

WORKING DRAFT

HOUSE BILL NO. _____

Severance tax distribution.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for
2 distribution of certain severance taxes as specified; and
3 providing for an effective date.

4

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

6

7 **Section 1.** W.S. 39-14-801(c) is amended to read:

8

9 **39-14-801. Severance tax distributions; distribution**
10 **account created; formula.**

11

12 (a) There is created the severance tax distribution
13 account within the earmarked revenue fund into which shall
14 be credited revenues from severance taxes as provided by
15 law. Interest on earnings from funds in the account shall
16 be credited to the general fund.

17

18 (b) [LUST] Before making distributions from the
19 severance tax distribution account under subsections (c)
20 and (d) of this section, an amount equal to the amount of
21 tax collected under W.S. 39-17-104(a)(iii) and
22 39-17-204(a)(ii) for the same period shall be distributed
23 to the corrective action account created by W.S. 35-11-1424
24 and to the financial responsibility account created by W.S.

1 35-11-1427 in an inverse proportion to the amount in the
2 two (2) accounts.

3
4 (c) After making distributions under subsection (b)
5 of this section, distributions under subsection (d) of this
6 section shall be made from the severance tax distribution
7 account. The amount of distributions under subsection (d)
8 of this section shall not exceed one hundred fifty-five
9 million dollars (\$155,000,000.00) in any fiscal year. To
10 the extent that distributions under subsection (d) of this
11 section would exceed that amount in any fiscal year, the
12 excess shall be ~~credited~~ distributed:

13
14 (i) ~~One-third (1/3)~~ Twenty-five percent (25%) to
15 the general fund; and

16
17 (ii) ~~Two-thirds (2/3)~~ Fifty percent (50%) to the
18 budget reserve account.;

19
20 (iii) Four percent (4%) to the road construction
21 funds of the various counties as provided by W.S. 24-2-110
22 to be distributed in the same proportion as provided by
23 paragraph (d)(vii) of this section;

24
25 (iv) One percent (1%) to the state loan and
26 investment board for the purpose of addressing mineral
27 development impact assistance;

28
29 (v) Ten percent (10%) to cities and towns, to be
30 distributed in the same proportion as provided by paragraph
31 (d)(viii) of this section; and

32
33 (vi) Ten percent (10%) to counties, to be
34 distributed in the same proportion as provided by paragraph
35 (d)(vi) of this section.

36
37 (d) Deposits into the account created by subsection
38 (a) of this section shall be distributed as follows,
39 subject to subsections (b) and (c) of this section:

40
41 (i) To the general fund, sixty-two and twenty-
42 six hundredths percent (62.26%);

43
44 (ii) To water development account I under W.S.
45 41-2-124(a)(i), twelve and forty-five hundredths percent
46 (12.45%);

47

1 (iii) To water development account II under W.S.
2 41-2-124(a)(ii), two and one tenth percent (2.1%);
3

4 (iv) To the highway fund, four and thirty-three
5 hundredths percent (4.33%), except that if the total
6 unencumbered revenues within the state park road account
7 created by W.S. 24-14-102 are less than five hundred
8 thousand dollars (\$500,000.00) on July 1, 2001 or on July 1
9 of any even-numbered year thereafter, the state treasurer
10 shall first distribute revenues to that account in an
11 amount equal to five hundred thousand dollars (\$500,000.00)
12 less the total unencumbered revenues in the account on July
13 1 of that year;
14

15 (v) To counties, seventy-eight hundredths
16 percent (0.78%), subject to the following formula:
17

18 (A) Fifty percent (50%) of the funds
19 distributed under this paragraph shall be distributed to
20 the counties in the same proportion that the population of
21 the county bears to the population of the state as
22 determined by the most recent decennial census; and
23

24 (B) Fifty percent (50%) of the funds
25 distributed under this subsection shall be distributed to
26 the counties based upon the inverse of the assessed
27 valuation of each county as computed under subparagraph
28 (vii)(C) of this subsection.
29

30 (vi) To counties, three and one-tenth percent
31 (3.1%), each county to receive an amount in the proportion
32 which the population of the county bears to total state
33 population, population to be determined by resort to the
34 latest federal census as periodically updated by the bureau
35 of the census;
36

37 (vii) To the road construction funds of the
38 various counties as provided by W.S. 24-2-110, two and
39 nine-tenths percent (2.9%), except that each county's share
40 of funds under this subsection shall be computed as
41 follows:
42

43 (A) One-third (1/3) shall be distributed to
44 each county in the ratio that the population of the county
45 bears to total state population based on the most recent
46 decennial federal census;
47

1 (B) One-third (1/3) shall be distributed to
2 each county in the ratio that the mileage of county roads
3 in the county bears to total county roads in Wyoming;

4
5 (C) One-third (1/3) shall be distributed to
6 each county as follows:

7
8 (I) Arrange the assessed valuation of
9 each county in descending order by county;

10
11 (II) Calculate the county percentages
12 of assessed valuation relative to total state valuation;

13
14 (III) Calculate the inverse of the
15 county percentage of total state assessed valuation by
16 dividing one (1) by the percentage computed in subdivision
17 (C) (II) of this paragraph;

18
19 (IV) Compute each county share by
20 dividing each inverse calculated under subdivision (III) of
21 this subparagraph by the total sum of the inverses
22 calculated under subdivision (III) of this subparagraph.

23
24 (viii) To cities and towns, nine and twenty-five
25 hundredths percent (9.25%), each city or town to receive an
26 amount in the proportion which the population of the city
27 or town bears to the population of all cities and towns in
28 Wyoming, population to be determined by resort to the
29 latest federal census as periodically updated by the bureau
30 of the census;

31
32 (ix) To the capital construction account, two
33 and eighty-three hundredths percent (2.83%), to be expended
34 for the purposes specified in W.S. 9-4-604(k) (ii).

35
36 **Section 2.** This act is effective July 1, 2005.

37
38 (END)