

## HOUSE BILL NO. HB0055

State budgeting and reserves-account repeal.

Sponsored by: Select Committee on Capital Financing &  
Investments

A BILL

for

1 AN ACT relating to public funds; repealing accounts and  
2 subaccounts as specified; amending appropriations, loan  
3 authority, distributions and transfers of funds as  
4 specified; removing encumbrances from specified accounts;  
5 eliminating specified guarantees from accounts; providing  
6 for the distribution of excess funds as specified;  
7 providing for the transfer from and the reversion of funds  
8 from repealed accounts and subaccounts; making conforming  
9 amendments; repealing obsolete language; requiring reports;  
10 and providing for an effective date.

11

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

13

14 **Section 1.** W.S. 9-1-507(j)(i), 9-2-1012(e) and by  
15 creating a new subsection (j), 9-2-1013(d)(ii), (iii)(B),

1 (iv) and (vi), 9-4-220.1, 9-4-601(d)(intro), (iv), (vii)  
2 and (ix), 9-4-719(q)(i), 21-16-720(b), 35-1-1002(a)(vi),  
3 35-11-528(e), 35-11-529(a) and (b), 39-14-801(d)(intro) and  
4 39-19-111(a)(intro) are amended to read:

5

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

9

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

12

13 (i) To the state treasurer and state auditor by  
14 October 5 of each year, a list of counties, cities and  
15 towns that failed to comply with paragraph (a)(vii) of this  
16 section. The state treasurer shall withhold the annual  
17 distribution, ~~which~~ that would otherwise be made under W.S.  
18 ~~9-2-1014.1,~~ 9-2-1013(d)(vi) to any county, city or town  
19 failing to comply with paragraph (a)(vii) of this section.  
20 The withheld distribution shall be retained ~~in the budget~~  
21 ~~reserve account~~ until the director of the department of  
22 audit certifies that the county, city or town has filed the  
23 required report. The state auditor shall immediately notify

1 all state agencies and boards of every county, city or town  
2 that failed to comply with paragraph (a)(vii) of this  
3 section. Upon receipt of notification by the state auditor  
4 pursuant to this paragraph, a state agency or board shall  
5 withhold state grant and loan payments to every  
6 noncompliant county, city or town for the period after  
7 October 15 until further notice from the state auditor that  
8 a noncompliant county, city or town has come into  
9 compliance with paragraph (a)(vii) of this section. The  
10 department of audit shall certify to the state auditor when  
11 a county, city or town comes into compliance with paragraph  
12 (a)(vii) of this section. The state auditor shall  
13 immediately notify all state agencies and boards of every  
14 county, city or town that has come into compliance with  
15 paragraph (a)(vii) of this section. Any withheld state  
16 grant or loan payments shall be retained by the state  
17 agency or board in the account from which the disbursement  
18 would be made until the state agency or board receives  
19 notification from the state auditor that the county, city  
20 or town is in compliance with paragraph (a)(vii) of this  
21 section, or as otherwise provided by law;

22

1           9-2-1012. Duties of the department; transmittal of  
2 standard budget and manual; return of completed exception  
3 and expanded budgets; submission to governor; disposition  
4 of excess general fund appropriations; disposition of  
5 remaining general funds; submission of selected budget  
6 information to joint appropriations committee.

7  
8           (e) In preparing the overall state budget for  
9 distribution to the legislature, including any  
10 supplemental, budget shortfall or other emergency changes  
11 to the budget, the governor shall recommend to the  
12 legislature that not less than five percent (5%) of  
13 estimated general fund receipts for the next biennial  
14 budget period shall be ~~appropriated from~~ maintained in the  
15 general fund ~~to the budget as a~~ reserve ~~account within the~~  
16 ~~earmarked fund. This appropriation shall be in addition to~~  
17 ~~any fund balance within the budget reserve account. At the~~  
18 ~~end of each biennial budget period, general fund~~  
19 ~~appropriations for the biennium in excess of expenditures~~  
20 ~~including encumbrances during the biennium, as identified~~  
21 ~~by the state auditor in accordance with the provisions of~~  
22 ~~W.S. 9-2-1008 and 9-4-207, shall be transferred into the~~  
23 ~~budget reserve account. All funds in the budget reserve~~

1 ~~account shall be invested by the state treasurer and~~  
2 ~~earnings therefrom shall be credited into the general fund.~~  
3 ~~Appropriations to the account shall not lapse at the end of~~  
4 ~~any fiscal period. Expenditures from the budget reserve~~  
5 ~~account shall be by legislative appropriation only amount.~~  
6 This general fund reserve amount request shall be separate  
7 from all other requests for appropriations during the  
8 biennial budget period for which it is recommended. Subject  
9 to accrual accounting principles, any unappropriated,  
10 unexpended and unobligated funds in the general fund on  
11 June 30 in the last year of each biennial budget period in  
12 excess of the general fund reserve amount recommended under  
13 this subsection shall be transferred to the legislative  
14 stabilization reserve account.

