## DRAFT ONLY NOT APPROVED FOR INTRODUCTION

## HOUSE BILL NO.

Impact assistance payments-maximum percentages and review.

Sponsored by: Joint Minerals, Business & Economic Development Interim Committee

## A BILL

for

1 AN ACT relating to industrial development and siting; specifying that the industrial siting council may increase 2 the impact assistance payments of specified projects beyond 3 4 the maximum allowable percentages; requiring approval of 5 increases; specifying that approvals are not subject to judicial review; making conforming amendments; specifying 6 7 applicability; and providing for an effective date. 8 9 Be It Enacted by the Legislature of the State of Wyoming:

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- 11 **Section 1.** W.S. 35-12-105(c), 39-15-111(c), (d)(intro)
- 12 and by creating a new subsection (r) and 39-16-111(d),

- (e)(intro) and by creating a new subsection (p) are amended 1 2 to read: 3 4 35-12-105. Appointment and duties of administrator; 5 staff; rules and regulations. 6 (c) The director, administrator and the staff of the 7 division are authorized to the extent possible, at the 8 request of local governments, to provide technical 9 10 assistance to local governments in the preparation of anticipated impacts related to a proposed project 11 12 consistent with W.S. 39-15-111(c), and (d) and (r) and 39-13 16-111(d), and (e) and (p) and negotiation of agreements with applicants as provided for in W.S. 35-12-107. 14 15 16 39-15-111. Distribution. 17 (c) If any person commences after the effective date 18 19
- of this act to construct an industrial facility, as that term is defined in W.S. 35-12-102, under a permit issued pursuant to W.S. 35-12-106, or if the federal or state government commences to construct any project within this state with an estimated construction cost as specified in

1 the definition of industrial facility in W.S. 35-12-102 the 2 department of revenue shall thereafter pay to the county treasurer and the county treasurer will distribute to the 3 4 county, cities and towns of that county in which the 5 industrial facility or project is located, impact the monies 6 assistance payments from available under paragraph (b)(i) of this section. Each payment to the 7 county treasurer shall be equal to an amount determined by 8 9 the industrial siting council under this subsection and 10 shall continue during the period of construction except 11 that in the case of an industrial facility or a federal or 12 state government project which is expected to continue in 13 phases for an indefinite period of time, the department of revenue shall discontinue payments under this section when 14 15 construction of any phase has ceased or been substantially 16 completed for twelve (12) consecutive months. The person 17 constructing the industrial facility and the counties affected by the construction of the industrial facility 18 19 shall provide evidence at the public hearing held pursuant 20 to W.S. 35-12-110(f)(i) of the mitigated and unmitigated impacts that the construction will have on the counties, 21 towns determined by the industrial siting 22 cities and 23 council to be affected by the construction of

1 industrial facility. The industrial siting council shall 2 review the evidence of the impacts and determine, applying 3 a preponderance of evidence standard, the dollar amount of 4 the unmitigated impacts. The council shall state, in the order issued under W.S. 35-12-113(a), the total dollar 5 6 amount of the impact assistance payment and specific findings of fact detailing the basis for the total 7 8 dollar amount determination and if requested by the 9 affected county, city or town, justification its 10 rejecting, in whole or in part, an application for an impact assistance payment. The impact assistance payment 11 12 shall be distributed by the department of revenue in an 13 amount and on a schedule determined by the council, based 14 evidence presented at the hearing. Under 15 circumstances shall the total dollar amount of the impact 16 assistance payment exceed the maximum allowable percentage 17 specified in this subsection of the total estimated 18 material costs of the facility, as those costs 19 determined by the council. The maximum allowable percentage 20 shall be two and twenty-five hundredths percent (2.25%) for facilities with total estimated materials costs of three 21 hundred fifty million dollars (\$350,000,000.00) or less 22 23 except as otherwise provided in this subsection, two

1 percent (2%) for facilities with total estimated materials 2 costs in excess of three hundred fifty million dollars 3 (\$350,000,000.00) but less than eight hundred fifty million 4 dollars (\$850,000,000.00) and one and one-half percent (1.50%) for facilities with total estimated materials costs 5 of eight hundred fifty million dollars (\$850,000,000.00) or 6 more. For facilities with total estimated materials costs 7 8 of three hundred fifty million dollars (\$350,000,000.00) or less, the council may increase the maximum allowable 9 10 percentage to not more than two and seventy-six hundredths percent (2.76%) if the council includes in the specific 11 findings required under this subsection that the maximum 12 13 allowable percentage of two and twenty-five hundredths percent (2.25%) is insufficient to mitigate the identified 14 15 impacts. For facilities with total estimated materials 16 costs exceeding three hundred fifty million dollars 17 (\$350,000,000.00), the council may increase the maximum 18 allowable percentage to not more than two and seventy-six 19 hundredths percent (2.76%) in accordance with subsection 20 (r) of this section. The council shall submit a report to 21 the joint appropriations committee and the joint minerals, business and economic development interim committee not 22 23 later than ten (10) business days after increasing the

