

WORKING DRAFT

HOUSE BILL NO. _____

Severance tax cap-increase.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for the
2 distribution of severance taxes as specified; providing for
3 the funding of multi-lane highways as specified; conforming
4 related provisions; providing for application of the act;
5 and providing for an effective date.

6

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

8

9 **Section 1.** W.S. 39-14-801(d)(intro) and (e)(i) and by
10 creating a new paragraph (xi) is amended to read:

11

12 **39-14-801. Severance tax distributions; distribution**
13 **account created; formula.**

14

15 (a) There is created the severance tax distribution
16 account into which shall be credited revenues from
17 severance taxes as provided by law. Interest on earnings
18 from funds in the account shall be credited to the general
19 fund.

20

21 (b) Before making distributions from the severance
22 tax distribution account under subsections (c) through (e)

1 of this section, an amount equal to two-thirds (2/3) of the
2 amount of tax collected under W.S. 39-14-104(a)(i) and
3 (b)(i) and 39-14-204(a)(i) for the same period shall be
4 deposited into the permanent Wyoming mineral trust fund.

5
6 (c) [LUST] Before making distributions from the
7 severance tax distribution account under subsections (d)
8 and (e) of this section, an amount equal to the amount of
9 tax collected under W.S. 39-17-104(a)(iii) and
10 39-17-204(a)(ii) for the same period shall be distributed
11 to the corrective action account created by W.S. 35-11-1424
12 and to the financial responsibility account created by W.S.
13 35-11-1427 in an inverse proportion to the amount in the
14 two (2) accounts.

15
16 (d) After making distributions under subsections (b)
17 and (c) of this section, distributions under subsection (e)
18 of this section shall be made from the severance tax
19 distribution account. The amount of distributions under
20 subsection (e) of this section shall not exceed ~~one hundred~~
21 ~~fifty-five million dollars (\$155,000,000.00)~~ two hundred
22 million dollars (\$200,000,000.00) in any fiscal year. To
23 the extent that distributions under subsection (e) of this
24 section would exceed that amount in any fiscal year, the
25 excess shall be credited:

26 (i) One-third (1/3) to the general fund; and

27
28 (ii) Two-thirds (2/3) to the budget reserve
29 account.

30
31 (e) Deposits into the account created by subsection
32 (a) of this section shall be distributed as follows,
33 subject to subsections (b) through (d) of this section:

34
35 (i) To the general fund, ~~sixty-two and twenty-~~
36 ~~six hundredths percent (62.26%)~~ forty-eight and twenty-five
37 hundredths percent (48.25%);

38
39 (ii) To water development account I under W.S.
40 41-2-124(a)(i), twelve and forty-five hundredths percent
41 (12.45%);

42
43 (iii) To water development account II under W.S.
44 41-2-124(a)(ii), two and one tenth percent (2.1%);
45
46

1 (iv) To the highway fund, four and thirty-three
2 hundredths percent (4.33%), except that if the total
3 unencumbered revenues within the state park road account
4 created by W.S. 24-14-102 are less than five hundred
5 thousand dollars (\$500,000.00) on July 1, 2001 or on July 1
6 of any even-numbered year thereafter, the state treasurer
7 shall first distribute revenues to that account in an
8 amount equal to five hundred thousand dollars (\$500,000.00)
9 less the total unencumbered revenues in the account on July
10 1 of that year;

11
12 (v) To counties, seventy-eight hundredths
13 percent (0.78%), subject to the following formula:

14
15 (A) Fifty percent (50%) of the funds
16 distributed under this paragraph shall be distributed to
17 the counties in the same proportion that the population of
18 the county bears to the population of the state as
19 determined by the most recent decennial census; and

20
21 (B) Fifty percent (50%) of the funds
22 distributed under this subsection shall be distributed to
23 the counties based upon the inverse of the assessed
24 valuation of each county as computed under subparagraph
25 (vii)(C) of this subsection.

26
27 (vi) To counties, three and one-tenth percent
28 (3.1%), each county to receive an amount in the proportion
29 which the population of the county bears to total state
30 population, population to be determined by resort to the
31 latest federal census as periodically updated by the bureau
32 of the census;

33
34 (vii) To the road construction funds of the
35 various counties as provided by W.S. 24-2-110, two and
36 nine-tenths percent (2.9%), except that each county's share
37 of funds under this subsection shall be computed as
38 follows:

39
40 (A) One-third (1/3) shall be distributed to
41 each county in the ratio that the population of the county
42 bears to total state population based on the most recent
43 decennial federal census;

44
45 (B) One-third (1/3) shall be distributed to
46 each county in the ratio that the mileage of county roads
47 in the county bears to total county roads in Wyoming;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

(C) One-third (1/3) shall be distributed to each county as follows:

(I) Arrange the assessed valuation of each county in descending order by county;

(II) Calculate the county percentages of assessed valuation relative to total state valuation;

(III) Calculate the inverse of the county percentage of total state assessed valuation by dividing one (1) by the percentage computed in subdivision (C)(II) of this paragraph;

(IV) Compute each county share by dividing each inverse calculated under subdivision (III) of this subparagraph by the total sum of the inverses calculated under subdivision (III) of this subparagraph.

(viii) To cities and towns, nine and twenty-five hundredths percent (9.25%), each city or town to receive an amount in the proportion which the population of the city or town bears to the population of all cities and towns in Wyoming, population to be determined by resort to the latest federal census as periodically updated by the bureau of the census;

(ix) To the capital construction account, two and thirty-three hundredths percent (2.33%), to be expended for the purposes specified in W.S. 9-4-604(k)(ii);

(x) To the water development account III, five-tenths of one percent (.5%), to be expended for the purposes specified in W.S. 41-2-124(d).

(xi) To an account within the highway fund to be designated as the multi-lane highway funding account, fourteen and one hundredth percent (14.01%), to be expended for the purposes of constructing and maintaining multi-lane highways in this state.

Section 2. This act shall apply to distributions of fiscal year 2007 revenues, and thereafter.

Section 3. This act is effective July 1, 2006.

1

(END)