

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

State budgeting and reserves-general funds.

Sponsored by: Representative(s) Obermueller

A BILL

for

1 AN ACT relating to public funds; amending appropriations,
2 loan authority, distributions and transfers of funds as
3 specified; modifying the distribution of revenues as
4 specified; removing encumbrances from specified accounts;
5 eliminating specified guarantees from accounts; amending
6 the distribution of severance tax revenues as specified;
7 specifying the distribution of excess funds as specified;
8 modifying and limiting distributions from reserve accounts
9 as specified; amending and limiting the spending
10 authorization and permissible uses of the legislative
11 stabilization reserve account; providing for the deposit of
12 specified accrued revenues; creating an account; making

1 conforming amendments; repealing obsolete language; and
2 providing for effective dates.

3

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

5

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

7

8 **9-4-722. Permanent Wyoming mineral trust fund spending**
9 **policy; legislative stabilization reserve account**
10 **guarantee; transfers.**

11

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

17

18 (b) Beginning July 1, 2026 for fiscal year 2027 and
19 for each fiscal year thereafter, the state treasurer shall
20 transfer the investment earnings from the permanent Wyoming
21 mineral trust fund under W.S. 9-4-204(u)(iii) in excess of
22 the spending policy established in subsection (a) of this
23 section from the general fund to the legislative

1 stabilization reserve account. The transfer shall be
2 credited to the legislative stabilization reserve account
3 by the state treasurer as soon as practicable after the end
4 of the fiscal year but not later than ninety (90) days
5 after the end of the fiscal year.

6

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

9

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

20

21 (ii) To the extent funds are available and only
22 if investment earnings from the permanent Wyoming mineral
23 trust fund are insufficient to meet the annual spending

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

12

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

22

1 **Section 2.** W.S. 9-2-1014.3(a), 9-4-219(a) and by
2 creating a new subsection (d), 9-4-714(a)(viii), 9-4-
3 715(q)(i) by creating a new subparagraph (C) and by
4 amending and renumbering (C) as (D), 9-4-719(a)(intro) and
5 by creating a new paragraph (i) and by amending and
6 renumbering (i) as (ii), (b)(intro) and (p) and 39-14-
7 801(d)(intro) and by creating a new subsection (m) are
8 amended to read:

9

10 **9-2-1014.3. Appropriation for public welfare**
11 **emergencies; notification to legislature; legislative**
12 **action.**

13

14 (a) Beginning July 1, 2021, as of the first day of
15 each fiscal year, there is appropriated ten million dollars
16 (\$10,000,000.00) from the ~~legislative stabilization reserve~~
17 ~~account~~general fund. The appropriation may be allocated by
18 the governor and shall only be expended as authorized by
19 the governor for public welfare emergencies as defined in
20 W.S. 9-2-1002(a)(xxv). The governor's office shall provide
21 the notice required under W.S. 9-2-1005(b)(ii)(A) and (B)
22 for any expenditure under this section in excess of one
23 hundred thousand dollars (\$100,000.00).

1

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

4

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

14

15 (d) Beginning July 1, 2026, no appropriation, loan or
16 transfer shall be made from the legislative stabilization
17 reserve account except as provided in this subsection.
18 Appropriations, loans or transfers from the legislative
19 stabilization reserve account shall only be made in
20 accordance with the following:

21

22 (i) Appropriations or transfers may be made to:

23

1 (A) Any permanent fund as defined by W.S. 9-
2 4-714(a)(v);

3
4 (B) The general fund in accordance with W.S.
5 9-4-722.

6
7 (ii) Loans may be made for any purpose for which
8 a loan was authorized by law to be made from the
9 legislative stabilization reserve account before July 1,
10 2026.

11
12 **9-4-714. Definitions.**

13
14 (a) As used in this act:

15
16 (viii) "This act" means W.S. 9-4-714 through ~~9-~~
17 ~~4-721~~9-4-722.

18
19 **9-4-715. Permissible investments.**

20
21 (q) The state treasurer, or his designee, which shall
22 be registered under the Investment Advisor's Act of 1940 as
23 amended if required to be registered by the terms of that

1 act as amended shall invest the legislative stabilization
2 reserve account created in W.S. 9-4-219 in a manner to
3 obtain the highest net return possible subject to the
4 following:

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

12
13 (C) The need to make any transfers from the
14 legislative stabilization reserve account in accordance
15 with W.S. 9-4-722;

16
17 ~~(C)~~(D) Other emergencies and needs
18 identified or authorized by the legislature under Wyoming
19 statutes and session laws, subject to W.S. 9-4-219(d).

20
21 **9-4-719. Investment earnings; spending policies**
22 **established; permanent and reserve funds.**

23

1 (a) The purpose of subsection (b) of this section and
2 W.S. 9-4-722 is to establish a spending ~~policy~~philosophy
3 for permanent Wyoming mineral trust fund investment
4 earnings ~~on permanent fund investments~~ to provide, in
5 descending order of importance:

6
7 (i) A maximum amount of earnings that may be
8 expended in a fiscal year;

9
10 ~~(i)~~(ii) Consistent, sustainable flow of earnings
11 for expenditure over time.~~.~~

12
13 (b) There is created the permanent Wyoming mineral
14 trust fund reserve account. All funds within the account
15 shall be invested by the state treasurer as authorized
16 under W.S. 9-4-715(a), (d), (e) and (r) and all investment
17 earnings from the account shall be credited to the account.
18 Except for funds specified by the legislature that
19 guarantee the ~~obligations of permanent Wyoming mineral~~
20 ~~trust fund investment earnings and funds to be transferred~~
21 ~~into the permanent Wyoming mineral trust fund~~ required
22 transfers from the legislative stabilization reserve
23 account to the general fund, funds deposited into the

1 reserve account created by this subsection are intended to
2 be inviolate and constitute a permanent or perpetual trust
3 fund. ~~Beginning July 1, 2021 for fiscal year 2022 and each~~
4 ~~fiscal year thereafter, to the extent funds are available,~~
5 ~~the state treasurer shall transfer unobligated funds from~~
6 ~~this account to the general fund on a quarterly, pro rata~~
7 ~~basis as necessary to ensure that an amount equal to two~~
8 ~~and one half percent (2.5%) of the previous five (5) year~~
9 ~~average market value of the permanent Wyoming mineral trust~~
10 ~~fund, calculated on the first day of the fiscal year, is~~
11 ~~available for expenditure during each fiscal year. As soon~~
12 ~~as possible after the end of each of the fiscal years~~
13 ~~beginning on and after July 1, 2017, after making any~~
14 ~~transfer required pursuant to paragraphs (i) and (ii) of~~
15 ~~this subsection, revenues in this account in excess of two~~
16 ~~hundred forty five percent (245%) of the spending policy~~
17 ~~amount in subsection (d) of this section shall be credited~~
18 ~~to the permanent Wyoming mineral trust fund. For fiscal~~
19 ~~year 2020 and for each fiscal year thereafter:~~

20

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

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

10

11 **39-14-801. Severance tax distributions; distribution**
12 **account created; formula.**

13

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

1 this section, the excess shall be credited+ to the general
2 fund.

3
4 (m) For fiscal year 2027 and for each fiscal year
5 thereafter, when distributions under subsection (d) of this
6 section equal the latest official revenue forecast of the
7 consensus revenue estimating group for the immediately
8 succeeding fiscal year for total severance taxes to be
9 distributed to the general fund, minus any amounts forecast
10 to be distributed under paragraph (e)(i) of this section,
11 additional funds that would otherwise be distributed under
12 subsection (d) of this section shall be credited as
13 follows:

14
15 (i) Two-thirds (2/3) to the general fund; and

16
17 (ii) One-third (1/3) to the school foundation
18 program reserve account.

19
20 **Section 3.** W.S. 39-14-801(b)(v), (vi) and by creating
21 a new subsection (n) is amended to read:

22

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

7
8 (v) For fiscal year 2023 through fiscal year
9 ~~2028~~2026, these funds shall be deposited equally to the
10 permanent Wyoming mineral trust fund and to the common
11 school account within the permanent land fund;

12
13 (vi) For fiscal year ~~2029~~2027 and thereafter,
14 these funds shall be deposited ~~two-thirds (2/3) to the~~
15 ~~permanent Wyoming mineral trust fund and one-third (1/3) to~~
16 ~~the common school account within the permanent land fund~~ in
17 accordance with subsection (n) of this section.

18
19 (n) For fiscal year 2027 and each fiscal year
20 thereafter, revenues designated for deposit in paragraph
21 (b)(vi) of this section shall be distributed in accordance
22 with the following:

23

1 (i) Not later than the date specified in W.S. 9-
2 2-1013(a), the governor may include in the recommendations
3 required to the legislature under W.S. 9-2-1013 a
4 recommendation regarding the disposition of revenues
5 designated in paragraph (b)(vi) of this section for each
6 fiscal year of the fiscal biennium. The governor may amend
7 the recommendation and submit an amended recommendation to
8 the legislature not later than November 15 of an even
9 numbered year for the second year of a fiscal biennium;

10
11 (ii) The legislature may direct by law the
12 disposition of revenues designated in paragraph (b)(vi) of
13 this section for each fiscal year;

14
15 (iii) If the legislature fails to direct by law the
16 disposition of revenues designated in paragraph (b)(vi) of
17 this section for any fiscal year, all revenues for that
18 undesignated fiscal year shall be deposited in the one
19 percent severance tax account, which is hereby created.
20 Funds in the account shall remain in the account until
21 designated for distribution by the legislature in
22 accordance with this subsection. For any fiscal year in
23 which the one percent severance tax account has a balance

1 greater than zero dollars (\$0.00), the governor may
2 recommend, and the legislature may designate by law, the
3 disposition of funds in the account in accordance with this
4 subsection.

5

6 **Section 4.** W.S. 9-4-719(a)(ii) and (iii), (b)(i) and
7 (ii), (c), (d), (q) and (s) is repealed.

8

9 **Section 5.**

10

11 (a) Except as provided in subsection (b) of this
12 section, this act is effective July 1, 2026.

13

14 (b) Sections 3 and 5 of this act are effective July 1,
15 2025.

16

17

18

(END)