

SENATE FILE NO. SF0020

School finance-local revenues.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to school finance; diverting certain school
2 revenues available to school districts directly to the
3 foundation program account, to be distributed to districts
4 through foundation payments; modifying related provisions
5 accordingly; providing for retention of local revenues in
6 excess of foundation payments; modifying scheduled
7 foundation program payments to districts as specified;
8 authorizing payment of property tax refunds from foundation
9 account on behalf of districts; providing transitional
10 payments; and providing for an effective date.

11

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

13

14 **Section 1.** W.S. 9-4-401(a), 9-4-503, 21-13-102(c),
15 (f), (g) and by creating a new subsection (k), 21-13-201,
16 21-13-206, 21-13-207, 21-13-310(a)(intro), (i), (ii), (v)
17 through (viii), (xii) and (xiii) and (b), 21-13-311(a) and

1 by creating a new subsection (d), 21-13-312(a)(ii),
2 21-13-313(b), (c) and (e) and 39-13-111(a)(i)(C) and
3 (ii)(A) are amended to read:

4

5 **9-4-401. Distribution of funds.**

6

7 (a) All funds received by the state of Wyoming, as
8 its distributive share of the amounts collected by the
9 United States government under the provisions of the ~~act of~~
10 ~~congress of June 28, 1934 (48 Stat. 1269), known as the~~
11 Taylor Grazing Act, ~~and any act amendatory thereof,~~ shall
12 be deposited with the state treasurer. Upon receipt, the
13 state treasurer shall for those amounts received from
14 grazing fees, distribute the money to the several counties
15 of the state as provided by subsection (b) of this section,
16 and for those amounts received from leased or sold public
17 lands and on behalf of those school districts in which the
18 public lands are located, distribute the amounts received
19 to the public school foundation program account. The state
20 treasurer shall ascertain from the proper United States
21 officers having the records of receipt from leased or sold
22 public lands the amount of receipts from the sources in
23 this state for each year for which money is received by the
24 state. In accordance with W.S. 21-13-310, the state

1 department of education shall maintain a separate ~~account~~
2 ~~shall be kept~~ accounting by school district of the ~~sum~~
3 amounts received and deposited under this subsection on
4 behalf of the district from sale or lease rentals from
5 public lands ~~., which sum shall be segregated by the state~~
6 ~~treasurer and paid to the~~ Each county shall pursuant to
7 W.S. 21-13-207, report to the state department of education
8 the amount accruing to the state from each school district
9 within the county in which the leased or sold public land
10 is located. If any leased or sold land lies in more than
11 one (1) ~~county of the state~~ school district, each ~~county~~
12 district shall ~~receive~~ be reported as contributing a
13 proportional amount of the revenue as the area of the
14 leased or sold public land included within the boundary of
15 the ~~county~~ district bears to the total area of the leased
16 or sold public land.

17

18 **9-4-503. Money from federal forest reserves;**
19 **distribution among counties and between schools and county**
20 **roads.**

21

22 (a) Upon making the apportionment provided for in
23 W.S. 9-4-501 through 9-4-504, the state treasurer shall
24 ~~certify to the state auditor~~ as soon as possible report to

1 each county treasurer the amounts due to ~~the counties,~~
2 ~~whereupon the state auditor shall issue a warrant payable~~
3 that county from the monies received pursuant to W.S.
4 9-4-501.7

5
6 (b) Within fifteen (15) days after receipt of the
7 report from the state treasurer under subsection (a) of
8 this section, the county commissioners shall apportion the
9 amounts due between the county road fund and the school
10 districts within the county and report the apportionment to
11 the state treasurer. Not less than five percent (5%) of
12 the amounts due shall be apportioned to either the county
13 road fund or to all schools within the county.

14
15 (c) The state treasurer shall upon receipt of each
16 county report under subsection (b) of this section, certify
17 to the state auditor the amount to be paid to the county
18 for county roads, and deposit the amount apportioned by the
19 county to its school districts into the public school
20 foundation program account. Upon certification, the state
21 auditor shall issue a warrant payable from monies received
22 under W.S. 9-4-501 in favor of the county treasurer ~~of the~~
23 ~~counties included in the distribution~~ for the amount to
24 which the county ~~is entitled~~ has apportioned to its road

1 fund and remit the ~~warrants~~ warrant to the county
2 ~~treasurers~~ treasurer.

3

4 (d) Each recipient county shall report the amount
5 deposited into the foundation program account under
6 subsection (c) of this section on behalf of each district
7 within the county at the time and in the manner required by
8 W.S. 21-13-207.

9

10 **21-13-102. Maximum rate of school district tax;**
11 **retention of excess; disposition of tax collections.**

12

13 (c) For any school year, the revenue to be ~~rebated~~
14 ~~under subsection (b) of this section~~ retained for any
15 district within the foundation program account under W.S.
16 21-13-311(a) shall not exceed seventy-five percent (75%) of
17 the difference between the revenue received by a school
18 district from the mandatory levies per average daily
19 membership provided by subsection (a) of this section and
20 the statewide revenue per average daily membership from
21 twenty-five (25) mills, multiplied by the average daily
22 membership of the school district. Annually, on or before
23 July 15, the department using average daily memberships and
24 assessed valuations from the preceding fiscal year, shall

1 compute maximum ~~recapture~~ retention under this subsection
2 for each district and the final amount ~~of recapture~~
3 ~~computed under subsection (b) of this section~~ retained for
4 the preceding fiscal year. If the amount retained for any
5 district ~~rebated more revenue to the state~~ during the
6 preceding fiscal year is more than the maximum computed, ~~or~~
7 ~~than the amount to be rebated under subsection (b) of this~~
8 ~~section as computed using actual data from the preceding~~
9 ~~fiscal year,~~ the department shall ~~rebate~~ pay the excess to
10 the district. ~~If any district rebated less revenue to the~~
11 ~~state during the preceding fiscal year than the amount to~~
12 ~~be rebated under subsection (b) of this section, as~~
13 ~~computed using actual data from the preceding fiscal year,~~
14 ~~the district shall rebate the difference to the state.~~

15

16 (f) Annually, on or before January 1, the
17 superintendent and the state board shall present a written
18 report to the legislature and to the governor concerning
19 the operation of the foundation program under this article
20 during the current school year, reporting difficulties with
21 school finance during the current school year and
22 recommending ~~classroom unit values, recapture percentages~~
23 ~~and other~~ modifications to the foundation program for the
24 current and the next ensuing school year.

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(g) Notwithstanding ~~the foregoing~~ W.S. 21-13-311(a) and subsection (c) of this section, the computed ~~recapture~~ retention of local district resources within the foundation program for any applicable school district ~~which is subject to recapture and~~ which levies more than the state average mill levy for the sum of levies required or authorized under W.S. 21-13-102(a), 21-13-201(a) and 21-13-303(a) and for repayment of bonded indebtedness, shall be reduced by the percent which the stated mill levies in the district exceed the state average for the stated mill levies. Each school district receiving a reduction under this subsection shall apply an equal amount of revenue from its operating funds to the repayment of bonded indebtedness during the ensuing fiscal year and reduce the amount of mill levy for the repayment of bonded indebtedness accordingly. Following the first reduction under this subsection, the department shall compute the required state averages and district levies as if no reduction in mill levies for bonded indebtedness were made and shall utilize mill levies for bonded indebtedness which would have been required but for the application of this subsection.†

1 (k) Amounts collected by each county treasurer from
2 the levies imposed by school districts within the county
3 pursuant to subparagraphs (a)(i)(A) and (ii)(A) of this
4 section shall be deposited within the county school fund
5 and subsequently transferred to the foundation program
6 account in the time and manner specified under W.S.
7 21-13-207. Each county shall report to the state
8 department the amounts collect on behalf of each district
9 within the county as required under W.S. 21-13-207.

10
11 **21-13-201. Levy, collection and distribution of 6**
12 **mill school tax.**

13
14 (a) Pursuant to article XV, section 17 of the
15 constitution of the state of Wyoming, there shall be levied
16 each year, by the county commissioners in each county in
17 the state, a tax of six (6) mills on the dollar of assessed
18 valuation of the property within the county for the support
19 and maintenance of the public schools. This tax shall be
20 collected by the county treasurer and deposited within the
21 county school fund for subsequent transfer to the
22 foundation program account pursuant to W.S. 21-13-207.

23

1 (b) ~~On or before September 1 of each year, The state~~
2 department of education shall ~~notify the treasurer of each~~
3 ~~county of~~ annually compute the percentage proportion ~~to be~~
4 ~~allocated from~~ under which the countywide six (6) mill
5 school levy ~~to~~ shall be reported under W.S. 21-13-207 on
6 behalf of each school district in ~~his respective county the~~
7 state. The computation ~~of the distribution of the~~
8 ~~countywide six (6) mill levy~~ shall be made ~~by the~~
9 ~~department of education~~ on the basis of the average daily
10 membership (ADM) for the previous year. This number, for
11 each district, shall be converted into a percentage of the
12 total average daily membership (ADM) for all school
13 districts within ~~the~~ each county. ~~The county treasurer~~
14 ~~shall distribute the revenue arising from the countywide~~
15 ~~six (6) mill levy among the school districts of the county~~
16 ~~according to the percentage computed above and pursuant to~~
17 On or before September 1 of each year, the computation
18 shall be reported to each county treasurer for use in
19 reporting collections under this section on behalf of
20 school districts in accordance with W.S. 21-13-207.

21

22 **21-13-206. Disposition of fines, penalties and**
23 **forfeitures.**

24

1 All fines, penalties, and forfeitures provided by the
2 school laws may be recovered by an action by any citizen in
3 the name of the people of the state of Wyoming for the use
4 of the proper school district ~~or county,~~ and when they
5 accrue, ~~shall belong to the school district or county in~~
6 ~~which they have accrued and~~ shall be deposited with the
7 county treasurer of the county in which they have accrued
8 for subsequent transfer to the foundation program account
9 on behalf of the proper school district in the manner
10 provided by W.S. 21-13-207.

11

12 **21-13-207. Transfer of funds within county school**
13 **fund by county treasurer; report to state department.**

14

15 On the second Monday of each month, ~~the~~ each county
16 treasurer shall ~~apportion~~ transfer all monies in the county
17 treasury belonging to the county school fund, including all
18 interest earned thereon and ~~including~~ fines and
19 forfeitures, ~~among the various school districts of the~~
20 ~~county in the same percentages as provided by W.S.~~
21 ~~21-13-201(b) and shall immediately pay the amount to each~~
22 ~~school district~~ to the foundation program account. At the
23 time of transfer, each county treasurer shall report to the
24 state department of education the amount transferred from

1 each revenue source on behalf of each school district
2 within the county.

3

4 **21-13-310. Annual computation of district revenues;**
5 **certification of revenue amounts.**

6

7 (a) To ensure revenues available to each district are
8 uniformly sufficient to enable compliance with the uniform
9 standards for educational programs prescribed under W.S.
10 21-9-101 and 21-9-102 and to secure state board
11 accreditation of educational programs under W.S.
12 21-2-304(a)(ii), the revenues specified under this
13 ~~subsection~~ section shall be deemed state revenues. ~~and~~
14 ~~shall be considered in determining~~ Except for those
15 districts subject to retention under W.S. 21-13-311, the
16 amount ~~to be~~ distributed to each district under W.S.
17 21-13-311. ~~A district~~ for any school year shall not be less
18 than the sum of the revenues computed under this section
19 for that district for that school year. The state
20 department shall make an annual computation of the
21 following revenues for each district:

22

23 (i) The actual revenue ~~collections to be~~
24 ~~received by each~~ collected on behalf of the district during

1 the school year as its proportionate share of the county
2 six (6) mill levy imposed under W.S. 21-13-201(a) ~~as~~
3 ~~certified on August 10 under W.S. 39-11-102.1(c)(v) for~~
4 ~~that school year~~ regardless of the year of assessment;

5
6 (ii) The required local tax effort ~~in the~~
7 ~~current school year~~ for the assessment and levy of school
8 taxes by the district according to the following schedule:

9
10 (A) Any district actually and physically
11 operating a school within the boundaries of the district
12 offering instruction in kindergarten through grade twelve
13 (12), the amount of actual revenue collections ~~to be~~
14 ~~received on behalf of the district~~ during the school year
15 under the twenty-five (25) mill local district levy ~~as~~
16 ~~certified on August 10 under W.S. 39-11-102.1(c)(v) for~~
17 ~~that school year~~ imposed under W.S. 21-13-102(a)(i)(A) and
18 reported under W.S. 21-13-102(h), without regard to the
19 year of assessment;

20
21 (B) Any nonunified district actually and
22 physically operating a school within the boundaries of the
23 district offering instruction in kindergarten through grade
24 eight (8), the amount of actual revenue collections ~~to be~~

1 ~~received on behalf of the district~~ during the school year
2 under the number of mills levied pursuant to W.S.
3 21-13-102(a)(ii)(A) and ~~(C), as certified on August 10~~
4 ~~under W.S. 39-11-102.1(c)(v) for that school year~~ reported
5 under W.S. 21-13-102(h), regardless of the year of
6 assessment.

7
8 (v) The ~~district's share~~ amount of fines and
9 forfeitures ~~distributed to it~~ transferred to the foundation
10 program account under W.S. 21-13-206 on behalf of the
11 district during the ~~previous~~ current school year;
12 ~~including penalties distributed under W.S. 35-11-424(c);~~

13
14 (vi) The ~~district's share~~ amount of forest
15 reserve funds ~~distributed to it~~ deposited into the
16 foundation program account on behalf of the district during
17 the ~~previous~~ current year under W.S. ~~9-4-504~~ 9-4-503;

18
19 (vii) The ~~district's share~~ amount of Taylor
20 Grazing Act funds ~~distributed to it~~ deposited into the
21 foundation program account during the ~~previous~~ current
22 school year on behalf of the district under W.S. ~~9-4-402~~
23 9-4-401;

24

1 (viii) The ~~district's share~~ amount of the county
2 motor vehicle fund ~~distributed to it~~ transferred to the
3 foundation program account on behalf of the district during
4 the ~~previous~~ current school year by the county treasurer
5 under W.S. 31-3-103;

6
7 (xii) The ~~district's share~~ amount of interest
8 and penalties on delinquent taxes under W.S.
9 39-13-108(b) (ii) and (c) ~~distributed to it~~ transferred to
10 the foundation program account on behalf of the district
11 during the ~~previous~~ current school year by the county
12 treasurer;

13
14 (xiii) The ~~district's share~~ amount of railroad
15 car company taxes ~~distributed~~ transferred to ~~it~~ the
16 foundation program account on behalf of the district during
17 the ~~previous~~ current school year by the county treasurer
18 under W.S. 39-13-111(a) (iii) .

19
20 (b) On or before July ~~10~~ 31 of each year, ~~the county~~
21 ~~treasurer of each county shall certify to the state~~
22 ~~superintendent, in such form as the state superintendent~~
23 ~~shall provide, a report of monies distributed by him to~~
24 ~~each district within the county during the previous school~~

1 ~~year.~~ each district shall report to the department of
2 education any amounts collected by the district during the
3 immediately preceding school year under each of the
4 following revenue sources, together with payment of the
5 amount collected, for deposit into the foundation program
6 account on behalf of the district:

7
8 (i) The amount of tuition paid to the district
9 during the applicable school year, including any amount
10 charged under W.S. 21-4-501 and any amount assessed in
11 excess of the costs incurred for adult education programs,
12 summer school programs, programs provided under an
13 agreement for cooperative educational programs under W.S.
14 21-20-101 through 21-20-111 and any amount assessed for
15 programs and services for children with disabilities;

16
17 (ii) Any amount received by the district during
18 the applicable school year from the sale of real or
19 personal property which was not owned by the district prior
20 to July 1, 1997;

21
22 (iii) All other revenues received or collected
23 by the district during the applicable school year, but
24 excluding any amount received from private contributions

1 and gifts, any revenues dedicated by law to the payment of
2 bonded indebtedness and excluding fees or other charges
3 imposed by the district for goods or services, such as
4 rental fees and the price paid for admission into any place
5 for recreation, entertainment or an athletic event. Upon
6 application of a district, the department shall exclude
7 from this paragraph revenue received by the district if the
8 department finds that the revenue could not be used by the
9 district to provide educational services to students.

10
11 **21-13-311. Determination of amount to be distributed**
12 **to each district from foundation account; retention of**
13 **excess; undistributed balance; refund of tax collections.**

14
15 (a) Except for any district subject to retention
16 under this section, the amount of money which shall be
17 distributed to each district from the foundation account
18 shall be ~~determined by subtracting the sum of the district~~
19 ~~revenues computed in accordance with W.S. 21-13-310 from~~
20 equal to the total amount of the foundation program
21 computed for that district in accordance with W.S.
22 21-13-309. For any district in which the sum of the local
23 district revenues computed under W.S. 21-13-310(a) and (b)
24 exceeds the total foundation program amount computed under

1 W.S. 21-13-309, the amount distributed from the foundation
2 account for that district shall be equal to the foundation
3 amount computed under W.S. 21-13-309. Except as provided
4 under W.S. 21-13-102(c), district local revenues which are
5 in excess of the foundation program amount shall be
6 retained in the foundation program account. Funds retained
7 in the foundation account under this section and W.S.
8 21-13-312 may be expended in the same manner authorized by
9 law as any other funds within the account.

10
11 (d) In addition to amounts distributed under
12 subsection (a) of this section and upon application by a
13 district to the state department and certified by the
14 district superintendent, the foundation program account
15 shall on behalf of the applicant school district, pay that
16 amount directed by the board of county commissioners to be
17 refunded to the county treasurer pursuant to W.S.
18 39-13-109(c) from levies imposed under W.S. 21-13-102 and
19 21-13-201, and collected and distributed to the district
20 prior to July 1, 2002, or collected and distributed to the
21 foundation program account on behalf of the district on or
22 after July 1, 2002, if the amount to be refunded:

23

1 (i) Is included in the computation of that
2 district's local revenues under W.S. 21-13-310(a)(i) and
3 (ii) for the school year in which received, unless
4 otherwise provided by law;

5
6 (ii) Is claimed within forty-five (45) days
7 following the date of the refund directive issued by the
8 board of county commissioners;

9
10 (iii) Excludes any amount paid to a district
11 under W.S. 21-13-102(c).

12
13 **21-13-312. Prorating payments when income from**
14 **foundation account insufficient.**

15
16 (a) To preserve the integrity of the foundation
17 account for the biennium and so that payments can be made
18 during the full school year for each year of the biennium,
19 if it appears to the state superintendent that the income
20 available to the foundation program account is not
21 sufficient to meet the payments as provided by law:

22
23 (ii) The revenue to be ~~rebated by a~~ retained
24 from any district under W.S. ~~21-13-102(b)~~ 21-13-311(a)

1 shall be adjusted based upon the guaranteed amount for that
2 district determined under paragraph (a) (i) of this section.

3

4 **21-13-313. Distribution of funds from foundation**
5 **account; property tax and cash reserve adjustment;**
6 **regulations.**

7

8 (b) The state superintendent shall determine on or
9 before August 15 of each year the tentative allotment of
10 foundation funds to which each district is entitled under
11 this article. In making this determination, the state
12 superintendent may, if current fiscal information required
13 by law to compute the tentative allotment is not available
14 for any district by August 1 of that year, use fiscal
15 information available to the state superintendent from the
16 foundation program computations of the previous school year
17 for that district. The previous year's fiscal information
18 shall be adjusted to reflect current fiscal changes and
19 other information known by or available to the state
20 superintendent. Upon receiving actual fiscal information
21 from a district or county treasurer, as applicable, the
22 state superintendent shall accordingly adjust future
23 foundation program determinations for that district such

1 that foundation program payments appropriately reflect
2 current fiscal information for the applicable school year.

3

4 (c) ~~One-third (1/3)~~ Twenty-five percent (25%) of each
5 district's entitlement shall be paid to the district on
6 August 15 of each year. Subject to any recalculation under
7 W.S. 21-13-309(q) and adjustment under ~~subsections (d) and~~
8 subsection (e) of this section, on or about the fifteenth
9 day of ~~October and February~~ each month commencing September
10 15 for ten (10) successive months, the balance of the
11 entitlements shall be distributed in equal payments. If ~~after~~
12 ~~March 1~~, the state superintendent determines that the
13 entitlement paid to a district ~~for that~~ during any school
14 year is not accurate, the state superintendent shall make
15 additional payments to or ~~require~~ withhold the amount from
16 future payments ~~from to~~ that district as necessary to
17 correct the inaccuracy as soon as practicable.

18

19 (e) Not later than January 31 of each fiscal year,
20 the department shall compute the amount by which each
21 district's operating balance and cash reserves at the end
22 of the preceding fiscal year exceed fifteen percent (15%)
23 of the total foundation program amount computed under W.S.
24 21-13-309 for the preceding fiscal year. ~~In making this~~

1 ~~calculation, the entire operating balance and cash reserves~~
2 ~~for each district for the fiscal year ending June 30, 1997,~~
3 ~~as computed by the department, shall be separately~~
4 ~~accounted for and excluded, until it has been completely~~
5 ~~expended by the district.~~ Except as otherwise provided in
6 1997 Special Session Laws, chapter 3, section 306(e), as
7 amended, that excess shall be deemed to be a state revenue
8 under W.S. 21-13-310(a) for the purpose of determining
9 distributions and amounts to be retained under W.S.
10 21-13-311. ~~and amounts to be rebated under W.S. 21-13-102.~~
11 The department shall promulgate rules, including reporting
12 requirements and procedures for districts, to implement
13 this subsection. As used in this section, "operating
14 balance and cash reserves" means those financial resources
15 of the district which are not encumbered by the district
16 board of trustees for expenditure to meet an existing legal
17 obligation or otherwise restricted by law or regulation for
18 expenditure on specific educational programs. For purposes
19 of this subsection, any balance within a district's
20 separate account established under W.S. 21-15-109(e) for
21 major building and facility repair and replacement shall be
22 deemed restricted by law for expenditure as provided by
23 W.S. 21-15-109(e) and shall not be considered an operating
24 balance and cash reserve under this section.

1

2

39-13-111. Distribution.

3

4

(a) The following shall apply to the distribution of tax collections:

5

6

7

(i) The county treasurer shall keep accurate records of taxes collected for each governmental entity for which a tax levy is made pursuant to W.S. 39-13-104(k) and shall pay the taxes collected to the treasurer of each governmental unit or settle accounts with the county commissioners as hereafter provided:

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14

(C) To the state superintendent on behalf of school districts as provided by W.S. 21-13-207;

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16

17

(ii) Upon sale of property for the nonpayment of taxes, the proceeds thereof shall be distributed as follows:

18

19

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21

(A) The portion attributable to school district levies is payable to the state superintendent on behalf of the proper school district;

22

23

24

1 **Section 2.** W.S. 9-4-402, 9-4-504, 21-13-102(b) and
2 (e), 21-13-310(a)(ix), (xiv) and (xv), 21-13-313(d) and
3 35-11-424(c) are repealed.

4

5 **Section 3.**

6

7 (a) On or before January 1, 2003, the state
8 department of education shall for each school district:

9

10 (i) Compute the actual amount of revenues
11 received by the district during the 2001-2002 school year
12 from each of the revenues specified under W.S.
13 21-13-310(a);

14

15 (ii) Compare the amounts computed under
16 paragraph (a)(i) of this section to the amounts used for
17 each of the revenues specified under W.S. 21-13-310 in
18 determining the district's foundation amount under W.S.
19 21-13-311 for school year 2001-2002, or in determining the
20 amount recaptured from the district under W.S. 21-13-102(b)
21 for that year, whichever is applicable;

22

23 (iii) If the amount computed under paragraph
24 (a)(i) of this section is less than the amount computed

1 under paragraph (a)(ii) of this section, pay the difference
2 to the district from the foundation program account.

3

4 **Section 4.** This act is effective July 1, 2002.

5

6

(END)