

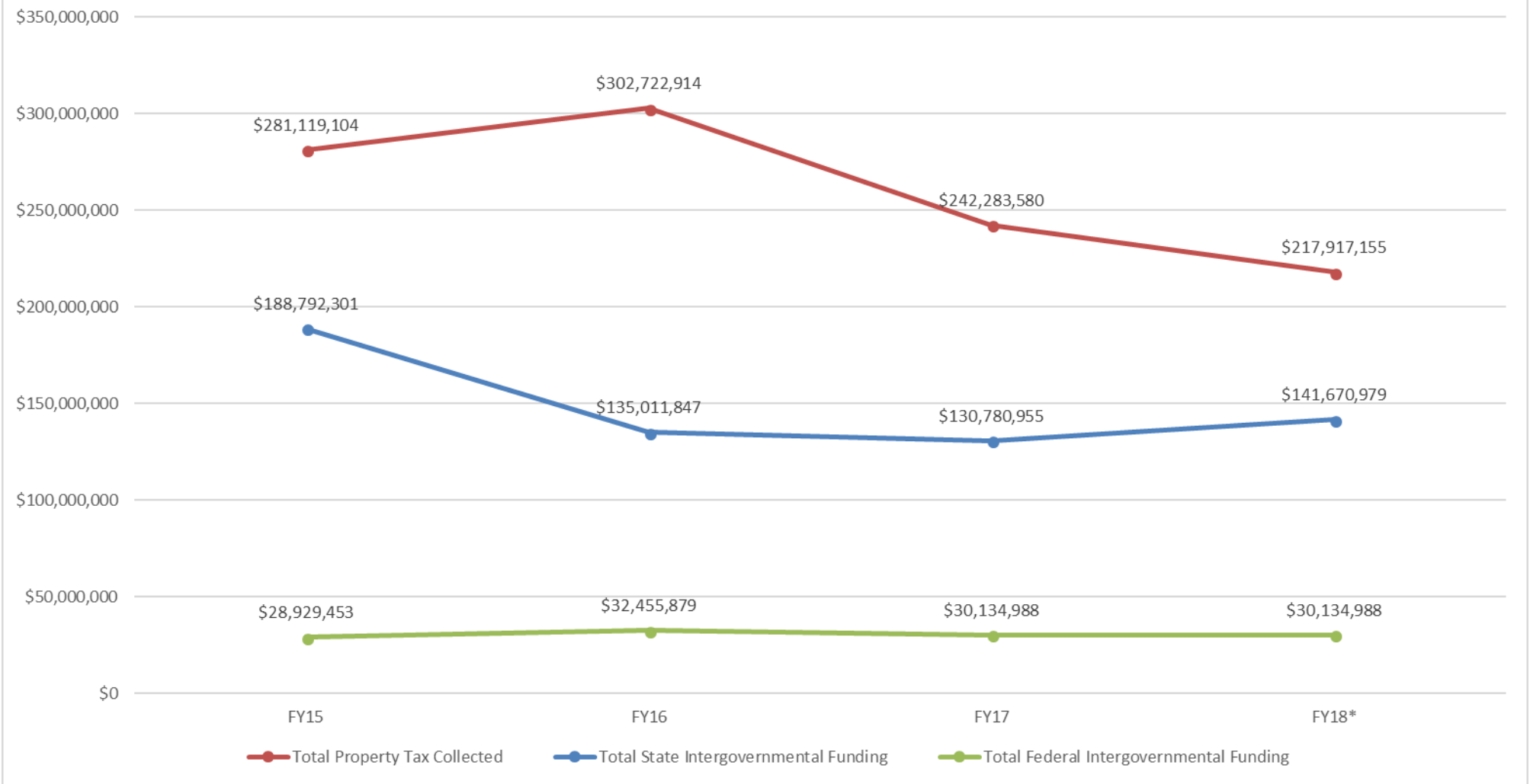
The logo for the Wyoming County Commissioners Association (WCCA) is a large, stylized circular emblem. It features the letters 'WCCA' in a bold, serif font, rendered in a light tan color. The letters are set against a background of two concentric circles: an outer ring in a darker tan and an inner ring in a brownish-tan. The text is centered within the emblem.

