

ENROLLED ACT NO. 71, HOUSE OF REPRESENTATIVES

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2021 GENERAL SESSION

AN ACT relating to intergovernmental cooperation; authorizing the state loan and investment board to make loans to irrigation or water conservancy districts as specified; and providing for an effective date.

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

Section 1. W.S. 16-1-111 by creating a new subsection (d) and by renumbering (d) through (f) as (e) through (g) is amended to read:

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

(d) Loans may be made to irrigation or water conservancy districts for replacement or major maintenance projects of storage, diversion, transmission, and distribution systems. A loan under this subsection shall be at an interest rate of the greater of one percent (1%) plus seventy-five thousandths of one percent (0.075%) for each year of the loan term in excess of five (5) years or the current equivalent yield of a United States treasury security of the same duration of the loan, which may be adjusted every five (5) years. In the event of prepayment of a loan, the interest rate shall be calculated at the actual loan period, but no refund of interest payment shall be made to the borrowing entity. Any loan made under this subsection shall be for a term of not fewer than five (5) years and not greater than twenty-five (25) years for repayment. The board shall require an irrigation or a water conservancy district to apply for other grant or loan programs prior to authorizing a loan under this subsection. Adequate security for loans shall be required and may include:

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(i) A pledge of the revenues from the project for which the loan was granted;

(ii) A pledge of other revenues available to the irrigation or water conservancy district receiving the loan;

(iii) A mortgage covering all or any part of the project or by a pledge of the lease of the project;

(iv) Any other security device or requirement deemed advantageous or necessary by the board.

~~(d)~~(e) No loan shall be made without the written opinion of the attorney general certifying the legality of the transaction and all documents connected therewith. An election approving the project and borrowing for the project by the qualified electors of the borrowing entity shall be required only if the attorney general determines such an election is otherwise required by law.

~~(e)~~(f) There is created a loss reserve account for loans made under this section. A loan origination fee of one-half of one percent (0.5%) of the loan shall be paid by the loan applicant and deposited to the loss reserve account for any loan approved under this section. If, as a result of default in the payment of any loan made under this section, there occurs a nonrecoverable loss either to the corpus of, or interest due to the permanent Wyoming mineral trust fund, the board shall restore the loss to the permanent fund using any funds available in the loss reserve account. If the funds in the loss reserve account are insufficient to restore the full amount of the loss, the board shall submit a detailed report of the loss to the legislature and shall request an appropriation to restore

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the balance of the loss to the permanent fund. Beginning June 30, 2018, the state treasurer shall transfer funds quarterly from the permanent Wyoming mineral trust fund reserve account to the loss reserve account created in this subsection, in an amount necessary to ensure that as of the last day of each quarter there is an unobligated, unencumbered balance equal to five percent (5%) of the balance of outstanding loans under this section. Any funds transferred to the loss reserve account pursuant to this subsection which are not necessary to maintain the five percent (5%) balance shall be transferred back to the permanent Wyoming mineral trust fund reserve account on the last day of the quarter.

~~(f)~~(g) As used in this section:

(i) "Board" means the state loan and investment board to include the office of state lands and investments;

(ii) "Infrastructure project" means a capital construction project which may lawfully be undertaken within the powers of the political subdivision authorized to receive a loan under this section;

(iii) "Road or street project" means the construction, maintenance or improvement of a public street, road or alley within a city, town or county.

ORIGINAL HOUSE
BILL NO. HB0188

ENGROSSED

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Section 2. This act is effective July 1, 2021.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk