

ENROLLED ACT NO. 78, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

AN ACT relating to ad valorem taxation of mineral production; providing for monthly payment of ad valorem taxes on mineral production commencing January 1, 2020; providing a process for reporting, payment, reconciliation and distribution of the monthly ad valorem tax; specifying the payment schedule for the transition period; providing an appropriation; and providing for an effective date.

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

**Section 1.** W.S. 39-13-113 is created to read:

**39-13-113. Monthly payment of ad valorem tax on gross product of mineral production.**

(a) Commencing with mineral and mine production on January 1, 2020, this section shall govern the payment of all ad valorem taxes on the value of the gross product of minerals and mine products, hereafter referred to as the "ad valorem tax on mineral production". Any provisions of this title related to the ad valorem tax on mineral production that do not conform to the processes and procedures set forth in this section are superseded by this section to the extent the procedures conflict with this section.

(b) Except as provided in this section, all mineral and mine producers in the state shall report and pay the ad valorem tax on mineral production for each county on a monthly basis. Payments shall be due and payable to the department on or before the twenty-fifth day of the second month following the month of production. Payments under this subsection shall not be less than the amount calculated by the taxpayer by applying the mill levy rate

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established by the county in the immediately preceding year to the value of the gross product of minerals and mine products produced each month. Annually, on or before September 20, the county treasurer shall send a written statement to each taxpayer by mail at his last known address or, if offered by the county and upon request of the taxpayer, by electronic transmission, of any tax due or overpayment received after applying the amount the county has received from that taxpayer through monthly payments under this section by reconciling those payments with the applicable mill levy rate for that production year, itemized as to property description, assessed value and applicable mill levies. Failure to send notice, or to demand payment of taxes, does not invalidate any taxes due. The taxpayer shall reconcile the amount indicated on the notice as follows:

(i) If the statement provided by the county indicates additional taxes are due, the taxpayer shall pay the additional amount due not later than December 20 of that year;

(ii) If the statement by the county indicates that the monthly payments resulted in an overpayment of the taxes, the county treasurer shall refund taxes that were overpaid under this section by December 20 of that year. The taxpayer may elect to have the county treasurer retain any overpayment amount and apply that amount towards other ad valorem taxes due.

(c) Collection and distribution. Monthly and annual payments of the ad valorem tax on mineral production shall be collected by the department on behalf of each county. The department shall properly account for the payments received and distribute the payments promptly in the course

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of ordinary business to the county treasurer. Upon distribution of funds to counties under this subsection the amount shall be proportionally distributed by the county treasurer to each taxing entity within the county as provided in W.S. 39-13-111.

(d) If a taxpayer's liability for severance tax as imposed under chapter 14 of this title is less than thirty thousand dollars (\$30,000.00) for the preceding calendar year, the monthly payment requirements for the ad valorem tax on mineral production under this chapter are waived and the taxpayer shall report and pay the ad valorem tax on mineral production annually as provided in this subsection. The annual report and payment shall be due and payable on February 25 of the year following the year of production. Annual payments shall be calculated by the taxpayer by applying the mill levy rate established by the county commissioners in the production year, along with any adjustments made in accordance with law and reported by the county to the department by January 15 of the year following the production year, to the value of the gross product of minerals and mine products produced in the applicable year. Annual payments made under this subsection shall be paid to the department and deposited with the applicable county treasurer as provided in subsection (c) of this section and reconciled as provided in subsection (b) of this section.

(e) Failure to make payments at the time they are due and payable under this section shall subject the taxpayer to the enforcement provisions of W.S. 39-13-108 and shall also be subject to enforcement as follows:

(i) If the report and payment of tax required under this section is not provided, the department shall

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value the property from the best information available to determine the fair market value of the property;

(ii) If a taxpayer producing valuable deposits fails to pay the taxes when due, the department shall file a notice of lien on behalf of the applicable county pursuant to W.S. 39-13-108(d)(vi);

(iii) Taxes due together with interest, penalties and costs shall be collectible by the department or county by appropriate judicial proceedings.

(f) Notwithstanding subsection (a) of this section or any other provision of law, upon receiving an application from a taxpayer a county may enter into an agreement with the taxpayer to accept payments for the ad valorem tax on mineral production under the processes and procedures in place prior to the effective date of this section, subject to the following:

(i) Prior to entering into any agreement under this subsection, the county shall:

(A) Establish uniform eligibility criteria and an application process;

(B) Conduct at least one (1) public meeting related to the proposed agreement. The county shall notify all taxing authorities that receive any taxes that may be impacted by the agreement of the meeting at least fourteen (14) days prior to the meeting.

(ii) Upon entering into any agreement under this subsection, the county shall notify the department;

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(iii) Upon receipt of notice from a county under this subsection, the department shall exempt the taxpayer from the provisions of this section and the taxpayer shall be subject to all processes, procedures and requirements in place prior to the effective date of this section;

(iv) No taxpayer shall be eligible for an agreement under this subsection for mineral production from any property acquired on or after the effective date of this section.

**Section 2.** W.S. 39-13-107(b)(i)(D), 39-13-108(b)(i), (ii) and (c)(ii)(C), 39-13-111 by creating a new subsection (d), 39-14-107(b)(ii), 39-14-207(b)(ii), 39-14-307(b)(ii), 39-14-407(b)(ii), 39-14-507(b)(ii), 39-14-607(b)(ii) and 39-14-707(b)(ii) are amended to read:

**39-13-107. Compliance; collection procedures.**

(b) The following provisions shall apply to the payment of taxes, distraint of property and deferral:

(i) The following shall apply to the payment of taxes due:

(D) Except as otherwise provided in W.S. 39-13-113, taxes provided by this act are due and payable at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on

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or before December 31, no interest or penalty is chargeable;

**39-13-108. Enforcement.**

(b) Interest. The following shall apply:

(i) Except as otherwise provided in W.S. 39-13-113, taxes provided by this act are due and payable at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(ii) The balance of any tax not paid as provided by W.S. 39-13-113 or paragraph (i) of this subsection is delinquent after the day on which it is payable and shall bear interest at eighteen percent (18%) per annum until paid or collected;

(c) Offenses and penalties. The following shall apply:

(ii) Penalties. The following shall apply:

(C) If any person fails to file the reports for ad valorem purposes required by W.S. 39-13-113 or chapter 14 of this title by the due date or any extension thereof, the department may impose a penalty equal to a total of one percent (1%) of the taxable value of the

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production from the well, mine or mining claim but not to exceed five thousand dollars (\$5,000.00) for each calendar month or portion thereof that the report or information is late. If any person fails to file reports and other information required by rule of the department other than those required by chapter 14 of this title, the department may impose a penalty of up to one thousand dollars (\$1,000.00). The department may waive penalties under this subparagraph for good cause. Penalties imposed under this subparagraph may be appealed to the board.

**39-13-111. Distribution.**

(d) Taxes collected pursuant to W.S. 39-13-113 shall be distributed as provided in this section following final reconciliation of the taxes under W.S. 39-13-113(b).

**39-14-107. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

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(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-207. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-307. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%)



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of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-407. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-507. Compliance; collection procedures.**

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(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-607. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding

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calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**39-14-707. Compliance; collection procedures.**

(b) Payment. The following shall apply:

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2019 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

(B) Effective January 1, 2020 for tax year 2020 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

**Section 3.**

(a) Notwithstanding W.S. 39-13-113 as created by section 1 of this act, the following payment schedule shall apply to payment of the ad valorem tax on mineral

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production to counties for the specified tax years, provided that the payments under this subsection shall not apply to any taxpayer that makes an agreement under W.S. 39-13-113(f):

(i) For the ad valorem tax on mineral production from calendar year 2018, the second half of the payment shall be due by May 10, 2020 under the processes and procedures in place prior to the effective date of this act;

(ii) For the ad valorem tax on mineral production from calendar year 2019, payments shall be due as follows:

(A) Twenty-five percent (25%) on October 10, 2020;

(B) Twenty-five percent (25%) on November 10, 2020;

(C) Sixteen and sixty-six hundredths percent (16.66%) on April 10, 2021;

(D) Sixteen and sixty-seven hundredths percent (16.67%) on May 10, 2021;

(E) Sixteen and sixty-seven hundredths percent (16.67%) on June 10, 2021.

(iii) For the ad valorem tax on mineral production from calendar year 2020, payments shall be due as follows:

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(A) Sixteen and sixty-six hundredths percent (16.66%) on September 10, 2021;

(B) Sixteen and sixty-seven hundredths percent (16.67%) on October 10, 2021;

(C) Sixteen and sixty-seven hundredths percent (16.67%) on November 10, 2021;

(D) Twelve and one-half percent (12.5%) on the tenth day of March, April, May and June of 2022.

(iv) For the ad valorem tax on mineral production from calendar year 2021, payments shall be due as provided in this paragraph. Payments shall be calculated using the mill levy rate established by the county for the immediately preceding year and shall be reconciled using the then current mill levy rate not later than December 10, 2023 in the same manner as provided in W.S. 39-13-113(b):

(A) Twelve and one-half percent (12.5%) on the tenth day of August, September, October and November of 2022;

(B) Ten percent (10%) on the tenth day of February, March, April, May and June of 2023.

(v) For the ad valorem tax on mineral production from calendar year 2022, payments shall be due as provided in this paragraph. Payments shall be calculated using the mill levy rate established by the county for the immediately preceding year and shall be reconciled using the then current mill levy rate not later than December 10, 2024 in the same manner as provided in W.S. 39-13-113(b):

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(A) Ten percent (10%) on the tenth day of July, August, September, October and November of 2023;

(B) Eight and thirty-three hundredths percent (8.33%) on December 10, 2023;

(C) Eight and thirty-three hundredths percent (8.33%) on the tenth day of January, February and March 2024;

(D) Eight and thirty-four hundredths percent (8.34%) on the tenth day of April and May 2024.

(vi) For the ad valorem tax on mineral production from calendar years 2023 through 2025, payments shall be due as provided in this paragraph. Payments shall be calculated using the mill levy rate established by the county for the immediately preceding year and shall be reconciled using the then current mill levy rate not later than December 10 of the applicable year in the same manner as provided in W.S. 39-13-113(b). Payments under this paragraph shall be made at a rate of eight and thirty-three hundredths percent (8.33%) on the tenth day of every month beginning June 10, 2024 for 2023 production, provided that the November payment for each year shall be sixteen and sixty-seven hundredths percent (16.67%);

(vii) For the ad valorem tax on mineral production from calendar years 2026 and each year thereafter, payments shall be due as provided in this paragraph. Payments shall be calculated using the mill levy rate established by the county for the immediately preceding year and shall be reconciled using the then current mill levy rate not later than December 10 of the applicable year in the same manner as provided in W.S. 39-

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13-113(b). Payments under this paragraph shall be made at a rate of eight and thirty-three hundredths percent (8.33%) on the tenth day of every month beginning March 10, 2027 for 2026 production. Payments shall continue under this paragraph until affirmative action is taken by the legislature to revise the required payment schedule.

(b) Failure to pay any tax due pursuant to the procedures in this section shall be subject to penalties and interest as provided by law, with penalties and interest accruing from the date that payment would have been due and payable under the procedures in place prior to the effective date of this act.

**Section 4.** There is appropriated five hundred thousand dollars (\$500,000.00) from the general fund to the department of revenue for the purposes of administering the department's tax programs. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2022. This appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2022.

ORIGINAL HOUSE  
BILL NO. HB0159

ENGROSSED

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

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk