

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

State budgeting and reserves-reorganization.

Sponsored by: Representative(s) Obermueller

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; modifying the distribution of revenues as
5 specified; removing encumbrances from specified accounts;
6 eliminating specified guarantees from accounts; amending
7 the distribution of severance tax revenues as specified;
8 amending the process for withholding appropriations to
9 local governmental entities; specifying the distribution of
10 excess funds as specified; modifying and limiting
11 distributions from reserve accounts as specified; amending
12 and limiting the spending authorization and permissible
13 uses of the legislative stabilization reserve account;

1 providing for the transfer from and the reversion of funds
2 from repealed accounts and subaccounts; providing for the
3 deposit of specified accrued revenues; making conforming
4 amendments; repealing obsolete language; requiring reports;
5 and providing for an effective date.

6

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

8

9 **Section 1.** W.S. 9-4-722 is created to read:

10

11 **9-4-722. Permanent Wyoming mineral trust fund spending**
12 **policy; legislative stabilization reserve account**
13 **guarantee; transfers.**

14

15 (a) The annual spending policy for the permanent
16 Wyoming mineral trust fund is, for each fiscal year, an
17 amount equal to five percent (5%) of the previous five (5)
18 year average market value of the fund, calculated from the
19 first day of the fiscal year.

20

21 (b) Beginning July 1, 2026 for fiscal year 2027 and
22 for each fiscal year thereafter, the state treasurer shall
23 transfer the investment earnings from the permanent Wyoming

1 mineral trust fund under W.S. 9-4-204(u)(iii) in excess of
2 the spending policy established in subsection (a) of this
3 section from the general fund to the legislative
4 stabilization reserve account. The transfer shall be
5 credited to the legislative stabilization reserve account
6 by the state treasurer as soon as practicable after the end
7 of the fiscal year but not later than ninety (90) days
8 after the end of the fiscal year.

9

10 (c) Beginning July 1, 2026 for fiscal year 2027 and
11 for each fiscal year thereafter:

12

13 (i) To the extent funds are available and only if
14 investment earnings from the permanent Wyoming mineral
15 trust fund are insufficient to meet the annual spending
16 policy amount specified in subsection (a) of this section,
17 the state treasurer shall transfer unobligated funds from
18 the legislative stabilization reserve account to the
19 general fund in an amount equal to the amount the
20 investment earnings from the permanent Wyoming mineral
21 trust fund are insufficient to meet the annual spending
22 policy amount specified in subsection (a) of this section;

23

1 (ii) To the extent funds are available and only
2 if investment earnings from the permanent Wyoming mineral
3 trust fund are insufficient to meet the annual spending
4 policy amount specified in subsection (a) of this section
5 and when the balance of the legislative stabilization
6 reserve account is zero dollars (\$0.00), the state
7 treasurer shall transfer unobligated funds from the
8 permanent Wyoming mineral trust fund reserve account to the
9 general fund in an amount equal to the amount the
10 investment earnings from the permanent Wyoming mineral
11 trust fund are insufficient to meet the annual spending
12 policy amount specified in subsection (a) of this section,
13 less any funds transferred to the general fund under
14 paragraph (i) of this subsection.

15

16 (d) In any fiscal year or fiscal biennium, funds to be
17 deposited to an account under subsection (b) of this
18 section may be deposited to a different fund or account as
19 specified by a general appropriations bill for state
20 government as determined by the legislature to be necessary
21 to alleviate a budget shortfall or structural budget
22 deficit as defined by W.S. 9-2-1002, or to provide

1 appropriations to maintain services as determined by the
2 legislature.

3

4 **Section 2.** W.S. 9-1-507(j)(i), 9-2-1012(e) and by
5 creating a new subsection (j), 9-2-1013(d)(ii), (iii)(B),
6 (iv) and (vi), 9-2-1014.3(a), 9-4-219(a), (b) and by
7 creating a new subsection (d), 9-4-220.1, 9-4-
8 601(d)(intro), (iv), (vii) and (ix), 9-4-714(a)(viii), 9-4-
9 715(q)(i) by creating a new subparagraph (C) and by
10 amending and renumbering (C) as (D), 9-4-719(a)(intro) and
11 by creating a new paragraph (i) and by amending and
12 renumbering (i) as (ii), (b)(intro), (f) and (p), 16-1-
13 111(f), 21-13-306 by creating a new subsection (d), 21-16-
14 720(b), 35-1-1002(a)(vi), 35-11-528(e), 35-11-529(a) and
15 (b), 39-14-801(b)(v) and (vi), (d)(intro) and by creating a
16 new subsection (m) and 39-19-111(a)(intro) are amended to
17 read:

18

19 **9-1-507. Examination of books of state institutions,**
20 **agencies and certain districts and entities; independent**
21 **audit authorized; guidelines.**

22

1 (j) The director of the department of audit shall
2 certify:

3
4 (i) To the state treasurer and state auditor by
5 October 5 of each year, a list of counties, cities and
6 towns that failed to comply with paragraph (a)(vii) of this
7 section. The state ~~treasurer~~ auditor shall withhold ~~the~~
8 ~~annual~~ any distribution, ~~which would otherwise be~~ made
9 ~~under W.S. 9-2-1014.1,~~ by any legislative appropriation to
10 any county, city or town failing to comply with paragraph
11 (a)(vii) of this section. The withheld distribution shall
12 be retained ~~in the budget reserve account~~ until the
13 director of the department of audit certifies that the
14 county, city or town has filed the required report. The
15 state auditor shall immediately notify all state agencies
16 and boards of every county, city or town that failed to
17 comply with paragraph (a)(vii) of this section. Upon
18 receipt of notification by the state auditor pursuant to
19 this paragraph, a state agency or board shall withhold
20 state grant and loan payments to every noncompliant county,
21 city or town for the period after October 15 until further
22 notice from the state auditor that a noncompliant county,
23 city or town has come into compliance with paragraph

1 (a)(vii) of this section. The department of audit shall
2 certify to the state auditor when a county, city or town
3 comes into compliance with paragraph (a)(vii) of this
4 section. The state auditor shall immediately notify all
5 state agencies and boards of every county, city or town
6 that has come into compliance with paragraph (a)(vii) of
7 this section. Any withheld state grant or loan payments
8 shall be retained by the state agency or board in the
9 account from which the disbursement would be made until the
10 state agency or board receives notification from the state
11 auditor that the county, city or town is in compliance with
12 paragraph (a)(vii) of this section, or as otherwise
13 provided by law;

14

15 **9-2-1012. Duties of the department; transmittal of**
16 **standard budget and manual; return of completed exception**
17 **and expanded budgets; submission to governor; disposition**
18 **of excess general fund appropriations; disposition of**
19 **remaining general funds; submission of selected budget**
20 **information to joint appropriations committee.**

21

22 (e) In preparing the overall state budget for
23 distribution to the legislature, including any

1 supplemental, budget shortfall or other emergency changes
2 to the budget, the governor shall recommend to the
3 legislature that not less than five percent (5%) of
4 estimated general fund receipts for the next biennial
5 budget period shall be ~~appropriated from the general fund~~
6 ~~to the budget reserve account within the earmarked fund.~~
7 ~~This appropriation shall be in addition to any fund balance~~
8 ~~within the budget reserve account. At the end of each~~
9 ~~biennial budget period, general fund appropriations for the~~
10 ~~biennium in excess of expenditures including encumbrances~~
11 ~~during the biennium, as identified by the state auditor in~~
12 ~~accordance with the provisions of W.S. 9-2-1008 and~~
13 ~~9-4-207, shall be transferred into the budget reserve~~
14 ~~account. All funds in the budget reserve account shall be~~
15 ~~invested by the state treasurer and earnings therefrom~~
16 ~~shall be credited into the general fund. Appropriations to~~
17 ~~the account shall not lapse at the end of any fiscal~~
18 ~~period. Expenditures from the budget reserve account shall~~
19 ~~be by legislative appropriation only~~ maintained in the
20 general fund as a reserve amount. This general fund reserve
21 amount request shall be separate from all other requests
22 for appropriations during the biennial budget period for
23 which it is recommended. Subject to accrual accounting

1 principles, any unappropriated, unexpended and unobligated
2 funds in the general fund on June 30 in the last year of
3 each biennial budget period in excess of the general fund
4 reserve amount recommended under this subsection shall be
5 transferred to the legislative stabilization reserve
6 account.

