

SENATE FILE NO. SF0071

State loan and bond programs.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to state public purpose investments;  
 2 decreasing maximum limits for loan amounts and amending  
 3 terms, rates and conditions for farm loans, infrastructure  
 4 project loans and street and road project loans; striking  
 5 provisions related to the investment of permanent funds in  
 6 community college district bonds; prohibiting new state  
 7 loan and investment board loans under the Wyoming Joint  
 8 Powers Act and student dormitory loans as specified;  
 9 repealing the limit on funds available for beginning  
 10 agriculture producer farm loans; specifying applicability;  
 11 requiring reports; and providing for an effective date.

12

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

14

15 **Section 1.** W.S. 11-34-117(a) and (b), 11-34-129,  
 16 16-1-109(a), 16-1-111(a)(intro), (b)(intro), (c)(intro) and

1 (d)(intro), 21-18-206, 21-18-313(h) and 21-18-319(a) are  
2 amended to read:

3

4 **11-34-117. Rates of interest; length of loan; amount.**

5

6 (a) The ~~board may set~~ rates of interest on all farm  
7 loans ~~according to current interest rates but not less than~~  
8 ~~four percent (4%) nor more than ten percent (10%)~~ shall be  
9 equal to the yield on a United States treasury security of  
10 the same duration of the loan, whether the money is loaned  
11 upon the amortization plan or otherwise. The board may add  
12 an additional percentage not to exceed two percent (2%) as  
13 a risk premium to the interest rate established under this  
14 subsection. The rate of interest for all farm loans shall  
15 not be less than three percent (3%).

16

17 (b) A farm loan to a beginning agriculture producer  
18 shall be ~~the lowest of eight per cent (8%) or~~ equal to the  
19 yield on a ~~ten (10) year~~ United States treasury ~~bond~~  
20 security of the same duration of the loan. This loan rate  
21 shall be fixed for a period of ten (10) years. At the end  
22 of the ten (10) year period the interest rate shall be the  
23 current rate for loans as established under subsection (a)

1 of this section. The board may add an additional percentage  
2 not to exceed two percent (2%) as a risk premium to the  
3 interest rate established under this subsection. The rate  
4 of interest for all farm loans to beginning agricultural  
5 producers shall not be less than three percent (3%).

6

7 **11-34-129. Investment of permanent funds.**

8

9 The state treasurer, with the approval of the board, is  
10 ~~directed~~authorized to invest and keep invested in farm  
11 loans a sum not to exceed ~~two hundred seventy-five million~~  
12 ~~dollars~~ ~~(\$275,000,000.00)~~ fifty million dollars  
13 (\$50,000,000.00) of any state permanent funds available for  
14 investment, including loans already made and outstanding,  
15 as the funds become available in the treasurer's office for  
16 investment in loans approved by the board.

17

18 **16-1-109. State loan and investment board loans;**  
19 **amount; interest; security; conditions.**

20

21 (a) Before April 1, 2023, the state loan and  
22 investment board may negotiate and make loans to one (1) or  
23 more agencies, the University of Wyoming, or joint powers

1 boards presently existing, permitted or created pursuant to  
2 the statutes, from the permanent mineral trust funds and  
3 other permanent funds of Wyoming not otherwise obligated,  
4 not to exceed sixty million dollars (\$60,000,000.00)  
5 including all loans previously made and outstanding, and  
6 not to exceed a term of forty (40) years for repayment. The  
7 board shall set rates of interest on all such loans  
8 according to the current rates of interest for similar  
9 securities on the commercial market upon a basis which will  
10 not be less than the average rate of return realized on all  
11 permanent mineral trust fund investments as determined by  
12 the state treasurer for the five (5) calendar years  
13 immediately preceding the year in which the loan is made.  
14 For all loans under this section approved after July 1,  
15 1996, a loan origination fee of one percent (1%) of the  
16 loan shall be paid to the state loan and investment board  
17 by the borrowing agency, university or joint powers board.  
18 The revenue produced by this fee shall be credited to the  
19 loss reserve account as provided by W.S. 16-1-110. The  
20 state loan and investment board shall not issue any new  
21 loan under this section on and after April 1, 2023.

