

HOUSE BILL NO. HB0199

Local option tax-municipalities.

Sponsored by: Representative(s) Miller, Luthi and McOmie

A BILL

for

1 AN ACT relating to taxation and revenue; authorizing a
2 municipal sales and use tax as specified; providing
3 procedures; amending related provisions; and providing for
4 an effective date.

5

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

7

8 **Section 1.** W.S. 39-15-203(a) by creating a new
9 paragraph (v), 39-15-204(a)(intro), (iii) and by creating a
10 new paragraph (vi), 39-15-211 by creating a new subsection
11 (d), 39-16-203(a) by creating a new paragraph (iv),
12 39-16-204(a)(intro), (ii) and by creating a new paragraph
13 (v) and 39-16-211 by creating a new subsection (d) are
14 amended to read:

15

16 **39-15-203. Imposition.**

17

1 (a) Taxable event. The following shall apply:

2

3 (v) The following provisions apply to imposition
4 of the municipal specific purpose excise tax under W.S.
5 39-15-204(a)(vi):

6

7 (A) Any incorporated municipality located
8 in a county wherein no incorporated municipality contains
9 more than fifty percent (50%) of the population of the
10 county may impose a specific purpose excise tax as
11 authorized by W.S. 39-15-204(a)(vi). Population figures
12 shall be based upon the official ten (10) year federal
13 census preceding the time of election. Population figures
14 based upon the official census may be periodically revised
15 by a state population estimate not later than five (5)
16 years following the federal census publication date. If a
17 county has currently imposed a specific purpose excise tax
18 as authorized by W.S. 39-15-204(a)(iii), an incorporated
19 municipality may still impose a municipal specific purpose
20 excise tax in the amount authorized by W.S.
21 39-15-204(a)(vi);

22

23 (B) The revenue from the tax shall be used
24 in a specified amount for specific purposes authorized by

1 the qualified electors. Specific purposes shall not include
2 ordinary operations of local government except those
3 operations related to a specific project;

4
5 (C) No tax shall be imposed under this
6 paragraph until the proposition to impose the tax for
7 specific purposes in specific amounts is approved by the
8 vote of the majority of the qualified electors voting on
9 the proposition. The amount of revenue to be collected and
10 the purpose or purposes for which it is proposed to be used
11 shall be specified in the proposition. The election shall
12 be held in accordance with W.S. 22-21-101 through
13 22-21-112. Any debt created may also be repaid, in whole or
14 in part, by a property tax levy if general obligation bonds
15 are authorized by the electors. Any excise tax imposed
16 under this subsection shall commence on the first day of
17 the second month following the election approving the
18 imposition of the tax, except that it shall commence on the
19 first day of any subsequent month following the receipt of
20 tax funds in the approved amount by any tax previously
21 imposed under this subsection as provided by subparagraph
22 (E) of this paragraph. Unless terminated earlier by the
23 sponsoring entities pursuant to subparagraph (G) of this
24 paragraph, the tax shall terminate on the last day of the

1 month following the month in which the amount approved by
2 the electors is collected;

3
4 (D) No debt may be incurred or approved
5 which when added to the existing indebtedness of the
6 sponsoring entity or entities, would exceed the
7 constitutional debt limitation of the sponsoring entity or
8 entities. However, nothing herein prohibits the approval of
9 a proposition which establishes a fund for accumulation of
10 funds sufficient to carry out the purpose approved or to
11 pay a sufficient amount of the cost so as to bring the
12 remainder of the debt within the debt limitation of the
13 sponsoring entity or entities;

14
15 (E) Upon certification of the election
16 results by the municipality, the municipality shall, within
17 ten (10) days, notify the department of revenue of the
18 requirement for imposition of any tax under this paragraph
19 and shall, upon the receipt of all tax funds in the amount
20 approved, notify the department of revenue that the special
21 sales tax levy is terminated. The department of revenue
22 shall, upon notification, inform all holders of sales tax
23 licenses within the municipality of the requirement for the
24 collection and payment of the additional tax. After receipt

1 of notice that the amount has been collected or that the
2 sponsoring entities have terminated the tax pursuant to
3 subparagraph (G) of this paragraph, the department shall
4 notify the license holders of the termination of the tax;

5
6 (F) The first municipality imposing the tax
7 provided by this paragraph shall be responsible for payment
8 of costs incurred by the department to initially set up
9 computer records and support systems for administration of
10 this tax. These costs shall be withheld by the state
11 treasurer from the proceeds to be distributed pursuant to
12 the preceding paragraph until such costs are fully
13 recovered;

14
15 (G) The sponsoring entities may agree to
16 terminate the tax if the tax collected reaches the actual
17 cost of the completed projects and the amount specified in
18 the proposition exceeds the actual cost of the completed
19 projects. The sponsoring entities shall inform the
20 department of revenue and the county treasurer that the tax
21 is terminated.

22
23 **39-15-204. Taxation rate.**

24

1 (a) In addition to the state tax imposed under W.S.
2 39-15-101 through 39-15-111 any county of the state may
3 impose the following excise taxes and any city or town may
4 impose the tax authorized by ~~paragraph~~ paragraphs (ii) and
5 (vi) of this subsection and any resort district may impose
6 the tax authorized by paragraph (v) of this subsection:
7

8 (iii) An excise tax not to exceed two percent
9 (2%) upon retail sales of tangible personal property,
10 admissions and services made within the county, less the
11 rate of any tax imposed by an incorporated municipality
12 under paragraph (vi) of this subsection. If the rate
13 imposed under paragraph (vi) of this subsection is two
14 percent (2%), the rate under this paragraph shall be zero.
15 The total excise tax imposed within any county under this
16 paragraph shall not exceed two percent (2%). The revenue
17 from the tax shall be used in a specified amount for
18 specific purposes authorized by the qualified electors.
19 Specific purposes shall not include ordinary operations of
20 local government except those operations related to a
21 specific project;

22
23 (vi) An excise tax not to exceed two percent
24 (2%) upon retail sales of tangible personal property,

1 admissions and services made within an incorporated
2 municipality, less the rate of any tax imposed by a county
3 government under paragraph (iii) of this subsection. If
4 the rate imposed under paragraph (iii) of this subsection
5 is two percent (2%), the rate under this paragraph shall be
6 zero. The revenue from the tax shall be used in a specified
7 amount for specific purposes authorized by the qualified
8 electors. Specific purposes shall not include ordinary
9 operations of local government except those operations
10 related to a specific project.

11

12 **39-15-211. Distribution.**

13

14 (d) All revenue collected by the department from the
15 taxes imposed by W.S. 39-15-204(a)(vi) shall be transferred
16 to the state treasurer who shall:

17

18 (i) Deduct one percent (1%) to defray the costs
19 of collecting the tax and administrative expenses incident
20 thereto which shall be deposited into the general fund;

21

22 (ii) Deposit the remainder into the trust and
23 agency fund for monthly distribution to the incorporated

1 municipality in which the tax has been imposed to be
2 distributed immediately to the sponsoring entity;

3
4 (iii) Any interest earned from investment of the
5 revenues may only be used for costs related to the purposes
6 approved on the ballot, including operation and maintenance
7 costs, and shall be distributed to each sponsoring entity
8 in the same proportion as its cost is to the total cost of
9 all purposes identified on the ballot;

10
11 (iv) If taxes collected exceed the amount
12 necessary for the approved purpose, the excess funds shall
13 be retained by the municipality for one (1) year for refund
14 of overpayments of the tax imposed upon order of the
15 department. After one (1) year any interest earned on the
16 excess funds and the excess funds less any refunds ordered
17 shall be transferred to the municipality as specified in
18 the resolution adopted pursuant to W.S. 39-15-203(a)(v).

19
20 **39-16-203. Imposition.**

21
22 (a) Taxable event. The following shall apply:

23

1 (iv) The following provisions apply to
2 imposition of the municipal specific purpose excise tax
3 under W.S. 39-16-204(a)(v):

4
5 (A) Any incorporated municipality located
6 in a county wherein no incorporated municipality contains
7 more than fifty percent (50%) of the population of the
8 county may impose a specific purpose excise tax as
9 authorized by W.S. 39-16-204(a)(v). Population figures
10 shall be based upon the official ten (10) year federal
11 census preceding the time of election. Population figures
12 based upon the official census may be periodically revised
13 by a state population estimate not later than five (5)
14 years following the federal census publication date. If a
15 county has currently imposed a specific purpose excise tax
16 as authorized by W.S. 39-16-204(a)(ii), an incorporated
17 municipality may still impose a municipal specific purpose
18 excise tax in the amount authorized by W.S.
19 39-16-204(a)(v);

20
21 (B) The revenue from the tax shall be used
22 in a specified amount for specific purposes authorized by
23 the qualified electors. Specific purposes shall not include

1 ordinary operations of local government except those
2 operations related to a specific project;

3
4 (C) No tax shall be imposed under this
5 paragraph until the proposition to impose the tax for
6 specific purposes in specific amounts is approved by the
7 vote of the majority of the qualified electors voting on
8 the proposition. The amount of revenue to be collected and
9 the purpose or purposes for which it is proposed to be used
10 shall be specified in the proposition. The election shall
11 be held in accordance with W.S. 22-21-101 through
12 22-21-112. Any debt created may also be repaid, in whole or
13 in part, by a property tax levy if general obligation bonds
14 are authorized by the electors. Any excise tax imposed
15 under this subsection shall commence on the first day of
16 the second month following the election approving the
17 imposition of the tax, except that it shall commence on the
18 first day of any subsequent month following the receipt of
19 tax funds in the approved amount by any tax previously
20 imposed under this subsection as provided by subparagraph
21 (E) of this paragraph. Unless terminated earlier by the
22 sponsoring entities pursuant to subparagraph (G) of this
23 paragraph, the tax shall terminate on the last day of the

1 month following the month in which the amount approved by
2 the electors is collected;

3
4 (D) No debt may be incurred or approved
5 which when added to the existing indebtedness of the
6 sponsoring entity or entities, would exceed the
7 constitutional debt limitation of the sponsoring entity or
8 entities. However, nothing herein prohibits the approval of
9 a proposition which establishes a fund for accumulation of
10 funds sufficient to carry out the purpose approved or to
11 pay a sufficient amount of the cost so as to bring the
12 remainder of the debt within the debt limitation of the
13 sponsoring entity or entities;

14
15 (E) Upon certification of the election
16 results by the municipality, the municipality shall, within
17 ten (10) days, notify the department of revenue of the
18 requirement for imposition of any tax under this paragraph
19 and shall, upon the receipt of all tax funds in the amount
20 approved, notify the department of revenue that the special
21 sales tax levy is terminated. The department of revenue
22 shall, upon notification, inform all holders of sales tax
23 licenses within the municipality of the requirement for the
24 collection and payment of the additional tax. After receipt

1 of notice that the amount has been collected or that the
2 sponsoring entities have terminated the tax pursuant to
3 subparagraph (G) of this paragraph, the department shall
4 notify the license holders of the termination of the tax;

5
6 (F) The first municipality imposing the tax
7 provided by this paragraph shall be responsible for payment
8 of costs incurred by the department to initially set up
9 computer records and support systems for administration of
10 this tax. These costs shall be withheld by the state
11 treasurer from the proceeds to be distributed pursuant to
12 the preceding paragraph until such costs are fully
13 recovered;

14
15 (G) The sponsoring entities may agree to
16 terminate the tax if the tax collected reaches the actual
17 cost of the completed projects and the amount specified in
18 the proposition exceeds the actual cost of the completed
19 projects. The sponsoring entities shall inform the
20 department of revenue and the county treasurer that the tax
21 is terminated.

22
23 **39-16-204. Taxation rate.**

24

1 (a) In addition to the state tax imposed under W.S.
2 39-16-101 through 39-16-111 any county of the state may
3 impose the following excise taxes authorized by paragraph
4 (ii) of this subsection, and city or town may impose the
5 tax authorized by paragraph (v) of this subsection and any
6 resort district may impose the tax authorized by paragraph
7 (iv) of this subsection:

8
9 (ii) An excise tax not to exceed two percent
10 (2%) upon sales and storage, use and consumption of
11 tangible personal property, within the county, less the
12 rate of any tax imposed by an incorporated municipality
13 under paragraph (v) of this subsection. If the rate imposed
14 under paragraph (v) of this subsection is two percent (2%),
15 the rate under this paragraph shall be zero. The total
16 excise tax imposed within any county under this paragraph
17 shall not exceed two percent (2%). The revenue from the tax
18 shall be used in a specified amount for specific purposes
19 authorized by the qualified electors. Specific purposes
20 shall not include ordinary operations of local government
21 except those operations related to a specific project;

22

23 (v) An excise tax not to exceed two percent (2%)
24 upon sales and storage, use and consumption of tangible

1 personal property, admissions and services made within an
2 incorporated municipality, less the rate of any tax imposed
3 by a county government under paragraph (ii) of this
4 subsection. If the rate imposed under paragraph (ii) of
5 this subsection is two percent (2%), the rate under this
6 paragraph shall be zero. The revenue from the tax shall be
7 used in a specified amount for specific purposes authorized
8 by the qualified electors. Specific purposes shall not
9 include ordinary operations of local government except
10 those operations related to a specific project.

11

12 **39-16-211. Distribution.**

13

14 (d) All revenue collected by the department from the
15 taxes imposed by W.S. 39-16-204(a)(v) shall be transferred
16 to the state treasurer who shall:

17

18 (i) Deduct one percent (1%) to defray the costs
19 of collecting the tax and administrative expenses incident
20 thereto which shall be deposited into the general fund;

21

22 (ii) Deposit the remainder into the trust and
23 agency fund for monthly distribution to the incorporated

1 municipality in which the tax has been imposed to be
2 distributed immediately to the sponsoring entity;

3
4 (iii) Any interest earned from investment of the
5 revenues may only be used for costs related to the purposes
6 approved on the ballot, including operation and maintenance
7 costs, and shall be distributed to each sponsoring entity
8 in the same proportion as its cost is to the total cost of
9 all purposes identified on the ballot;

10
11 (iv) If taxes collected exceed the amount
12 necessary for the approved purpose, the excess funds shall
13 be retained by the municipality for one (1) year for refund
14 of overpayments of the tax imposed upon order of the
15 department. After one (1) year any interest earned on the
16 excess funds and the excess funds less any refunds ordered
17 shall be transferred to the municipality as specified in
18 the resolution adopted pursuant to W.S. 39-16-203(a)(v).

19
20 **Section 2.** This act is effective January 1, 2005.

21
22 (END)