7
8 (j) On June 30, 2028 and on the last day of each
9 succeeding fiscal biennium, the state auditor shall
10 transfer the unobligated, unencumbered fund balance as
11 defined in W.S. 9-2-1002(a)(xxii) of the general fund in
12 excess of the amount specified in subsection (e) of this
13 section under the governor's budget request for that fiscal
14 biennium to the legislative stabilization reserve account.

15
16 **9-2-1013. State budget; distribution of copies to**
17 **legislators; copies and reports of authorizations;**
18 **interfund loans.**

19
20 (d) In addition to the items contained in subsection
21 (a) of this section and notwithstanding any other
22 recommendations made by the governor, the state budget
23 shall also include the governor's recommendations for

1 appropriations for the ensuing two (2) years, or if a
2 supplemental budget request, the remainder of the budget
3 period, subject to the following:

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

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

13

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

16

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

20

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

23

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

4

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

9

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

12

13 (vi) Nothing in this subsection prevents the
14 governor from recommending an additional, alternative
15 budget without the limitations specified in this subsection
16 or from including recommendations for additional funding
17 for state agencies that receive federal mineral royalties
18 or severance tax distributions and for local governments
19 from federal mineral royalties or severance tax
20 distributions under W.S. 9-4-601(d)(iv) and 39-14-801(d),
21 subject to the following:

22

1 (A) To the extent the legislature
2 appropriates funds under this section from the general fund
3 for local governments, the appropriation shall comply with
4 and be subject to the following:

5
6 (I) The amount appropriated to local
7 governments shall not exceed the amount available under
8 this paragraph, less appropriations under this paragraph to
9 state agencies;

10

11 (II) A total amount shall be annually
12 appropriated to the state treasurer to be distributed to
13 all local governments as follows:

14

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

18

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

23

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

10
11 (B) To the extent that actual recognized
12 revenues are less than the estimated deposits referenced in
13 this paragraph:

14
15 (I) The distribution of any
16 appropriation to local governments under this section shall
17 be reduced by a pro rata amount; and

18
19 (II) The state auditor shall reduce
20 the spending authority of any state agency receiving an
21 appropriation under this section by a pro rata amount.

22
23 (C) As used in this paragraph:

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

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

9-2-1014.3. Appropriation for public welfare emergencies; notification to legislature; legislative action.

(a) Beginning July 1, 2021, as of the first day of each fiscal year, there is appropriated ten million dollars (\$10,000,000.00) from the ~~legislative stabilization reserve account~~ general fund. The appropriation may be allocated by the governor and shall only be expended as authorized by the governor for public welfare emergencies as defined in W.S. 9-2-1002(a)(xxv). The governor's office shall provide the notice required under W.S. 9-2-1005(b)(ii)(A) and (B) for any expenditure under this section in excess of one hundred thousand dollars (\$100,000.00).

1 **9-4-219. Legislative stabilization reserve account**
2 **created; purposes; obligations; restrictions.**

3

4 (a) The legislative stabilization reserve account
5 created by 2005 Wyoming Session Laws, Chapter 191, Section
6 4, Section 301(d) is continued and codified. Funds within
7 the account shall only be expended by legislative
8 appropriation, subject to this section. All funds within
9 the account shall be invested by the state treasurer as
10 authorized under W.S. 9-4-715(a), (d), (e) and (q) and all
11 investment earnings from the account shall be credited to
12 the general fund.