22

1           **16-1-111. Loans to political subdivisions;**  
2 **requirements; limitations; rulemaking.**

3  
4           (a) The state loan and investment board may negotiate  
5 and make loans from the permanent Wyoming mineral trust  
6 fund to political subdivisions of this state as provided in  
7 this section. The aggregate sum of all outstanding loans  
8 made under this section shall not exceed ~~four hundred~~  
9 ~~million dollars (\$400,000,000.00).~~ The aggregate sum of  
10 ~~outstanding loans made for infrastructure projects shall~~  
11 ~~not exceed two hundred million dollars (\$200,000,000.00)~~  
12 ~~and shall not exceed two hundred million dollars~~  
13 ~~(\$200,000,000.00) for road or street projects~~ one hundred  
14 seventy-five million dollars (\$175,000,000.00). Loans may  
15 be made for infrastructure projects and street and road  
16 projects as provided in this section. The board shall  
17 adopt rules and procedures as it deems advisable or  
18 necessary to administer the program. The rules shall  
19 include requirements and standards which the board  
20 determines to be necessary or advisable in accordance with  
21 the following:

22

1           (b) Loans may be made to cities, towns, counties,  
2 special districts specifically involved in providing  
3 facilities or functions enumerated in W.S. 16-1-104(c),  
4 school districts and community college districts for  
5 infrastructure projects and to airport boards and joint  
6 powers boards for projects for the construction,  
7 development and improvement of airport facilities  
8 generating user fees. A loan under this subsection shall be  
9 at an interest rate ~~of one percent (1%) plus seventy-five~~  
10 ~~thousandths of one percent (.075%) for each year of the~~  
11 ~~loan term in excess of five (5) years~~ equal to the yield on  
12 a United States treasury security of the same duration of  
13 the loan. The board may add an additional percentage not to  
14 exceed two percent (2%) as a risk premium to the interest  
15 rate established under this subsection. The rate of  
16 interest for all loans issued under this subsection shall  
17 not be less than three percent (3%). In the event of  
18 prepayment of a loan, the interest rate shall be calculated  
19 at the actual loan period, but no refund of interest  
20 payment shall be made to the borrowing entity. Any loan  
21 made under this subsection shall be for a term of not fewer  
22 than five (5) years and not greater than twenty-five (25)

1 years for repayment. Adequate security for loans shall be  
2 required and may include:

3

4 (c) Loans may be made to cities, towns and counties  
5 for road or street projects. To qualify for a road or  
6 street project loan, in addition to the requirements of  
7 subsections (a) and (b) of this section, an applicant shall  
8 demonstrate that all related infrastructure including water  
9 and sewer is or will be in place at the time of receipt of  
10 the loan. No loan shall be provided under this subsection  
11 to any city, town or county that has any outstanding or  
12 unpaid loan under this subsection. Any loan under this  
13 subsection shall be at an interest rate ~~of one percent (1%)~~  
14 ~~plus seventy five thousandths of one percent (.075%) for~~  
15 ~~each year of the loan term in excess of five (5) years~~  
16 equal to the yield on a United States treasury security of  
17 the same duration of the loan. The board may add an  
18 additional percentage not to exceed two percent (2%) as a  
19 risk premium to the interest rate established under this  
20 subsection. The rate of interest for all loans issued under  
21 this subsection shall not be less than three percent (3%).

22 In the event of prepayment of a loan, the interest rate  
23 shall be calculated at the actual loan period, but no

1 refund of interest payment shall be made to the borrowing  
2 entity. Any loan made under this subsection shall be for a  
3 term of not fewer than five (5) years and not greater than  
4 twenty-five (25) years for repayment. ~~The total loans under  
5 this subsection provided in any one (1) year shall not  
6 exceed one hundred million dollars (\$100,000,000.00). Not  
7 more than thirty-five million dollars (\$35,000,000.00) of  
8 road or street loans shall be made in any one (1) year to:~~

9  
10 (d) Loans may be made to irrigation or water  
11 conservancy districts for replacement or major maintenance  
12 projects of storage, diversion, transmission, and  
13 distribution systems. A loan under this subsection shall be  
14 at an interest rate ~~of the greater of one percent (1%) plus  
15 seventy-five thousandths of one percent (0.075%) for each  
16 year of the loan term in excess of five (5) years or the  
17 current equivalent~~ equal to yield of a United States  
18 treasury security of the same duration of the loan. ~~, which  
19 may be adjusted every five (5) years. The board may add an  
20 additional percentage not to exceed two percent (2%) as a  
21 risk premium to the interest rate established under this  
22 subsection. The rate of interest for all loans issued under  
23 this subsection shall not be less than three percent (3%).~~



1 In the event of prepayment of a loan, the interest rate  
2 shall be calculated at the actual loan period, but no  
3 refund of interest payment shall be made to the borrowing  
4 entity. Any loan made under this subsection shall be for a  
5 term of not fewer than five (5) years and not greater than  
6 twenty-five (25) years for repayment. The board shall  
7 require an irrigation or a water conservancy district to  
8 apply for other grant or loan programs prior to authorizing  
9 a loan under this subsection. Adequate security for loans  
10 shall be required and may include:

11

12 **21-18-206. Paying out appropriations by warrants**  
13 **drawn upon vouchers.**

14

15 The state treasurer shall pay out state appropriations for  
16 community colleges on warrants drawn by the auditor of the  
17 state upon vouchers issued and signed by the director of  
18 the commission. ~~If any community college entitled to  
19 payment out of any appropriation has defaulted in the  
20 payment of interest or principal on any revenue bonds  
21 issued by the community college and purchased by the state  
22 treasurer, the state treasurer shall withhold from the  
23 community college that portion of its share of any state~~

1 ~~aid or appropriation and shall apply the share to any~~  
2 ~~default which has or may in the future occur. Warrants may~~  
3 ~~be drawn upon the state treasurer by the state investment~~  
4 ~~board certifying the default.~~

5

6 **21-18-313. Bond issues; revenue bonds.**

7

8 (h) Bonds issued pursuant to this act are eligible  
9 for investment by banking institutions and for estate,  
10 trust, and fiduciary funds, and the bonds and the interest  
11 thereon shall be exempt from taxation by this state and any  
12 subdivision thereof. ~~The state treasurer of the state of~~  
13 ~~Wyoming, with the approval of the governor and the attorney~~  
14 ~~general, may invest any permanent state funds available for~~  
15 ~~investment in the bonds to be issued hereunder.~~

16

17 **21-18-319. Student dormitory capital construction**  
18 **loans; rulemaking; requirements; reporting; definition.**

19

20 (a) Before April 1, 2023, the state loan and  
21 investment board may negotiate and make loans from the  
22 permanent Wyoming mineral trust fund to community college  
23 districts for capital construction of student dormitories,

1 including the purchase of land, buildings, facilities and  
2 necessary rights-of-way. The aggregate sum of all  
3 outstanding loans made under this section shall not exceed  
4 sixty million dollars (\$60,000,000.00). The board shall  
5 adopt rules as it deems advisable or necessary to  
6 administer the loans authorized in this section. The state  
7 loan and investment board shall not issue any new loan  
8 under this section on and after April 1, 2023.

9  
10 **Section 2.** W.S. 11-34-117(c) and 16-1-111(c)(i)  
11 through (iii) are repealed.

12  
13 **Section 3.**

14  
15 (a) Nothing in this act shall be construed to:

16  
17 (i) Modify or impair existing contracts, loans  
18 or bond purchases of the state of Wyoming executed before  
19 the effective date of this act;

20  
21 (ii) Release or in any way diminish the  
22 liability or obligation of any person, individual,  
23 partnership, corporation, joint stock company or any other

1 association or entity, whether public or private, held or  
2 owned by the state of Wyoming.

3

4 **Section 4.**

5

6 (a) On and after April 1, 2023, the state loan and  
7 investment board shall not authorize, approve, structure,  
8 guarantee or finance:

9

10 (i) A Wyoming Joint Powers Act loan under W.S.  
11 16-1-109;

12

13 (ii) A student dormitory capital construction  
14 loan under W.S. 21-18-319.

15

16 (b) The office of state lands and investments shall  
17 report to the joint appropriations committee not later than  
18 fifteen (15) days after:

19

20 (i) All loans issued under W.S. 16-1-109 have  
21 been repaid and are retired;

22

1           (ii) All loans issued under W.S. 21-18-319 have  
2 been repaid and are retired.

3

4           (c) The joint appropriations committee may consider  
5 any legislation necessary after receiving the reports  
6 required under subsection (b) of this section, including  
7 the repeal of W.S. 16-1-109 and 21-18-319.

8

9           **Section 5.** This act is effective immediately upon  
10 completion of all acts necessary for a bill to become law  
11 as provided by Article 4, Section 8 of the Wyoming  
12 Constitution.

13

14

(END)