

## HOUSE BILL NO. HB0173

Modernizing and balancing state funding streams.

Sponsored by: Representative(s) Harshman, Connolly, Kinner  
and Walters and Senator(s) Rothfuss and  
Wasserburger

A BILL

for

1 AN ACT relating to public funds; creating an account;  
2 providing for and authorizing the transfer of funds;  
3 revising the distribution of the statutory severance tax;  
4 amending the spending policy amounts for state funds as  
5 specified; 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. 9-4-225 is created to read:

10

11 **9-4-225. One percent statutory severance tax account;**  
12 **transfers.**

13

14 (a) The one percent statutory severance tax account  
15 is created. Funds within the account shall only be

1 expended or transferred upon legislative appropriation.  
2 All funds within the account shall be invested by the state  
3 treasurer and all investment earnings from the account  
4 shall be credited to the general fund. Notwithstanding  
5 W.S. 9-2-1008 and 9-4-207(c), funds deposited to the  
6 account shall not lapse or revert at the end of the fiscal  
7 period except upon further legislative action.

8

9 (b) Any unexpended, unobligated amounts in the one  
10 percent statutory severance tax account as of June 30, 2022  
11 shall be transferred to the permanent Wyoming mineral trust  
12 fund reserve account as necessary to bring the balance  
13 within the permanent Wyoming mineral trust fund reserve  
14 account to an amount equal to, or as close thereto as  
15 possible, one hundred fifty percent (150%) of the spending  
16 policy amount in W.S. 9-4-719(d)(v) for fiscal year 2022.  
17 The transfer required under this subsection shall be  
18 completed not later than September 30, 2022. The balance  
19 of the one percent statutory severance tax account  
20 available for transfer shall first include any  
21 reconciliation of actual severance taxes paid on production  
22 through June 30, 2022 for fiscal year 2022.

23

1           (c) For fiscal biennia 2023-2024, 2025-2026 and  
2 2027-2028:

3

4           (i) At any time, the state auditor may transfer  
5 any unexpended, unobligated amounts in the one percent  
6 statutory severance tax account to the budget reserve  
7 account as necessary to bring the balance within the budget  
8 reserve account to thirty million dollars (\$30,000,000.00)  
9 or as close thereto as possible;

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11           (ii) Any unexpended, unobligated amounts in the  
12 one percent statutory severance tax account as of June 30  
13 of each even numbered year shall be transferred to the  
14 budget reserve account as necessary to bring the  
15 unobligated, unencumbered balance within the budget reserve  
16 account to an amount equal to, or as close thereto as  
17 possible, the minimum amount required to be recommended by  
18 the governor to the legislature under W.S. 9-2-1012(e).  
19 The transfer required under this paragraph shall be  
20 completed not later than September 30 of each even numbered  
21 year. The balance of the one percent statutory severance  
22 tax account available for transfer shall first include any

1 reconciliation of actual severance taxes paid on production  
2 through June 30 of the preceding biennium;

3

4 (iii) After making each transfer to the budget  
5 reserve account and reconciliation under paragraph (i) and  
6 (ii) of this subsection, the remaining unexpended,  
7 unobligated balance in the one percent statutory severance  
8 tax account as of June 30 of each even numbered year shall  
9 be transferred as follows:

10

11 (A) One-half (1/2) to the school foundation  
12 program reserve account;

13

14 (B) One-half (1/2) to the legislative  
15 stabilization reserve account.

16

17 **Section 2.** W.S. 9-4-203(a)(xiii), 9-4-219 by creating  
18 a new subsection (d), 9-4-719(d)(vi), (vii) and by creating  
19 new paragraphs (viii) and (ix), (h)(v), (vi), (vii) and by  
20 creating new paragraphs (viii) and (ix) and  
21 39-14-801(b)(intro) and by creating a new paragraph (iv)  
22 are amended to read:

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1           **9-4-203. Definitions.**

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3           (a) As used in this act:

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5                   (xiii) "This act" means W.S. 9-4-201 through

6 ~~9-4-224-9-4-225.~~

7

8           **9-4-219. Legislative stabilization reserve account**  
9 **created; purposes; legislative deficit control account.**