County Revenue Sources and Options for Replacing Direct Distributions

**Joint Revenue Committee Report
June 5, 2018**

Pete Obermueller
Executive Director
Wyoming County Commissioners Association

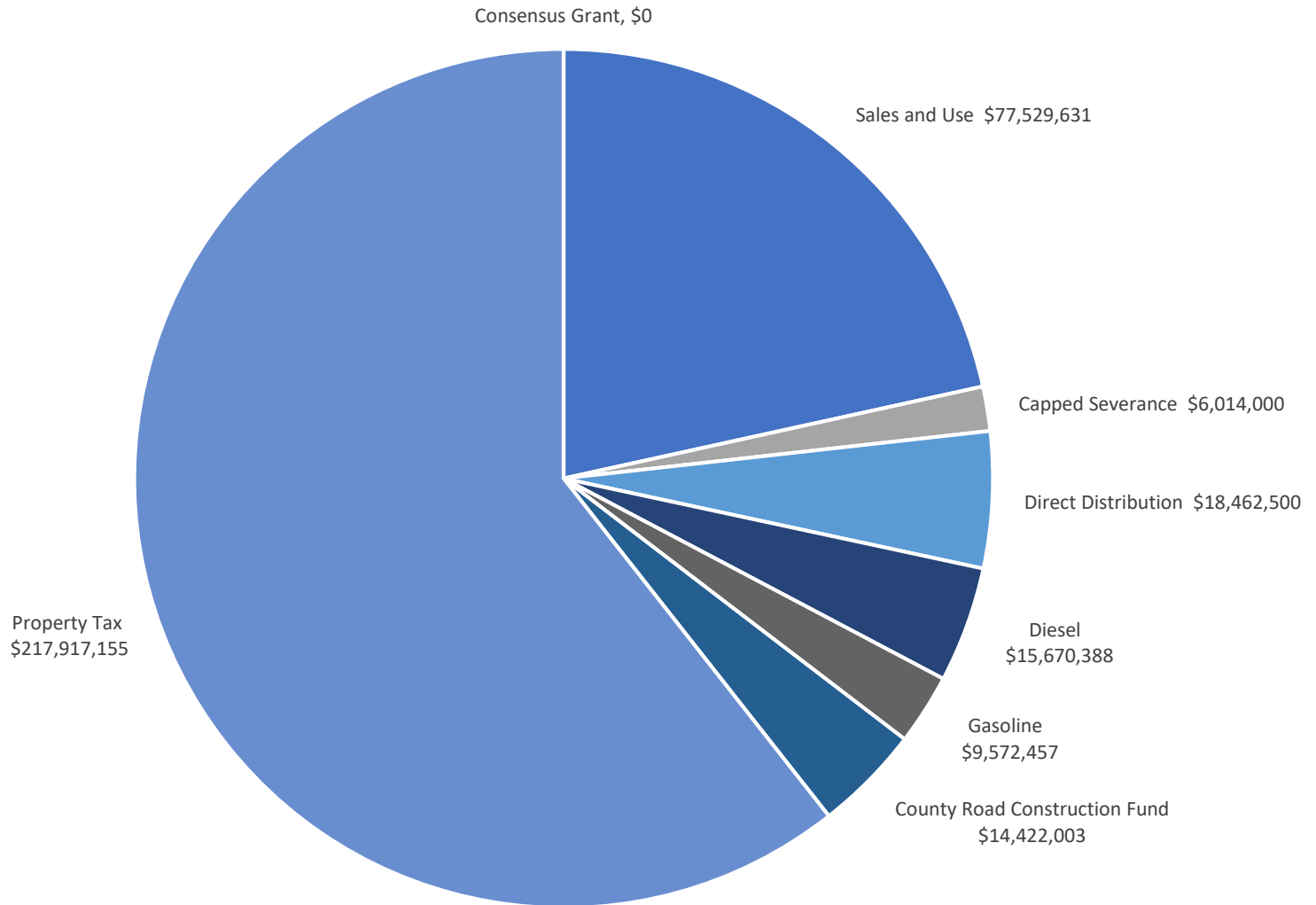
Intergovernmental Funding - 4 year trend



