HOUSE BILL NO. HB0107

Local government distributions.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to local government funding; continuously

2 distributing a portion of the state sales and use taxes

3 collected and accrued each fiscal year for cities, towns

4 and counties; creating a statutory funding formula;

5 providing legislative intent; and providing for an

6 effective date.

7

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

9

10   **Section 1.** W.S. 39-15-601 through 39-15-603 are

11 created to read:

12

13   ARTICLE 6

14   LOCAL GOVERNMENT DISTRIBUTIONS

15

16   **39-15-601. Definitions.**

1

2   (a) As used in this article:

3

4   (i) "Population" of a city, town or county shall

5   be determined by resort to the most recently completed

6   federal decennial census as reported by the economic

7   analysis division within the department of administration

8   and information.

9

10   **39-15-602. Local government distributions of state**

11   **sales and use taxes; supplemental funding formula; revenue**

12   **challenged formula.**

13

14   (a) An amount equal to five and six-tenths percent

15   (5.6%) of all sales taxes imposed under W.S. 39-15-104(a)

16   and (b) and use taxes imposed under W.S. 39-16-104(a) and

17   (b) that are collected and accrued for the immediately

18   preceding fiscal year, as determined by the department of

19   revenue, shall be transferred from the general fund to the

20   office of state lands and investments for distribution to

21   cities, towns and counties to be allocated as follows and

22   as further provided in this section:

23

1   (i) Two-thirds (2/3) of eighty-nine percent

2   (89%) of the total amount for direct distribution to cities

3   and towns provided that five percent (5%) of the amount

4   available under this paragraph shall only be distributed

5   for direct distributions to cities and towns using the

6   revenue challenged formula as provided in paragraph (b)(ii)

7   of this section;

8

9   (ii) One-third (1/3) of eighty-nine percent

10   (89%) of the total amount for direct distribution to

11   counties;

12

13   (iii) Five and one-half percent (5.5%) of the

14   total amount for direct distribution to cities and towns

15   provided that five percent (5%) of the amount available

16   under this paragraph shall only be distributed for direct

17   distributions to cities and towns using the revenue

18   challenged formula as provided in paragraph (b)(ii) of this

19   section;

20

21   (iv) Five and one-half percent (5.5%) of the

22   total amount for direct distribution to counties.

23

1   (b) Funds distributed in paragraphs (a)(i) and (iii)

2   of this section shall be distributed to cities and towns

3   each fiscal year. Distributions shall be made in equal

4   amounts on October 15 and March 15 of each fiscal year as

5   calculated from revenues collected and accrued in the

6   immediately preceding fiscal year prior to the October 15

7   distribution, subject to the following:

8

9   (i) Except as provided in paragraph (ii) of this

10   subsection, from these distributions each municipality with

11   a population of thirty-five (35) or less shall first

12   receive fifteen thousand dollars ($15,000.00) and each

13   municipality with a population over thirty-five (35) shall

14   first receive thirty-five thousand dollars ($35,000.00).

15   From the remainder, each municipality shall receive amounts

16   in accordance with a municipal supplemental funding formula

17   as provided in this paragraph. The municipal supplemental

18   funding formula shall be calculated by the office of state

19   lands and investments as follows:

20

21   (A) Calculate the per capita sales and use

22   tax revenues available to each municipality using the sales

23   and use tax distributions to the county where each

1 municipality is located attributable to the most recently

2 completed fiscal year, including distributions to each

3 municipality within that county under W.S. 39-15-111 and

4 39-16-111 but excluding the distribution exclusively to

5 counties under W.S. 39-15-111(b)(iii) made from an amount

6 equivalent to one percent (1%) of the tax collected under

7 W.S. 39-15-104 and excluding the distribution exclusively

8 to counties under W.S. 39-16-111(b)(iii) made from an

9 amount equivalent to one percent (1%) of the tax collected

10 under W.S. 39-16-104;

11

12 (B) Calculate the inverse by dividing one

13 (1) by the per capita sales and use tax numbers determined

14 under subparagraph (A) of this paragraph for each

15 municipality;

16

17 (C) Calculate the normalized per capita

18 sales and use tax number for each municipality by dividing

19 the number determined under subparagraph (B) of this

20 paragraph for the municipality by the total of all inverse

21 per capita sales and use tax numbers calculated under

22 subparagraph (B) of this paragraph;

23

1   (D) Multiply the normalized per capita

2   sales and use tax number for each municipality by

3   seventy-five percent (75%);

4

5   (E) Calculate the per capita assessed value

6   for the prior tax year corresponding to the most recently

7   completed calendar year for each municipality by dividing

8   the total assessed valuation within the municipality by the

9   population of the municipality;

10

11   (F) Calculate the inverse by dividing one

12   (1) by the per capita assessed value determined under

13   subparagraph (E) of this paragraph for each municipality;

14

15   (G) Calculate the normalized per capita

16   assessed value number for each municipality by dividing the

17   number determined under subparagraph (F) of this paragraph

18   for the municipality by the total of all inverse per capita

19   assessed value numbers calculated under subparagraph (F) of

20   this paragraph;

21

1   (H) Multiply the normalized per capita

2   assessed value number for each municipality by twenty-five

3   percent (25%);

4

5   (J) Multiply the sum of subparagraphs (D)

6   and (H) of this paragraph for each municipality by the

7   population of the municipality;

8

9   (K) Calculate the normalized index for each

10 municipality by dividing the number determined under

11 subparagraph (J) of this paragraph for the municipality by

12 the sum of all numbers calculated under subparagraph (J) of

13 this paragraph;

14

15   (M) Determine the amount to distribute to

16 each municipality by multiplying the normalized index

17 number determined under subparagraph (K) of this paragraph

18 by the amount remaining available for distribution under

19 this paragraph.

20

21   (ii) From the funds distributed in paragraphs

22 (a)(i) and (iii) of this section, each city or town shall

23 receive amounts in accordance with a city and town revenue

1 challenged formula as provided in this paragraph. The

2 revenue challenged formula shall be calculated by the

3 office of state lands and investments as follows:

4

5 (A) Calculate the lowest quartile amount

6 received by cities and towns on a per capita basis using

7 amounts received under this section plus amounts

8 distributed to each city and town using the sales and use

9 tax distributions to the county where each municipality is

10 located attributable to the most recently completed fiscal

11 year under this paragraph, including distributions to each

12 municipality within that county under W.S. 39-15-111 and

13 39-16-111 but excluding the distribution exclusively to

14 counties under W.S. 39-15-111(b)(iii) made from an amount

15 equivalent to one percent (1%) of the tax collected under

16 W.S. 39-15-104 and excluding the distribution exclusively

17 to counties under W.S. 39-16-111(b)(iii) made from an

18 amount equivalent to one percent (1%) of the tax collected

19 under W.S. 39-16-104;

20

21 (B) Determine each city or town that

22 received a per capita amount that is less than the lowest

1   quartile amount determined under subparagraph (A) of this

2   paragraph;

3

4   (C) For each city or town that received a

5   per capita amount that is less than the lowest quartile

6   amount as provided in subparagraph (B) of this paragraph,

7   determine the amount that would be necessary to increase

8   the per capita amount distributed to that city or town to

9   the lowest quartile amount determined under subparagraph

10   (A) of this paragraph;

11

12   (D) Determine the amount to distribute to

13   each city or town that received an amount that is less than

14   the lowest quartile amount determined under subparagraph

15   (A) of this paragraph by distributing the amount available

16   under this paragraph on a pro rata basis, up to the lowest

17   quartile amount, based on the amounts determined under

18   subparagraph (C) of this paragraph.

