

SENATE FILE NO. SF0152

Transparency in legislative budgeting act.

Sponsored by: Senator(s) Hicks and Steinmetz and
Representative(s) Burkhart, Gray and Miller

A BILL

for

1 AN ACT relating to public funds; repealing the budget reserve
2 account, the permanent Wyoming mineral trust fund reserve
3 account and the strategic investments and projects account;
4 amending appropriations, loan authority, distributions,
5 reversions and transfers of funds as specified; providing for
6 transfer, loan authority and reversion of funds; conforming
7 provisions; amending the spending policy amount for income
8 from the permanent Wyoming mineral trust fund; repealing
9 obsolete language; and providing for an effective date.

10

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

12

13 **Section** **1.** W.S. 9-1-417(a), 9-1-507(j)(i),
14 9-2-102(a)(iii), 9-2-1012(e), 9-2-1013(d)(ii), (iii)(B) and
15 (iv), 9-2-1014.1(a) through (d), (e)(intro) and (iii),

1 9-4-220(b)(intro) and (i), 9-4-220.1, 9-4-601(d)(iv) and
2 (vii), 9-4-719(b)(intro), (c) and (d)(v), 16-1-111(e),
3 35-1-1002(a)(vi), 35-11-528(e), 35-11-529,
4 39-14-801(d)(intro) and 39-19-111(a)(intro) are amended to
5 read:

6

7 **9-1-417. Interfund loans; repayment; maximum amount;**
8 **interest.**

9

10 (a) The state treasurer and the state auditor may
11 utilize interfund loans from the legislative stabilization
12 reserve account, or the general fund if insufficient funds
13 exist in the legislative stabilization reserve account, to
14 any other fund or account to meet obligations which come due
15 prior to receipt of revenues. The interfund loans shall be
16 repaid as soon as the anticipated revenue is received. The
17 total amount of interfund loans outstanding at one (1) time
18 shall not exceed sixty million dollars (\$60,000,000.00).
19 These loans shall not be used to fund shortages caused by
20 expenditures exceeding projected revenues but are to be used
21 only to fund temporary shortages caused by meeting
22 obligations which come due prior to receipt of revenues. The
23 interest charged on each interfund loan, other than to the

1 general fund, ~~or budget reserve account~~, shall be the interest
2 rate earned on pooled fund investments in the previous fiscal
3 year.

4

5 **9-1-507. Examination of books of state institutions,**
6 **agencies and certain districts and entities; independent**
7 **audit authorized; guidelines.**

8

9 (j) The director of the department of audit shall
10 certify:

11

12 (i) To the state treasurer by October 5 of each
13 year, a list of counties, cities and towns which have failed
14 to comply with paragraph (a)(vii) of this section. The state
15 treasurer shall withhold the annual distribution, which would
16 otherwise be made under W.S. 9-2-1014.1, to any county, city
17 or town failing to comply with paragraph (a)(vii) of this
18 section. The withheld distribution shall be retained in the
19 ~~budget reserve account~~ general fund until the director of the
20 department of audit certifies that the county, city or town
21 has filed the required report;

22

1 **9-2-102. Department of health; duties and**
2 **responsibilities; state grants.**

3
4 (a) The department of health is the state mental health
5 authority, the developmental disabilities authority and the
6 substance abuse authority. The department through its
7 divisions has the following duties and responsibilities to:

8
9 (iii) Establish minimum standards and approve
10 policies and procedures for the establishment and operation
11 of community-based mental health, substance abuse and
12 developmental disabilities programs receiving state support.
13 The department through its mental health division and its
14 substance abuse division shall annually withhold not less
15 than five percent (5%) of all amounts provided in each
16 contract with a community-based mental health, substance
17 abuse or drug court program or provider and shall not release
18 the funds withheld to the individual program or provider until
19 the respective division and the individual program or
20 provider enter into a written agreement that provides for
21 performance and outcome measures. If the respective division
22 and an individual program or provider do not enter into a
23 mutually agreed upon set of performance and outcome measures,

