

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

HOUSE BILL NO.

State budgeting and reserves-account repeal.

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; removing encumbrances from specified accounts;  
5 eliminating specified guarantees from accounts; amending  
6 the process for withholding appropriations to local  
7 governmental entities; specifying the distribution of  
8 excess funds as specified; providing for the transfer from  
9 and the reversion of funds from repealed accounts and  
10 subaccounts; making conforming amendments; repealing  
11 obsolete language; requiring reports; and providing for an  
12 effective date.

13

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

2

3       **Section 1.** W.S. 9-1-507(j)(i), 9-2-1012(e) and by  
4 creating a new subsection (j), 9-2-1013(d)(ii), (iii)(B),  
5 (iv) and (vi), 9-4-220.1, 9-4-601(d)(intro), (iv), (vii)  
6 and (ix), 21-16-720(b), 35-1-1002(a)(vi), 35-11-528(e), 35-  
7 11-529(a) and (b), 39-14-801(d)(intro) and by creating a  
8 new subsection (m) and 39-19-111(a)(intro) are amended to  
9 read:

10

11       **9-1-507. Examination of books of state institutions,**  
12 **agencies and certain districts and entities; independent**  
13 **audit authorized; guidelines.**

14

15       (j) The director of the department of audit shall  
16 certify:

17

18       (i) To the state treasurer and state auditor by  
19 October 5 of each year, a list of counties, cities and  
20 towns that failed to comply with paragraph (a)(vii) of this  
21 section. The state ~~treasurer~~auditor shall withhold ~~the~~  
22 ~~annual~~any distribution, ~~which would otherwise be~~ made  
23 ~~under W.S. 9-2-1014.1,~~ by any legislative appropriation to

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

1 state agency or board receives notification from the state  
2 auditor that the county, city or town is in compliance with  
3 paragraph (a)(vii) of this section, or as otherwise  
4 provided by law;

5

6 **9-2-1012. Duties of the department; transmittal of**  
7 **standard budget and manual; return of completed exception**  
8 **and expanded budgets; submission to governor; disposition**  
9 **of excess general fund appropriations; disposition of**  
10 **remaining general funds; submission of selected budget**  
11 **information to joint appropriations committee.**

12

13 (e) In preparing the overall state budget for  
14 distribution to the legislature, including any  
15 supplemental, budget shortfall or other emergency changes  
16 to the budget, the governor shall recommend to the  
17 legislature that not less than five percent (5%) of  
18 estimated general fund receipts for the next biennial  
19 budget period shall be ~~appropriated from the general fund~~  
20 ~~to the budget reserve account within the earmarked fund.~~  
21 ~~This appropriation shall be in addition to any fund balance~~  
22 ~~within the budget reserve account. At the end of each~~  
23 ~~biennial budget period, general fund appropriations for the~~

1 ~~biennium in excess of expenditures including encumbrances~~  
2 ~~during the biennium, as identified by the state auditor in~~  
3 ~~accordance with the provisions of W.S. 9-2-1008 and~~  
4 ~~9-4-207, shall be transferred into the budget reserve~~  
5 ~~account. All funds in the budget reserve account shall be~~  
6 ~~invested by the state treasurer and earnings therefrom~~  
7 ~~shall be credited into the general fund. Appropriations to~~  
8 ~~the account shall not lapse at the end of any fiscal~~  
9 ~~period. Expenditures from the budget reserve account shall~~  
10 ~~be by legislative appropriation only~~ maintained in the  
11 general fund as a reserve amount. This general fund reserve  
12 amount request shall be separate from all other requests  
13 for appropriations during the biennial budget period for  
14 which it is recommended. Subject to accrual accounting  
15 principles, any unappropriated, unexpended and unobligated  
16 funds in the general fund on June 30 in the last year of  
17 each biennial budget period in excess of the general fund  
18 reserve amount recommended under this subsection shall be  
19 transferred to the legislative stabilization reserve  
20 account.

21

22 (j) At the end of fiscal year 2028 and the end of each  
23 succeeding fiscal biennium and subject to accrual

1 accounting principles, the state auditor shall transfer the  
2 unobligated, unencumbered fund balance as defined in W.S.  
3 9-2-1002(a)(xxii) of the general fund in excess of the  
4 amount specified in subsection (e) of this section under  
5 the governor's budget request for that fiscal biennium to  
6 the legislative stabilization reserve account.

