DRAFT ONLY
NOT APPROVED FOR INTRODUCTION

HOUSE BILL NO.

County consensus funding program.

Sponsored by: Joint Appropriations Committee

A BILL

for

AN ACT relating to the administration of the government; creating and codifying the county consensus funding program for local government projects; specifying requirements and restrictions for the program; specifying duties; creating an account; providing for the distribution of severance tax revenues to the county consensus account; requiring reports; providing definitions; providing for the transfer of funds; requiring rulemaking; and providing for effective dates.

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

Section 1. W.S. 9-30-101 and 9-30-102 are created to read:

CHAPTER 30

COUNTY CONSENSUS FUNDING PROGRAM

9-30-101. County consensus funding program.

(a) As used in this chapter:

(i) "Capital project" means the acquisition, construction, reconstruction, expansion or substantial improvement of public facilities and infrastructure resulting in the creation of a capital asset or materially extending the useful life, capacity, efficiency or functionality of an existing capital asset. "Capital project" includes acquisition of major equipment or vehicles integral to the delivery of public services. "Capital project" shall not include routine operational expenses, consumable supplies, recurring personnel costs and ordinary maintenance activities;

(ii) "Major maintenance and repair" means non-routine rehabilitation, preservation, replacement or repair of public facilities and infrastructure intended to maintain structural integrity, operational reliability, regulatory compliance or public safety and to substantially extend the useful life of a capital asset. "Major maintenance and repair" shall not include recurring operational, custodial or preventative activities performed at regular intervals to maintain a facility or asset in ordinary working condition and that do not materially extend the useful life or increase the capacity of the facility or asset;

(iii) "Public facilities and infrastructure" means publicly owned capital assets, buildings, structures, systems, utilities, equipment and related improvements used to provide governmental or public services, including transportation, water, wastewater, storm drainage, public safety, health care and administrative, recreational, communications and similar public service facilities and systems.

(b) The county consensus funding program is created. The office of state lands and investments shall administer the program in accordance with this chapter.

(c) On and after October 1 of each year, the office of state lands and investments shall distribute grants from unencumbered funds available in the county consensus account as specified in this subsection. Excluding amounts previously allocated to a county but not yet distributed to that county, the total amount authorized for distribution attributable to each fiscal year shall be equal to XXX dollars, or as much thereof as is available, and shall be allocated for each county as follows:

(i) To each county an amount equal to the total amount allocated in this subsection multiplied by seventy-five percent (75%) divided by the three (3) year rolling average of the total estimated state population multiplied by the three (3) year rolling average of the county's estimated population; plus

(ii) To each county an amount equal to the total amount allocated in this subsection multiplied by twenty-

five percent (25%) and then multiplied by each county's inverse per capita assessed valuation factor, computed as follows:

(A) Divide each county's assessed valuation for the immediately preceding tax year by that county's population to compute county assessed valuation per capita and the total state assessed valuation for the immediately preceding tax year by the total state population to compute state assessed valuation per capita;

(B) Divide the state assessed valuation per capita by each county's assessed valuation per capita to compute an inverse ratio for each county;

(C) Sum all the county inverse ratios computed in subparagraph (B) of this paragraph for a state total inverse ratio;

(D) Divide each county's inverse ratio by the state total inverse ratio to compute each county's per capita assessed valuation factor.

(d) Funds granted to counties under this chapter shall only be expended for capital projects, major maintenance and repair of existing public facilities and infrastructure, including expenditures undertaken by special districts.

(e) Grant funds shall be awarded to counties for distribution to counties and cities, towns and special districts within the county in accordance with all of the following:

(i) Not less than one (1) time each fiscal year, the board of county commissioners in each county shall solicit requests for projects specified in subsection (d) of this section to be funded under this chapter from cities, towns and special districts in the county. The board of county commissioners may determine the county's requests for projects for the county. The board of county commissioners shall compile the list of requests received from the county and each city, town and special district in the county and make that list public;

(ii) Each board of county commissioners shall provide not less than one (1) opportunity for public comment on the list of proposed projects specified in subsection (d) of this section for funding;

(iii) The board of county commissioners shall submit to the office of state lands and investments a list of all proposed projects specified in subsection (d) of this section for which a consensus of the board of county commissioners and the governing bodies of not less than fifty percent (50%) of the incorporated cities and towns within that county have agreed should be funded using grant funds awarded under this chapter. If the board of county commissioners and the governing bodies of the incorporated cities and towns within the county are unable to reach the consensus required under this paragraph, the board of county commissioners shall submit notice of the failure to reach consensus to the office of state lands and investments;

(iv) Upon receipt of a list of projects under paragraph (iii) of this subsection, the office of state lands and investments shall disburse grant funds to the

county treasurer. The county treasurer shall distribute grant funds to the county and each city, town and special district that has projects that were included on the list submitted under paragraph (iii) of this subsection;

(v) Upon receipt of notice of a failure to reach consensus under paragraph (iii) of this subsection, the office of state lands and investments shall encumber in the county consensus account the amount of grant funds that otherwise would have been distributed to that county for that fiscal year and shall make that amount available for distribution to the county in the immediately succeeding fiscal year in accordance with this chapter;

(vi) The office of state lands and investments may promulgate rules to establish deadlines by which counties, cities, towns and special districts shall comply with this subsection.

(f) For purposes of this chapter, the population of a city, town or county shall be determined by the economic analysis division within the department of administration and information.

(g) Nothing in this chapter shall be construed to limit the governor from making additional budget recommendations for appropriations to cities, towns and counties for capital projects, major maintenance and repair of existing public facilities and infrastructure under this chapter.

