

FISCAL NOTE

This bill contains an annual transfer of \$100,000,000 from the LEGISLATIVE STABILIZATION RESERVE ACCOUNT (LSRA) to a newly created Wyoming Generational Investment Account beginning July 1, 2026 and on each July 1 thereafter.

	FY 2027	FY 2028	FY 2029
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
WY GENERATIONAL INVESTMENT ACCOUNT	\$100,000,000	\$100,000,000	\$100,000,000

	FY 2027	FY 2028	FY 2029
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
LEGISLATIVE STAB. RES. ACCT.	\$0	\$100,000,000	\$100,000,000

Source of revenue increase/expenditure increase:

The revenue increase/expenditure increase reflects the annual transfer of \$100,000,000 to the Wyoming Generational Investment Account (revenue increase) from the LSRA (expenditure increase).

This bill directs the State Treasurer's Office to separately account for each \$100,000,000 transfer to the Wyoming Generational Investment Account and the investment earnings from each annual transfer. On July 1 of each fiscal year after twenty (20) fiscal years have elapsed, all investment earnings from the annual transfer made twenty (20) years earlier shall be deposited one-half into the General Fund and one-half into the LSRA. The State Treasurer's Office (STO) expressed concern about the workload associated with separately accounting for the earnings of each annual transfer.

Assumptions:

STO projects yields in FY27 through FY29 to be 2.54%, 2.53%, and 2.55% respectively for permanent funds and 3.52%, 3.62%, and 3.77% respectively for State Agency Pool funds. Accordingly, the Wyoming Generational Investment Account would have an estimated annual yield of \$2,540,000 in FY 2027, \$5,124,262 in FY 2028 and \$7,845,438 in FY 2029. There would be a commensurate and corresponding revenue decrease to the General Fund in annual yield from the LSRA for those years.

Although the bill specifies a reference portfolio of 85 percent private equity and 15 percent private credit, this assumes the Wyoming Generational Investment Account is invested in the same or similar manner as the state's permanent funds.

No additional deposits beyond the annual \$100,000,000 transfers are made to the Wyoming Generational Investment Account.

Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 6.75%, while total returns for State Agency Pool funds are expected to be 3.50%. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

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