7

8       **9-2-1013. State budget; distribution of copies to**  
9 **legislators; copies and reports of authorizations;**  
10 **interfund loans.**

11

12       (d) In addition to the items contained in subsection  
13 (a) of this section and notwithstanding any other  
14 recommendations made by the governor, the state budget  
15 shall also include the governor's recommendations for  
16 appropriations for the ensuing two (2) years, or if a  
17 supplemental budget request, the remainder of the budget  
18 period, subject to the following:

19

20       (ii) The total recommended appropriations under  
21 this subsection for any two (2) fiscal year budget period  
22 shall not exceed the total estimated revenues for that two  
23 (2) year period. The total estimated revenues computed

1 under this paragraph shall not include increases in  
2 existing revenue sources which would be available to the  
3 state only after enactment of legislation in addition to  
4 existing law, but shall include the unencumbered balances  
5 in all other accounts in all other expendable funds subject  
6 to this section, and as further provided herein, as those  
7 funds are identified in accordance with standards  
8 promulgated by the governmental accounting standards board,  
9 but specifically excluding pension funds, nonexpendable  
10 trust funds, debt service funds and intragovernmental  
11 funds, that would be available for that budget period.  
12 Funds within the permanent Wyoming mineral trust fund  
13 reserve account created under W.S. 9-4-719(b), funds within  
14 the common school permanent fund reserve account created  
15 under W.S. 9-4-719(f), funds within the legislative  
16 stabilization reserve account in excess of the limitation  
17 under subparagraph (iii)(C) of this section, or funds  
18 within five percent (5%) of estimated general fund receipts  
19 for the next biennium to be appropriated to the budget  
20 reserve account as required subsection and the general fund  
21 reserve amount specified by W.S. 9-2-1012(e) shall not be  
22 included in total estimated revenues computed under this  
23 paragraph. Funds from a contingent appropriation shall not

1 be included as an estimated source of revenue or funds  
2 available unless those funds previously had been authorized  
3 to be expended within the fiscal period covering the budget  
4 period of the recommendation;

5

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

8

9 (B) The transfer of funds from an account  
10 to another account; ~~except transfers from the budget~~  
11 ~~reserve account;~~

12

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

15

16 (A) Specific legislative authorization to  
17 expend state revenues contained in a budget bill that is  
18 enacted into law; ~~7~~

19

20 (B) An amount to be expended from an  
21 account which does not require additional specific  
22 legislative authorization; ~~the transfer of funds from the~~  
23 ~~budget reserve account to another account or~~



1

2 (C) A specific statutory distribution of a  
3 revenue source.†

4

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

14

15 (A) To the extent the legislature  
16 appropriates funds under this section from the general fund  
17 for local governments, the appropriation shall comply with  
18 and be subject to the following:

19

20 (I) The amount appropriated to local  
21 governments shall not exceed the amount available under  
22 this paragraph, less appropriations under this paragraph to  
23 state agencies;

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

(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.

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

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

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

(C) As used in this paragraph:

(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.

1           **9-4-220.1. Wyoming state penitentiary capital**  
2 **construction account; funds transferred to the account.**

3  
4           (a) There is created the Wyoming state penitentiary  
5 capital construction account. ~~within the strategic~~  
6 ~~investments and projects account created by W.S. 9-4-220.~~

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

19  
20           (b) Beginning on June 30, ~~2021-2027~~ for fiscal year  
21 ~~2021-2027~~ and June 30 of each fiscal year thereafter as  
22 provided in this subsection, the state treasurer shall  
23 transfer ten million dollars (\$10,000,000.00), or as much

1 thereof as is available, from any unobligated funds within  
2 the ~~strategic investments and projects account~~ general fund  
3 to the Wyoming state penitentiary capital construction  
4 account. The state treasurer shall cease transferring funds  
5 to the Wyoming state penitentiary capital construction  
6 account pursuant to this subsection on July 1, 2038.

