1   Page 1-above line 1   In the catch title, delete "rates".
2
3   Page 1-line 2   After "taxes;" insert "revising the formula
4   for the distribution of sales and use taxes;".
5
6   Page 1-after line 6   Insert:
7
8   "**Section 1.** W.S. 39-15-111.1 is created to read:
9
10   **W.S. 39-15-111.1 Distributions to local governments.**
11
12   (a) Of the total amounts available under W.S. 39-15-
13   111(b)(iii) and 39-16-111(b)(iii), the first six million ninety-
14   three thousand seven hundred fifty dollars ($6,093,750.00) each
15   month, subject to subsection (f) of this section, shall be
16   deposited in the local government distribution account, which is
17   hereby created.
18
19   (b) Amounts in the local government distribution account are
20   continuously appropriated to the office of state lands and
21   investments to be allocated pursuant to the following and as
22   further provided in this section. Amounts deposited in the account
23   attributable to sales and use tax collections from July 1 through
24   December 31 of each year shall be calculated and distributed on
25   March 15 of the following calendar year and amounts deposited in
26   the account attributable to sales and use tax collections from
27   January 1 through June 30 of each year shall be calculated and
28   distributed on October 15 of that calendar year, subject to the
29   following:
30
31   (i) Two-thirds (2/3) of eighty-nine percent (89%) of
32   the total amount available to be expended from the account shall
33   be used for direct distribution to cities and towns, provided that
34   five percent (5%) of the amount available under this paragraph
35   shall only be distributed for direct distributions to cities and
36   towns using the revenue challenged formula as provided in paragraph
37   (c)(ii) of this section;
38
39   (ii) One-third (1/3) of eighty-nine percent (89%) of
40   the total amount available to be expended from the account shall
41   be used for direct distribution to counties;
42
43   (iii) Five and one-half percent (5.5%) of the total
44   amount available to be expended from the account shall be used for

1 direct distribution to cities and towns provided that five percent
2 (5%) of the amount available under this paragraph shall only be
3 distributed for direct distributions to cities and towns using the
4 revenue challenged formula as provided in paragraph (c)(ii) of
5 this section;
6
7   (iv) Five and one-half percent (5.5%) of the total
8 amount available to be expended from the account shall be used for
9 direct distribution to counties.
10
11   [CITY AND TOWN DIRECT DISTRIBUTION ALLOCATIONS]
12
13   (c) From the total amount available to be distributed on the
14 dates specified in subsection (b) of this section, the amounts
15 designated in paragraphs (b)(i) and (iii) of this section shall be
16 distributed to cities and towns, subject to the following:
17
18   (i) Except as provided in paragraph (ii) of this
19 subsection, from these distributions each municipality with a
20 population of thirty-five (35) or less shall first receive seven
21 thousand five hundred dollars ($7,500.00) and each municipality
22 with a population over thirty-five (35) shall first receive
23 seventeen thousand five hundred dollars ($17,500.00). From the
24 remainder, each municipality shall receive amounts in accordance
25 with a municipal supplemental funding formula as provided in this
26 paragraph. The municipal supplemental funding formula shall be
27 calculated by the office of state lands and investments as follows:
28
29   (A) For each fiscal year calculate the per capita
30 sales and use tax revenues available to each municipality using
31 the sales and use tax distributions to each county attributable to
32 the most recently completed odd numbered fiscal year for
33 distributions under this paragraph during an odd numbered calendar
34 year and the sales and use tax distributions to each county
35 attributable to the most recently completed even numbered fiscal
36 year for distributions under this paragraph during an even numbered
37 calendar year, including distributions to each municipality within
38 that county, under W.S. 39-15-111 and 39-16-111, but excluding any
39 distributions under this section;
40
41   (B) Calculate the inverse by dividing one (1) by
42 the per capita sales and use tax determined under subparagraph (A)
43 of this paragraph for each municipality;
44
45   (C) Calculate the normalized per capita sales and
46 use tax number for each municipality by dividing the number
47 determined under subparagraph (B) of this paragraph for the

1   municipality by the total of all inverse per capita sales and use
2   tax numbers calculated under subparagraph (B) of this paragraph;
3
4   (D) Multiply the normalized per capita sales and
5   use tax number for each municipality determined under subparagraph
6   (C) of this paragraph by seventy-five percent (75%);
7
8   (E) For each fiscal year calculate the per capita
9   assessed value for the prior tax year corresponding to the most
10 recently completed calendar year for each municipality by dividing
11 the total assessed valuation within the municipality by the
12 population of the municipality;
13
14   (F) Calculate the inverse by dividing one (1) by
15 the per capita assessed value determined under subparagraph (E) of
16 this paragraph for each municipality;
17
18   (G) Calculate the normalized per capita assessed
19 value number for each municipality by dividing the number
20 determined under subparagraph (F) of this paragraph for the
21 municipality by the total of all inverse per capita assessed value
22 numbers calculated under subparagraph (F) of this paragraph;
23
24   (H) Multiply the normalized per capita assessed
25 value number for each municipality by twenty-five percent (25%);
26
27   (J) Multiply the sum of subparagraphs (D) and (H)
28 of this paragraph by the population of the municipality;
29
30   (K) Calculate the normalized index for each
31 municipality by dividing the number determined under subparagraph
32 (J) of this paragraph for the municipality by the sum of all
33 numbers calculated under subparagraph (J) of this paragraph;
34
35   (M) Determine the amount to distribute to each
36 municipality by multiplying the normalized index number determined
37 under subparagraph (K) of this paragraph by the amount remaining
38 available for distribution under this paragraph.
39
40   (ii) From the amounts specified in paragraphs (b)(i)
41 and (iii) of this section, each city or town shall receive amounts
42 in accordance with a city and town revenue challenged formula as
43 provided in this paragraph. The revenue challenged formula shall
44 be calculated by the office of state lands and investments as
45 follows:
46

1   (A) For each fiscal year, calculate the lowest
2   quartile amount received by cities and towns on a per capita basis
3   using amounts received under this section plus amounts distributed
4   to each city and town using the sales and use tax distributions to
5   each county attributable to the most recently completed odd
6   numbered fiscal year for distributions under this paragraph during
7   an odd numbered calendar year and the sales and use tax
8   distributions to each county attributable to the most recently
9   completed even numbered fiscal year for distributions under this
10   paragraph during an even numbered calendar year year, including
11   distributions to each municipality within that county, under W.S.
12   39-15-111 and 39-16-111, but excluding any distribution made under
13   this section;
14
15   (B) Determine each city or town that received a
16   per capita amount that is less than the lowest quartile amount
17   determined under subparagraph (A) of this paragraph;
18
19   (C) For each city or town that received a per
20   capita amount that is less than the lowest quartile amount as
21   identified in subparagraph (B) of this paragraph, determine the
22   amount that would be necessary to increase the per capita amount
23   distributed to that city or town to the lowest quartile amount
24   determined under subparagraph (A) of this paragraph;
25
26   (D) Determine the amount to distribute to each
27   city or town that received an amount that is less than the lowest
28   quartile amount determined under subparagraph (A) of this
29   paragraph by distributing the amount available under this
30   paragraph on a pro rata basis, up to the lowest quartile amount,
31   based on the amounts determined under subparagraph (C) of this
32   paragraph.
33
34   [COUNTY DIRECT DISTRIBUTION ALLOCATIONS]
35
36   (d) From the total amount available to be distributed on the
37   dates specified in subsection (b) of this section, the amounts
38   designated in paragraphs (b)(ii) and (iv) of this section are to
39   be distributed to counties as provided in this subsection. From
40   these distributions each county shall receive the following:
41
42   (i) From these distributions each county with an
43   assessed value for the prior tax year corresponding to the most
44   recently completed calendar year of less than three hundred
45   thousand dollars ($300,000.00) per mill shall first receive an
46   amount equal to one and one-half (1.5) times the difference between
47   three hundred thousand dollars ($300,000.00) and the actual value

4

of one (1) mill within the county. From the remainder, each county shall receive amounts in accordance with a county supplemental funding formula as provided in this paragraph. The county supplemental funding formula shall be calculated by the office of state lands and investments as follows:

(A) For each fiscal year calculate the per capita sales and use tax revenues available to each county using the sales and use tax distributions to each county attributable to the most recently completed odd numbered fiscal year for distributions under this paragraph during an odd numbered calendar year and the sales and use tax distributions to each county attributable to the most recently completed even numbered fiscal year for distributions under this paragraph during an even numbered calendar year, excluding distributions under this section and excluding distributions to each municipality within that county, under W.S. 39-15-111 and 39-16-111;

(B) Calculate the inverse by dividing one (1) by the per capita sales and use tax determined under subparagraph (A) of this paragraph for each county;

(C) Calculate the normalized per capita sales and use tax number for each county by dividing the number determined under subparagraph (B) of this paragraph for the county by the total of all inverse per capita sales and use tax numbers calculated under subparagraph (B) of this paragraph;

(D) Multiply the normalized per capita sales and use tax number determined under subparagraph (C) of this paragraph for each county by twenty-four percent (24%);

(E) For each fiscal year calculate the per capita assessed value for each county by dividing the total assessed valuation within the county for the prior tax year corresponding to the most recently completed calendar year by the population of the county;

(F) Calculate the inverse by dividing one (1) by the per capita assessed value determined under subparagraph (E) of this paragraph for each county;

(G) Calculate the normalized per capita assessed value number for each county by dividing the number determined under subparagraph (F) of this paragraph for the county by the total of all inverse per capita assessed value numbers calculated under subparagraph (F) of this paragraph;

1
2   (H) Multiply the normalized per capita assessed
3 value number determined under subparagraph (G) of this paragraph
4 for each county by seventy-six percent (76%);
5
6   (J) Calculate a cost of government index for each
7 county by multiplying six hundred twenty-eight (628) by the
8 population of the county and then adding nine million nine hundred
9 thousand (9,900,000) to the result;
10
11   (K) Calculate the normalized cost of government
12 index number for each county by dividing the number determined
13 under subparagraph (J) of this paragraph for the county by the
14 total of all cost of government index numbers calculated under
15 subparagraph (J) of this paragraph;
16
17   (M) Multiply the sum of subparagraphs (D) and (H)
18 of this paragraph by the normalized cost of government index number
19 determined in subparagraph (K) of this paragraph for each county;
20
21   (N) Calculate the normalized index for each county
22 by dividing the number determined under subparagraph (M) of this
23 paragraph for the county by the total of all numbers calculated
24 under subparagraph (M) of this paragraph;
25
26   (O) Determine the amount to distribute to each
27 county by multiplying the normalized index number determined under
28 subparagraph (N) of this paragraph by the amount remaining
29 available for distribution under this paragraph.
30
31   (e) For purposes of this section, population is to be
32 determined by resort to the most recent decennial federal census
33 as reported by the economic analysis division within the department
34 of administration and information.
35
36   (f) The amount of six million ninety-three thousand seven
37 hundred fifty dollars ($6,093,750.00) as specified in subsection
38 (a) of this section shall be adjusted for inflation annually by
39 the office, using the consumer price index or its successor index
40 of the United States department of labor, bureau of labor
41 statistics.".
42
43 Page 1-line 8   Delete "**Section 1.**" and insert "**Section 2.**".
44
45 Page 2-line 14   Strike "equivalent to one".
46
47 Page 2-lines 15 through 21   Strike all existing language.

```
 1
 2    Page 2-line 22        Strike through "state" and insert "each month
 3                          as specified in W.S. 39-15-111.1 for deposit
 4                          in the local government distribution account".
 5
 6    Page 4-line 16        Strike "equivalent to one".
 7
 8    Page 4-lines 17 through 23    Strike all existing language.
 9
10    Page 5-line 1         Strike through "state" and insert "each month
11                          as specified in W.S. 39-15-111.1 for deposit
12                          in the local government distribution account".
13                          HICKS
```