

HOUSE BILL NO. HB0181

Revenue distribution to local governments.

Sponsored by: Representative(s) Luthi, Lubnau, Mercer,
Olsen and Slater and Senator(s) Cooper,
Larson and Nicholas

A BILL

for

1 AN ACT relating to local governments; providing for
2 distribution of certain revenues to local governments as
3 specified; providing for grants to local governments;
4 providing assistance to local governments impacted by
5 certain mineral development; providing for matching funds;
6 providing for special revenue distribution to certain local
7 governments; providing for reversion of funds; granting
8 rulemaking authority; and providing for effective dates.

9

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

11

12 [DISTRIBUTION OF FUNDS TO LOCAL GOVERNMENTS]

13

14 **Section 1.**

15

16 (a) There is appropriated from the general fund to

1 the office of state lands and investments fifty-three
2 million three hundred thirty-three thousand three hundred
3 thirty-three dollars (\$53,333,333.00) to be distributed to
4 cities and towns in two (2) equal distributions on October
5 1, 2006 and on October 1, 2007, subject to the following:

6
7 (i) From these distributions each city or town
8 with a population of thirty-five (35) or less shall first
9 receive five thousand dollars (\$5,000.00) and each city or
10 town with a population over thirty-five (35) shall first
11 receive ten thousand dollars (\$10,000.00). From the
12 remainder each city and town shall receive amounts in
13 accordance with a municipal supplemental funding formula as
14 provided in this paragraph with each city or town receiving
15 amounts in the proportion which the adjusted population of
16 the city or town bears to the adjusted population of all
17 cities and towns in Wyoming. The municipal supplemental
18 funding formula shall be calculated by the state treasurer
19 as follows:

20
21 (A) Calculate the per capita distribution
22 of sales and use tax revenues for the preceding fiscal year
23 to each county, including distributions to each city and
24 town within that county, under W.S. 39-15-111 and

1 39-16-111;

2

3 (B) Arrange the counties in ascending order
4 by the per capita distribution calculated;

5

6 (C) Following the arrangement of counties
7 in subparagraph (B) of this paragraph, list the population
8 of each city and town within the county;

9

10 (D) Apply the appropriate adjustment factor
11 determined in subdivisions (I) through (V) of this
12 subparagraph for a county to each city and town within that
13 county:

14

15 (I) Beginning with the county with the
16 lowest per capita distribution, an adjustment factor of one
17 and one-half (1.5) shall be applied to each county listed
18 under subparagraph (B) of this paragraph, so long as its
19 incorporated population plus the incorporated population of
20 each county with a lower per capita distribution is within
21 the lowest tenth percentile. The adjustment factor shall
22 be applied for each of these counties by multiplying the
23 incorporated population of the county by one hundred fifty
24 percent (150%);

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(II) An adjustment factor determined under this subdivision shall be applied to the county with the next higher per capita distribution not qualifying for the adjustment factor under subdivision (I) of this subparagraph. The adjustment factor for this county shall be determined by:

(1) Multiplying by one hundred fifty percent (150%) that portion of the incorporated population of that county which is within the lowest tenth percentile;

(2) Multiplying by one hundred twenty-five percent (125%) the incorporated population of that county which is within the lowest twentieth percentile and at or above the tenth percentile;

(3) If applicable, multiplying by one hundred percent (100%) the incorporated population of that county which is at or above the twentieth percentile;

(4) Dividing the sum of the products of subdivisions (II)(1) through (3) of this

1 subparagraph by the incorporated population of that county.

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3 (III) If an adjustment factor has not
4 been applied under subdivision (I) or (II) of this
5 subparagraph, an adjustment factor of one and one-quarter
6 (1.25) shall be applied to each county listed under
7 subparagraph (B) of this paragraph, so long as its
8 incorporated population plus the incorporated population of
9 each county with a lower per capita distribution does not
10 exceed the twentieth percentile. The adjustment factor
11 shall be applied for each of these counties by multiplying
12 the incorporated population of the county by one hundred
13 twenty-five percent (125%);

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15 (IV) An adjustment factor determined
16 under this subdivision shall be applied to the next higher
17 listed county not qualifying for the adjustment factor
18 under subdivision (III) of this subparagraph. The
19 adjustment factor for this county shall be determined by:

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21 (1) Multiplying by one hundred
22 twenty-five percent (125%) that portion of the incorporated
23 population of that county which is within the lowest
24 twentieth percentile;

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(2) Multiplying by one hundred percent (100%) the incorporated population of that county which is at or above the lowest twentieth percentile;

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(3) Dividing the sum of the products of subdivisions (IV)(1) and (2) of this subparagraph by the incorporated population of that county.

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(V) An adjustment factor of one (1) shall be applied to the remaining counties.

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(E) Distribute the remainder of the revenues under this paragraph on a per capita basis using the total adjusted population for all cities and towns and the adjusted population for each city or town as calculated under subparagraph (D) of this paragraph;

18

(F) As used in this paragraph:

20

(I) A county's "incorporated population" means the population of all cities and towns within the county;

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1 (II) "Percentile" means that portion
2 of the incorporated population as listed in the arrangement
3 of cities and towns under subparagraphs (B) and (C) of this
4 paragraph.

5
6 (b) There is appropriated from the general fund to
7 the office of state lands and investments twenty-six
8 million six hundred sixty-six thousand six hundred sixty-
9 seven dollars (\$26,666,667.00) to be distributed to
10 counties in two (2) equal distributions on October 1, 2006
11 and on October 1, 2007. From these distributions each
12 county shall receive the following:

13
14 (i) An equal share of fifteen percent (15%) of
15 the total amount to be distributed; and

16
17 (ii) Of the remaining eighty-five percent (85%),
18 an amount to be distributed to each county in the
19 proportion each county's population bears to the total
20 population of the state.

21
22 (c) For purposes of this section, population is to be
23 determined by resort to the latest federal census as
24 updated by the bureau of the census.

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[MINERAL IMPACT FUND]

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Section 2.

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6 (a) In addition to the amounts otherwise distributed
7 to the state loan and investment board pursuant to W.S.
8 9-4-604, there is appropriated to the state loan and
9 investment board one hundred fifty million dollars
10 (\$150,000,000.00) from the general fund to be used in the
11 manner specified by W.S. 9-4-604.

12

13 (b) Of the amount appropriated under subsection (a)
14 of this section, the state loan and investment board is
15 authorized to direct the state treasurer to transfer not
16 more than one hundred million dollars (\$100,000,000.00)
17 into the mineral impact fund which is hereby created. The
18 purpose of the fund shall be to provide grants to cities,
19 towns and counties which are directly impacted by the
20 development of natural gas to be used for capital
21 construction including, but not limited to, capital
22 equipment, housing and road repair or construction. The
23 board is further authorized to set aside a specific amount
24 from the mineral impact fund for specific counties directly

1 impacted by the development of natural gas, provided the
2 cities, towns and counties in the affected areas certify to
3 the board that the county board of commissioners and the
4 councils of the cities and towns within that county have
5 reached unanimous agreement on the projects for which the
6 grants will be used. In evaluating applications under this
7 subsection, the board may consider the applicant's
8 financial strength and may reduce or waive any matching
9 funds required by W.S. 9-4-604. The board shall request a
10 list of potential impact projects for the 2007 - 2008
11 biennium to be submitted not later than May 15, 2006 by the
12 cities, towns and counties directly impacted by the
13 development of natural gas and shall take this list into
14 consideration in the awarding of grants.

15

16 (c) Of the remaining funds appropriated under this
17 section, the board shall provide grants to cities, towns
18 and counties which are not directly impacted by the
19 development of natural gas. The board shall request each
20 city, town and county, on behalf of the county and any
21 special district, to submit, not less than forty-five (45)
22 days prior to the beginning of each biennium, a list of
23 potential projects for that biennium, listed in the
24 general categories of surface transportation including

1 roads, bridges, streets, traffic and drainage; utilities
2 including water, wastewater, solid waste and electricity;
3 public safety including county jails, law enforcement, fire
4 protection and animal control; medical including hospitals,
5 clinics and ambulances; and other categories including but
6 not limited to local government buildings and public use
7 facilities. Notwithstanding any other provision of law and
8 taking into consideration the categories listed in this
9 subsection, the board shall award grants in such a way that
10 except for emergency situations that pose a direct and
11 immediate threat to public health, safety or welfare none
12 of the categories in this subsection shall be given
13 preferential treatment. Not less than one quarter of the
14 funds available for grants under this subsection shall be
15 used for grants requiring a local match of not more than
16 twenty-five percent (25%) from the local government.