1 the funds withheld under this paragraph shall revert to the
2 ~~budget reserve account~~ general fund at the end of the biennium
3 in which the funds were withheld;

4
5 **9-2-1012. Duties of budget division; transmittal of**
6 **standard budget and manual; return of completed exception and**
7 **expanded budgets; submission to governor; general fund**
8 **reserve amount; disposition of excess general funds;**
9 **submission of selected budget information to joint**
10 **appropriations committee.**

11
12 (e) In preparing the overall state budget for
13 distribution to the legislature, including any supplemental,
14 budget shortfall or other emergency changes to the budget,
15 the governor shall recommend to the legislature ~~that a general~~
16 fund reserve amount of not less than five percent (5%) of
17 estimated general fund receipts for the next biennial budget
18 period, ~~shall be appropriated from the general fund to the~~
19 ~~budget reserve account within the earmarked fund. This~~
20 ~~appropriation shall be in addition to any fund balance within~~
21 ~~the budget reserve account~~ which shall not be included in any
22 request for appropriation and shall remain in the general
23 fund. At the end of each biennial budget period, general

1 fund appropriations for the biennium in excess of
2 expenditures including encumbrances during the biennium, as
3 identified by the state auditor in accordance with the
4 provisions of W.S. 9-2-1008 and 9-4-207, shall ~~be transferred~~
5 ~~into the budget reserve account. All funds in the budget~~
6 ~~reserve account shall be invested by the state treasurer and~~
7 ~~earnings therefrom shall be credited into the general fund.~~
8 ~~Appropriations to the account shall not lapse at the end of~~
9 ~~any fiscal period. Expenditures from the budget reserve~~
10 ~~account shall be by legislative appropriation only~~ revert to
11 the general fund. Subject to accrual accounting principles
12 and including funds reverted under this subsection, any
13 unappropriated, unexpended and unobligated funds in the
14 general fund on June 30 of the end of each biennial budget
15 period in excess of the general fund reserve amount shall be
16 transferred to the legislative stabilization reserve account.

17

18 **9-2-1013. State budget; distribution of copies to**
19 **legislators; copies and reports of authorizations; interfund**
20 **loans.**

21

22 (d) In addition to the items contained in subsection

23 (a) of this section and notwithstanding any other

1 recommendations made by the governor, the state budget shall
2 also include the governor's recommendations for
3 appropriations for the ensuing two (2) years, or if a
4 supplemental budget request, the remainder of the budget
5 period, subject to the following:

6
7 (ii) The total recommended appropriations under
8 this subsection for any two (2) fiscal year budget period
9 shall not exceed the total estimated revenues for that two
10 (2) year period. The total estimated revenues computed under
11 this paragraph shall not include increases in existing
12 revenue sources which would be available to the state only
13 after enactment of legislation in addition to existing law,
14 but shall include the unencumbered balances in all other
15 accounts in all other expendable funds subject to this
16 section, and as further provided herein, as those funds are
17 identified in accordance with standards promulgated by the
18 governmental accounting standards board, but specifically
19 excluding pension funds, nonexpendable trust funds, debt
20 service funds and intragovernmental funds, that would be
21 available for that budget period. Funds within ~~the permanent~~
22 ~~Wyoming mineral trust fund reserve account created under W.S.~~
23 ~~9-4-719(b),~~ the common school permanent fund reserve account

1 created under W.S. 9-4-719(f), funds within the legislative
2 stabilization reserve account in excess of the limitation
3 under subparagraph (iii)(C) of this section, or ~~funds within~~
4 ~~five percent (5%) of estimated general fund receipts for the~~
5 ~~next biennium to be appropriated to the budget reserve account~~
6 ~~as required by~~ the general fund reserve amount specified by
7 W.S. 9-2-1012(e) shall not be included in total estimated
8 revenues computed under this paragraph. Funds from a
9 contingent appropriation shall not be included as an
10 estimated source of revenue or funds available unless those
11 funds previously had been authorized to be expended within
12 the fiscal period covering the budget period of the
13 recommendation;

