

**FISCAL NOTE**

This bill contains an appropriation of \$10,000,000 from the LEGISLATIVE STABILIZATION RESERVE ACCOUNT to the State Treasurer's Office. This appropriation is effective immediately. This appropriation would be used to make loans to counties to cover funding shortfalls caused by the delay in payment of ad valorem taxes under W.S. 39-13-113(g).

	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
SCHOOL FOUNDATION FUND (12 mills)	(\$49,330,000)	\$6,700,000	\$20,200,000
AD VALOREM TAX (other taxing entities)	(\$81,430,000)	\$11,000,000	\$33,400,000

	FY 2022	FY 2023	FY 2024
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure increase/(decrease)			
SCHOOL FOUNDATION FUND (31 mills)	\$127,440,000	(\$17,300,000)	(\$52,200,000)

Source of revenue increase (decrease):

Repeal of payment schedule for ad valorem taxes on mineral production created in 2020 Session Laws, Ch. 142, Section 3; Monthly reporting and payment of mineral ad valorem taxes beginning with 2022 production. Payment of mineral ad valorem taxes on 2020 and 2021 mineral production of 8% of total on December 1 of each year beginning in 2023 until the total mineral ad valorem taxes have been paid.

Source of expenditure increase(decrease):

The School Foundation Program (SFP) will experience both entitlement expenditure changes and recapture revenue changes from the 31 mill revenues in K-12 local resource to school districts. These cumulative impacts from revenue generated by the 31 mills are shown above as expenditure changes to the SFP.

Assumptions:

The above estimates show the change in the cash flow of mineral ad valorem tax payments in FY 2022 through FY 2024. The above estimates are based on the assessed valuation of mineral production in the January 2021 CREG forecast and the average mill levy applied to all 2019 mineral production.

In addition, the net impact of the bill will require an additional, estimated \$176.77 million transfer from the Legislative Stabilization Reserve Account to the SFP in FY 2022 in accordance with W.S. 9-4-219(b).

**NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED**

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Revenue

Prepared by: Dean Temte, LSO Phone: 777-7881

(Information provided by Craig Grenvik, Department of Revenue, 777-5237)