

SENATE FILE NO. SF0098

Wyoming Budget Stabilization Act-2.

Sponsored by: Senator(s) Biteman, Boner, Bouchard, Hutchings, James and Steinmetz and Representative(s) Barlow, Blackburn, Clem, Edwards, Gray, Jennings, Laursen, Miller, Piiparinen, Salazar and Western

A BILL

for

1 AN ACT relating to public funds; creating the Wyoming Budget  
2 Stabilization Act; specifying limits on state expenditures;  
3 specifying distribution of surplus funds; requiring review of  
4 related statutes; and providing for effective dates.

5

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

7

8 **Section 1.** W.S. 9-4-1401 through 9-4-1403 are created  
9 to read:

10

11

ARTICLE 14

12

WYOMING BUDGET STABILIZATION ACT

13

14 **9-4-1401. Short title; legislative findings.**

1

2 (a) This article shall be known and may be cited as the  
3 "Wyoming Budget Stabilization Act".

4

5 (b) The legislature finds that:

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7 (i) Wyoming's economy is subject to boom and bust  
8 cycles;

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10 (ii) Boom and bust cycles greatly affect tax  
11 revenues collected by the state;

12

13 (iii) Boom cycles have large surpluses accompanied  
14 with increases in spending;

15

16 (iv) Bust periods have large deficits,  
17 particularly in fiscal accounts funding school operations and  
18 construction;

19

20 (v) Projecting these revenues is a task that makes  
21 budgeting difficult;

22

1           (vi) If Wyoming state government manages its boom  
2 cycles by saving when there are large surpluses, deficit  
3 periods will be easier to manage;

4

5           (vii) Saving more during boom periods will make it  
6 easier to cover shortfalls during deficit periods;

7

8           (viii) Being able to pay for shortfalls during  
9 deficit periods will protect school funding and will  
10 discourage tax increases;

11

12           (ix) Stabilizing state spending between boom and  
13 bust cycles will encourage budget stability;

14

15           (x) Reducing the potential for tax increases  
16 during bust cycles will also encourage budget stability;

17

18           (xi) Budget stability creates economic certainty;

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20           (xii) Economic certainty improves economic growth  
21 and economic development;

22

1           (xiii) Placing a reasonable and judicious spending  
2 cap on the yearly growth of general fund expenditures will  
3 help the legislature save more during boom periods and create  
4 budget stability;

5

6           (xiv) Moving to a cash budget will eliminate the  
7 need to project revenues in a given year and will make  
8 budgeting more precise.

9

10           **9-4-1402. Definitions.**

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12           (a) As used in this article:

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14           (i) "Fiscal year spending" means all state  
15 expenditures and appropriations including expenditures from  
16 reserves. "Fiscal year spending" shall not include:

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18           (A) Appropriations for schools from the  
19 school foundation program account or expenditures for school  
20 capital construction;

21

22           (B) Refunds made in the current or next  
23 fiscal year;

1

2 (C) Expenditures made from gifts or bequests  
3 made for purposes specified by the donor including any  
4 proceeds from those gifts or bequests;

5

6 (D) Expenditures or appropriations of funds  
7 received from the federal government for specific purposes.  
8 This subparagraph shall not apply to federal mineral  
9 royalties or coal lease bonus payments;

10

11 (E) Collections for another government;

12

13 (F) Pension contributions by employees,  
14 pension fund distributions and pension fund earnings;

15

16 (G) Damage awards;

17

18 (H) Property sales;

19

20 (J) Principal and interest on bonded  
21 indebtedness;

22

1                   (K) Expenditures funded by unemployment and  
2 disability insurance funds;

3

4                   (M) Expenditures for tax relief;

5

6                   (N) Workers' compensation benefits.

7

8                   (ii) "Inflation" means the percentage change in  
9 the annualized Wyoming cost-of-living index produced for the  
10 second quarter by the state of Wyoming economic analysis  
11 division;

12

13                   (iii) "Zero-based budget" means a budget that is  
14 prepared without regard to any previous level of services or  
15 personnel during any previous budget period.

16

17                   **9-4-1403. State budget requirements.**

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19                   (a) State budget requirements. Notwithstanding any  
20 other provision of law, the following shall apply to the state  
21 budget:

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1           (i) Notwithstanding W.S. 9-2-1013(d)(ii), the  
2 governor's budget recommendations for each biennial budget  
3 period shall not exceed the actual revenues credited to the  
4 general fund during the previous biennium plus inflation;

5

6           (ii) Expenditures shall be made using a zero-based  
7 budgeting process as determined by the legislature that  
8 establishes a zero-based budget for each agency at least every  
9 five (5) years;

10

11           (iii) The maximum annual percentage change in  
12 state fiscal year spending shall not exceed inflation in the  
13 prior calendar year plus three-fourths (3/4) of any positive  
14 percentage change in state population in the prior calendar  
15 year. Any negative population change shall not reduce the  
16 maximum spending limit under this subsection. Population  
17 shall be determined by annual federal census estimates and  
18 the population shall be adjusted every decade to match the  
19 federal census;

20

21           (iv) One hundred percent (100%) of any surplus  
22 annual funds after the spending limits under paragraph (iii)

1 of this subsection are met shall be distributed as determined  
2 by the legislature as follows:

3

4 (A) At least eighty-five percent (85%) of the  
5 amount available under this subparagraph shall be deposited  
6 in the legislative stabilization reserve account; and

7

8 (B) Not more than fifteen percent (15%) of  
9 this amount shall be placed in the permanent Wyoming mineral  
10 trust fund or the common school account within the permanent  
11 land fund.

12

13 (v) If the average annual expenditures from the  
14 most recent biennial budget as adjusted for inflation plus  
15 five percent (5%) does not exceed the amount available within  
16 all state reserve accounts that are available for  
17 appropriation by the legislature, the next fiscal year budget  
18 shall provide only for expenditure of funds from reserve  
19 accounts and all surplus annual funds shall be distributed as  
20 provided in paragraph (iv) of this subsection;

21

22 (vi) The intent of this section is to reasonably  
23 restrain the growth of government. All provisions of this



1 section are self-executing and severable and shall supersede  
2 conflicting state statutory, charter or other state or local  
3 provisions.

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5       **Section 2.** The joint appropriations committee shall  
6 review statutes related to the development of the state budget  
7 and shall develop legislation necessary to remove or conform  
8 provisions that conflict with the Wyoming Budget  
9 Stabilization Act created under section 1 of this act prior  
10 to the 2020 budget session of the legislature.

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12       **Section 3.**

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14       (a) Section 2 of this act is effective immediately upon  
15 completion of all acts necessary for a bill to become law as  
16 provided by Article 4, Section 8 of the Wyoming Constitution.

17

18       (b) Except as provided in section (a) of this section,  
19 this act is effective January 1, 2020.

20

21

(END)

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