14

15 (iii) The total recommended appropriations under
16 this subsection shall not include any of the following:

17

18 (B) The transfer of funds from an account to
19 another account; ~~except transfers from the budget reserve~~
20 ~~account;~~

21

22 (iv) As used in this subsection, "appropriations"
23 include any of the following:

1

2 (A) Specific legislative authorization to
3 expend state revenues contained in a budget bill that is
4 enacted into law;~~;~~

5

6 (B) An amount to be expended from an account
7 which does not require additional specific legislative
8 authorization;~~;~~ ~~the transfer of funds from the budget reserve~~
9 ~~account to another account or~~

10

11 (C) A specific statutory distribution of a
12 revenue source.~~;~~

13

14 **9-2-1014.1. State budget; requests by recipients of**
15 **certain funds for additional funding.**

16

17 (a) Any state agency that receives federal mineral
18 royalties or severance tax distributions may request
19 additional funding from the ~~budget reserve account~~ general
20 fund as provided in this section.

21

22 (b) The total amount available for the purpose of this
23 section shall be the estimated deposits into the ~~budget~~

1 ~~reserve account~~ general fund for the next biennial budget
2 period under W.S. 9-4-601(d)(iv) and ~~39-14-801(d)(ii)~~
3 39-14-801(d).

4

5 (c) Any state agency eligible to request additional
6 funds ~~from the budget reserve account~~ under this section shall
7 submit its request as part of the budget process under W.S.
8 9-2-1010 through 9-2-1014.

9

10 (d) The governor shall include his recommendations for
11 additional funding under this section for state agencies and
12 for local governments ~~from the budget reserve account~~ in his
13 December 1 budget recommendation to the legislature. His
14 total recommendations under this section shall not exceed the
15 total amount determined under subsection (b) of this section.

16

17 (e) To the extent the legislature appropriates funds
18 under this section ~~from the budget reserve account~~ for local
19 governments, the appropriation shall comply with and be
20 subject to the following:

21

22 (iii) The distributions to local governments under
23 this section shall be made by the state treasurer no later

1 than October 15⁷ of the fiscal year next following the fiscal
2 year for which the appropriation is made. The distributions
3 shall be from revenues actually recognized in the fiscal year
4 for which the appropriation is made. ~~Any interest earned on~~
5 ~~invested funds allocated to local governments under this~~
6 ~~section shall be retained in the budget reserve account.~~

7

8 **9-4-220. School major maintenance subaccount.**

9

10 (b) For fiscal year 2021 and in each fiscal year
11 thereafter unencumbered and unobligated funds available for
12 expenditure in the ~~strategic investments and projects~~
13 legislative stabilization reserve account shall be ~~expended~~
14 ~~for the following purposes and~~ subject to the following:

15

16 (i) On June 30, 2021 for fiscal year 2021 an amount
17 equal to ~~forty-five percent (45%) of the maximum amount which~~
18 ~~may be credited to the strategic investments and projects~~
19 ~~account pursuant to W.S. 9-4-719(g)~~ fifty thousand six
20 hundred twenty-five hundred-thousandths percent (.50625%) of
21 the previous five (5) year average market value of the
22 permanent Wyoming mineral trust fund and on June 30 of each
23 fiscal year thereafter an amount equal to forty-five

1 hundredths percent (.45%) of the previous five (5) year
2 average market value of the permanent Wyoming mineral trust
3 fund, shall be credited from the legislative stabilization
4 reserve account to a school major maintenance subaccount.
5 Funds within the subaccount shall be expended only for school
6 major maintenance obligations of the state. For purposes of
7 accounting and investing only, the school major maintenance
8 subaccount shall be treated as a separate account from the
9 ~~strategic investments and projects~~ legislative stabilization
10 reserve account.†

11

12 **9-4-220.1. Wyoming state penitentiary capital**
13 **construction account; funds transferred to the account.**

14

15 (a) There is created the Wyoming state penitentiary
16 capital construction account within the ~~strategic investments~~
17 ~~and projects~~ legislative stabilization reserve account.