1 allowable percentage specified in this maximum as 2 subsection, including data to support the increase. The 3 impact assistance payments shall be distributed to the 4 county treasurer and the county treasurer will distribute to the county and to the cities and towns therein based on 5 a ratio established by the industrial siting council during 6 a public hearing held in accordance with W.S. 35-12-7 8 110(f)(i). In determining the distribution ratio, 9 industrial siting council may consider the extent 10 location of the unmitigated impacts, the populations of the 11 affected counties, cities and towns, including any 12 disproportionate impacts on smaller communities, and any other equitable factor. The industrial siting council shall 13 review the distribution ratio for construction projects on 14 15 a regular basis and make appropriate adjustments. A 16 governing body which is primarily affected by the facility, 17 or any person issued a permit pursuant to W.S. 35-12-106, may petition the industrial siting council for review and 18 adjustment of the distribution ratio or the amount of the 19 20 impact assistance payment upon a showing of good cause. The 21 impact assistance payment shall be in addition to all other distributions under this section, but no impact assistance 22 payment shall be made for any period in which the county or 23

1 counties are not imposing at least a one percent (1%) tax 2 authorized by W.S. 39-15-204(a)(i) and 39-16-204(a)(i) or 3 at least a total of a two percent (2%) sales tax authorized 4 under W.S. 39-15-204(a)(i), (iii) and (vi) and at least a 5 total of a two percent (2%) use tax authorized under W.S. 39-16-204(a)(i), (ii) 6 and (v). For purposes of this subsection, the industrial facility or federal or state 7 8 government project will be deemed to be located in the 9 county in which a majority of the construction costs will 10 be expended, provided that upon a request from the county 11 commissioners of any adjoining county to the industrial 12 siting council, the council may determine that the social and economic impacts from construction of the industrial 13 facility or federal or state government project upon the 14 15 adjoining county are significant and establish the ratio of 16 impacts between the counties and certify that ratio to the 17 department of revenue who will thereafter distribute the impact assistance payment to the counties pursuant to that 18 19 Each county, city and town that ratio. receives 20 distribution under this subsection shall provide an annual 21 report to the industrial siting council describing how the impact assistance payment was expended. The report shall 22 first be submitted not later than one (1) year after the 23

1 impact assistance payment is approved and annually each year thereafter for the duration in which distributions are 2 until all distributions are expended. 3 made 4 industrial siting council shall adopt rules as necessary to implement this subsection. 5 6 7 (d) As used in subsection subsections (c) and (r) of 8 this section: 9 10 (r) For industrial facilities for which the total 11 estimated materials cost exceeds three hundred fifty million dollars (\$350,000,000.00), the industrial siting 12 council may increase the maximum allowable percentage of 13 any impact assistance payment to not more than two and 14 seventy-six hundredths percent (2.76%) in accordance with 15 16 the following: 17 18 (i) The council shall include in the specific 19 findings required under subsection (c) of this section that 20 the maximum allowable percentage, as applicable, for the industrial facility is insufficient to mitigate 21 the

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identified impacts;

1	(ii) Upon making the findings required in
2	paragraph (i) of this subsection, the council shall forward
3	the proposed percentage increase, the permit order or
4	decision and, if requested by the board, the record of the
5	hearing, to the state loan and investment board. The board
6	shall not accept or consider any new evidence in its
7	consideration under this paragraph. Not later than the next
8	regularly scheduled board meeting after receiving a
9	proposed percentage increase for an impact assistance
10	payment, the state loan and investment board shall consider
11	the council's proposed percentage increase and shall:
12	
13	(A) Approve the proposed percentage
14	increase;
15	
16	(B) Deny the proposed percentage increase;
17	<u>or</u>
18	
19	(C) Modify the proposed percentage increase
20	to any percentage between the maximum allowable percentage
21	as specified under subsection (c) of this section and two
22	and seventy-six hundredths percent (2.76%).
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1	(iii) The council shall authorize that payments
2	made under subsection (c) of this section be made at a
3	percentage not to exceed the applicable maximum allowable
4	percentage specified in subsection (c) of this section
5	while the proposed percentage increase is pending before
б	the state loan and investment board;
7	
8	(iv) If the state loan and investment board
9	approves or modifies the proposed percentage increase under
10	paragraph (ii) of this subsection and upon direction by the
11	council, the department shall make payments in an amount
12	sufficient to make the payments equal to the amount
13	necessary to make the impact assistance payment's increased
14	percentage retroactive to the beginning of the period of
15	construction;
16	
17	(v) The decision of the state loan and investment
18	board to approve, deny or modify a proposed percentage
19	increase under paragraph (ii) of this subsection is final
20	and shall not be subject to further review by the
21	industrial siting council or subject to any judicial
22	review. Nothing in this paragraph shall be construed to

- 1 abrogate any other right of review specified in the
- 2 Industrial Development Information and Siting Act.

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4 39-16-111. Distribution.

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(d) If any person commences after the effective date 6 of this act to construct an industrial facility, as that 7 8 term is defined in W.S. 35-12-102, under a permit issued pursuant to W.S. 35-12-106, or if the federal or state 9 10 government commences to construct any project within this 11 state with an estimated construction cost as specified in 12 the definition of industrial facility in W.S. 35-12-102 the 13 department of revenue shall thereafter pay to the county treasurer and the county treasurer will distribute to the 14 15 county, cities and towns of that county in which the 16 industrial facility or project is located, 17 assistance payments from the monies available under 18 paragraph (b)(i) of this section. Each payment to the 19 county treasurer shall be equal to an amount determined by 20 the industrial siting council under this subsection and 21 shall continue during the period of construction except that in the case of an industrial facility or a federal or 22 23 state government project which is expected to continue in

phases for an indefinite period of time, the department of 1 revenue shall discontinue payments under this section when 2 3 construction of any phase has ceased or been substantially 4 completed for twelve (12) consecutive months. The person 5 constructing the industrial facility and the counties affected by the construction of the industrial facility 6 shall provide evidence at the public hearing held pursuant 7 8 to W.S. 35-12-110(f)(i) of the mitigated and unmitigated 9 impacts that the construction will have on the counties, 10 and towns determined by the industrial siting cities 11 council to be affected by the construction of 12 industrial facility. The industrial siting council shall 13 review the evidence of the impacts and determine, applying a preponderance of evidence standard, the dollar amount of 14 the unmitigated impacts. The council shall state, in the 15 16 order issued under W.S. 35-12-113(a), the total dollar 17 impact assistance payment and amount of the include specific findings of fact detailing the basis for the total 18 19 dollar amount determination and if requested by the 20 affected county, city or town, its justification for 21 rejecting, in whole or in part, an application for an 22 impact assistance payment. The impact assistance payment shall be distributed by the department of revenue in an 23

1 amount and on a schedule determined by the council, based 2 evidence presented at the hearing. Under on no 3 circumstances shall the total dollar amount of the impact 4 assistance payment exceed the maximum allowable percentage subsection of 5 specified in this the total estimated the facility, 6 material costs οf as those costs determined by the council. The maximum allowable percentage 7 8 shall be two and twenty-five hundredths percent (2.25%) for facilities with total estimated materials costs of three 9 10 hundred fifty million dollars (\$350,000,000.00) or less 11 except as otherwise provided in this subsection, two percent (2%) for facilities with total estimated materials 12 costs in excess of three hundred fifty million dollars 13 (\$350,000,000.00) but less than eight hundred fifty million 14 dollars (\$850,000,000.00) and one and one-half percent 15 16 (1.50%) for facilities with total estimated materials costs 17 of eight hundred fifty million dollars (\$850,000,000.00) or more. For facilities with total estimated materials costs 18 19 of three hundred fifty million dollars (\$350,000,000.00) or 20 less, the council may increase the maximum allowable 21 percentage to not more than two and seventy-six hundredths percent (2.76%) if the council includes in the specific 22 findings required under this subsection that the maximum 23

1 allowable percentage of two and twenty-five hundredths 2 percent (2.25%) is insufficient to mitigate the identified 3 impacts. For facilities with total estimated materials 4 costs exceeding three hundred fifty million dollars (\$350,000,000.00), the council may increase the maximum 5 allowable percentage to not more than two and seventy-six 6 hundredths percent (2.76%) in accordance with subsection 7 8 (p) of this section. The council shall submit a report to 9 the joint appropriations committee and the joint minerals, 10 business and economic development interim committee not 11 later than ten (10) business days after increasing the specified 12 maximum allowable percentage as in this 13 subsection, including data to support the increase. The impact assistance payments shall be distributed to the 14 county treasurer and the county treasurer will distribute 15 16 to the county and to the cities and towns therein based on 17 a ratio established by the industrial siting council during a public hearing held in accordance with W.S. 35-12-18 19 110(f)(i). In determining the distribution ratio, 20 industrial siting council may consider the extent and 21 location of the unmitigated impacts, the populations of the affected counties, cities and towns, 22 including any disproportionate impacts on smaller communities, and any 23

1 other equitable factor. The industrial siting council shall 2 review the distribution ratio for construction projects on 3 a regular basis and make appropriate adjustments. A 4 governing body which is primarily affected by the facility, 5 or any person issued a permit pursuant to W.S. 35-12-106, may petition the industrial siting council for review and 6 adjustment of the distribution ratio or the amount of the 7 8 impact assistance payment upon a showing of good cause. 9 The impact assistance payment shall be in addition to all 10 other distributions under this section, but no 11 assistance payment shall be made for any period in which 12 the county or counties are not imposing at least a one 13 percent (1%) tax authorized by W.S. 39-15-204(a)(i) and 39-16-204(a)(i) or at least a total of a two percent (2%) 14 sales tax authorized under W.S. 39-15-204(a)(i), (iii) and 15 16 (vi) and at least a total of a two percent (2%) use tax 17 authorized under W.S. 39-16-204(a)(i), (ii) and (v). For purposes of this subsection, the industrial facility or 18 19 federal or state government project will be deemed to be 20 located in the county in which a majority of the 21 construction costs will be expended, provided that upon a request from the county commissioners of an adjoining 22 23 county to the industrial siting council, the council may

1	determine that the social and economic impacts from
2	construction of the industrial facility or federal or state
3	government project upon the adjoining county are
4	significant and establish the ratio of impacts between the
5	counties and certify that ratio to the department of
6	revenue who will thereafter distribute the impact
7	assistance payment to the counties pursuant to that ratio.
8	Each county, city and town that receives a distribution
9	under this subsection shall provide an annual report to the
10	industrial siting council describing how the impact
11	assistance payment was expended. The report shall first be
12	submitted not later than one (1) year after the impact
13	assistance payment is approved and annually each year
14	thereafter for the duration in which distributions are made
15	and until all distributions are expended. The industrial
16	siting council shall adopt rules as necessary to implement
17	this subsection.

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19 (e) As used in <u>subsection subsections</u> (d) <u>and (p)</u> of 20 this section:

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22 <u>(p) For industrial facilities for which the total</u>
23 estimated materials cost exceeds three hundred fifty

1 million dollars (\$350,000,000.00), the industrial siting 2 council may increase the maximum allowable percentage of 3 any impact assistance payment to not more than two and 4 seventy-six hundredths percent (2.76%) in accordance with 5 the following: 6 7 (i) The council shall include in the specific 8 findings required under subsection (d) of this section that 9 the maximum allowable percentage, as applicable, for the 10 industrial facility is insufficient to mitigate the 11 identified impacts; 12 13 (ii) Upon making the findings required in paragraph (i) of this subsection, the council shall forward 14 15 the proposed percentage increase, the permit order or 16 decision and, if requested by the board, the record of the 17 hearing, to the state loan and investment board. The board shall not accept or consider any new evidence in its 18 19 consideration under this paragraph. Not later than the next 20 regularly scheduled board meeting after receiving a 21 proposed percentage increase for an impact assistance 22 payment, the state loan and investment board shall consider the council's proposed percentage increase and shall: 23

1	
2	(A) Approve the proposed percentage
3	increase;
4	
5	(B) Deny the proposed percentage increase;
6	<u>or</u>
7	
8	(C) Modify the proposed percentage increase
9	to any percentage between the maximum allowable percentage
10	as specified under subsection (d) of this section and two
11	and seventy-six hundredths percent (2.76%).
12	
13	(iii) The council shall authorize that payments
14	made under subsection (d) of this section be made at a
15	percentage not to exceed the applicable maximum allowable
16	percentage specified in subsection (d) of this section
17	while the proposed percentage increase is pending before
18	the state loan and investment board;
19	
20	(iv) If the state loan and investment board
21	approves or modifies the proposed percentage increase under
22	paragraph (ii) of this subsection and upon direction by the
23	council, the department shall make payments in an amount

1	sufficient to make the payments equal to the amount
2	necessary to make the impact assistance payment's increased
3	percentage retroactive to the beginning of the period of
4	construction;
5	
6	(v) The decision of the state loan and investment
7	board to approve, deny or modify a proposed percentage
8	increase under paragraph (ii) of this subsection is final
9	and shall not be subject to further review by the
L O	industrial siting council or subject to any judicial
L1	review. Nothing in this paragraph shall be construed to
L2	abrogate any other right of review specified in the
L3	Industrial Development Information and Siting Act.
L4	
L5	Section 2. This act shall only apply to impact
L6	assistance payments for industrial facility permit
L7	applications submitted on and after the effective date of
L8	this act.
L9	
20	Section 3. This act is effective July 1, 2025.
21	
22	(END)