

HOUSE BILL NO. HB0188

Irrigation district loans.

Sponsored by: Representative(s) Hunt, Clausen, Duncan,
Greear, Laursen and Winter and Senator(s)
Boner and Steinmetz

A BILL

for

1 AN ACT relating to intergovernmental cooperation;
2 authorizing the state loan and investment board to make
3 loans to irrigation districts as specified; and providing
4 for an effective date.

5

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

7

8 **Section 1.** W.S. 16-1-111 by creating a new subsection
9 (d) and by renumbering (d) through (f) as (e) through (g)
10 is amended to read:

11

12 **16-1-111. Loans to political subdivisions;**
13 **requirements; limitations; rulemaking.**

14

1 (d) Loans may be made to irrigation districts for
2 replacement or major maintenance projects of diversion,
3 transmission, and distribution systems. A loan under this
4 subsection shall be at an interest rate of the greater of
5 one percent (1%) plus seventy-five thousandths of one
6 percent (0.075%) for each year of the loan term in excess
7 of five (5) years or the current equivalent yield of a
8 United States treasury security of the same duration of the
9 loan, which may be adjusted every five (5) years. In the
10 event of prepayment of a loan, the interest rate shall be
11 calculated at the actual loan period, but no refund of
12 interest payment shall be made to the borrowing entity. Any
13 loan made under this subsection shall be for a term of not
14 fewer than five (5) years and not greater than twenty-five
15 (25) years for repayment. The board shall require an
16 irrigation district to apply for other grant or loan
17 programs prior to authorizing a loan under this subsection.
18 Adequate security for loans shall be required and may
19 include:

20

21 (i) A pledge of the revenues from the project
22 for which the loan was granted;

23

1 (ii) A pledge of other revenues available to the
2 irrigation district receiving the loan;

3
4 (iii) A mortgage covering all or any part of the
5 project or by a pledge of the lease of the project;

6
7 (iv) Any other security device or requirement
8 deemed advantageous or necessary by the board.

9
10 ~~(d)~~(e) No loan shall be made without the written
11 opinion of the attorney general certifying the legality of
12 the transaction and all documents connected therewith. An
13 election approving the project and borrowing for the
14 project by the qualified electors of the borrowing entity
15 shall be required only if the attorney general determines
16 such an election is otherwise required by law.

17
18 ~~(e)~~(f) There is created a loss reserve account for
19 loans made under this section. A loan origination fee of
20 one-half of one percent (0.5%) of the loan shall be paid by
21 the loan applicant and deposited to the loss reserve
22 account for any loan approved under this section. If, as a
23 result of default in the payment of any loan made under

1 this section, there occurs a nonrecoverable loss either to
2 the corpus of, or interest due to the permanent Wyoming
3 mineral trust fund, the board shall restore the loss to the
4 permanent fund using any funds available in the loss
5 reserve account. If the funds in the loss reserve account
6 are insufficient to restore the full amount of the loss,
7 the board shall submit a detailed report of the loss to the
8 legislature and shall request an appropriation to restore
9 the balance of the loss to the permanent fund. Beginning
10 June 30, 2018, the state treasurer shall transfer funds
11 quarterly from the permanent Wyoming mineral trust fund
12 reserve account to the loss reserve account created in this
13 subsection, in an amount necessary to ensure that as of the
14 last day of each quarter there is an unobligated,
15 unencumbered balance equal to five percent (5%) of the
16 balance of outstanding loans under this section. Any funds
17 transferred to the loss reserve account pursuant to this
18 subsection which are not necessary to maintain the five
19 percent (5%) balance shall be transferred back to the
20 permanent Wyoming mineral trust fund reserve account on the
21 last day of the quarter.

22

23 ~~(f)~~(g) As used in this section:

1

2 (i) "Board" means the state loan and investment
3 board to include the office of state lands and investments;

4

5 (ii) "Infrastructure project" means a capital
6 construction project which may lawfully be undertaken
7 within the powers of the political subdivision authorized
8 to receive a loan under this section;

9

10 (iii) "Road or street project" means the
11 construction, maintenance or improvement of a public
12 street, road or alley within a city, town or county.

13

14 **Section 2.** This act is effective July 1, 2021.

15

16

(END)