18 ~~created by W.S. 9-4-220.~~ Funds in the account shall only be

19 expended upon legislative appropriation. Through the fiscal

20 year ending June 30, 2034, all funds within the account shall

21 be invested in the pool A investment account by the state

22 treasurer pursuant to W.S. 9-4-715(p). Thereafter, all funds

23 within the account shall be invested as determined by the

1 state treasurer. All investment earnings from the account
2 shall be credited to the account. For purposes of accounting
3 and investing only, the Wyoming state penitentiary capital
4 construction account shall be treated as a separate account
5 from the ~~strategic investments and projects~~ legislative
6 stabilization reserve account.

7
8 (b) Beginning on June 30, 2021 for fiscal year 2021 and
9 June 30 of each fiscal year thereafter as provided in this
10 subsection, the state treasurer shall transfer ten million
11 dollars (\$10,000,000.00), or as much thereof as is available,
12 from any unobligated funds within the ~~strategic investments~~
13 ~~and projects~~ legislative stabilization reserve account to the
14 Wyoming state penitentiary capital construction account. The
15 state treasurer shall cease transferring funds to the Wyoming
16 state penitentiary capital construction account pursuant to
17 this subsection on July 1, 2038.

18

19 **9-4-601. Distribution and use; funds, accounts, cities**
20 **and towns benefited; exception for bonus payments.**

21

22 (d) Except as provided in subsection (k) of this
23 section, any revenue received under subsection (a) of this

1 section in excess of two hundred million dollars
2 (\$200,000,000.00) shall be distributed as follows:

3

4 (iv) Subject to paragraph (vii) of this
5 subsection, two-thirds (2/3) to the ~~budget reserve account~~
6 general fund;

7

8 (vii) From the amounts that would otherwise be
9 distributed to the ~~budget reserve account~~ general fund under
10 paragraph (iv) of this subsection and paragraph (k)(ii) of
11 this section, amounts necessary to make the required revenue
12 bond payments as provided by W.S. 9-4-1003(d), but in no event
13 more than eighteen million dollars (\$18,000,000.00) annually;

14

15 **9-4-719. Investment earnings spending policy permanent**
16 **funds.**

17

18 (b) ~~There is created the permanent Wyoming mineral~~
19 ~~trust fund reserve account.~~ Beginning July 1, ~~2016~~ 2020 for
20 fiscal year ~~2017~~ 2021 and each fiscal year thereafter, the
21 state treasurer shall transfer unobligated funds from ~~this~~
22 the legislative stabilization reserve account to the general
23 fund as necessary to ensure that ~~an amount equal to two and~~

1 ~~one-half percent (2.5%) of the previous five (5) year average~~
2 ~~market value of the permanent Wyoming mineral trust fund,~~
3 ~~calculated on the first day of the fiscal year, the spending~~
4 ~~policy amount specified in subsection (d) of this section is~~
5 available for expenditure annually during each fiscal year.
6 ~~As soon as possible after the end of each of the fiscal years~~
7 ~~beginning on and after July 1, 2017, after making any transfer~~
8 ~~required pursuant to paragraph (i) of this subsection,~~
9 ~~revenues in this account in excess of one hundred fifty~~
10 ~~percent (150%) of the spending policy amount in subsection~~
11 ~~(d) of this section shall be credited to the permanent Wyoming~~
12 ~~mineral trust fund. For fiscal year 2021 and for each fiscal~~
13 ~~year thereafter:~~

14
15 (c) The earnings from the permanent Wyoming mineral
16 trust fund under W.S. 9-4-204(u)(iii) during each fiscal year
17 beginning July 1, ~~2001-2020~~, in excess of the spending policy
18 established in subsection (d) of this section are
19 appropriated from the general fund to the ~~permanent Wyoming~~
20 ~~mineral trust fund~~ legislative stabilization reserve account.
21 The appropriation shall be credited to the account as soon as
22 practicable after the end of the fiscal year but no later
23 than ninety (90) days after the end of the fiscal year.

1

2 (d) The annual spending policy for the permanent
3 Wyoming mineral trust fund is as follows for each fiscal year
4 (FY):

5

6 (v) FY ~~2018, 2019 and 2020~~ and each fiscal year
7 thereafter - an amount equal to ~~five percent (5%)~~ two and
8 one-half percent (2.5%) of the previous five (5) year average
9 market value of the trust fund, calculated from the first day
10 of the fiscal year;

11

12 **16-1-111. Loans to political subdivisions;**
13 **requirements; limitations; rulemaking.**

14

15 (e) There is created a loss reserve account for loans
16 made under this section. A loan origination fee of one-half
17 of one percent (0.5%) of the loan shall be paid by the loan
18 applicant and deposited to the loss reserve account for any
19 loan approved under this section. If, as a result of default
20 in the payment of any loan made under this section, there
21 occurs a nonrecoverable loss either to the corpus of, or
22 interest due to the permanent Wyoming mineral trust fund, the
23 board shall restore the loss to the permanent fund using any

1 funds available in the loss reserve account. If the funds in
2 the loss reserve account are insufficient to restore the full
3 amount of the loss, the board shall submit a detailed report
4 of the loss to the legislature and shall request an
5 appropriation to restore the balance of the loss to the
6 permanent fund. Beginning June 30, 2018, the state treasurer
7 shall transfer funds quarterly from the ~~permanent Wyoming~~
8 ~~mineral trust fund reserve account~~ legislative stabilization
9 reserve account to the loss reserve account created in this
10 subsection, in an amount necessary to ensure that as of the
11 last day of each quarter there is an unobligated, unencumbered
12 balance equal to five percent (5%) of the balance of
13 outstanding loans under this section. Any funds transferred
14 to the loss reserve account pursuant to this subsection which
15 are not necessary to maintain the five percent (5%) balance
16 shall be transferred back to the ~~permanent Wyoming mineral~~
17 ~~trust fund reserve account~~ legislative stabilization reserve
18 account on the last day of the quarter.

19

20 **35-1-1002. Definitions.**

21

22 (a) As used in this article:

23

1 (vi) "Unobligated," for purposes of W.S.
2 35-1-1003(b), ~~and (d),~~ means no commitment meeting the
3 requirements of subparagraph (iii)(B) of this subsection was
4 received prior to June 30, 2012.

5
6 **35-11-528. Municipal solid waste facilities cease and**
7 **transfer program created; criteria for grants and loans; loan**
8 **terms; availability of other state funding sources.**

9
10 (e) Loans may be made under the program at zero interest
11 rate, up to an annual interest rate equal to the average prime
12 interest rate as determined in accordance with this
13 subsection. Loans provided under the program shall be
14 adequately collateralized as determined by the state loan and
15 investment board. Principal and interest payments shall be
16 deposited in the ~~budget reserve account~~ general fund. The
17 state loan and investment board shall establish interest
18 rates to be charged for loans under the program, but the
19 interest rate shall not exceed an annual interest rate equal
20 to the average prime interest rate as determined by the state
21 treasurer. To determine the average prime interest rate, the
22 state treasurer shall average the prime interest rate for at
23 least seventy-five percent (75%) of the thirty (30) largest

1 banks in the United States. The interest rate shall be
2 adjusted on January 1 of each year. Interest rates shall be
3 established in recognition of the repayment abilities and
4 needs of the local municipal solid waste facility operator
5 eligible for loans under the program. The state loan and
6 investment board shall establish loan amortization schedules,
7 terms and conditions for each loan approved based on an
8 applicant's need, financial condition of the landfill
9 operator or the entity responsible for solid waste funding,
10 the projected life of the transfer facility and the ability
11 of that entity to repay the loan in a timely manner.

12

13 **35-11-529. Municipal solid waste facilities cease and**
14 **transfer accounts created; authorized expenditures from the**
15 **accounts.**

16

17 (a) There is created the municipal solid waste cease
18 and transfer grant account. Monies from the account shall be
19 awarded for grants to fund approved activities pursuant to
20 W.S. 35-11-528. Interest earned by this account shall be
21 deposited in the ~~budget reserve account~~ general fund.
22 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),

1 funds deposited in this account shall not revert without
2 further action of the legislature.

3

4 (b) There is created the municipal solid waste cease
5 and transfer loan account. Monies from the account shall be
6 awarded for loans to fund approved activities pursuant to
7 W.S. 35-11-528. Interest earned by this account shall be
8 deposited in the ~~budget reserve account~~ general fund.
9 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),
10 funds deposited in this account shall not revert without
11 further action of the legislature.

12

13 **39-14-801. Severance tax distributions; distribution**
14 **account created; formula.**

15

16 (d) After making distributions pursuant to subsections
17 (b), (c) and (f) of this section, distributions under
18 subsection (e) of this section shall be made from the
19 severance tax distribution account. The amount of
20 distributions under subsection (e) of this section shall not
21 exceed one hundred fifty-five million dollars
22 (\$155,000,000.00) in any fiscal year. To the extent that
23 distributions under subsection (e) of this section would

1 exceed that amount in any fiscal year, except as provided in
2 subsection (g) of this section, the excess shall be credited+
3 to the general fund.

4

5 **39-19-111. Distribution.**

6

7 (a) All money collected under W.S. 39-19-101 through
8 39-19-111 shall be credited ~~as follows:~~ to the general fund.

9

10 **Section 2.** W.S. 9-4-220(a) and (b)(ii), 9-4-719(b)(i),
11 (d)(vi), (vii) and (q), 35-1-1003(d), 39-14-801(d)(i) and
12 (ii), 39-19-111(a)(i) and (ii) and 41-2-124(e)(ii) are
13 repealed.

14

15 **Section 3.** The state treasurer and the state auditor
16 may utilize interfund loans from the legislative
17 stabilization reserve account for deposit to the capitol
18 building rehabilitation and restoration account as necessary
19 to meet appropriations from that account and contract
20 obligations of the department of administration and
21 information incurred for purposes of 2014 Wyoming Session
22 Laws, Chapter 40.

23

1 **Section 4.**

2

3 (a) On the effective date of this act the budget reserve
4 account is repealed and all funds in the budget reserve
5 account shall be transferred to the general fund. All
6 unexpended funds appropriated from the budget reserve account
7 prior to the effective date of this act shall be paid from
8 the general fund. All funds that are directed to revert to
9 the budget reserve account by law shall revert to the general
10 fund.

11

12 (b) On the effective date of this act the permanent
13 Wyoming mineral trust fund reserve account is repealed and
14 all funds in the permanent Wyoming mineral trust fund reserve
15 account shall be transferred to the legislative stabilization
16 reserve account. All unexpended funds appropriated from the
17 permanent Wyoming mineral trust fund reserve account prior to
18 the effective date of this act shall be paid from the
19 legislative stabilization reserve account. All funds that
20 are directed to revert to the permanent Wyoming mineral trust
21 fund reserve account by law shall revert to the legislative
22 stabilization reserve account.

23

1 (c) On the effective date of this act the strategic
2 investments and projects account is repealed and all funds in
3 the strategic investments and projects account shall be
4 transferred to the legislative stabilization reserve account.
5 All unexpended funds appropriated from the strategic
6 investments and projects account prior to the effective date
7 of this act shall be paid from the legislative stabilization
8 reserve account. All funds that are directed to revert to
9 the strategic investments and projects account by law shall
10 revert to the legislative stabilization reserve account. As
11 used in this subsection, "strategic investments and projects
12 account" shall not include any subaccount or other account
13 within the strategic investments and projects account.

14

15 **Section 5.** This act is effective July 1, 2020.

16

17

(END)