

HOUSE BILL NO. HB0107

Local government distributions.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to local government funding; continuously
 2 distributing a portion of the state sales and use taxes
 3 collected and accrued each fiscal year for cities, towns
 4 and counties; creating a statutory funding formula;
 5 providing legislative intent; and providing for an
 6 effective date.

7

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

9

10 **Section 1.** W.S. 39-15-601 through 39-15-603 are
 11 created to read:

12

13

ARTICLE 6

14

LOCAL GOVERNMENT DISTRIBUTIONS

15

16 **39-15-601. Definitions.**

1

2 (a) As used in this article:

3

4 (i) "Population" of a city, town or county shall
5 be determined by resort to the most recently completed
6 federal decennial census as reported by the economic
7 analysis division within the department of administration
8 and information.

9

10 **39-15-602. Local government distributions of state**
11 **sales and use taxes; supplemental funding formula; revenue**
12 **challenged formula.**

13

14 (a) An amount equal to seven percent (7%) of all
15 sales taxes imposed under W.S. 39-15-104(a) and (b) and use
16 taxes imposed under W.S. 39-16-104(a) and (b) that are
17 collected and accrued for the immediately preceding fiscal
18 year, as determined by the department of revenue, shall be
19 transferred from the general fund to the office of state
20 lands and investments for distribution to cities, towns and
21 counties to be allocated as follows and as further provided
22 in this section:

23

1 (i) Two-thirds (2/3) of eighty-nine percent
2 (89%) of the total amount for direct distribution to cities
3 and towns provided that five percent (5%) of the amount
4 available under this paragraph shall only be distributed
5 for direct distributions to cities and towns using the
6 revenue challenged formula as provided in paragraph (b)(ii)
7 of this section;

8
9 (ii) One-third (1/3) of eighty-nine percent
10 (89%) of the total amount for direct distribution to
11 counties;

12
13 (iii) Five and one-half percent (5.5%) of the
14 total amount for direct distribution to cities and towns
15 provided that five percent (5%) of the amount available
16 under this paragraph shall only be distributed for direct
17 distributions to cities and towns using the revenue
18 challenged formula as provided in paragraph (b)(ii) of this
19 section;

20
21 (iv) Five and one-half percent (5.5%) of the
22 total amount for direct distribution to counties.

23

1 (b) Funds distributed in paragraphs (a)(i) and (iii)
2 of this section shall be distributed to cities and towns
3 each fiscal year. Distributions shall be made in equal
4 amounts on October 15 and March 15 of each fiscal year as
5 calculated from revenues collected and accrued in the
6 immediately preceding fiscal year prior to the October 15
7 distribution, subject to the following:

8
9 (i) Except as provided in paragraph (ii) of this
10 subsection, from these distributions each municipality with
11 a population of thirty-five (35) or less shall first
12 receive fifteen thousand dollars (\$15,000.00) and each
13 municipality with a population over thirty-five (35) shall
14 first receive thirty-five thousand dollars (\$35,000.00).
15 From the remainder, each municipality shall receive amounts
16 in accordance with a municipal supplemental funding formula
17 as provided in this paragraph. The municipal supplemental
18 funding formula shall be calculated by the office of state
19 lands and investments as follows:

20
21 (A) Calculate the per capita sales and use
22 tax revenues available to each municipality using the sales
23 and use tax distributions to the county where each

1 municipality is located attributable to the most recently
2 completed fiscal year, including distributions to each
3 municipality within that county under W.S. 39-15-111 and
4 39-16-111 but excluding the distribution exclusively to
5 counties under W.S. 39-15-111(b)(iii) made from an amount
6 equivalent to one percent (1%) of the tax collected under
7 W.S. 39-15-104 and excluding the distribution exclusively
8 to counties under W.S. 39-16-111(b)(iii) made from an
9 amount equivalent to one percent (1%) of the tax collected
10 under W.S. 39-16-104;

11

12 (B) Calculate the inverse by dividing one
13 (1) by the per capita sales and use tax numbers determined
14 under subparagraph (A) of this paragraph for each
15 municipality;

16

17 (C) Calculate the normalized per capita
18 sales and use tax number for each municipality by dividing
19 the number determined under subparagraph (B) of this
20 paragraph for the municipality by the total of all inverse
21 per capita sales and use tax numbers calculated under
22 subparagraph (B) of this paragraph;

23

1 (D) Multiply the normalized per capita
2 sales and use tax number for each municipality by
3 seventy-five percent (75%);

4

5 (E) Calculate the per capita assessed value
6 for the prior tax year corresponding to the most recently
7 completed calendar year for each municipality by dividing
8 the total assessed valuation within the municipality by the
9 population of the municipality;

10

11 (F) Calculate the inverse by dividing one
12 (1) by the per capita assessed value determined under
13 subparagraph (E) of this paragraph for each municipality;

14

15 (G) Calculate the normalized per capita
16 assessed value number for each municipality by dividing the
17 number determined under subparagraph (F) of this paragraph
18 for the municipality by the total of all inverse per capita
19 assessed value numbers calculated under subparagraph (F) of
20 this paragraph;

21

1 (H) Multiply the normalized per capita
2 assessed value number for each municipality by twenty-five
3 percent (25%);

4

5 (J) Multiply the sum of subparagraphs (D)
6 and (H) of this paragraph for each municipality by the
7 population of the municipality;

8

9 (K) Calculate the normalized index for each
10 municipality by dividing the number determined under
11 subparagraph (J) of this paragraph for the municipality by
12 the sum of all numbers calculated under subparagraph (J) of
13 this paragraph;

14

15 (M) Determine the amount to distribute to
16 each municipality by multiplying the normalized index
17 number determined under subparagraph (K) of this paragraph
18 by the amount remaining available for distribution under
19 this paragraph.

20

21 (ii) From the funds distributed in paragraphs
22 (a)(i) and (iii) of this section, each city or town shall
23 receive amounts in accordance with a city and town revenue

1 challenged formula as provided in this paragraph. The
2 revenue challenged formula shall be calculated by the
3 office of state lands and investments as follows:

4

5 (A) Calculate the lowest quartile amount
6 received by cities and towns on a per capita basis using
7 amounts received under this section plus amounts
8 distributed to each city and town using the sales and use
9 tax distributions to the county where each municipality is
10 located attributable to the most recently completed fiscal
11 year under this paragraph, including distributions to each
12 municipality within that county under W.S. 39-15-111 and
13 39-16-111 but excluding the distribution exclusively to
14 counties under W.S. 39-15-111(b)(iii) made from an amount
15 equivalent to one percent (1%) of the tax collected under
16 W.S. 39-15-104 and excluding the distribution exclusively
17 to counties under W.S. 39-16-111(b)(iii) made from an
18 amount equivalent to one percent (1%) of the tax collected
19 under W.S. 39-16-104;

20

21 (B) Determine each city or town that
22 received a per capita amount that is less than the lowest

1 quartile amount determined under subparagraph (A) of this
2 paragraph;

3

4 (C) For each city or town that received a
5 per capita amount that is less than the lowest quartile
6 amount as provided in subparagraph (B) of this paragraph,
7 determine the amount that would be necessary to increase
8 the per capita amount distributed to that city or town to
9 the lowest quartile amount determined under subparagraph
10 (A) of this paragraph;

11

12 (D) Determine the amount to distribute to
13 each city or town that received an amount that is less than
14 the lowest quartile amount determined under subparagraph
15 (A) of this paragraph by distributing the amount available
16 under this paragraph on a pro rata basis, up to the lowest
17 quartile amount, based on the amounts determined under
18 subparagraph (C) of this paragraph.

19

20 (c) Funds distributed in paragraphs (a)(ii) and (iv)
21 of this section are to be distributed to counties each
22 fiscal year. Distributions shall be made in equal amounts
23 on October 15 and March 15 of each fiscal year as

1 calculated from revenues collected and accrued for the
2 immediately preceding fiscal year prior to the October 15
3 distribution. From these distributions each county shall
4 receive the following:

5

6 (i) Each county with an assessed value for the
7 tax year prior to the most recently completed calendar year
8 of less than three hundred thousand dollars (\$300,000.00)
9 per mill shall first receive an amount equal to three (3)
10 times the difference between three hundred thousand dollars
11 (\$300,000.00) and the actual value of one (1) mill within
12 the county. From the remainder, each county shall receive
13 amounts in accordance with a county supplemental funding
14 formula as provided in this paragraph. The county
15 supplemental funding formula shall be calculated by the
16 office of state lands and investments as follows:

17

18 (A) Calculate the per capita sales and use
19 tax revenues available to each county using the sales and
20 use tax distributions to each county attributable to the
21 most recently completed fiscal year, excluding
22 distributions to each municipality within that county under
23 W.S. 39-15-111 and 39-16-111;

1

2 (B) Calculate the inverse by dividing one
3 (1) by the per capita sales and use tax number determined
4 under subparagraph (A) of this paragraph for each county;

5

6 (C) Calculate the normalized per capita
7 sales and use tax number for each county by dividing the
8 number determined under subparagraph (B) of this paragraph
9 for the county by the total of all inverse per capita sales
10 and use tax numbers calculated under subparagraph (B) of
11 this paragraph;

12

13 (D) Multiply the normalized per capita
14 sales and use tax number determined under subparagraph (C)
15 of this paragraph for each county by twenty-four percent
16 (24%);

17

18 (E) Calculate the per capita assessed value
19 for each county by dividing the total assessed valuation
20 within the county for the tax year prior to the most
21 recently completed calendar year by the population of the
22 county;

23

1 (F) Calculate the inverse by dividing one
2 (1) by the per capita assessed value determined under
3 subparagraph (E) of this paragraph for each county;

4

5 (G) Calculate the normalized per capita
6 assessed value number for each county by dividing the
7 number determined under subparagraph (F) of this paragraph
8 for the county by the total of all inverse per capita
9 assessed value numbers calculated under subparagraph (F) of
10 this paragraph;

11

12 (H) Multiply the normalized per capita
13 assessed value number determined under subparagraph (G) of
14 this paragraph for each county by seventy-six percent
15 (76%);

16

17 (J) Calculate a cost of government index
18 for each county, which shall be determined by multiplying
19 six hundred twenty-eight (628) by the population of the
20 county and then adding nine million nine hundred thousand
21 (9,900,000) to the result;

22

1 (K) Calculate the normalized cost of
2 government index number for each county by dividing the
3 number determined under subparagraph (J) of this paragraph
4 for the county by the total of all cost of government index
5 numbers calculated under subparagraph (J) of this
6 paragraph;

7
8 (M) Multiply the sum of subparagraphs (D)
9 and (H) of this paragraph by the normalized cost of
10 government index number determined in subparagraph (K) of
11 this paragraph for each county;

12
13 (N) Calculate the normalized index for each
14 county by dividing the number determined under subparagraph
15 (M) of this paragraph for the county by the total of all
16 numbers calculated under subparagraph (M) of this
17 paragraph;

18
19 (O) Determine the amount to distribute to
20 each county by multiplying the normalized index number
21 determined under subparagraph (N) of this paragraph by the
22 amount remaining available for distribution under this
23 paragraph.

