

ORIGINAL SENATE
FILE NO. SF0071

ENROLLED ACT NO. 37, SENATE

SIXTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2023 GENERAL SESSION

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

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

Section 1. W.S. 11-34-117(a) and (b), 11-34-129, 16-1-109(a), 16-1-111(a)(intro), (b)(intro), (c)(intro) and (d)(intro), 21-18-206, 21-18-313(h) and 21-18-319(a) are amended to read:

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

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

(b) A farm loan to a beginning agriculture producer shall be ~~the lowest of eight per cent (8%) or equal to~~ the yield on a ~~ten (10) year~~ United States treasury ~~bond~~

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security of the same duration of the loan. This loan rate shall be fixed for a period of ten (10) years. At the end of the ten (10) year period the interest rate shall be the current rate for loans as established under subsection (a) of this section. The board may add an additional percentage not to exceed two percent (2%) as a risk premium to the interest rate established under this subsection. The rate of interest for all farm loans to beginning agricultural producers shall not be less than three percent (3%).

11-34-129. Investment of permanent funds.

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

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

(a) Before April 1, 2023, the state loan and investment board may negotiate and make loans to one (1) or more agencies, the University of Wyoming, or joint powers boards presently existing, permitted or created pursuant to the statutes, from the permanent mineral trust funds and other permanent funds of Wyoming not otherwise obligated, not to exceed sixty million dollars (\$60,000,000.00) including all loans previously made and outstanding, and not to exceed a term of forty (40) years for repayment. The board shall set rates of interest on all such loans according to the current rates of interest for similar

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securities on the commercial market upon a basis which will not be less than the average rate of return realized on all permanent mineral trust fund investments as determined by the state treasurer for the five (5) calendar years immediately preceding the year in which the loan is made. For all loans under this section approved after July 1, 1996, a loan origination fee of one percent (1%) of the loan shall be paid to the state loan and investment board by the borrowing agency, university or joint powers board. The revenue produced by this fee shall be credited to the loss reserve account as provided by W.S. 16-1-110. The state loan and investment board shall not issue any new loan under this section on and after April 1, 2023.

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

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

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

(c) Loans may be made to cities, towns and counties for road or street projects. To qualify for a road or street project loan, in addition to the requirements of subsections (a) and (b) of this section, an applicant shall demonstrate that all related infrastructure including water and sewer is or will be in place at the time of receipt of the loan. No loan shall be provided under this subsection to any city, town or county that has any outstanding or unpaid loan under this subsection. Any loan under this

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subsection shall be at an interest rate ~~of one percent (1%) plus seventy five thousandths of one percent (.075%) for each year of the loan term in excess of five (5) years~~ equal to the yield on a United States treasury security of the same duration of the loan. The board may add an additional percentage not to exceed two percent (2%) as a risk premium to the interest rate established under this subsection. The rate of interest for all loans issued under this subsection shall not be less than three percent (3%). In the event of prepayment of a loan, the interest rate shall be calculated at the actual loan period, but no refund of interest payment shall be made to the borrowing entity. Any loan made under this subsection shall be for a term of not fewer than five (5) years and not greater than twenty-five (25) years for repayment. ~~The total loans under this subsection provided in any one (1) year shall not exceed one hundred million dollars (\$100,000,000.00). Not more than thirty five million dollars (\$35,000,000.00) of road or street loans shall be made in any one (1) year to:~~

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

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

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

The state treasurer shall pay out state appropriations for community colleges on warrants drawn by the auditor of the state upon vouchers issued and signed by the director of the commission. ~~If any community college entitled to payment out of any appropriation has defaulted in the payment of interest or principal on any revenue bonds issued by the community college and purchased by the state treasurer, the state treasurer shall withhold from the community college that portion of its share of any state aid or appropriation and shall apply the share to any default which has or may in the future occur. Warrants may be drawn upon the state treasurer by the state investment board certifying the default.~~

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

(h) Bonds issued pursuant to this act are eligible for investment by banking institutions and for estate, trust, and fiduciary funds, and the bonds and the interest thereon shall be exempt from taxation by this state and any subdivision thereof. ~~The state treasurer of the state of Wyoming, with the approval of the governor and the attorney~~

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~~general, may invest any permanent state funds available for investment in the bonds to be issued hereunder.~~

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

(a) Before April 1, 2023, the state loan and investment board may negotiate and make loans from the permanent Wyoming mineral trust fund to community college districts for capital construction of student dormitories, including the purchase of land, buildings, facilities and necessary rights-of-way. The aggregate sum of all outstanding loans made under this section shall not exceed sixty million dollars (\$60,000,000.00). The board shall adopt rules as it deems advisable or necessary to administer the loans authorized in this section. The state loan and investment board shall not issue any new loan under this section on and after April 1, 2023.

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

Section 3.

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

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

(ii) Release or in any way diminish the liability or obligation of any person, individual, partnership, corporation, joint stock company or any other association or entity, whether public or private, held or owned by the state of Wyoming.

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Section 4.

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

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

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

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

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

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

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

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk