ACCT.	\$0	\$49,400,000	\$46,000,000
STRATEGIC INVESTMENTS & PROJECTS ACCT.	(\$0)	(\$10,000,000)	(\$10,000,000)
PERM. MIN. TRUST FUND RES.	(\$0)	(\$39,400,000)	(\$36,000,000)

Source of expenditure increase(decrease):

Decrease in expenditures from the GF in the 2021-22 biennium equal to 5 percent of the increase in GF revenues.

Transfer of funds to the School Major Maintenance Subaccount would originate from the LSRA under W.S. 9-4-220(b)(i) rather than the PWMTF RA. Therefore, the bill provides for an expenditure increase ("guarantee") from the LSRA and an expenditure decrease from the PWMTF RA to the extent funds are available.

Similarly, the transfer of \$10 million per year required by W.S. 9-4-220.1(b) to the Wyoming State Penitentiary Capital Construction Account would originate from the LSRA rather than from the SIPA. This results in an expenditure increase ("guarantee") from the LSRA and an expenditure decrease from the SIPA, to the extent funds are available.

Assumptions:

W.S. 9-2-1012 currently requires the Governor to recommend to the Legislature that not less than 5 percent of estimated GF revenues for the next biennial budget be appropriated from the GF to the BRA. This bill eliminates this appropriation, and requires a GF Reserve Amount of not less than 5 percent of estimated GF revenues to remain in the GF.

The increase in GF revenues described above will result in an increase to the current Statutory Reserve Amount (proposed GF Reserve Amount). This increase in the reserve amount will result in a one-time corresponding decrease in GF expenditures in the 2021-22 biennium.

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