15  
16 (j) At the end of fiscal year 2028 and the end of  
17 each succeeding fiscal biennium and subject to accrual  
18 accounting principles, the state auditor shall transfer the  
19 unobligated, unencumbered fund balance as defined in W.S.  
20 9-2-1002(a)(xxii) of the general fund in excess of the  
21 amount specified in subsection (e) of this section under  
22 the governor's budget request for that fiscal biennium to  
23 the legislative stabilization reserve account.

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2           **9-2-1013. State budget; distribution of copies to**  
3 **legislators; copies and reports of authorizations;**  
4 **interfund loans.**

5

6           (d) In addition to the items contained in subsection  
7 (a) of this section and notwithstanding any other  
8 recommendations made by the governor, the state budget  
9 shall also include the governor's recommendations for  
10 appropriations for the ensuing two (2) years, or if a  
11 supplemental budget request, the remainder of the budget  
12 period, subject to the following:

13

14           (ii) The total recommended appropriations under  
15 this subsection for any two (2) fiscal year budget period  
16 shall not exceed the total estimated revenues for that two  
17 (2) year period. The total estimated revenues computed  
18 under this paragraph shall not include increases in  
19 existing revenue sources which would be available to the  
20 state only after enactment of legislation in addition to  
21 existing law, but shall include the unencumbered balances  
22 in all other accounts in all other expendable funds subject  
23 to this section, and as further provided herein, as those

1 funds are identified in accordance with standards  
2 promulgated by the governmental accounting standards board,  
3 but specifically excluding pension funds, nonexpendable  
4 trust funds, debt service funds and intragovernmental  
5 funds, that would be available for that budget period.  
6 Funds within the permanent Wyoming mineral trust fund  
7 reserve account created under W.S. 9-4-719(b), funds within  
8 the common school permanent fund reserve account created  
9 under W.S. 9-4-719(f), funds within the legislative  
10 stabilization reserve account in excess of the limitation  
11 under subparagraph (iii)(C) of this section, or funds  
12 within five percent (5%) of estimated subsection and the  
13 general fund receipts for the next biennium to be  
14 appropriated to the budget reserve account as required  
15 amount specified by W.S. 9-2-1012(e) shall not be included  
16 in total estimated revenues computed under this paragraph.  
17 Funds from a contingent appropriation shall not be included  
18 as an estimated source of revenue or funds available unless  
19 those funds previously had been authorized to be expended  
20 within the fiscal period covering the budget period of the  
21 recommendation;  
22

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

3  
4           (B) The transfer of funds from an account  
5 to another account; ~~except transfers from the budget~~  
6 ~~reserve account;~~

7  
8           (iv) As used in this subsection,  
9 "appropriations" include any of the following:

10  
11           (A) Specific legislative authorization to  
12 expend state revenues contained in a budget bill that is  
13 enacted into law; ~~7~~

14  
15           (B) An amount to be expended from an  
16 account which does not require additional specific  
17 legislative authorization; ~~the transfer of funds from the~~  
18 ~~budget reserve account to another account or~~

19  
20           (C) A specific statutory distribution of a  
21 revenue source. ~~;~~

22



1           (vi) Nothing in this subsection prevents the  
2 governor from recommending an additional, alternative  
3 budget without the limitations specified in this subsection  
4 or from including recommendations for additional funding  
5 for state agencies that receive federal mineral royalties  
6 or severance tax distributions and for local governments  
7 from federal mineral royalties or severance tax  
8 distributions under W.S. 9-4-601(d)(iv) and 39-14-801(d),  
9 subject to the following:

10  
11           (A) To the extent the legislature  
12 appropriates funds under this section from the general fund  
13 for local governments, the appropriation shall comply with  
14 and be subject to the following:

15  
16           (I) The amount appropriated to local  
17 governments shall not exceed the amount available under  
18 this paragraph, less appropriations under this paragraph to  
19 state agencies;

20  
21           (II) A total amount shall be annually  
22 appropriated to the state treasurer to be distributed to  
23 all local governments as follows:

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(1) Thirty percent (30%) to counties, in the proportion which the population of the county bears to total state population;

(2) Seventy percent (70%) to cities and towns, each city and town to receive an amount in the proportion which the population of the city or town bears to the population of all cities and towns in Wyoming.

(III) The distributions to local governments under this paragraph shall be made by the state treasurer no later than October 15, of the fiscal year next following the fiscal year for which the appropriation is made. The distributions shall be from revenues actually recognized in the fiscal year for which the appropriation is made. Any interest earned on invested funds allocated to local governments under this paragraph shall be retained in the general fund as a reserve amount.

