

HOUSE BILL NO. HB0150

Tax credit scholarship program.

Sponsored by: Representative(s) Madden

A BILL

for

1 AN ACT relating to education; establishing the tax credit
 2 scholarship program; specifying duties of the state
 3 superintendent; providing program requirements; authorizing
 4 severance tax credits; providing definitions; providing
 5 rulemaking authority; providing a sunset date; requiring
 6 reports; providing applicability; and providing for an
 7 effective date.

8

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

10

11 **Section 1.** W.S. 21-4-701 through 21-4-704 are created
 12 to read:

13

14

ARTICLE 7

15

TAX CREDIT SCHOLARSHIP PROGRAM

16

1 **21-4-701. Definitions.**

2

3 (a) As used in this article:

4

5 (i) "Private school" means any nonpublic
6 elementary or secondary school providing a basic academic
7 educational program for children and may include parochial
8 and church or religious schools;

9

10 (ii) "Scholarship organization" means a person
11 who is selected to operate a tax credit scholarship program
12 as provided in this article;

13

14 (iii) "Tax credit scholarship" means a
15 scholarship awarded to a student in Wyoming under the tax
16 credit scholarship program and used only for costs and
17 materials associated with attending a private school in
18 grades kindergarten through twelve (12).

19

20 **21-4-702. Program operation.**

21

22 (a) The state superintendent shall recommend to the
23 state loan and investment board at least one (1) applicant

1 to act as a scholarship organization and operate a tax
2 credit scholarship program. The board shall review the
3 recommendation of the state superintendent and select one
4 (1) appropriate person to operate the program. In making a
5 selection under this section the board shall determine if
6 the person has submitted an application in accordance with
7 rule and regulation of the state superintendent that
8 demonstrates that the person is able to administer the
9 program in accordance with the requirements of W.S.
10 21-4-703.

11

12 (b) Not later than December 31 of each year, the
13 state superintendent shall determine amounts that are not
14 expended from the school foundation program account as a
15 result of the operation of the tax credit scholarship
16 program under this article and report that amount to the
17 joint education interim committee and the state treasurer.
18 One-third (1/3) of the amount reported by the state
19 superintendent, not to exceed three million dollars
20 (\$3,000,000.00), shall be transferred from the amount that
21 would otherwise be transferred to the school foundation
22 program account under W.S. 9-4-601(a)(ii) and distributed
23 to the severance tax distribution account.

1

2 **21-4-703. Scholarship organization duties.**

3

4 (a) A person may apply to the state superintendent as
5 provided under W.S. 21-4-702 to be a scholarship
6 organization.

7

8 (b) A scholarship organization selected by the state
9 loan and investment board under W.S. 21-4-702 shall operate
10 a tax credit scholarship program as provided in this
11 section. The program shall:

12

13 (i) Be limited to total donations of not more
14 than three million dollars (\$3,000,000.00) in each fiscal
15 year for operation of the scholarship program;

16

17 (ii) Provide a mechanism to accept funding for
18 the program, provided that the aggregate amount of funding
19 in any one (1) year shall not exceed the amount specified
20 in paragraph (i) of this subsection;

21

1 (iii) Provide a mechanism for the parent or
2 guardian of a student attending public school in Wyoming to
3 apply for a scholarship;

4

5 (iv) Provide a preference for awarding tax
6 credit scholarships to students in the following order of
7 preference:

8

9 (A) Students from families with a household
10 income that is seventy-five percent (75%) or less of the
11 median household income for the county where the student
12 resides;

13

14 (B) Students attending schools in school
15 districts which are determined to have capacity concerns;

16

17 (C) Students attending schools that are
18 identified as not meeting expectations under W.S.
19 21-2-204(e) (i) (D);

20

21 (D) Students that received a preference
22 under this paragraph in a previous year.

23

1 (v) Limit the annual amount that each student
2 may receive under the program to not more than one-third
3 (1/3) of the statewide average per student amount that is
4 received by school districts under W.S. 21-13-309 for the
5 preceding school year;

6

7 (vi) Provide a mechanism to ensure scholarships
8 awarded under the program are used only for costs
9 associated with attending private schools in Wyoming;

10

11 (vii) Report information on the program as
12 required by rule and regulation of the state superintendent
13 including information on the students who are awarded tax
14 credit scholarships, the private schools that are being
15 attended by those students and any other information
16 necessary to enable the superintendent to determine if the
17 tax credit scholarship program is being operated
18 effectively.

19

20 (c) The scholarship organization may use not more
21 than ten percent (10%) of the amounts received under
22 paragraph (b)(ii) of this section for the costs of

1 operating the program. The state superintendent may request
2 an accounting of funds expended under this subsection.