19

20   (c) Funds distributed in paragraphs (a)(ii) and (iv)

21   of this section are to be distributed to counties each

22   fiscal year. Distributions shall be made in equal amounts

23   on October 15 and March 15 of each fiscal year as

1 calculated from revenues collected and accrued for the

2 immediately preceding fiscal year prior to the October 15

3 distribution. From these distributions each county shall

4 receive the following:

5

6 (i) Each county with an assessed value for the

7 tax year prior to the most recently completed calendar year

8 of less than three hundred thousand dollars ($300,000.00)

9 per mill shall first receive an amount equal to three (3)

10 times the difference between three hundred thousand dollars

11 ($300,000.00) and the actual value of one (1) mill within

12 the county. From the remainder, each county shall receive

13 amounts in accordance with a county supplemental funding

14 formula as provided in this paragraph. The county

15 supplemental funding formula shall be calculated by the

16 office of state lands and investments as follows:

17

18 (A) Calculate the per capita sales and use

19 tax revenues available to each county using the sales and

20 use tax distributions to each county attributable to the

21 most recently completed fiscal year, excluding

22 distributions to each municipality within that county under

23 W.S. 39-15-111 and 39-16-111;

1

2   (B) Calculate the inverse by dividing one

3 (1) by the per capita sales and use tax number determined

4 under subparagraph (A) of this paragraph for each county;

5

6   (C) Calculate the normalized per capita

7 sales and use tax number for each county by dividing the

8 number determined under subparagraph (B) of this paragraph

9 for the county by the total of all inverse per capita sales

10 and use tax numbers calculated under subparagraph (B) of

11 this paragraph;

12

13   (D) Multiply the normalized per capita

14 sales and use tax number determined under subparagraph (C)

15 of this paragraph for each county by twenty-four percent

16 (24%);

17

18   (E) Calculate the per capita assessed value

19 for each county by dividing the total assessed valuation

20 within the county for the tax year prior to the most

21 recently completed calendar year by the population of the

22 county;

23

1   (F) Calculate the inverse by dividing one

2   (1) by the per capita assessed value determined under

3   subparagraph (E) of this paragraph for each county;

4

5   (G) Calculate the normalized per capita

6   assessed value number for each county by dividing the

7   number determined under subparagraph (F) of this paragraph

8   for the county by the total of all inverse per capita

9   assessed value numbers calculated under subparagraph (F) of

10   this paragraph;

11

12   (H) Multiply the normalized per capita

13   assessed value number determined under subparagraph (G) of

14   this paragraph for each county by seventy-six percent

15   (76%);

16

17   (J) Calculate a cost of government index

18   for each county, which shall be determined by multiplying

19   six hundred twenty-eight (628) by the population of the

20   county and then adding nine million nine hundred thousand

21   (9,900,000) to the result;

22

1   (K) Calculate the normalized cost of

2   government index number for each county by dividing the

3   number determined under subparagraph (J) of this paragraph

4   for the county by the total of all cost of government index

5   numbers   calculated   under   subparagraph   (J)   of   this

6   paragraph;

7

8   (M) Multiply the sum of subparagraphs (D)

9   and (H) of this paragraph by the normalized cost of

10 government index number determined in subparagraph (K) of

11 this paragraph for each county;

12

13   (N) Calculate the normalized index for each

14 county by dividing the number determined under subparagraph

15 (M) of this paragraph for the county by the total of all

16 numbers   calculated   under   subparagraph   (M)   of   this

17 paragraph;

18

19   (O) Determine the amount to distribute to

20 each county by multiplying the normalized index number

21 determined under subparagraph (N) of this paragraph by the

22 amount remaining available for distribution under this

23 paragraph.

1

2   **39-15-603. Legislative intent.**

3

4   (a) It is the intent of the legislature that the

5 funds distributed under this article shall not be used for:

6

7   (i) Salary adjustments, additional personnel or

8 increased personnel benefits;

9

10   (ii) Any compensation to the members of any

11 board for which the board of county commissioners appoints

12 members, unless compensation is otherwise required by law.

13

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

15

16   (END)