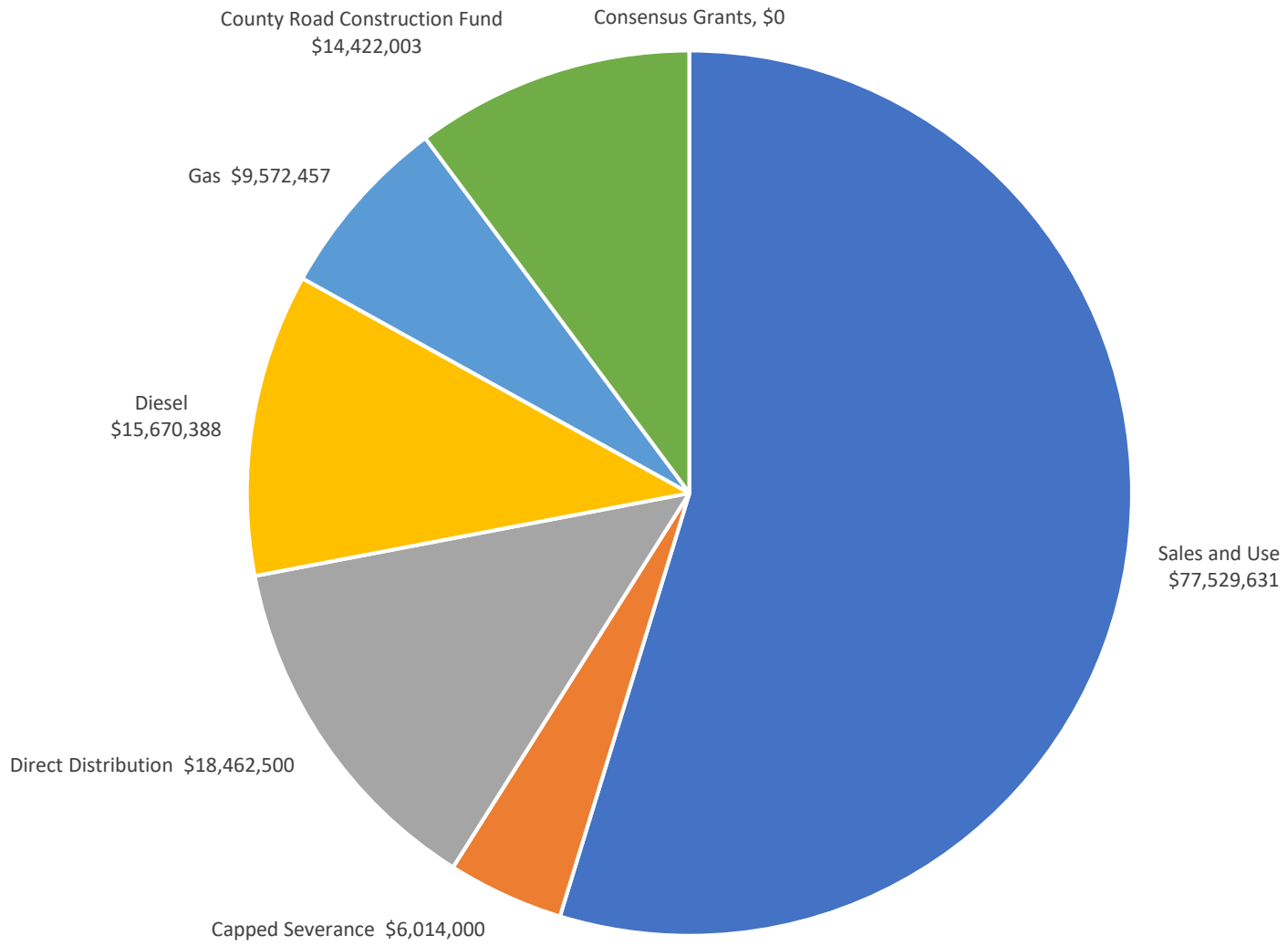
*FY18 totals are in some cases estimates. Federal payments for FY18 were not known at time of printing, but will be larger than FY17.

Major Funding Sources	Percent Change Since FY15
Total Property Tax Collected	-22%
Total Intergovernmental Funding - State	-25%
Total Intergovernmental Funding - Federal	4%

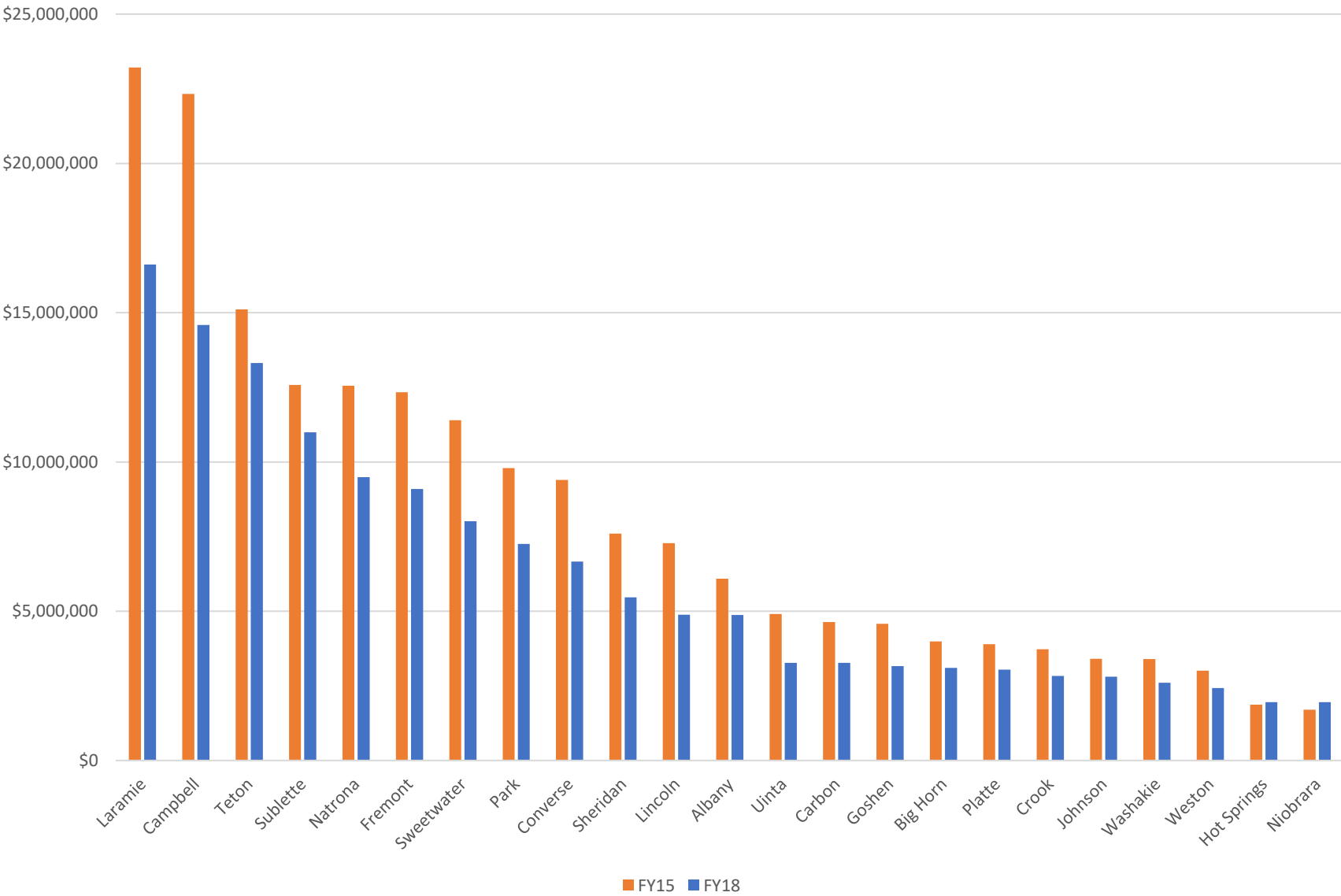
State Intergovernmental Funding and Property Tax, FY18



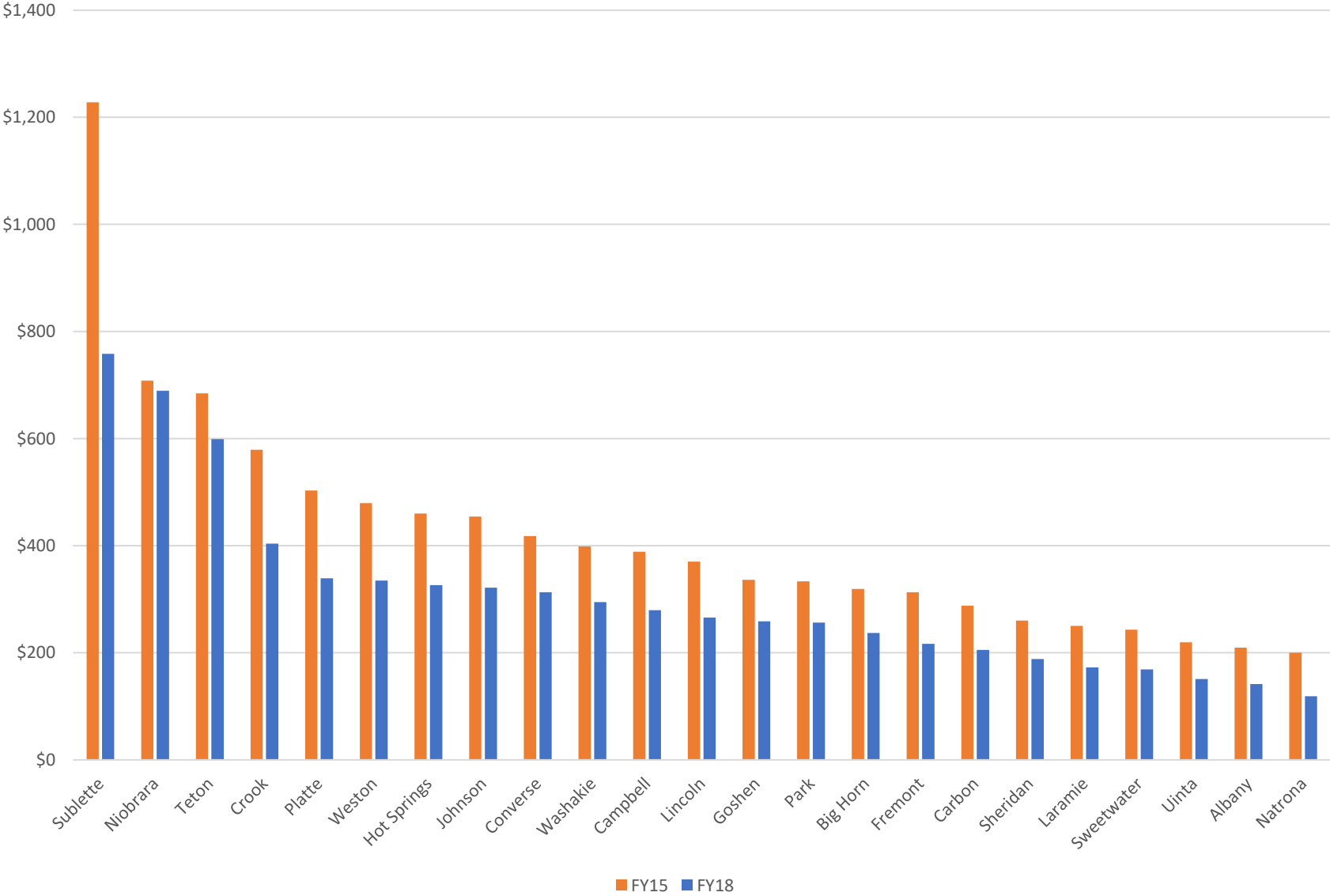
State Intergovernmental Funding, FY18



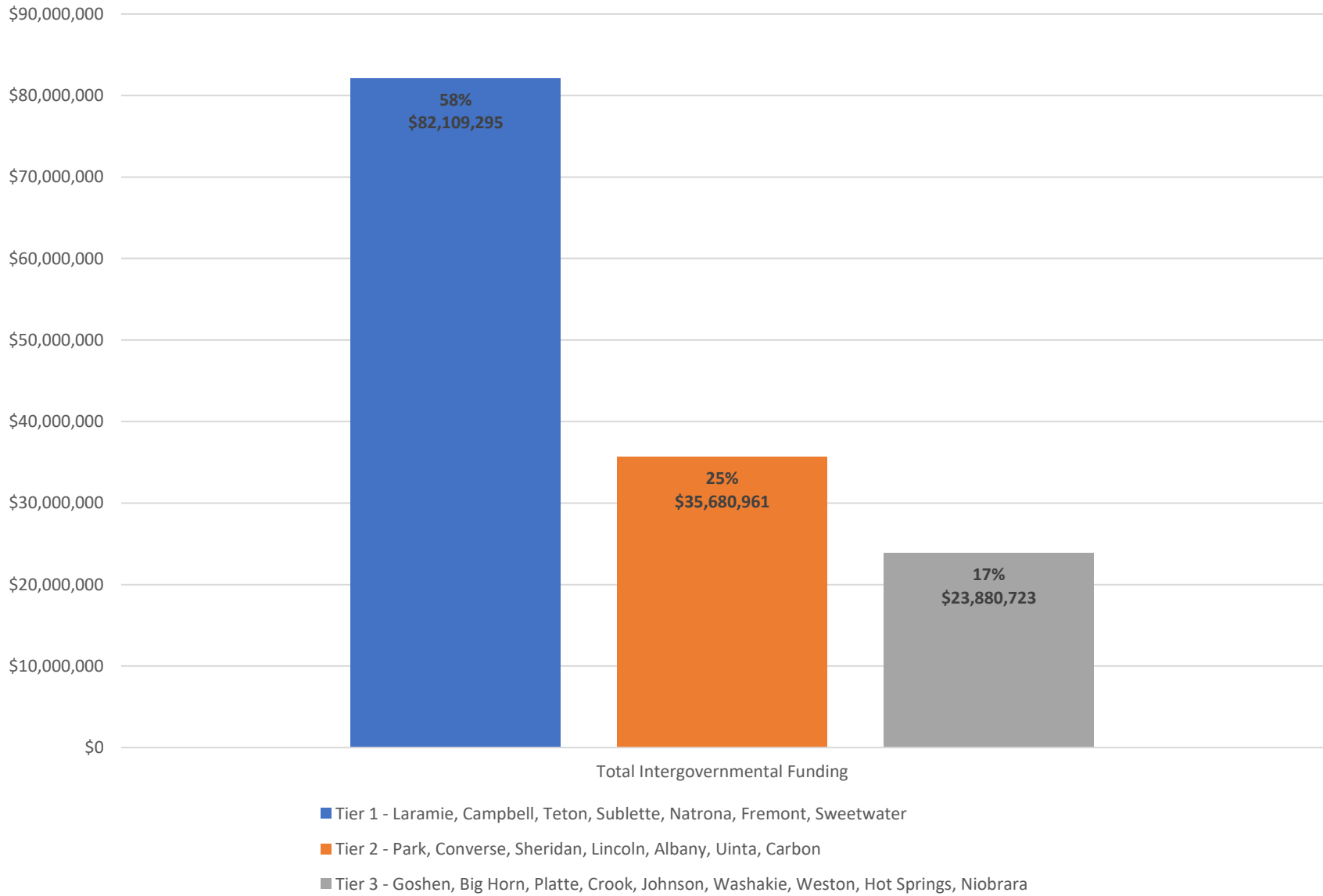
Total State Intergovernmental Funding By County



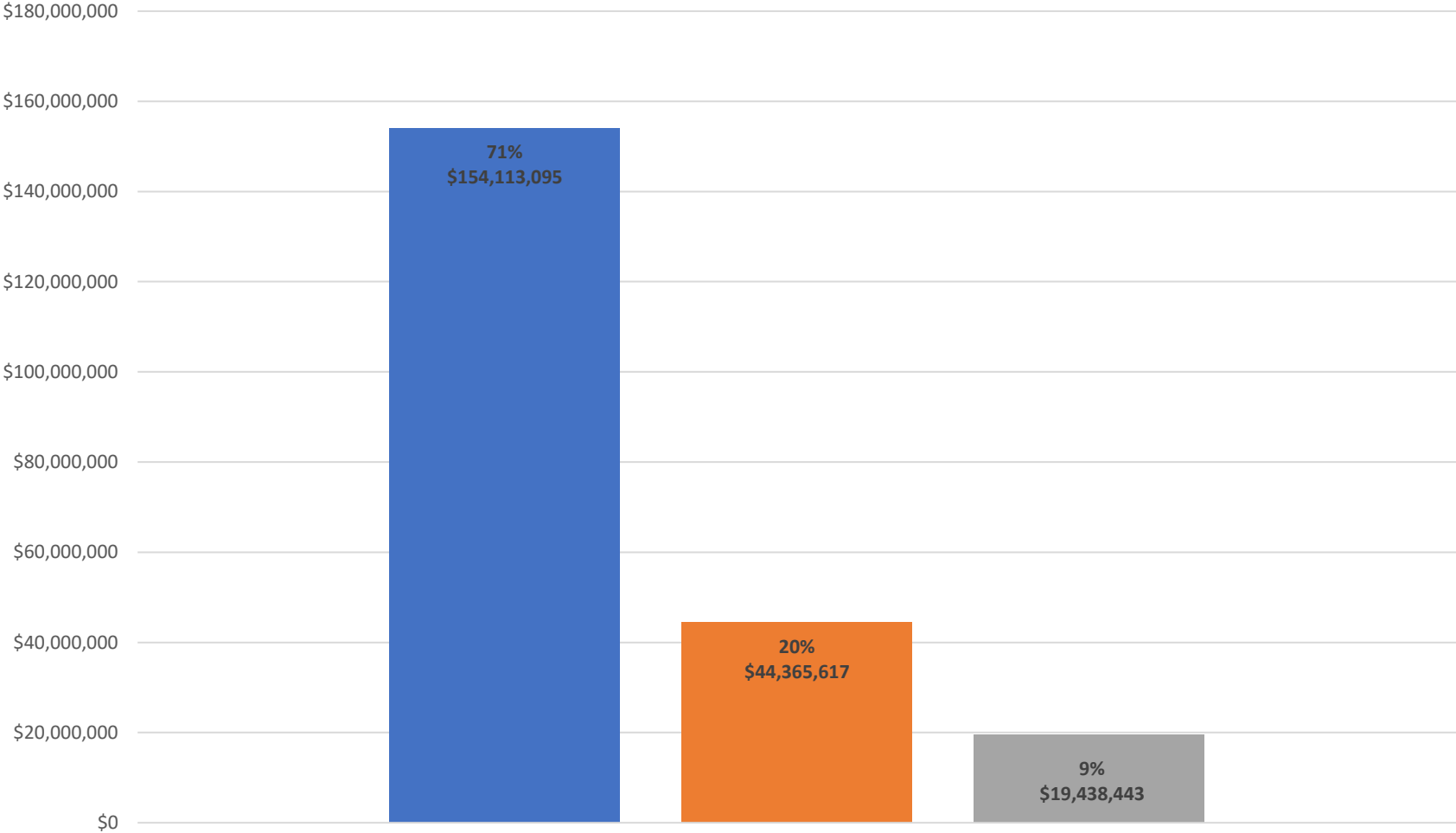
Per Capita State Intergovernmental Funding by County



State Intergovernmental Funding, Tiers



Property Tax, Tiers



- Tier 1 - Campbell, Sweetwater, Sublette, Laramie, Natrona, Converse, Teton
- Tier 2 - Lincoln, Fremont, Park, Carbon, Albany, Johnson, Sheridan
- Tier 3 - Uinta, Platte, Big Horn, Goshen, Crook, Weston, Washakie, Hot Springs, Niobrara

Replacing the \$105 million in Direct Distribution

The Committee will review issues related to taxes and revenues at the local government level. This topic will include consideration of optional excise taxes, real estate transactions tax, modifications to the tax base and rate for sales and use taxes, and other potential options for local government taxation to be self-sustaining, to reduce or eliminate supplemental state support in the form of direct local government funding.

Criteria to Reduce or Eliminate Supplemental Support:

- Must be a replacement (Counties receive approximately \$37 million a biennium)
 - Making permanent a tax that is currently levied is not a replacement
 - Providing new or expanded voter option taxes is not a replacement
- Must minimize further tiering
 - The point of direct distributions is to assist the counties in the second and third tiers, simply replacing with tax revenue that is over 70% directed to the top 7 counties is not helpful
- Minimize the incentive for voter rejection of local option taxes
- Maintain the balance between cities, towns and counties

Possible Avenues to Reduce or Eliminate Supplemental Support:

- Increase the share of state sales and use tax distributed to counties
 - Currently >69% state to <30% local. 1% administrative hold back
 - 3 percentage point increase to a true 34% for locals nets approximately \$61 million for the biennium.
 - For counties, the net increase is approximately \$21 million a biennium
 - Favors cities counties, and favors counties with high sales tax revenue over other counties
 - Reduces state general fund revenue without other offsets
 - Does not raise taxes

- Increase the assessment ratio for residential and industrial properties
 - 1% increase nets approximately \$28 million for counties for the biennium
 - Favors counties over cities, and high property tax counties over others.
 - Also raises revenue for schools/state in addition to reducing direct distributions
 - Raises taxes

- Increase statewide sales tax by ½ %
 - Nets approximately \$46 million for counties over the biennium if distributed entirely to locals, or approximately \$14 million if the current split remains in place.
 - Jeopardizes voter option taxes that would harm county budgets if lost more than this would help
 - Also raises revenue for the state if split or split-modification remains

- Allow for new local options that, only if passed, would offset an approved direct distribution amount for that county/city
 - Real estate transfer tax

- Increase the “under-the-cap” severance distribution to counties from 3.88% to 6%
 - Nets approximately \$3.3 million for counties
 - Reduces revenue to other entities receiving funding via the severance distribution.

- Small combinations of some or all of these
 - Need approximately \$38 million over the biennium to remove counties from direct distribution.
 - Increase sales/use local ratio to 34%, increase the assessment ratio by ¼ percent, increase statewide sales tax by ¼ percent with traditional split, increase severance distribution to 5%. That combination would net approximately \$37 million for counties for the biennium.

How to Minimize Tiering:

- The Carve Out Approach
 - Make explicit that a certain amount of the new revenue source must be distributed first via the Madden Matrix
 - Encroaches on the long-standing agreement that locally generated revenue should remain where it was generated
 - Would eliminate the \$105 million direct distribution

- The PILT Approach
 - Continue to authorize the \$105 but offset it dollar for dollar with realized revenue from new sources
 - Requires legislature to front the cost
 - Protects low revenue counties while still allowing high revenue counties to retain what is generated in their county

County	New Severance			Current Sales			New Sales Tax			New Sales Tax Revenue			Total net increase	FY19 Direct Distribution	New Direct Distribution with Revenue Offset
	Current Severance	at 5%	Difference	Tax Split	Split at 34%	Difference	Current Sales Tax Revenue	at 4.25%	Difference						
Albany	\$ 367,623	\$ 479,398	\$ 111,775	\$ 1,407,453	\$ 1,590,033	\$ 182,580	\$ 1,407,453	\$ 1,493,586	\$ 86,133	\$ 380,488	\$ 1,688,959	\$ 1,308,472			
Big Horn	\$ 151,712	\$ 187,641	\$ 35,929	\$ 891,304	\$ 1,021,270	\$ 129,966	\$ 891,304	\$ 944,176	\$ 52,872	\$ 218,768	\$ 840,923	\$ 622,155			
Campbell	\$ 444,574	\$ 586,631	\$ 142,057	\$ 9,153,672	\$ 10,565,158	\$ 1,411,486	\$ 9,153,672	\$ 9,707,045	\$ 553,373	\$ 2,106,916	\$ 289,653	\$ -			
Carbon	\$ 166,616	\$ 215,531	\$ 48,914	\$ 848,107	\$ 961,506	\$ 113,399	\$ 848,107	\$ 898,629	\$ 50,522	\$ 212,836	\$ 443,989	\$ 231,153			
Converse	\$ 139,947	\$ 182,543	\$ 42,596	\$ 2,891,497	\$ 3,335,815	\$ 444,318	\$ 2,891,497	\$ 3,065,107	\$ 173,610	\$ 660,524	\$ 146,956	\$ -			
Crook	\$ 113,796	\$ 135,607	\$ 21,811	\$ 1,077,971	\$ 1,245,946	\$ 167,975	\$ 1,077,971	\$ 1,141,908	\$ 63,936	\$ 253,722	\$ 672,312	\$ 418,590			
Fremont	\$ 397,688	\$ 521,238	\$ 123,550	\$ 4,158,146	\$ 4,802,188	\$ 644,043	\$ 4,158,146	\$ 4,408,627	\$ 250,481	\$ 1,018,074	\$ 1,127,256	\$ 109,182			
Goshen	\$ 168,927	\$ 209,718	\$ 40,791	\$ 989,229	\$ 1,135,738	\$ 146,510	\$ 989,229	\$ 1,048,057	\$ 58,828	\$ 246,129	\$ 990,920	\$ 744,791			
Hot Springs	\$ 112,036	\$ 126,853	\$ 14,818	\$ 423,286	\$ 482,352	\$ 59,066	\$ 423,286	\$ 447,462	\$ 24,176	\$ 98,059	\$ 831,278	\$ 733,218			
Johnson	\$ 101,986	\$ 128,372	\$ 26,386	\$ 1,316,906	\$ 1,518,156	\$ 201,250	\$ 1,316,906	\$ 1,395,282	\$ 78,375	\$ 306,012	\$ 190,894	\$ -			
Laramie	\$ 887,152	\$ 1,170,080	\$ 282,928	\$ 9,568,713	\$ 11,017,496	\$ 1,448,783	\$ 9,568,713	\$10,149,896	\$ 581,183	\$ 2,312,893	\$ 2,174,053	\$ -			
Lincoln	\$ 185,428	\$ 241,181	\$ 55,754	\$ 2,610,443	\$ 3,015,976	\$ 405,533	\$ 2,610,443	\$ 2,767,023	\$ 156,580	\$ 617,866	\$ 317,979	\$ -			
Natrona	\$ 730,628	\$ 962,960	\$ 232,332	\$ 4,288,123	\$ 4,889,498	\$ 601,374	\$ 4,288,123	\$ 4,551,515	\$ 263,392	\$ 1,097,098	\$ 2,089,771	\$ 992,673			
Niobrara	\$ 105,465	\$ 113,114	\$ 7,649	\$ 273,278	\$ 310,552	\$ 37,273	\$ 273,278	\$ 288,290	\$ 15,011	\$ 59,934	\$ 784,092	\$ 724,159			
Park	\$ 283,876	\$ 370,727	\$ 86,851	\$ 4,086,190	\$ 4,716,835	\$ 630,645	\$ 4,086,190	\$ 4,332,353	\$ 246,163	\$ 963,659	\$ 649,486	\$ -			
Platte	\$ 122,230	\$ 148,918	\$ 26,688	\$ 1,164,679	\$ 1,340,609	\$ 175,930	\$ 1,164,679	\$ 1,233,873	\$ 69,194	\$ 271,812	\$ 621,812	\$ 349,999			
Sheridan	\$ 299,232	\$ 388,889	\$ 89,656	\$ 2,625,512	\$ 3,017,888	\$ 392,376	\$ 2,625,512	\$ 2,784,035	\$ 158,523	\$ 640,556	\$ 1,033,722	\$ 393,166			
Sublette	\$ 102,432	\$ 133,986	\$ 31,553	\$ 5,656,493	\$ 6,552,369	\$ 895,876	\$ 5,656,493	\$ 5,996,371	\$ 339,879	\$ 1,267,308	\$ 52,489	\$ -			
Sweetwater	\$ 424,051	\$ 558,942	\$ 134,891	\$ 3,543,444	\$ 4,057,824	\$ 514,380	\$ 3,543,444	\$ 3,759,016	\$ 215,573	\$ 864,844	\$ 580,336	\$ -			
Teton	\$ 209,847	\$ 275,418	\$ 65,570	\$ 9,884,898	\$ 11,445,005	\$ 1,560,108	\$ 9,884,898	\$10,479,901	\$ 595,003	\$ 2,220,681	\$ 172,276	\$ -			
Unita	\$ 224,483	\$ 289,511	\$ 65,028	\$ 1,269,124	\$ 1,446,994	\$ 177,870	\$ 1,269,124	\$ 1,345,518	\$ 76,394	\$ 319,292	\$ 779,568	\$ 460,276			
Washakie	\$ 146,316	\$ 172,592	\$ 26,276	\$ 672,280	\$ 768,604	\$ 96,325	\$ 672,280	\$ 711,745	\$ 39,466	\$ 162,066	\$ 1,076,432	\$ 914,366			
Weston	\$ 127,956	\$ 150,152	\$ 22,195	\$ 608,113	\$ 695,869	\$ 87,756	\$ 608,113	\$ 643,650	\$ 35,537	\$ 145,489	\$ 907,345	\$ 761,856			
Total	\$ 6,014,000	\$ 7,750,000	\$ 1,736,000	\$69,408,860	\$ 79,933,682	\$10,524,822	\$69,408,860	\$73,593,063	\$ 4,184,204	\$ 16,445,026	\$ 18,462,500	\$ 8,764,055			