

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Wyoming Community Development Authority-bond investment.

Sponsored by: Joint Corporations, Elections & Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to investment of public funds; authorizing
2 the state treasurer to invest in Wyoming community
3 development authority bonds as specified; and providing for
4 an effective date.

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

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8 **Section 1.** W.S. 9-4-715(n) (intro), 9-4-719(b) (intro)
9 and 9-7-107 by creating a new subsection (j) are amended to
10 read:

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1 **9-4-715. Permissible investments.**

2

3 (n) The state treasurer shall not invest state funds
4 for a specific public purpose authorized or directed by the
5 legislature in excess of a total of one billion dollars
6 (\$1,000,000,000.00), excluding investments made pursuant to
7 W.S. 9-7-107(j), 37-5-406 or 37-5-605. By November 1 of
8 each calendar year, the state treasurer, in consultation
9 with the board, the Wyoming water development office, the
10 Wyoming business council and the office of state lands and
11 investments, shall provide a report to the select committee
12 on capital financing and investments on all state funds
13 invested for a specific public purpose authorized or
14 directed by the legislature. The report shall include:

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16 **9-4-719. Investment earnings spending policy**
17 **permanent funds.**

18

19 (b) There is created the permanent Wyoming mineral
20 trust fund reserve account. All funds within the account
21 shall be invested by the state treasurer as authorized
22 under W.S. 9-4-715(a), (d), (e) and (r) and 9-7-107(j), and
23 all investment earnings from the account shall be credited

1 to the account. Except for funds specified by the
2 legislature that guarantee the obligations of permanent
3 Wyoming mineral trust fund investment earnings and funds to
4 be transferred into the permanent Wyoming mineral trust
5 fund, funds deposited into the reserve account created by
6 this subsection are intended to be inviolate and constitute
7 a permanent or perpetual trust fund. Beginning July 1, 2021
8 for fiscal year 2022 and each fiscal year thereafter, to
9 the extent funds are available, the state treasurer shall
10 transfer unobligated funds from this account to the general
11 fund on a quarterly, pro-rata basis as necessary to ensure
12 that an amount equal to two and one-half percent (2.5%) of
13 the previous five (5) year average market value of the
14 permanent Wyoming mineral trust fund, calculated on the
15 first day of the fiscal year, is available for expenditure
16 during each fiscal year. As soon as possible after the end
17 of each of the fiscal years beginning on and after July 1,
18 2017, after making any transfer required pursuant to
19 paragraphs (i) and (ii) of this subsection, revenues in
20 this account in excess of two hundred forty-five percent
21 (245%) of the spending policy amount in subsection (d) of
22 this section shall be credited to the permanent Wyoming

1 mineral trust fund. For fiscal year 2020 and for each
2 fiscal year thereafter:

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4 **9-7-107. Community development authority; revenue**
5 **bonds; issuance.**

6
7 (j) The state treasurer is authorized to invest and
8 keep invested a sum not to exceed sixty million dollars
9 (\$60,000,000.00), from any monies available in the
10 permanent Wyoming mineral trust fund reserve account, in
11 bonds issued by the authority pursuant to W.S. 9-7-
12 106(a)(vi). The limitation on specific public purpose
13 investments under W.S. 9-4-715(n) shall not apply to
14 investments made under this subsection.

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17 *****
18 **STAFF COMMENT**

19
20 **For reference, the Wyoming Community Development Authority**
21 **Act (W.S. 9-7-101 through 9-7-125) created the Wyoming**
22 **Community Development Authority (WCDA), which is "a body**
23 **corporate operating as a state instrumentality operated**
24 **solely for the public benefit." W.S. 9-7-104(a).**

25
26 **The Act authorizes the WCDA to, among other things, issue**
27 **bonds, which are defined as "notes, warrants, bonds,**
28 **temporary bonds and anticipation notes issued by the**
29 **authority pursuant to this act." W.S. 9-7-103(a)(iii). For**
30 **example:**

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- The WCDA "[m]ay adopt a program or issue bonds to purchase mortgage loans or make loans to mortgage lenders if the authority finds: (A) That the mortgage lending resources of the mortgage lenders are not sufficient to adequately finance the housing needs of the state; and (B) That the loan to lenders or mortgage loan purchased will promote better housing in the state." W.S. 9-7-106(a)(vi).
- The WCDA "may issue bonds in principal amounts the authority determines necessary to provide sufficient funds for achieving any of its purposes, including the payment of interest, the establishment of reserves and for the purpose of defraying all other project and economic development project costs." W.S. 9-7-107(a).
- "Additional bonds for a particular purpose may be issued provided the later issues shall recognize and protect any prior pledge or mortgage made for any prior issue." W.S. 9-7-107(g).

The Act also authorizes the WCDA to make loans to mortgage lenders. For example:

- The WCDA may "[m]ake loans to mortgage lenders under terms and conditions requiring the proceeds to be used by the mortgage lenders to make mortgages on residential real property, subject to W.S. 9-7-106." W.S. 9-7-105(a)(xix).
- The WCDA may "[m]ake loans, including loans to mortgage lenders to enable the lenders to make loans, to finance projects, including construction loans and advances, under terms and conditions, and with security therefore, as the authority deems appropriate." W.S. 9-7-105(a)(xxii). But the WCDA "shall not make any loan, other than loans to mortgage lenders, which is a first lien loan to a homeowner with respect to single family residential property." Id.

1 In light of the WCDA's statutory authority, in the newly
2 created subsection (j) of W.S. 9-7-107, the Committee may
3 wish to:

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- 5 • (1) Specify that the State Treasurer may invest in
- 6 bonds issued by the WCDA generally (e.g., "bonds
- 7 issued by the authority pursuant to this act");
- 8 • (2) Specify that the State Treasurer may invest in
- 9 specific types of bonds authorized under the act
- 10 (e.g., "bonds issued by the authority pursuant to W.S.
- 11 9-7-106(a) (vi)"); or
- 12 • (3) Specify that the State treasurer may invest in
- 13 bonds that are intended to achieve a specified purpose
- 14 (e.g., "bonds issued by the authority for the purpose
- 15 of assisting first-time homebuyers in this state").
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17 As a placeholder, this bill draft specifies that the State
18 Treasurer may invest in bonds issued by the WCDA pursuant
19 to W.S. 9-7-106(a) (vi).

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24 **Section 2.** This act is effective July 1, 2025.

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26 (END)