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

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

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

[DISTRIBUTION OF FUNDS TO LOCAL GOVERNMENTS]

Section 1.

(a) There is appropriated from the general fund to the office of state lands and investments fifty-three million three hundred thirty-three thousand three hundred thirty-three dollars ($53,333,333.00) to be distributed to cities and towns in two (2) equal distributions on October 1, 2006 and on October 1, 2007, subject to the following:

(i) From these distributions each city or town with a population of thirty-five (35) or less shall first receive five thousand dollars ($5,000.00) and each city or town with a population over thirty-five (35) shall first receive ten thousand dollars ($10,000.00). From the remainder each city and town shall receive amounts in accordance with a municipal supplemental funding formula as provided in this paragraph with each city or town receiving amounts in the proportion which the adjusted population of the city or town bears to the adjusted population of all cities and towns in Wyoming. The municipal supplemental funding formula shall be calculated by the state treasurer 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;

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

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

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

(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

subparagraph by the incorporated population of that county.

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

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

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

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

(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) 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;

(F) As used in this paragraph:

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

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

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

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

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

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

[MINERAL IMPACT FUND]

Section 2.

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

(b) Of the amount appropriated under subsection (a) of this section, the state loan and investment board is authorized to direct the state treasurer to transfer not more than one hundred million dollars ($100,000,000.00) into the mineral impact fund which is hereby created. The purpose of the fund shall be to provide grants to cities, towns and counties which are directly impacted by the development of natural gas to be used for capital construction including, but not limited to, capital equipment, housing and road repair or construction. The board is further authorized to set aside a specific amount from the mineral impact fund for specific counties directly impacted by the development of natural gas, provided the cities, towns and counties in the affected areas certify to the board that the county board of commissioners and the councils of the cities and towns within that county have reached unanimous agreement on the projects for which the grants will be used. In evaluating applications under this subsection, the board may consider the applicant's financial strength and may reduce or waive any matching funds required by W.S. 9-4-604. The board shall request a list of potential impact projects for the 2007 - 2008 biennium to be submitted not later than May 15, 2006 by the cities, towns and counties directly impacted by the development of natural gas and shall take this list into consideration in the awarding of grants.

(c) Of the remaining funds appropriated under this section, the board shall provide grants to cities, towns and counties which are not directly impacted by the development of natural gas. The board shall request each city, town and county, on behalf of the county and any special district, to submit, not less than forty-five (45) days prior to the beginning of each biennium, a list of potential projects for that biennium, listed in the general categories of surface transportation including roads, bridges, streets, traffic and drainage; utilities including water, wastewater, solid waste and electricity; public safety including county jails, law enforcement, fire protection and animal control; medical including hospitals, clinics and ambulances; and other categories including but not limited to local government buildings and public use facilities. Notwithstanding any other provision of law and taking into consideration the categories listed in this subsection, the board shall award grants in such a way that except for emergency situations that pose a direct and immediate threat to public health, safety or welfare none of the categories in this subsection shall be given preferential treatment. Not less than one quarter of the funds available for grants under this subsection shall be used for grants requiring a local match of not more than twenty-five percent (25%) from the local government.

[MINERAL IMPACT FUND-MATCHING MONIES]

Section 3.

(a) Of the amount appropriated under section 2(a) of this act, the state loan and investment board is authorized to establish an account within the mineral impact fund in the amount of not more than ten million dollars ($10,000,000.00). The account shall be used in the same manner as specified in section 2(b) of this act. This amount is subject to review and approval by the state loan and investment board and the following:

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

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

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

[SPECIAL REVENUE DISTRIBUTION]

Section 4.

(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:

(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;

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

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

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

(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 subparagraph by the incorporated population of that county.

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

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

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

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

(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;

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

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

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

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

(A) Nine hundred thousand dollars ($900,000.00); plus

(B) The product of the county population from zero (0) to five thousand (5,000) multiplied by one hundred fifty dollars ($150.00); plus

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

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

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

(iv) The amount distributed under this subsection to each eligible county shall be in the proportion that the county's property tax shortfall bears to the total property tax shortfall of all counties eligible to receive a distribution under this subsection.

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

[REVERSION OF FUNDS]

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

[RULEMAKING AUTHORITY]

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

[EFFECTIVE DATES]

Section 7.

(a) Section 6 of 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.

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

(END)