13

14 (b) To the extent funds are available after all other
15 appropriations or transfers from the ~~legislative~~
16 ~~stabilization reserve~~ applicable account to be made on or
17 prior to June 30 of the applicable fiscal year have been
18 made, an amount necessary to restore the unobligated,
19 unencumbered balance within the public school foundation
20 program account to one hundred million dollars
21 (\$100,000,000.00) on June 30 of each fiscal year shall be
22 transferred ~~from the legislative stabilization reserve~~
23 account from an account in accordance with this subsection

1 into the public school foundation program account. ~~This~~
2 ~~subsection is repealed the month immediately following the~~
3 ~~date that the state auditor and the state treasurer first~~
4 ~~certify to the governor and the department of revenue, and~~
5 ~~the governor certifies the same to the secretary of state,~~
6 ~~that the unobligated, unencumbered balance in the~~
7 ~~legislative stabilization reserve account is less than five~~
8 ~~hundred million dollars (\$500,000,000.00).~~ The transfer
9 required under this subsection shall be made from available
10 funds from each account specified in each paragraph of this
11 subsection, exhausting all available funds within the
12 account specified in each paragraph before proceeding with
13 funds from the account in each successive paragraph:

14

15 (i) The school foundation program reserve account
16 created by W.S. 21-13-306.1;

17

18 (ii) If insufficient funds exist in the school
19 foundation program reserve account, the legislative
20 stabilization reserve account, provided that the
21 legislative stabilization reserve account has a balance of
22 not less than five hundred million dollars
23 (\$500,000,000.00);

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2

(iii) If insufficient funds exist in the school foundation program reserve account and the legislative stabilization reserve account, the common school permanent fund reserve account.

6

7

(d) Beginning July 1, 2026, no appropriation, loan or transfer shall be made from the legislative stabilization reserve account except as provided in this subsection.

10

Appropriations, loans or transfers from the legislative stabilization reserve account shall only be made in accordance with the following:

13

14

(i) Appropriations or transfers may be made to:

15

16

(A) Any permanent fund as defined by W.S. 9-4-714(a)(v);

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19

(B) The general fund in accordance with W.S. 9-4-722;

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(C) The public school foundation program account in accordance with subsection (b) of this section.

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(ii) Loans may be made for any purpose for which a loan was authorized by law to be made from the legislative stabilization reserve account before July 1, 2026.

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

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

1 ~~as a separate account from the strategic investments and~~
2 ~~projects account.~~

3
4 (b) Beginning on June 30, ~~2021~~2027 for fiscal year
5 ~~2021~~2027 and June 30 of each fiscal year thereafter as
6 provided in this subsection, the state treasurer shall
7 transfer ten million dollars (\$10,000,000.00), or as much
8 thereof as is available, from any unobligated funds within
9 the ~~strategic investments and projects account~~general fund
10 to the Wyoming state penitentiary capital construction
11 account. The state treasurer shall cease transferring funds
12 to the Wyoming state penitentiary capital construction
13 account pursuant to this subsection on July 1, 2038.

14

15 **9-4-601. Distribution and use; funds, accounts,**
16 **cities and towns benefited; exception for bonus payments.**

17

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

22

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

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

12
13 (ix) For the period beginning July 1, 2019 and
14 ending June 30, 2049, from the amounts that would otherwise
15 be distributed to the ~~budget-reserve-account-general fund~~
16 under paragraph (iv) of this subsection, the first eight
17 million dollars (\$8,000,000.00) shall be distributed to a
18 separate account for the University of Wyoming. These
19 funds are continuously appropriated to the university upon
20 deposit to the account. The University of Wyoming shall
21 reduce its standard budget request for the 2021-2022
22 biennium by an amount equal to the maximum amount of funds
23 authorized to be deposited under this paragraph. The

1 University of Wyoming shall acknowledge this reduction of
2 its 2021-2022 budget request pursuant to this paragraph in
3 each standard budget request submitted to the governor's
4 office through June 30, 2048.

5

6 **9-4-714. Definitions.**

7

8 (a) As used in this act:

9

10 (viii) "This act" means W.S. 9-4-714 through ~~9-~~
11 ~~4-721~~9-4-722.