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18 [MINERAL IMPACT FUND-MATCHING MONIES]

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20 **Section 3.**

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22 (a) Of the amount appropriated under section 2(a) of
23 this act, the state loan and investment board is authorized
24 to establish an account within the mineral impact fund in

1 the amount of not more than ten million dollars
2 (\$10,000,000.00). The account shall be used in the same
3 manner as specified in section 2(b) of this act. This
4 amount is subject to review and approval by the state loan
5 and investment board and the following:

6
7 (i) The funds in the account under this section
8 shall be retained by the state treasurer and available to
9 the state loan and investment board to provide grants to
10 local governments as provided by section 2 of this act only
11 to the extent that cash or binding commitments from private
12 sources have been received by the state loan and investment
13 board or the local government to match the amount of the
14 grant;

15
16 (ii) The determination as to whether a binding
17 commitment has been received shall be made by the attorney
18 general;

19
20 (iii) Cash or binding commitments shall be
21 received not later than April 30, 2008 to be counted as
22 matching funds under this section.

23
24 [SPECIAL REVENUE DISTRIBUTION]

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Section 4.

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(a) There is appropriated to the office of state lands and investments six million five hundred thousand dollars (\$6,500,000.00) from the general fund to be distributed to eligible cities and towns in two (2) equal distributions on October 1, 2006 and on October 1, 2007, subject to the following:

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(i) Each eligible city and town shall receive amounts in accordance with a municipal supplemental funding formula as provided in this paragraph. The municipal supplemental funding formula shall be calculated by the office of state lands and investments as follows:

(A) Calculate the per capita distribution of sales and use tax revenues for the preceding fiscal year to each county, including distributions to each city and town within that county, under W.S. 39-15-111 and 39-16-111;

(B) Arrange the counties in ascending order by the per capita distribution calculated;

1

2 (C) Following the arrangement of counties
3 in subparagraph (B) of this paragraph, list the population
4 of each city and town within the county;

5

6 (D) Apply the appropriate adjustment factor
7 determined in subdivisions (I) through (V) of this
8 subparagraph for a county to each city and town within that
9 county:

10

11 (I) Beginning with the county with the
12 lowest per capita distribution, an adjustment factor of one
13 and one-half (1.5) shall be applied to each county listed
14 under subparagraph (B) of this paragraph, so long as its
15 incorporated population plus the incorporated population of
16 each county with a lower per capita distribution is within
17 the lowest tenth percentile. The adjustment factor shall
18 be applied for each of these counties by multiplying the
19 incorporated population of the county by one hundred fifty
20 percent (150%);

21

22 (II) An adjustment factor determined
23 under this subdivision shall be applied to the county with
24 the next higher per capita distribution not qualifying for

1 the adjustment factor under subdivision (I) of this
2 subparagraph. The adjustment factor for this county shall
3 be determined by:

4

5 (1) Multiplying by one hundred
6 fifty percent (150%) that portion of the incorporated
7 population of that county which is within the lowest tenth
8 percentile;

9

10 (2) Multiplying by one hundred
11 twenty-five percent (125%) the incorporated population of
12 that county which is within the lowest twentieth percentile
13 and at or above the tenth percentile;

14

15 (3) If applicable, multiplying by
16 one hundred percent (100%) the incorporated population of
17 that county which is at or above the twentieth percentile;

18

19 (4) Dividing the sum of the
20 products of subdivisions (II)(1) through (3) of this
21 subparagraph by the incorporated population of that county.

22

23 (III) If an adjustment factor has not
24 been applied under subdivision (I) or (II) of this

1 subparagraph, an adjustment factor of one and one-quarter
2 (1.25) shall be applied to each county listed under
3 subparagraph (B) of this paragraph, so long as its
4 incorporated population plus the incorporated population of
5 each county with a lower per capita distribution does not
6 exceed the twentieth percentile. The adjustment factor
7 shall be applied for each of these counties by multiplying
8 the incorporated population of the county by one hundred
9 twenty-five percent (125%);

10
11 (IV) An adjustment factor determined
12 under this subdivision shall be applied to the next higher
13 listed county not qualifying for the adjustment factor
14 under subdivision (III) of this subparagraph. The
15 adjustment factor for this county shall be determined by:

16
17 (1) Multiplying by one hundred
18 twenty-five percent (125%) that portion of the incorporated
19 population of that county which is within the lowest
20 twentieth percentile;

21
22 (2) Multiplying by one hundred
23 percent (100%) the incorporated population of that county
24 which is at or above the lowest twentieth percentile;

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(3) Dividing the sum of the products of subdivisions (IV)(1) and (2) of this subparagraph by the incorporated population of that county.

(V) An adjustment factor of one (1) shall be applied to the remaining counties.

(E) From the adjusted population of a city or town as calculated in subparagraphs (A) through (D) of this paragraph, subtract the actual population of the city or town to determine the resulting population adjustment. Distribute the funding under this paragraph in the proportion which the population adjustment of the city or town bears to the population adjustments of all cities and towns in Wyoming as calculated under subparagraph (D) of this paragraph;

(F) As used in this paragraph:

(I) A county's "incorporated population" means the population of all cities and towns within the county;

1 (II) "Percentile" means that portion
2 of the incorporated population as listed in the arrangement
3 of cities and towns under subparagraphs (B) and (C) of this
4 paragraph.

5
6 (b) There is appropriated from the general fund to
7 the office of state lands and investments a total of six
8 million five hundred thousand dollars (\$6,500,000.00) to be
9 distributed to counties in two (2) equal distributions on
10 October 1, 2006 and on October 1, 2007. The office shall
11 calculate the amounts to be distributed to eligible
12 counties as determined by this subsection as follows:

13
14 (i) Multiply each county's total assessed
15 valuation by twelve mills (.012). This amount shall
16 represent the county property tax available;

17
18 (ii) Calculate the sum of the following to
19 determine the county funding need:

20
21 (A) Nine hundred thousand dollars
22 (\$900,000.00); plus

23
24 (B) The product of the county population

1 from zero (0) to five thousand (5,000) multiplied by one
2 hundred fifty dollars (\$150.00); plus

3

4 (C) The product of the county population
5 from five thousand one (5,001) to twenty-five thousand
6 (25,000) multiplied by one hundred twenty dollars
7 (\$120.00); plus

8

9 (D) The product of the county population
10 above twenty-five thousand (25,000) multiplied by eighty
11 dollars (\$80.00).

12

13 (iii) Calculate the property tax shortfall for
14 each county by subtracting the property tax available as
15 determined by paragraph (i) of this subsection from the
16 county funding need as determined by paragraph (ii) of this
17 subsection. If the amount is greater than zero, the county
18 shall be eligible for distribution of money under this
19 subsection;

20

21 (iv) The amount distributed under this
22 subsection to each eligible county shall be in the
23 proportion that the county's property tax shortfall bears
24 to the total property tax shortfall of all counties

1 eligible to receive a distribution under this subsection.

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3 (c) For purposes of this section, population is to be
4 determined by resort to the latest federal census as
5 updated by the bureau of the census.

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7 [REVERSION OF FUNDS]

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9 **Section 5.** Any monies appropriated by this act
10 remaining unexpended or unobligated on June 30, 2008 shall
11 revert to the general fund.

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13 [RULEMAKING AUTHORITY]

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15 **Section 6.** The state loan and investment board shall
16 adopt rules and regulations to carry out the provisions of
17 this act.

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19 [EFFECTIVE DATES]

20

21 **Section 7.**

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23 (a) Section 6 of this act is effective immediately
24 upon completion of all acts necessary for a bill to become

1 law as provided by Article 4, Section 8 of the Wyoming
2 Constitution.

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4 (b) The remainder of this act is effective July 1,
5 2006.

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(END)