7

8 **9-4-601. Distribution and use; funds, accounts,**  
9 **cities and towns benefited; exception for bonus payments.**

10

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

15

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

19

20 (vii) From the amounts that would otherwise be  
21 distributed to the ~~budget reserve account~~ general fund  
22 under paragraph (iv) of this subsection ~~and paragraphs~~  
23 ~~(k)(ii), (m)(ii) and (n)(ii) of this section,~~ amounts

1 necessary to make the required revenue bond payments as  
2 provided by W.S. 9-4-1003(d), but in no event more than  
3 eighteen million dollars (\$18,000,000.00) annually;

4

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

20

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

22

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

3  
4 **35-1-1002. Definitions.**

5  
6 (a) As used in this article:

7  
8 (vi) "Unobligated," for purposes of W.S.  
9 35-1-1003(b), ~~and (d),~~ means no commitment meeting the  
10 requirements of subparagraph (iii)(B) of this subsection  
11 was received prior to June 30, 2012.

12  
13 **35-11-528. Municipal solid waste facilities cease and**  
14 **transfer program created; criteria for grants and loans;**  
15 **loan terms; availability of other state funding sources.**

16  
17 (e) Loans may be made under the program at zero  
18 interest rate, up to an annual interest rate equal to the  
19 average prime interest rate as determined in accordance  
20 with this subsection. Loans provided under the program  
21 shall be adequately collateralized as determined by the  
22 state loan and investment board. Principal and interest  
23 payments shall be deposited in the ~~budget reserve account~~

1 general fund. The state loan and investment board shall  
2 establish interest rates to be charged for loans under the  
3 program, but the interest rate shall not exceed an annual  
4 interest rate equal to the average prime interest rate as  
5 determined by the state treasurer. To determine the  
6 average prime interest rate, the state treasurer shall  
7 average the prime interest rate for at least seventy-five  
8 percent (75%) of the thirty (30) largest banks in the  
9 United States. The interest rate shall be adjusted on  
10 January 1 of each year. Interest rates shall be  
11 established in recognition of the repayment abilities and  
12 needs of the local municipal solid waste facility operator  
13 eligible for loans under the program. The state loan and  
14 investment board shall establish loan amortization  
15 schedules, terms and conditions for each loan approved  
16 based on an applicant's need, financial condition of the  
17 landfill operator or the entity responsible for solid waste  
18 funding, the projected life of the transfer facility and  
19 the ability of that entity to repay the loan in a timely  
20 manner.

21



1           **35-11-529. Municipal solid waste facilities cease and**  
2 **transfer accounts created; authorized expenditures from the**  
3 **accounts.**

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

22

1           **39-14-801. Severance tax distributions; distribution**  
2 **account created; formula.**

3  
4           (d) After making distributions pursuant to  
5 subsections (b), (c), (f) and (j) of this section,  
6 distributions under subsection (e) of this section shall be  
7 made from the severance tax distribution account. The  
8 amount of distributions under subsection (e) of this  
9 section shall not exceed one hundred fifty-five million  
10 dollars (\$155,000,000.00) in any fiscal year. To the extent  
11 that distributions under subsection (e) of this section  
12 would exceed that amount in any fiscal year, except as  
13 provided in ~~subsections (g), (h) and (k)~~ subsection (m) of  
14 this section, the excess shall be credited ~~to~~ to the general  
15 fund.

16  
17           (m) For fiscal year 2027 and for each fiscal year  
18 thereafter, when distributions under subsection (d) of this  
19 section equal the latest official revenue forecast of the  
20 consensus revenue estimating group for the immediately  
21 succeeding fiscal year for total severance taxes to be  
22 distributed to the general fund, minus any amounts forecast  
23 to be distributed under paragraph (e)(i) of this section,

1 additional funds that would otherwise be distributed under  
2 subsection (d) of this section shall be credited as  
3 follows:

4

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

6

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

9

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 2.** 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 3.** W.S. 9-2-1014.1, 9-4-601(k), (m) and (n),  
5 35-1-1003(d), 39-14-801(d)(i), (ii), (g), (h) and (k) and  
6 39-19-111(a)(i) and (ii) are repealed.

7

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

10

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

13

14       **Section 6.**

15

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

1 fund. All accrued revenues that would otherwise be  
2 deposited in the strategic investments and projects account  
3 shall be deposited in the general fund.

4

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

15

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

19

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

21

22

(END)