10

11           (d) As soon as possible after the end of each of the  
12 fiscal years beginning on and after July 1, 2020, after all  
13 other appropriations or transfers from the legislative  
14 stabilization reserve account to be made on or prior to  
15 June 30 of the applicable fiscal year have been made  
16 including any transfers required pursuant to subsection (b)  
17 of this section, any unexpended, unobligated amounts in the  
18 legislative stabilization reserve account in excess of one  
19 billion seven hundred fifty million dollars  
20 (\$1,750,000,000.00) shall be transferred as follows:

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22                   (i) One-half (1/2) to the common school  
23 permanent land fund;

1

2 (ii) One-half (1/2) to the permanent Wyoming  
3 mineral trust fund.

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5 **9-4-719. Investment earnings spending policy**  
6 **permanent funds.**

7

8 (d) The annual spending policy for the permanent  
9 Wyoming mineral trust fund is as follows for each fiscal  
10 year (FY):

11

12 (vi) FY 2023 and 2024 - an amount equal to four  
13 and three fourths percent (4.75%) four and ninety-five  
14 hundredths percent (4.95%) of the previous five (5) year  
15 average market value of the trust fund, calculated from the  
16 first day of the fiscal year;

17

18 (vii) FY 2024 and each fiscal year thereafter  
19 2025 and 2026 - an amount equal to four and one half  
20 percent (4.5%) four and nine tenths percent (4.9%) of the  
21 previous five (5) year average market value of the trust  
22 fund, calculated from the first day of the fiscal year i-

23

1           (viii) FY 2027 and 2028 - an amount equal to  
2 four and eighty-five hundredths percent (4.85%) of the  
3 previous five (5) year average market value of the trust  
4 fund, calculated from the first day of the fiscal year;

5  
6           (ix) FY 2029 and each fiscal year thereafter -  
7 an amount equal to four and eight tenths percent (4.8%) of  
8 the previous five (5) year average market value of the  
9 trust fund, calculated from the first day of the fiscal  
10 year.

11  
12           (h) The annual spending policy for the common school  
13 account within the permanent land fund is as follows for  
14 each fiscal year (FY):

15  
16           (v) FY 2020 and each fiscal year through 2024  
17 2022 - an amount equal to five percent (5%) of the previous  
18 five (5) year average market value of the account,  
19 calculated from the first day of the fiscal year;

20  
21           (vi) FY ~~2025-2023 and 2024~~ - an amount equal to  
22 ~~four and three fourths percent (4.75%)~~ four and ninety-five  
23 hundredths percent (4.95%) of the previous five (5) year

1 average market value of the account, calculated from the  
2 first day of the fiscal year;

3  
4 (vii) FY ~~2026 and each fiscal year thereafter~~  
5 2025 and 2026 - an amount equal to ~~four and one-half~~  
6 percent (4.5%) ~~four and nine tenths percent (4.9%)~~ of the  
7 previous five (5) year average market value of the account,  
8 calculated from the first day of the fiscal year;~~;~~

9  
10 (viii) FY 2027 and 2028 - an amount equal to  
11 four and eighty-five hundredths percent (4.85%) of the  
12 previous five (5) year average market value of the account,  
13 calculated from the first day of the fiscal year;

14  
15 (ix) FY 2029 and each fiscal year thereafter -  
16 an amount equal to four and eight tenths percent (4.8%) of  
17 the previous five (5) year average market value of the  
18 account, calculated from the first day of the fiscal year.

19

20 **39-14-801. Severance tax distributions; distribution**  
21 **account created; formula.**

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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 into the permanent Wyoming mineral trust fund,  
7 except for the period from March 15, 2016 through ~~June 30,~~  
8 ~~2020—June 30, 2029~~ these funds shall be deposited as  
9 follows:

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11                   (iv) For fiscal years 2021 through 2029, these  
12 funds shall be deposited to the one percent statutory  
13 severance tax account created by W.S. 9-4-225.

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15           **Section 3.** This act is effective July 1, 2020.

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17

(END)