(B) To the extent that actual recognized revenues are less than the estimated deposits referenced in this paragraph:

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2

(I) The distribution of any appropriation to local governments under this section shall be reduced by a pro rata amount; and

5

6

(II) The state auditor shall reduce the spending authority of any state agency receiving an appropriation under this section by a pro rata amount.

9

10

(C) As used in this paragraph:

11

12

(I) "Local government" means any county or municipality;

14

15

(II) "State agency" means the department of transportation, the University of Wyoming and the water development office.

18

19

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

21

22

(a) There is created the Wyoming state penitentiary capital construction account. ~~within the strategic~~

23

1 ~~investments and projects account created by W.S. 9-4-220.~~  
2 Funds in the account shall only be expended upon  
3 legislative appropriation. Through the fiscal year ending  
4 June 30, 2034, all funds within the account shall be  
5 invested in the pool A investment account by the state  
6 treasurer pursuant to W.S. 9-4-715(p). Thereafter, all  
7 funds within the account shall be invested as determined by  
8 the state treasurer. All investment earnings from the  
9 account shall be credited to the account. ~~For purposes of~~  
10 ~~accounting and investing only, the Wyoming state~~  
11 ~~penitentiary capital construction account shall be treated~~  
12 ~~as a separate account from the strategic investments and~~  
13 ~~projects account.~~

14

15 (b) Beginning on June 30, ~~2021-2027~~ for fiscal year  
16 ~~2021-2027~~ and June 30 of each fiscal year thereafter as  
17 provided in this subsection, the state treasurer shall  
18 transfer ten million dollars (\$10,000,000.00), or as much  
19 thereof as is available, from any unobligated funds within  
20 the ~~strategic investments and projects account~~ general fund  
21 to the Wyoming state penitentiary capital construction  
22 account. The state treasurer shall cease transferring funds

1 to the Wyoming state penitentiary capital construction  
2 account pursuant to this subsection on July 1, 2038.

3

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

6

7 (d) ~~Except as provided in subsections (k), (m) and~~  
8 ~~(n) of this section,~~ Any revenue received under subsection  
9 (a) of this section in excess of two hundred million  
10 dollars (\$200,000,000.00) shall be distributed as follows:

11

12 (iv) Subject to paragraphs (vii) and (ix) of  
13 this subsection, two-thirds (2/3) to the ~~budget reserve~~  
14 ~~account~~ general fund;

15

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

23

1           (ix) For the period beginning July 1, 2019 and  
2 ending June 30, 2049, from the amounts that would otherwise  
3 be distributed to the ~~budget reserve account~~ general fund  
4 under paragraph (iv) of this subsection, the first eight  
5 million dollars (\$8,000,000.00) shall be distributed to a  
6 separate account for the University of Wyoming. These  
7 funds are continuously appropriated to the university upon  
8 deposit to the account. The University of Wyoming shall  
9 reduce its standard budget request for the 2021-2022  
10 biennium by an amount equal to the maximum amount of funds  
11 authorized to be deposited under this paragraph. The  
12 University of Wyoming shall acknowledge this reduction of  
13 its 2021-2022 budget request pursuant to this paragraph in  
14 each standard budget request submitted to the governor's  
15 office through June 30, 2048.

16

17           **9-4-719. Investment earnings spending policy**  
18 **permanent funds.**

19

20           (q) The earnings from the permanent Wyoming mineral  
21 trust fund under W.S. 9-4-204(u)(iii) during each fiscal  
22 year beginning July 1, 2016, which are less than the  
23 spending policy established in subsection (d) of this

1 section are appropriated from the general fund subject to  
2 subsection (s) of this section and the following:

3

4 (i) Any earnings in excess of two and one-half  
5 percent (2.5%) of the previous five (5) year average market  
6 value of the trust fund, calculated from the first day of  
7 the fiscal year and less than or equal to the spending  
8 policy amount specified in subsection (d) of this section  
9 shall be credited to the legislative stabilization reserve  
10 account; ~~created by W.S. 9-4-219 and the strategic~~  
11 ~~investments and projects account created by W.S. 9-4-220 in~~  
12 ~~equal amounts;~~

13

14 **21-16-720. Annual report and budget.**

15

16 (b) The authority shall submit its budget for review  
17 as provided by W.S. 9-2-1010 through ~~9-2-1014.1~~ 9-2-1014.

18

19 **35-1-1002. Definitions.**

20

21 (a) As used in this article:

22

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  
4 was 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;**  
8 **loan terms; availability of other state funding sources.**

9

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



1 percent (75%) of the thirty (30) largest banks in the  
2 United States. The interest rate shall be adjusted on  
3 January 1 of each year. Interest rates shall be  
4 established in recognition of the repayment abilities and  
5 needs of the local municipal solid waste facility operator  
6 eligible for loans under the program. The state loan and  
7 investment board shall establish loan amortization  
8 schedules, terms and conditions for each loan approved  
9 based on an applicant's need, financial condition of the  
10 landfill operator or the entity responsible for solid waste  
11 funding, the projected life of the transfer facility and  
12 the ability of that entity to repay the loan in a timely  
13 manner.

14

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

18

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

1 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),  
2 funds deposited in this account shall not revert without  
3 further action of the legislature.

4

5 (b) There is created the municipal solid waste cease  
6 and transfer loan account. Monies from the account shall  
7 be awarded for loans to fund approved activities pursuant  
8 to W.S. 35-11-528. Interest earned by this account shall  
9 be deposited in the ~~budget reserve account~~ general fund.

10 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),  
11 funds deposited in this account shall not revert without  
12 further action of the legislature.

13

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

16

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

1 that distributions under subsection (e) of this section  
2 would exceed that amount in any fiscal year, ~~except as~~  
3 ~~provided in subsections (g), (h) and (k) of this section,~~  
4 the excess shall be credited ~~+~~ to the general fund.

5

6 **39-19-111. Distribution.**

7

8 (a) All money collected under W.S. 39-19-101 through  
9 39-19-111 shall be credited ~~as follows:~~ to the general  
10 fund.

11

12 **Section 2.** W.S. 9-2-102(a)(iii), as amended by 2023  
13 Wyoming Session Laws, Chapter 1, Section 1, is amended to  
14 read:

15

16 **9-2-102. Department of health; duties and**  
17 **responsibilities; state grants.**

18

19 (a) The department of health is the state mental  
20 health authority, the developmental disabilities authority  
21 and the substance abuse authority. The department through  
22 its divisions has the following duties and responsibilities  
23 to:

1

2 (iii) Establish minimum standards and approve  
3 policies and procedures for the establishment and operation  
4 of community-based mental health, substance abuse and  
5 developmental disabilities programs receiving state  
6 support. The department through its mental health division  
7 and its substance abuse division shall annually withhold  
8 not less than five percent (5%) of all amounts provided in  
9 each contract with a community-based mental health or  
10 substance abuse program or provider and shall not release  
11 the funds withheld to the individual program or provider  
12 until the respective division and the individual program or  
13 provider enter into a written agreement that provides for  
14 performance and outcome measures. If the respective  
15 division and an individual program or provider do not enter  
16 into a mutually agreed upon set of performance and outcome  
17 measures, the funds withheld under this paragraph shall  
18 revert to the ~~budget reserve account~~ general fund at the  
19 end of the biennium in which the funds were withheld;

20

21 **Section 3.** W.S. 9-2-1014.1, 9-4-601(k), (m) and (n),  
22 9-4-719(b)(i), 35-1-1003(d), 39-14-801(d)(i), (ii), (g),  
23 (h) and (k) and 39-19-111(a)(i) and (ii) are repealed.

1

2           **Section 4.** W.S. 9-4-220, as amended by 2023 Wyoming  
3 Session Laws, Chapter 175, is repealed.

4

5           **Section 5.** The budget reserve account and the  
6 strategic investments and projects account are repealed.

7

8           **Section 6.**

9

10           (a) On July 1, 2026, all funds in the strategic  
11 investments and projects account shall be transferred by  
12 the state auditor to the general fund. Any unexpended funds  
13 that have been appropriated or obligated from the strategic  
14 investments and projects account prior to July 1, 2026  
15 shall be paid from the general fund. Any funds that are  
16 directed to revert by law to the accounts and subaccounts  
17 specified in this subsection shall revert to the general  
18 fund. All accrued revenues that would otherwise be  
19 deposited in the strategic investments and projects account  
20 shall be deposited in the general fund.

21

22           (b) On July 1, 2026, all funds in the budget reserve  
23 account shall be transferred by the state auditor to the

1 general fund. Any unexpended funds that have been  
2 appropriated or obligated from the budget reserve account  
3 prior to July 1, 2026 shall be paid from the general fund.  
4 Any funds that are directed to revert by law to the budget  
5 reserve account shall revert to the general fund. All  
6 accrued revenues that would otherwise be deposited in the  
7 budget reserve account shall be deposited in the general  
8 fund.

9

10 **Section 7.** Not later than October 1, 2026, the state  
11 auditor shall report to the joint appropriations committee  
12 on the amounts transferred under section 6 of this act.

13

14 **Section 8.** This act is effective July 1, 2026.

15

16

(END)