

HOUSE BILL NO. HB0181

Revenue distribution to local governments.

Sponsored by: Representative(s) Luthi, Hammons, Lubnau,
Martin, Mercer, Olsen, Slater and Warren and
Senator(s) Cooper, Larson and Nicholas

A BILL

for

1 AN ACT relating to local governments; providing for
2 distribution of certain revenues to local governments as
3 specified; making appropriations; providing for grants to
4 local governments; providing assistance to local
5 governments impacted by certain mineral development;
6 providing for matching funds; providing for special revenue
7 distribution to certain local governments; providing for
8 reversion of funds; granting rulemaking authority; and
9 providing for effective dates.

10

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

12

13 [DISTRIBUTION OF FUNDS TO LOCAL GOVERNMENTS]

14

15 **Section 1.**

16

1 (a) There is appropriated from the general fund to
2 the office of state lands and investments fifty-three
3 million three hundred thirty-three thousand three hundred
4 thirty-three dollars (\$53,333,333.00) to be distributed to
5 cities and towns in two (2) equal distributions on October
6 1, 2006 and on October 1, 2007, subject to the following:

7
8 (i) From these distributions each city or town
9 with a population of thirty-five (35) or less shall first
10 receive five thousand dollars (\$5,000.00) and each city or
11 town with a population over thirty-five (35) shall first
12 receive ten thousand dollars (\$10,000.00). From the
13 remainder each city and town shall receive amounts in
14 accordance with a municipal supplemental funding formula as
15 provided in this paragraph with each city or town receiving
16 amounts in the proportion which the adjusted population of
17 the city or town bears to the adjusted population of all
18 cities and towns in Wyoming. The municipal supplemental
19 funding formula shall be calculated by the state treasurer
20 as follows:

21
22 (A) Calculate the per capita distribution
23 of sales and use tax revenues for the preceding fiscal year
24 to each county, including distributions to each city and

1 town within that county, under W.S. 39-15-111 and
2 39-16-111, but excluding the distribution exclusively to
3 counties under W.S. 39-15-111(b)(iii) made from an amount
4 equivalent to one percent (1%) of the tax collected under
5 W.S. 39-15-104, and excluding the distribution exclusively
6 to counties under W.S. 39-16-111(b)(iii) made from an
7 amount equivalent to one percent (1%) of the tax collected
8 under W.S. 39-16-104;

9

10 (B) Arrange the counties in ascending order
11 by the per capita distribution calculated;

12

13 (C) Following the arrangement of counties
14 in subparagraph (B) of this paragraph, list the population
15 of each city and town within the county;

16

17 (D) Apply the appropriate adjustment factor
18 determined in subdivisions (I) through (V) of this
19 subparagraph for a county to each city and town within that
20 county:

21

22 (I) Beginning with the county with the
23 lowest per capita distribution, an adjustment factor of one
24 and one-half (1.5) shall be applied to each county listed

1 under subparagraph (B) of this paragraph, so long as its
2 incorporated population plus the incorporated population of
3 each county with a lower per capita distribution is within
4 the lowest tenth percentile. The adjustment factor shall
5 be applied for each of these counties by multiplying the
6 incorporated population of the county by one hundred fifty
7 percent (150%);

8

9 (II) An adjustment factor determined
10 under this subdivision shall be applied to the county with
11 the next higher per capita distribution not qualifying for
12 the adjustment factor under subdivision (I) of this
13 subparagraph. The adjustment factor for this county shall
14 be determined by:

15

16 (1) Multiplying by one hundred
17 fifty percent (150%) that portion of the incorporated
18 population of that county which is within the lowest tenth
19 percentile;

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21 (2) Multiplying by one hundred
22 twenty-five percent (125%) the incorporated population of
23 that county which is within the lowest twentieth percentile
24 and at or above the tenth percentile;

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(3) If applicable, multiplying by one hundred percent (100%) the incorporated population of that county which is at or above the twentieth percentile;

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(4) Dividing the sum of the products of subdivisions (II)(1) through (3) of this subparagraph by the incorporated population of that county.

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(III) If an adjustment factor has not been applied under subdivision (I) or (II) of this subparagraph, an adjustment factor of one and one-quarter (1.25) shall be applied to each county listed under subparagraph (B) of this paragraph, so long as its incorporated population plus the incorporated population of each county with a lower per capita distribution does not exceed the twentieth percentile. The adjustment factor shall be applied for each of these counties by multiplying the incorporated population of the county by one hundred twenty-five percent (125%);

(IV) An adjustment factor determined under this subdivision shall be applied to the next higher listed county not qualifying for the adjustment factor

1 under subdivision (III) of this subparagraph. The
2 adjustment factor for this county shall be determined by:

3

4 (1) Multiplying by one hundred
5 twenty-five percent (125%) that portion of the incorporated
6 population of that county which is within the lowest
7 twentieth percentile;

8

9 (2) Multiplying by one hundred
10 percent (100%) the incorporated population of that county
11 which is at or above the lowest twentieth percentile;

12

13 (3) Dividing the sum of the
14 products of subdivisions (IV)(1) and (2) of this
15 subparagraph by the incorporated population of that county.

16

17 (V) An adjustment factor of one (1)
18 shall be applied to the remaining counties.

19

20 (E) Distribute the remainder of the
21 revenues under this paragraph on a per capita basis using
22 the total adjusted population for all cities and towns and
23 the adjusted population for each city or town as calculated
24 under subparagraph (D) of this paragraph;

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(F) As used in this paragraph:

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(I) A county's "incorporated population" means the population of all cities and towns within the county;

(II) "Percentile" means that portion of the incorporated population as listed in the arrangement of cities and towns under subparagraphs (B) and (C) of this paragraph.

(b) There is appropriated from the general fund to the office of state lands and investments twenty-six million six hundred sixty-six thousand six hundred sixty-seven dollars (\$26,666,667.00) to be distributed to counties in two (2) equal distributions on October 1, 2006 and on October 1, 2007. From these distributions each county shall receive the following:

(i) An equal share of fifteen percent (15%) of the total amount to be distributed; and

(ii) Of the remaining eighty-five percent (85%),

1 an amount to be distributed to each county in the
2 proportion each county's population bears to the total
3 population of the state.

4

5 (c) For purposes of this section, population is to be
6 determined by resort to the latest federal census as
7 updated by the bureau of the census.

8

9 (d) The office of state lands and investments shall
10 present in its standard budget request for the 2009-2010
11 biennium a request for at least thirty-one million five
12 hundred thousand dollars (\$31,500,000.00) for cities and
13 towns and at least thirteen million five hundred thousand
14 dollars (\$13,500,000.00) for counties to be distributed as
15 provided in this section.

16

17 [MINERAL IMPACT FUND]

18

19 **Section 2.**

20

21 (a) In addition to the amounts otherwise distributed
22 to the state loan and investment board pursuant to W.S.
23 9-4-604, there is appropriated to the state loan and
24 investment board one hundred sixty million dollars

1 (\$160,000,000.00) from the general fund to be used in the
2 manner specified by W.S. 9-4-604.

3

4 (b) Of the amount appropriated under subsection (a)
5 of this section, the state loan and investment board is
6 authorized to direct the state treasurer to transfer not
7 more than one hundred ten million dollars (\$110,000,000.00)
8 into the mineral impact fund which is hereby created. The
9 purpose of the fund shall be to provide grants to cities,
10 towns, counties and special districts which are directly
11 impacted by the development of natural gas to be used for
12 capital construction including, but not limited to, capital
13 equipment, public safety projects, housing related projects
14 and road repair or construction. The board is further
15 authorized to set aside a specific amount from the mineral
16 impact fund for specific counties directly impacted by the
17 development of natural gas, provided the cities, towns and
18 counties in the affected areas certify to the board that
19 the county board of commissioners and the councils of the
20 cities and towns within that county that comprise seventy
21 percent (70%) of the incorporated population have reached
22 agreement on the projects for which the grants will be
23 used. In evaluating applications under this subsection,
24 the board after considering the applicant's financial

1 strength may reduce or waive any matching funds required by
2 W.S. 9-4-604. The board shall request a list of potential
3 impact projects for the 2007 - 2008 biennium to be
4 submitted not later than May 15, 2006 by the cities, towns,
5 counties and special districts directly impacted by the
6 development of natural gas and shall take this list into
7 consideration in the awarding of grants.

8

9 (c) Of the remaining funds appropriated under this
10 section, the board shall provide grants to cities, towns
11 and counties which are not directly impacted by the
12 development of natural gas. The board shall request each
13 city, town and county, on behalf of the county and any
14 special district, to submit, not less than forty-five (45)
15 days prior to the beginning of each biennium, a list of
16 potential projects for that biennium, listed in the
17 general categories of transportation including roads,
18 bridges, streets, traffic and drainage; utilities including
19 water, wastewater, solid waste and electricity; public
20 safety including county jails, law enforcement, fire
21 protection and animal control; medical including hospitals,
22 clinics and ambulances; and other categories including but
23 not limited to local government buildings and public use
24 facilities. Notwithstanding any other provision of law and

1 taking into consideration the categories listed in this
2 subsection, the board shall award grants in such a way that
3 except for emergency situations that pose a direct and
4 immediate threat to public health, safety or welfare none
5 of the categories in this subsection shall be given
6 preferential treatment. In evaluating applications under
7 this subsection, the board, after considering the
8 applicant's financial strength may reduce or waive any
9 matching funds required by W.S. 9-4-604, however not less
10 than one quarter of the funds available for grants under
11 this subsection shall be used for grants requiring a local
12 match of not more than twenty-five percent (25%) from the
13 local government.

14

15 [MINERAL IMPACT FUND-MATCHING MONIES]

16

17 **Section 3.**

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19 (a) Of the amount appropriated under section 2(a) of
20 this act, the state loan and investment board is authorized
21 to establish an account within the mineral impact fund in
22 the amount of not more than ten million dollars
23 (\$10,000,000.00). The account shall be used in the same
24 manner as specified in section 2(b) of this act. This

1 amount is subject to review and approval by the state loan
2 and investment board and the following:

3

4 (i) The funds in the account under this section
5 shall be retained by the state treasurer and available to
6 the state loan and investment board to provide grants to
7 local governments as provided by section 2 of this act only
8 to the extent that cash or binding commitments from private
9 sources have been received by the state loan and investment
10 board or the local government to match the amount of the
11 grant;

12

13 (ii) The determination as to whether a binding
14 commitment has been received shall be made by the attorney
15 general;

16

17 (iii) Cash or binding commitments shall be
18 received not later than April 30, 2008 to be counted as
19 matching funds under this section.

20

21 [SPECIAL REVENUE DISTRIBUTION]

22

23 **Section 4.**

24

1 (a) There is appropriated to the office of state
2 lands and investments six million five hundred thousand
3 dollars (\$6,500,000.00) from the general fund to be
4 distributed to eligible cities and towns in two (2) equal
5 distributions on October 1, 2006 and on October 1, 2007,
6 subject to the following:

7

8 (i) Each eligible city and town shall receive
9 amounts in accordance with a municipal supplemental funding
10 formula as provided in this paragraph. The municipal
11 supplemental funding formula shall be calculated by the
12 office of state lands and investments as follows:

13

14 (A) Calculate the per capita distribution
15 of sales and use tax revenues for the preceding fiscal year
16 to each county, including distributions to each city and
17 town within that county, under W.S. 39-15-111 and
18 39-16-111;

19

20 (B) Arrange the counties in ascending order
21 by the per capita distribution calculated;

22

23 (C) Following the arrangement of counties
24 in subparagraph (B) of this paragraph, list the population

1 of each city and town within the county;

2

3 (D) Apply the appropriate adjustment factor
4 determined in subdivisions (I) through (V) of this
5 subparagraph for a county to each city and town within that
6 county:

7

8 (I) Beginning with the county with the
9 lowest per capita distribution, an adjustment factor of one
10 and one-half (1.5) shall be applied to each county listed
11 under subparagraph (B) of this paragraph, so long as its
12 incorporated population plus the incorporated population of
13 each county with a lower per capita distribution is within
14 the lowest tenth percentile. The adjustment factor shall
15 be applied for each of these counties by multiplying the
16 incorporated population of the county by one hundred fifty
17 percent (150%);

18

19 (II) An adjustment factor determined
20 under this subdivision shall be applied to the county with
21 the next higher per capita distribution not qualifying for
22 the adjustment factor under subdivision (I) of this
23 subparagraph. The adjustment factor for this county shall
24 be determined by:

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(1) Multiplying by one hundred fifty percent (150%) that portion of the incorporated population of that county which is within the lowest tenth percentile;

(2) Multiplying by one hundred twenty-five percent (125%) the incorporated population of that county which is within the lowest twentieth percentile and at or above the tenth percentile;

(3) If applicable, multiplying by one hundred percent (100%) the incorporated population of that county which is at or above the twentieth percentile;

(4) Dividing the sum of the products of subdivisions (II)(1) through (3) of this subparagraph by the incorporated population of that county.

(III) If an adjustment factor has not been applied under subdivision (I) or (II) of this subparagraph, an adjustment factor of one and one-quarter (1.25) shall be applied to each county listed under subparagraph (B) of this paragraph, so long as its

1 incorporated population plus the incorporated population of
2 each county with a lower per capita distribution does not
3 exceed the twentieth percentile. The adjustment factor
4 shall be applied for each of these counties by multiplying
5 the incorporated population of the county by one hundred
6 twenty-five percent (125%);

7

8 (IV) An adjustment factor determined
9 under this subdivision shall be applied to the next higher
10 listed county not qualifying for the adjustment factor
11 under subdivision (III) of this subparagraph. The
12 adjustment factor for this county shall be determined by:

13

14 (1) Multiplying by one hundred
15 twenty-five percent (125%) that portion of the incorporated
16 population of that county which is within the lowest
17 twentieth percentile;

18

19 (2) Multiplying by one hundred
20 percent (100%) the incorporated population of that county
21 which is at or above the lowest twentieth percentile;

22

23 (3) Dividing the sum of the
24 products of subdivisions (IV)(1) and (2) of this

1 subparagraph by the incorporated population of that county.

2

3 (V) An adjustment factor of one (1)
4 shall be applied to the remaining counties.

5

6 (E) From the adjusted population of a city
7 or town as calculated in subparagraphs (A) through (D) of
8 this paragraph, subtract the actual population of the city
9 or town to determine the resulting population adjustment.
10 Distribute the funding under this paragraph in the
11 proportion which the population adjustment of the city or
12 town bears to the population adjustments of all cities and
13 towns in Wyoming as calculated under subparagraph (D) of
14 this paragraph;

15

16 (F) As used in this paragraph:

17

18 (I) A county's "incorporated
19 population" means the population of all cities and towns
20 within the county;

21

22 (II) "Percentile" means that portion
23 of the incorporated population as listed in the arrangement
24 of cities and towns under subparagraphs (B) and (C) of this

1 paragraph.

2

3 (b) There is appropriated from the general fund to
4 the office of state lands and investments a total of six
5 million five hundred thousand dollars (\$6,500,000.00) to be
6 distributed to counties in two (2) equal distributions on
7 October 1, 2006 and on October 1, 2007. The office shall
8 calculate the amounts to be distributed to eligible
9 counties as determined by this subsection as follows:

10

11 (i) Multiply each county's total assessed
12 valuation by twelve mills (.012). This amount shall
13 represent the county property tax available;

14

15 (ii) Calculate the sum of the following to
16 determine the county funding need:

17

18 (A) Nine hundred thousand dollars
19 (\$900,000.00); plus

20

21 (B) The product of the county population
22 from zero (0) to five thousand (5,000) multiplied by one
23 hundred fifty dollars (\$150.00); plus

24

1 (C) The product of the county population
2 from five thousand one (5,001) to twenty-five thousand
3 (25,000) multiplied by one hundred twenty dollars
4 (\$120.00); plus

5

6 (D) The product of the county population
7 above twenty-five thousand (25,000) multiplied by eighty
8 dollars (\$80.00).

9

10 (iii) Calculate the property tax shortfall for
11 each county by subtracting the property tax available as
12 determined by paragraph (i) of this subsection from the
13 county funding need as determined by paragraph (ii) of this
14 subsection. If the amount is greater than zero, the county
15 shall be eligible for distribution of money under this
16 subsection;

17

18 (iv) The amount distributed under this
19 subsection to each eligible county shall be in the
20 proportion that the county's property tax shortfall bears
21 to the total property tax shortfall of all counties
22 eligible to receive a distribution under this subsection.

23

24 (c) For purposes of this section, population is to be

1 determined by resort to the latest federal census as
2 updated by the bureau of the census.

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4

[REVERSION OF FUNDS]

5

6 **Section 5.** Any monies appropriated by this act
7 remaining unexpended or unobligated on June 30, 2008 shall
8 revert to the general fund.

9

10

[RULEMAKING AUTHORITY]

11

12 **Section 6.** The state loan and investment board shall
13 adopt rules and regulations to carry out the provisions of
14 this act.

15

16

[EFFECTIVE DATES]

17

18

Section 7.

19

20 (a) Section 6 of this act is effective immediately
21 upon completion of all acts necessary for a bill to become
22 law as provided by Article 4, Section 8 of the Wyoming
23 Constitution.

24

1 (b) The remainder of this act is effective July 1,
2 2006.

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4

(END)