(h) Funds granted under this chapter that are in excess of final project costs shall not revert to the county consensus account, except as provided in subsection (j) of this section, but may be applied by the recipient governing bodies to any remaining county-level project agreed upon in the consensus process under subsection (e) of this section as determined by the governing bodies. To the extent excess funds are not sufficient to complete an additional project under this subsection, those excess funds may be held by the county treasurer for future project use as authorized in this chapter.

(j) Funds granted to a recipient governing body for any project for which the funds will not be encumbered shall revert to the county consensus account not later than

four (4) years after the appropriation was made to the county consensus account. All reversions under this subsection shall subsequently revert to the account from which the original appropriation to the county consensus account was made.

(k) Not later than July 1, 2028 and each July 1 thereafter, each board of county commissioners receiving grant funds under this chapter shall report to the office of state lands and investments on the amount of grant funds received, the projects to which the funds have been applied, and the status of each project funded in whole or in part by grant funds from the county consensus account.

(m) Not later than November 1, 2028 and each November 1 thereafter, the office of state lands and investments shall report to the joint appropriations committee and the joint minerals, business and economic development interim committee on the county consensus funding program created in this chapter. The report shall include, at a minimum, the amount of funds granted from the county consensus account to counties, cities, towns and special districts during the immediately preceding fiscal year, the balance

of the county consensus account as of July 1, the projects approved for funding under the program, the status of all projects that were funded in the immediately preceding fiscal year or that are not complete as of July 1 of that year and any recommendations for legislative changes to the program.

9-30-102. County consensus funding program; account.

The county consensus account is hereby created. Except as provided in W.S. 9-30-101(j), funds in the account are continuously appropriated to the office of state lands and investments for grants to counties, cities, towns and special districts in accordance with this chapter. The state treasurer shall invest all funds in the account in accordance with law. The office of state lands and investments may accept, and shall deposit to the account, any gifts, contributions, donations, grants or other funds specifically given or appropriated to the office for the purposes of this chapter.

Section 2. W.S. 39-14-801(d), (e)(i) through (x) and by creating a new paragraph (e)(xi) is amended to read:

39-14-801. Severance tax distributions; distribution account created; formula.

(d) After making distributions pursuant to subsections (b), (c), (f) and (j) of this section, distributions under subsection (e) of this section shall be made from the severance tax distribution account. The amount of distributions under subsection (e) of this section shall not exceed one hundred fifty-five million dollars ($155,000,000.00) in any fiscal year through the fiscal year ending June 30, 2028, and thereafter, shall not exceed XXX dollars in any fiscal year. To the extent that distributions under subsection (e) of this section would exceed ~~that~~ the applicable specified amount in any fiscal year, the excess shall be credited to the general fund.

(e) Deposits into the account created by subsection (a) of this section shall be distributed as follows, subject to subsections (b) through (d) and (f) of this section:

(i) To the general fund, sixty-two and twenty-six hundredths percent (62.26%) through the fiscal year ending June 30, 2028, and thereafter YYY percent;

(ii) To water development account I under W.S. 41-2-124(a)(i), twelve and forty-five hundredths percent (12.45%) through the fiscal year ending June 30, 2028, and thereafter YYY percent;

(iii) To water development account II under W.S. 41-2-124(a)(ii), two and one tenth percent (2.1%) through the fiscal year ending June 30, 2028, and thereafter YYY percent;

(iv) To the highway fund, except for the fiscal years commencing July 1, 2016 and July 1, 2017, four and thirty-three hundredths percent (4.33%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, except that if the total unencumbered revenues within the state park road account created by W.S. 24-14-102 are less than five hundred thousand dollars ($500,000.00) on July 1, 2001 or on July 1 of any even-numbered year, thereafter, the state treasurer shall first distribute revenues to that

account in an amount equal to five hundred thousand dollars ($500,000.00) less the total unencumbered revenues in the account on July 1 of that year. For the fiscal years commencing July 1, 2016 and July 1, 2017 funds under this paragraph shall be distributed to the general fund;

(v) To counties, seventy-eight hundredths percent (0.78%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, subject to the following formula:

(vi) To counties, three and one-tenth percent (3.1%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, each county to receive an amount in the proportion which the population of the county bears to total state population;

(vii) To the road construction and maintenance funds of the various counties as provided by W.S. 24-2-110, two and nine-tenths percent (2.9%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, except that each county's share of funds under this subsection shall be computed as follows:

(viii) To cities and towns, nine and twenty-five hundredths percent (9.25%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, each city or town to receive an amount in the proportion which the population of the city or town bears to the population of all cities and towns in Wyoming;

(ix) To the capital construction account, two and thirty-three hundredths percent (2.33%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, to be expended for the purposes specified in W.S. 9-4-604(k)(ii);

(x) To the water development account III, five-tenths of one percent (.5%) through the fiscal year ending June 30, 2028, and thereafter YYY percent, to be expended for the purposes specified in W.S. 41-2-124(d);~~.~~

(xi) To the county consensus account created by W.S. 9-30-102, beginning with the fiscal year commencing July 1, 2028 and each fiscal year thereafter, YYY percent, for purposes specified in W.S. 9-30-101 through 9-30-102.

Section 3. On July 1, 2027, the state auditor shall transfer all unexpended, unobligated funds within the business ready communities account created in W.S. 9-12-602 to the county consensus account created by W.S. 9-30-102, as created by this act.

Section 4. The office of state lands and investments shall promulgate all rules necessary to implement this act.

Section 5.

(a) Except as provided in subsection (b) of this section, this act is effective July 1, 2027.

(b) Sections 4 and 5 of this act are 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)