12

13 **9-4-715. Permissible investments.**

14

15 (q) The state treasurer, or his designee, which shall
16 be registered under the Investment Advisor's Act of 1940 as
17 amended if required to be registered by the terms of that
18 act as amended shall invest the legislative stabilization
19 reserve account created in W.S. 9-4-219 in a manner to
20 obtain the highest net return possible subject to the
21 following:

22

1 (i) Investments shall be made in accordance with
2 investment policy statements adopted by the board under
3 W.S. 9-4-716. In adopting investment policy statements for
4 the legislative stabilization reserve account, the board
5 shall seek to preserve the balance of the account as
6 necessary to address:

7
8 (C) The need to make any transfers from the
9 legislative stabilization reserve account in accordance
10 with W.S. 9-4-722;

11
12 ~~(C)~~(D) Other emergencies and needs
13 identified or authorized by the legislature under Wyoming
14 statutes and session laws, subject to W.S. 9-4-219(d).

15
16 **9-4-719. Investment earnings; spending policies**
17 **established; permanent and reserve funds.**

18
19 (a) The purpose of subsection (b) of this section and
20 W.S. 9-4-722 is to establish a spending policy for
21 permanent Wyoming mineral trust fund investment earnings ~~on~~
22 ~~permanent fund investments~~ to provide, in descending order
23 of importance:

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(i) A maximum amount of earnings that may be expended in a fiscal year;

~~(i)(ii)~~ Consistent, sustainable flow of earnings for expenditure over time.~~†~~

(b) There is created the permanent Wyoming mineral trust fund reserve account. All funds within the account shall be invested by the state treasurer as authorized under W.S. 9-4-715(a), (d), (e) and (r) and all investment earnings from the account shall be credited to the account. Except for funds specified by the legislature that guarantee the ~~obligations of permanent Wyoming mineral trust fund investment earnings and funds to be transferred into the permanent Wyoming mineral trust fund~~ required transfers from the legislative stabilization reserve account to the general fund, funds deposited into the reserve account created by this subsection are intended to be inviolate and constitute a permanent or perpetual trust fund. ~~Beginning July 1, 2021 for fiscal year 2022 and each fiscal year thereafter, to the extent funds are available, the state treasurer shall transfer unobligated funds from~~

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

15

16 (f) There is created the common school permanent fund
17 reserve account. All funds within the account shall be
18 invested by the state treasurer as authorized under W.S. 9-
19 4-715(a), (d), (e) and (r) and all investment earnings from
20 the account shall be credited to the account. Except for
21 funds specified by the legislature that guarantee the
22 obligations of the investment earnings from the common
23 school account within the permanent land income fund ~~and~~

1 ~~funds to be transferred into the common school account~~
2 ~~within the permanent land fund in accordance with any~~
3 ~~transfer required under W.S. 9-4-219(b), funds deposited~~
4 into the reserve account created by this subsection are
5 intended to be inviolate and constitute a permanent or
6 perpetual trust fund. ~~Beginning July 1, 2017 for fiscal~~
7 ~~year 2018 and each fiscal year thereafter, the state~~
8 ~~treasurer shall transfer unobligated funds from this~~
9 ~~account to the common school account within the permanent~~
10 ~~land income fund as necessary to ensure that an amount~~
11 ~~equal to the spending policy amount established in~~
12 ~~subsection (h) of this section is available for expenditure~~
13 ~~annually during the fiscal year. As soon as possible after~~
14 ~~the end of each of the fiscal years beginning on and after~~
15 ~~July 1, 2017, revenues in this account in excess of four~~
16 ~~hundred twenty percent (420%) of the spending policy amount~~
17 ~~shall be credited to the common school account within the~~
18 ~~permanent land fund.~~

19

20 (p) Annually, not later than November 1, the state
21 treasurer, in consultation with the state loan and
22 investment board, shall provide a recommendation to the
23 select committee on capital financing and investments

1 regarding modifications to the spending policy amounts
2 contained in this section and W.S. 9-4-722. The
3 recommendations shall be consistent with the purposes
4 specified in subsection (a) of this section. The select
5 committee on capital financing and investments shall
6 annually submit a recommendation to all members of the
7 legislature before the convening of the session regarding
8 modifications to the spending policy amounts.

9

10 **16-1-111. Loans to political subdivisions;**
11 **requirements; limitations; rulemaking.**

12

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

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

16

17 **21-13-306. Foundation program account established;**
18 **disposition of monies; transfer of remaining funds.**

19

20 (d) On June 30, 2028 and on the last day of each
21 succeeding fiscal biennium, the state auditor shall
22 transfer the unobligated, unencumbered fund balance as
23 defined in W.S. 9-2-1002(a)(xxii) of the public school

1 foundation program account in excess of one hundred million
2 dollars (\$100,000,000.00) to the school foundation program
3 reserve account. No transfer shall be made under this
4 subsection in any fiscal biennium where a transfer is made
5 under W.S. 9-4-219(b).

6

7 **21-16-720. Annual report and budget.**

8

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

11

12 **35-1-1002. Definitions.**

13

14 (a) As used in this article:

15

16 (vi) "Unobligated," for purposes of W.S.
17 35-1-1003(b), ~~and (d),~~ means no commitment meeting the
18 requirements of subparagraph (iii)(B) of this subsection
19 was received prior to June 30, 2012.

20

21 **35-11-528. Municipal solid waste facilities cease and**
22 **transfer program created; criteria for grants and loans;**
23 **loan terms; availability of other state funding sources.**

1

2 (e) Loans may be made under the program at zero
3 interest rate, up to an annual interest rate equal to the
4 average prime interest rate as determined in accordance
5 with this subsection. Loans provided under the program
6 shall be adequately collateralized as determined by the
7 state loan and investment board. Principal and interest
8 payments shall be deposited in the ~~budget reserve account~~
9 general fund. The state loan and investment board shall
10 establish interest rates to be charged for loans under the
11 program, but the interest rate shall not exceed an annual
12 interest rate equal to the average prime interest rate as
13 determined by the state treasurer. To determine the
14 average prime interest rate, the state treasurer shall
15 average the prime interest rate for at least seventy-five
16 percent (75%) of the thirty (30) largest banks in the
17 United States. The interest rate shall be adjusted on
18 January 1 of each year. Interest rates shall be
19 established in recognition of the repayment abilities and
20 needs of the local municipal solid waste facility operator
21 eligible for loans under the program. The state loan and
22 investment board shall establish loan amortization
23 schedules, terms and conditions for each loan approved

1 based on an applicant's need, financial condition of the
2 landfill operator or the entity responsible for solid waste
3 funding, the projected life of the transfer facility and
4 the ability of that entity to repay the loan in a timely
5 manner.

6

7 **35-11-529. Municipal solid waste facilities cease and**
8 **transfer accounts created; authorized expenditures from the**
9 **accounts.**

10

11 (a) There is created the municipal solid waste cease
12 and transfer grant account. Monies from the account shall
13 be awarded for grants to fund approved activities pursuant
14 to W.S. 35-11-528. Interest earned by this account shall
15 be deposited in the ~~budget reserve account~~ general fund.
16 Notwithstanding W.S. 9-2-1008, 9-2-1012(e) and 9-4-207(a),
17 funds deposited in this account shall not revert without
18 further action of the legislature.

19

20 (b) There is created the municipal solid waste cease
21 and transfer loan account. Monies from the account shall
22 be awarded for loans to fund approved activities pursuant
23 to W.S. 35-11-528. Interest earned by this account shall

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

5

6 **39-14-801. Severance tax distributions; distribution**
7 **account created; formula.**

8

9 (b) Before making distributions from the severance
10 tax distribution account under subsections (c) through (e)
11 of this section, an amount equal to two-thirds (2/3) of the
12 amount of tax collected under W.S. 39-14-104(a)(i) and
13 (b)(i) and 39-14-204(a)(i) for the same period shall be
14 deposited as follows:

15

16 (v) For fiscal year 2023 through fiscal year
17 ~~2028~~ 2026, these funds shall be deposited equally to the
18 permanent Wyoming mineral trust fund and to the common
19 school account within the permanent land fund;

20

21 (vi) For fiscal year ~~2029~~ 2027 and thereafter,
22 these funds shall be deposited ~~two thirds (2/3) to the~~
23 ~~permanent Wyoming mineral trust fund and one third (1/3) to~~

1 ~~the common school account within the permanent land fund in~~
2 the school foundation program reserve account established
3 in W.S. 21-13-306.1.

