

ENROLLED ACT NO. 11, HOUSE OF REPRESENTATIVES

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2026 BUDGET SESSION

AN ACT relating to local government funding; continuously distributing a portion of the state sales and use taxes collected and accrued each fiscal year for cities, towns and counties; creating a statutory funding formula; providing legislative intent; and providing for an effective date.

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

Section 1. W.S. 39-15-601 through 39-15-603 are created to read:

ARTICLE 6
LOCAL GOVERNMENT DISTRIBUTIONS

39-15-601. Definitions.

(a) As used in this article:

(i) "Population" of a city, town or county shall be determined by resort to the most recently completed federal decennial census as reported by the economic analysis division within the department of administration and information.

39-15-602. Local government distributions of state sales and use taxes; supplemental funding formula; revenue challenged formula.

(a) An amount equal to eight percent (8%) of all sales taxes imposed under W.S. 39-15-104(a) and (b) and use taxes imposed under W.S. 39-16-104(a) and (b) that are collected and accrued for the immediately preceding fiscal year, as determined by the department of revenue, shall be transferred from the general fund to the office of state

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lands and investments for distribution to cities, towns and counties to be allocated as follows and as further provided in this section:

(i) Two-thirds ($2/3$) of eighty-nine percent (89%) of the total amount for direct distribution to cities and towns provided that five percent (5%) of the amount available under this paragraph shall only be distributed for direct distributions to cities and towns using the revenue challenged formula as provided in paragraph (b)(ii) of this section;

(ii) One-third ($1/3$) of eighty-nine percent (89%) of the total amount for direct distribution to counties;

(iii) Five and one-half percent (5.5%) of the total amount for direct distribution to cities and towns provided that five percent (5%) of the amount available under this paragraph shall only be distributed for direct distributions to cities and towns using the revenue challenged formula as provided in paragraph (b)(ii) of this section;

(iv) Five and one-half percent (5.5%) of the total amount for direct distribution to counties.

(b) Funds distributed in paragraphs (a)(i) and (iii) of this section shall be distributed to cities and towns each fiscal year. Distributions shall be made in equal amounts on October 15 and March 15 of each fiscal year as calculated from revenues collected and accrued in the immediately preceding fiscal year prior to the October 15 distribution, subject to the following:

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(i) Except as provided in paragraph (ii) of this subsection, from these distributions each municipality with a population of thirty-five (35) or less shall first receive fifteen thousand dollars (\$15,000.00) and each municipality with a population over thirty-five (35) shall first receive thirty-five thousand dollars (\$35,000.00). From the remainder, each municipality shall receive amounts in accordance with a municipal supplemental funding formula as provided in this paragraph. The municipal supplemental funding formula shall be calculated by the office of state lands and investments as follows:

(A) Calculate the per capita sales and use tax revenues available to each municipality using the sales and use tax distributions to the county where each municipality is located attributable to the most recently completed fiscal year, including distributions to each municipality within that county under W.S. 39-15-111 and 39-16-111 but excluding the distribution exclusively to counties under W.S. 39-15-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-15-104 and excluding the distribution exclusively to counties under W.S. 39-16-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-16-104;

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

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

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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 for each municipality by seventy-five percent (75%);

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

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

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

(H) Multiply the normalized per capita assessed value number for each municipality by twenty-five percent (25%);

(J) Multiply the sum of subparagraphs (D) and (H) of this paragraph for each municipality by the population of the municipality;

(K) Calculate the normalized index for each municipality by dividing the number determined under subparagraph (J) of this paragraph for the municipality by

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the sum of all numbers calculated under subparagraph (J) of this paragraph;

(M) Determine the amount to distribute to each municipality by multiplying the normalized index number determined under subparagraph (K) of this paragraph by the amount remaining available for distribution under this paragraph.

(ii) From the funds distributed in paragraphs (a)(i) and (iii) of this section, each city or town shall receive amounts in accordance with a city and town revenue challenged formula as provided in this paragraph. The revenue challenged formula shall be calculated by the office of state lands and investments as follows:

(A) Calculate the lowest quartile amount received by cities and towns on a per capita basis using amounts received under this section plus amounts distributed to each city and town using the sales and use tax distributions to the county where each municipality is located attributable to the most recently completed fiscal year under this paragraph, including distributions to each municipality within that county under W.S. 39-15-111 and 39-16-111 but excluding the distribution exclusively to counties under W.S. 39-15-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-15-104 and excluding the distribution exclusively to counties under W.S. 39-16-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-16-104;

(B) Determine each city or town that received a per capita amount that is less than the lowest

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quartile amount determined under subparagraph (A) of this paragraph;

(C) For each city or town that received a per capita amount that is less than the lowest quartile amount as provided in subparagraph (B) of this paragraph, determine the amount that would be necessary to increase the per capita amount distributed to that city or town to the lowest quartile amount determined under subparagraph (A) of this paragraph;

(D) Determine the amount to distribute to each city or town that received an amount that is less than the lowest quartile amount determined under subparagraph (A) of this paragraph by distributing the amount available under this paragraph on a pro rata basis, up to the lowest quartile amount, based on the amounts determined under subparagraph (C) of this paragraph.

(c) Funds distributed in paragraphs (a)(ii) and (iv) of this section are to be distributed to counties each fiscal year. Distributions shall be made in equal amounts on October 15 and March 15 of each fiscal year as calculated from revenues collected and accrued for the immediately preceding fiscal year prior to the October 15 distribution. From these distributions each county shall receive the following:

(i) Each county with an assessed value for the tax year prior to the most recently completed calendar year of less than three hundred thousand dollars (\$300,000.00) per mill shall first receive an amount equal to three (3) times the difference between three hundred thousand dollars (\$300,000.00) and the actual value of one (1) mill within the county. From the remainder, each county shall receive

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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) 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 fiscal year, 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 number 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) Calculate the per capita assessed value for each county by dividing the total assessed valuation within the county for the tax year prior to the most recently completed calendar year by the population of the county;

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(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;

(H) Multiply the normalized per capita assessed value number determined under subparagraph (G) of this paragraph for each county by seventy-six percent (76%);

(J) Calculate a cost of government index for each county, which shall be determined by multiplying six hundred twenty-eight (628) by the population of the county and then adding nine million nine hundred thousand (9,900,000) to the result;

(K) Calculate the normalized cost of government index number for each county by dividing the number determined under subparagraph (J) of this paragraph for the county by the total of all cost of government index numbers calculated under subparagraph (J) of this paragraph;

(M) Multiply the sum of subparagraphs (D) and (H) of this paragraph by the normalized cost of government index number determined in subparagraph (K) of this paragraph for each county;

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(N) Calculate the normalized index for each county by dividing the number determined under subparagraph (M) of this paragraph for the county by the total of all numbers calculated under subparagraph (M) of this paragraph;

(O) Determine the amount to distribute to each county by multiplying the normalized index number determined under subparagraph (N) of this paragraph by the amount remaining available for distribution under this paragraph.

39-15-603. Legislative intent.

(a) It is the intent of the legislature that the funds distributed under this article shall not be used for:

(i) Salary adjustments, additional personnel or increased personnel benefits;

(ii) Any compensation to the members of any board for which the board of county commissioners appoints members, unless compensation is otherwise required by law.

ORIGINAL HOUSE
BILL NO. HB0107

ENGROSSED

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Section 2. This act is effective July 1, 2026.

(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