DRAFT ONLY
NOT APPROVED FOR INTRODUCTION

HOUSE BILL NO.

Strategic investments and projects account-repeal.

Sponsored by: Select Committee on Capital Financing & Investments

A BILL

for

AN ACT relating to public funds; repealing the strategic investments and projects account; providing for the transfer from and the reversion of funds from the strategic investments and projects account; making conforming amendments; amending the disposition of investment earnings and deposits as specified; repealing obsolete provisions; and providing for an effective date.

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

Section 1. W.S. 9-4-220.1 and 9-4-719(b)(intro) and (q)(i) are amended to read:

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

(b) Beginning on June 30, ~~2021~~ 2027 for fiscal year ~~2021~~ 2027 and June 30 of each fiscal year thereafter as provided in this subsection, the state treasurer shall

transfer ten million dollars ($10,000,000.00), or as much thereof as is available, from any unobligated funds within the ~~strategic investments and projects account~~ general fund to the Wyoming state penitentiary capital construction account. The state treasurer shall cease transferring funds to the Wyoming state penitentiary capital construction account pursuant to this subsection on July 1, 2038.

9-4-719. Investment earnings; spending policy amounts; permanent funds.

(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, 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 this account to the general fund on a quarterly, pro-rata basis as necessary to ensure that an amount equal to two and one-half percent (2.5%) of the previous five (5) year average market value of the permanent Wyoming mineral trust fund, calculated on the first day of the fiscal year, is available for expenditure during each fiscal year. As soon as possible after the end of each of the fiscal years beginning on and after July 1, 2017, after making any transfer required ~~pursuant to paragraphs (i) and (ii) of~~ by this subsection, revenues in this account in excess of two hundred forty-five percent (245%) of the spending policy amount in subsection (d) of this section shall be credited to the permanent Wyoming mineral trust fund. For fiscal year ~~2020~~ 2027 and for each fiscal year thereafter:

(q) The earnings from the permanent Wyoming mineral trust fund under W.S. 9-4-204(u)(iii) during each fiscal year beginning July 1, 2016, which are less than the spending policy established in subsection (d) of this

section are appropriated from the general fund subject to subsection (s) of this section and the following:

(i) Any earnings in excess of two and one-half percent (2.5%) of the previous five (5) year average market value of the trust fund, calculated from the first day of the fiscal year and less than or equal to the spending policy amount specified in subsection (d) of this section shall be credited to the ~~strategic investments and projects account created by W.S. 9-4-220~~ legislative stabilization reserve account;

Section 2. W.S. 9-4-220 and 9-4-719(b)(i) are repealed.

****
****
STAFF COMMENT

Below is the text of the two provisions repealed in this bill draft.

W.S. 9-4-220 created the Strategic Investments and Projects Account.

9-4-220. Strategic investments and projects account created; purposes.

~~(a) The strategic investments and projects account created by 2013 Wyoming Session Laws, Chapter 73, Section~~

~~4, Section 300(e) is continued and codified. Funds within the account shall only be expended by legislative appropriation. Subject to subsection (b) of this section, the governor may include appropriation requests from funds available within the strategic investments and projects account within his biennial budget requests for one-time expenditures as he deems necessary. All funds within the account shall be invested by the state treasurer and all investment earnings from the account shall be credited to the general fund, except as provided by W.S. 9-4-220.1(a).~~

~~(b) For fiscal year 2021 and in each fiscal year thereafter unencumbered and unobligated funds available for expenditure in the strategic investments and projects account shall be expended for the following purposes and subject to the following:~~

~~(i) An amount equal to forty-five percent (45%) of the maximum amount which may be credited to the strategic investments and projects account pursuant to W.S. 9-4-719(q) shall be credited to the public school foundation program account.~~

~~(ii) Repealed by Laws 2021, ch. 144, § 3.~~

W.S. 9-4-719(b)(i) is the provision that requires a transfer from the Permanent Wyoming Mineral Trust Fund Reserve Account to the Strategic Investments and Projects Account to guarantee the portion of the annual spending policy amount required to be transferred to SIPA.

9-4-719. Investment earnings; spending policy amounts; permanent funds.

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

~~(i) As soon as practicable after the end of the fiscal year, after making any other transfers provided by law from the permanent Wyoming mineral trust fund reserve account, but prior to calculating the balance of the account under this subsection, the state treasurer shall transfer from the account an amount equal to the difference between the maximum amount which may be credited to the strategic investments and projects account pursuant to subsection (q) of this section and the amount actually credited to that account in the applicable fiscal year;~~

****

Section 3. The strategic investments and projects account is repealed.

Section 4. On July 1, 2026, all funds in the strategic investments and projects account shall be transferred by the state auditor to the general fund. Any unexpended funds

that have been appropriated or obligated from the strategic investments and projects account on or before July 1, 2026 shall be paid from the general fund. Any funds that are directed to revert by law to the strategic investments and projects account shall revert to the general fund. All accrued revenues that would otherwise be deposited in the strategic investments and projects account shall be deposited in the general fund.

Section 5. Not later than October 31, 2026 and again not later than October 31, 2027, the state auditor shall report to the joint appropriations committee on the amounts transferred under section 4 of this act.

****

STAFF COMMENT

Based on the Select Committee's discussion in June and for reference, W.S. 9-4-219(b) (the LSRA "guarantee" for the Public School Foundation Program Account) is included. This provision is <u>not</u> amended in this bill draft.

9-4-219. Legislative stabilization reserve account created; purposes; legislative deficit control account.

(b) To the extent funds are available after all other appropriations or transfers from the legislative stabilization reserve account to be made on or prior to June 30 of the applicable fiscal year have been made, an amount necessary to restore the unobligated, unencumbered

balance within the public school foundation program account to one hundred million dollars ($100,000,000.00) on June 30 of each fiscal year shall be transferred from the legislative stabilization reserve account into the public school foundation program account. This subsection is repealed the month immediately following the date that the state auditor and the state treasurer first certify to the governor and the department of revenue, and the governor certifies the same to the secretary of state, that the unobligated, unencumbered balance in the legislative stabilization reserve account is less than five hundred million dollars ($500,000,000.00).

****

Section 6. This act is effective July 1, 2026.

****

STAFF COMMENT

If the Select Committee is interested, below is language reversing the changes to the State Penitentiary Capital Construction Account to go back to the enrolled version of 2025 Senate File 169 (authorizing the Department of Corrections to expend $9 million from the account) before the line-item vetoes.

Section 6.

(a) 2025 Wyoming Session Laws, Chapter 161, Section 7 is repealed.

(b) On the effective date of this section, the state auditor shall transfer nine million dollars ($9,000,000.00) from the Wyoming state penitentiary capital construction account to the department of corrections for purposes of integrating the department's security system. This transfer shall be reduced by one dollar ($1.00) for every one dollar ($1.00) that the department has expended from the Wyoming state penitentiary capital construction account between

March 18, 2025 and the effective date of this section. These funds shall not be transferred or expended for any other purpose.

(c) Not later than October 1, 2026, the department of corrections shall report to the joint appropriations committee and the joint judiciary committee on:

(i) The amount of funds expended from the Wyoming state penitentiary capital construction account between March 18, 2025 and the effective date of this section;

(ii) The amount of funds transferred under subsection (b) of this section;

(iii) Whether any additional funding is necessary for the department to complete the integration of its security system.

****
****

(END)