

HOUSE BILL NO. HB0263

Local water system funding.

Sponsored by: Representative(s) Harshman, Campbell, E, Davis and Riggins and Senator(s) Barlow

A BILL

for

1 AN ACT relating to the administration of the government;
2 establishing a local water system funding program;
3 specifying requirements and project eligibility for local
4 water system funding; specifying duties; authorizing the
5 borrowing of funds; providing a funding guarantee by
6 modifying the distribution of revenues; requiring reports;
7 requiring rulemaking; and providing for an effective date.

8

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

10

11 **Section 1.** W.S. 16-1-401 and 16-1-402 are created to
12 read:

13

14

ARTICLE 4

15

LOCAL WATER SYSTEM FUNDING

1

2 **16-1-401. Definitions.**

3

4 (a) As used in this article:

5

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

8

9 (ii) "Program" means the local water system
10 funding program created by this article.

11

12 **16-1-402. Local water system funding program;**
13 **creation; requirements; duties.**

14

15 (a) The local water system funding program is created
16 to provide financial assistance to cities, towns and
17 special districts for improvements to community public
18 water systems and community wastewater systems in
19 accordance with this article.

20

21 (b) The state loan and investment board, with
22 assistance from the office of state lands and investments,

1 shall administer the program. The board shall promulgate
2 all rules necessary to implement the program.

3

4 (c) The board shall:

5

6 (i) Establish an application process by which
7 cities, towns and special districts may apply for financial
8 assistance under the program;

9

10 (ii) Receive and review applications for
11 financial assistance under the program, in accordance with
12 subsection (f) of this section;

13

14 (iii) Administer the financial assistance
15 available under the program, including processing and
16 receiving repayments;

17

18 (iv) Conduct an annual audit of the program;

19

20 (v) Report to the joint appropriations committee
21 and the joint minerals, business and economic development
22 interim committee not later than November 1 of each year on

1 the financial assistance provided under the program for the
2 immediately preceding fiscal year.

3

4 (d) Subject to subsection (e) of this section, funds
5 under the program shall be available only to cities, towns
6 and special districts for financial assistance for eligible
7 projects for the following purposes:

8

9 (i) Upfront predevelopment and preapplication
10 costs;

11

12 (ii) Planning and technical assistance;

13

14 (iii) Local matching funds;

15

16 (iv) Repayment of federal or state loans
17 received from other programs or funds;

18

19 (v) Costs related to joining a regional water
20 system or regional wastewater system.

21

22 (e) Projects shall be eligible for financial
23 assistance from the program only if the project is for a

1 water system or wastewater system for which consumer rates
2 are charged in accordance with W.S. 15-7-407 and if the
3 project meets at least one (1) of the following:

4

5 (i) The project is an eligible project for
6 funding under the state water pollution control revolving
7 loan account, subject to the requirements of W.S. 16-1-201
8 through 16-1-207;

9

10 (ii) The project is an eligible project for
11 funding under the state drinking water revolving loan
12 account, subject to the requirements of W.S. 16-1-301
13 through 16-1-308;

14

15 (iii) The project under the Wyoming water
16 development office and is approved by the legislature;

17

18 (iv) The project is an eligible local government
19 capital construction project under W.S. 9-4-604(a).

20

21 (f) Upon receiving an application for financial
22 assistance under the program, the board shall review the
23 application to determine whether the application qualifies

1 for the program in accordance with this article. Financial
2 assistance under the program shall be approved by majority
3 vote of the state loan and investment board. In reviewing
4 applications for the program, the board shall consider, at
5 a minimum, the following factors:

6

7 (i) Population of the city, town or special
8 district that has applied for financial assistance;

9

10 (ii) The ability of the city, town or special
11 district to pay for or repay funds for the project for
12 which financial assistance is sought under the program;

13

14 (iii) The level of existing consumer rates
15 charged by the city, town or special district and the
16 amount of funding reserves that the city, town or special
17 district has, in comparison to other cities, towns and
18 special districts;

19

20 (iv) The ability of the city, town or special
21 district to join a regional water system or regional
22 wastewater system;

23

1 (v) The results and record of the city, town or
2 county based on the annual audit required under W.S.
3 9-1-507.

4

5 (g) A city, town or special district that receives
6 financial assistance under the program shall establish or,
7 if already established, maintain funds for depreciation in
8 accordance with W.S. 15-7-407(b).

9

10 (h) Funding for the program shall be from funds
11 borrowed under subsection (j) of this section and from any
12 other funds received by the board for the program.

13

14 (j) The board is authorized to borrow from the
15 legislative stabilization reserve account an amount not to
16 exceed fifty million dollars (\$50,000,000.00) in any one
17 (1) fiscal year to provide financial assistance under the
18 program. The amounts borrowed under this section shall be
19 repaid from funds available from the annual distributions
20 to the legislative stabilization reserve account under W.S.
21 9-4-719(q). Interest on the unpaid balance shall be charged
22 and shall be equal to the rate of return earned on the

1 legislative stabilization reserve account in the previous
2 fiscal year.

3

4 **Section 2.** W.S. 9-4-719(b)(intro) and (i) is amended
5 to read:

6

7 **9-4-719. Investment earnings; spending policy;**
8 **permanent funds.**

9

10 (b) There is created the permanent Wyoming mineral
11 trust fund reserve account. All funds within the account
12 shall be invested by the state treasurer as authorized
13 under W.S. 9-4-715(a), (d), (e) and (r) and all investment
14 earnings from the account shall be credited to the account.
15 Except for funds specified by the legislature that
16 guarantee the obligations of permanent Wyoming mineral
17 trust fund investment earnings and funds to be transferred
18 into the permanent Wyoming mineral trust fund, funds
19 deposited into the reserve account created by this
20 subsection are intended to be inviolate and constitute a
21 permanent or perpetual trust fund. Beginning July 1, 2021
22 for fiscal year 2022 and each fiscal year thereafter, to
23 the extent funds are available, the state treasurer shall

1 transfer unobligated funds from this account to the general
2 fund on a quarterly, pro-rata basis as necessary to ensure
3 that an amount equal to two and one-half percent (2.5%) of
4 the previous five (5) year average market value of the
5 permanent Wyoming mineral trust fund, calculated on the
6 first day of the fiscal year, is available for expenditure
7 during each fiscal year. As soon as possible after the end
8 of each of the fiscal years beginning on and after July 1,
9 2017, after making any transfer required pursuant to
10 paragraphs (i) and (ii) of this subsection, revenues in
11 this account in excess of two hundred forty-five percent
12 (245%) of the spending policy amount in subsection (d) of
13 this section shall be credited to the permanent Wyoming
14 mineral trust fund. For fiscal year ~~2020~~2025 and for each
15 fiscal year thereafter:

16

17 (i) As soon as practicable after the end of the
18 fiscal year, after making any other transfers provided by
19 law from the permanent Wyoming mineral trust fund reserve
20 account, but prior to calculating the balance of the
21 account under this subsection, the state treasurer shall
22 transfer from the account:

23