4
5 (d) After making distributions pursuant to
6 subsections (b), (c), (f) and (j) of this section,
7 distributions under subsection (e) of this section shall be
8 made from the severance tax distribution account. The
9 amount of distributions under subsection (e) of this
10 section shall not exceed one hundred fifty-five million
11 dollars (\$155,000,000.00) in any fiscal year. To the extent
12 that distributions under subsection (e) of this section
13 would exceed that amount in any fiscal year, except as
14 provided in ~~subsections (g), (h) and (k)~~ subsection (m) of
15 this section, the excess shall be credited+ to the general
16 fund.

17
18 (m) For fiscal year 2027 and for each fiscal year
19 thereafter, when distributions under subsection (d) of this
20 section equal the latest official revenue forecast of the
21 consensus revenue estimating group for the immediately
22 succeeding fiscal year for total severance taxes to be
23 distributed to the general fund, minus any amounts forecast

1 to be distributed under paragraph (e)(i) of this section,
2 additional funds that would otherwise be distributed under
3 subsection (d) of this section shall be credited as
4 follows:

5
6 (i) Two-thirds (2/3) to the general fund; and

7
8 (ii) One-third (1/3) to the school foundation
9 program reserve account.

10

11 **39-19-111. Distribution.**

12

13 (a) All money collected under W.S. 39-19-101 through
14 39-19-111 shall be credited ~~as follows:~~ to the general
15 fund.

16

17 **Section 3.** W.S. 9-2-102(a)(iii), as amended by 2023
18 Wyoming Session Laws, Chapter 1, Section 1, is amended to
19 read:

20

21 **9-2-102. Department of health; duties and**
22 **responsibilities; state grants.**

23

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

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

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

3

4 **Section 4.** W.S. 9-2-1014.1, 9-4-601(d)(v) and (vi),
5 (k), (m) and (n), 9-4-719(a)(ii) and (iii), (b)(i) and
6 (ii), (c), (d), (g), (h), (q) and (s), 35-1-1003(d), 39-14-
7 801(d)(i), (ii), (g), (h) and (k) and 39-19-111(a)(i) and
8 (ii) are repealed.

9

10 **Section 5.** W.S. 9-4-220, as amended by 2023 Wyoming
11 Session Laws, Chapter 175, is repealed.

12

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

15

16 **Section 7.**

17

18 (a) On July 1, 2026, all funds in the strategic
19 investments and projects account shall be transferred by
20 the state auditor to the general fund. Any unexpended funds
21 that have been appropriated or obligated from the strategic
22 investments and projects account prior to July 1, 2026
23 shall be paid from the general fund. Any funds that are

1 directed to revert by law to the accounts and subaccounts
2 specified in this subsection shall revert to the general
3 fund. All accrued revenues that would otherwise be
4 deposited in the strategic investments and projects account
5 shall be deposited in the general fund.

6

7 (b) On July 1, 2026, all funds in the budget reserve
8 account shall be transferred by the state auditor to the
9 general fund. Any unexpended funds that have been
10 appropriated or obligated from the budget reserve account
11 prior to July 1, 2026 shall be paid from the general fund.
12 Any funds that are directed to revert by law to the budget
13 reserve account shall revert to the general fund. All
14 accrued revenues that would otherwise be deposited in the
15 budget reserve account shall be deposited in the general
16 fund.

17

18 *****
19 *****

20 STAFF COMMENT

21

22 While the direction for the Budget Reserve Account funds
23 was for them to be deposited or transferred to the
24 Legislative Stabilization Reserve Account, doing so
25 (instead of using the general fund) may result in a
26 considerable shortfall (potentially up to \$200 million or
27 more) for the next biennial budget. If you prefer to have
28 the Budget Reserve Account funds go to the LSRA, you may

1 wish to consider whether transfers from FMRs and severance
2 taxes need to be made to the general fund to ensure a
3 balanced budget for the next biennium.

4
5 In light of this, please let me know if you would like any
6 changes to subsection (b) above.

7
8 *****
9 *****

10
11 **Section 8.** Not later than September 1, 2026, the
12 state auditor shall report to the joint appropriations
13 committee on the amounts transferred under section 7 of
14 this act.

15
16 **Section 9.** This act is effective July 1, 2026.

17
18 (END)