3
4 (d) Any person who provides funding for the tax
5 credit scholarship program under paragraph (b)(ii) of this
6 section may apply for a tax credit under W.S.
7 39-14-109(d)(iv) or 39-14-209(d)(iv) in an amount equal to
8 the total amount the person actually provided to fund the
9 tax credit scholarship program. The scholarship
10 organization shall not accept any amount in excess of the
11 aggregate limit specified in paragraph (b)(i) of this
12 section.

13
14 **21-4-704. Sunset provision.**

15
16 W.S. 21-4-701 through 21-4-704 are repealed effective June
17 30, 2022.

18
19 **Section 2.** W.S. 9-4-601(a)(ii) and by creating a new
20 paragraph (xii), 39-14-109(d) by creating a new paragraph
21 (iv) and 39-14-209(d) by creating a new paragraph (iv) are
22 amended to read:

23

1 **9-4-601. Distribution and use; funds, accounts,**
2 **cities and towns benefited; exception for bonus payments.**

3
4 (a) All monies received by the state of Wyoming from
5 the secretary of the treasury of the United States under
6 the provisions of the act of congress of February 25, 1920
7 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191), as amended, or
8 from lessees or authorized mine operators and all monies
9 received by the state from its sale of production from
10 federal mineral leases subject to the act of congress of
11 February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181,
12 191) as amended, except as provided by subsection (b) of
13 this section, shall be deposited into an account and the
14 first two hundred million dollars (\$200,000,000.00) of
15 revenues received in any fiscal year shall be distributed
16 by the state treasurer as provided in this subsection. One
17 percent (1%) of these revenues shall be credited to the
18 general fund as an administrative fee, and the remainder
19 shall be distributed as follows:

20
21 (ii) Subject to ~~paragraph~~paragraphs (xi) and
22 (xii) of this section, forty-four and eight-tenths percent

1 (44.8%) to the public school foundation program account
2 subject to allocations under W.S. 9-4-605;

3

4 (xii) From the amounts which would otherwise be
5 distributed to the school foundation program account under
6 paragraph (ii) of this subsection, there is annually
7 appropriated the amount determined under W.S. 21-4-702(b)
8 to be distributed to the severance tax distribution
9 account.

10

11 **39-14-109. Taxpayer remedies.**

12

13 (d) Credits. The following shall apply:

14

15 (iv) A taxpayer may apply for a credit equal to
16 amounts actually provided for the tax credit scholarship
17 program as provided in W.S. 21-4-703(d), provided that the
18 total amount of credits under this paragraph shall not
19 exceed three million dollars (\$3,000,000.00) in any one (1)
20 year. The credit shall not apply to any tax due under W.S.
21 39-14-104(a)(i).

22

23 **39-14-209. Taxpayer remedies.**

1

2 (d) Credits. The following shall apply:

3

4 (iv) A taxpayer may apply for a credit equal to
5 amounts actually provided for the tax credit scholarship
6 program as provided in W.S. 21-4-703(d), provided that the
7 total amount of credits under this paragraph shall not
8 exceed three million dollars (\$3,000,000.00) in any one (1)
9 year. The credit shall not apply to any tax due under W.S.
10 39-14-204(a)(i).

11

12 **Section 3.**

13

14 (a) The state superintendent shall report to the
15 joint education interim committee on the tax credit
16 scholarship program not later than November 15, 2017 and
17 each year thereafter until November 15, 2021. The report
18 required under this section shall include:

19

20 (i) The number of persons who applied to operate
21 the program under W.S. 21-4-703(a);

22

1 (ii) The amount of funding provided for
2 scholarships under W.S. 21-4-703(b) (i) and (ii);

3
4 (iii) The number of students participating in
5 the program;

6
7 (iv) The amount of funds that were not expended
8 in the applicable year from the school foundation program
9 account as a result of the program;

10
11 (v) Recommendations regarding the limitations on
12 the program as provided by law including the maximum of
13 three million dollars (\$3,000,000.00) in total funding for
14 the program per year and whether those limitations are
15 appropriate or should be revised;

16
17 (v) Recommendations regarding the sunset date as
18 provided in W.S. 21-4-704 and whether the program should
19 continue.

20
21 **Section 4.** The state superintendent shall adopt rules
22 and regulations as necessary to begin accepting

1 applications for implementation of the tax credit
2 scholarship program in school year 2017-2018.

3

4 **Section 5.** This act is effective immediately upon
5 completion of all acts necessary for a bill to become law
6 as provided by Article 4, Section 8 of the Wyoming
7 Constitution.

8

9

(END)